

CHAIN OF CUSTODY POLICY

Neucel Specialty Cellulose Ltd. (Neucel) is committed to environmentally sound business practices. Neucel has established a Chain of Custody System that meets the requirements of the PEFC international standard and provides a linkage between responsibly managed forests and the wood fibre we use in our manufacturing process.

We are able to provide assurance to our customers that we will:

- Track the origin and material category of our wood fibre.
- Track and record the volume of wood fibre from forests certified by:
 - Canadian Standards Association Sustainable Forest Management (CAN/CSA-Z809)
 - Sustainable Forestry Initiative® (SFI)
 - Forest Stewardship Council® (FSC)
- Track and record the volume of non-certified wood fibre and ensure that effective controls are implemented to avoid trading and sourcing wood fibre from controversial sources.
- Implement a Chain of Custody System which demonstrates our wood fibre:
 - Originates from a legal and authorized source.
 - Is harvested with consideration to traditional or civil rights.
 - Is not harvested from high conservation value forests.
 - Does not originate from forests being converted to non-forest use or from forests containing genetically modified trees.
 - Contains only those tree species not classified as endangered by CITES.
 - Does not originate from forests where activities violate local, national or international legislation respecting biodiversity conservation, forest sector related trade and customs, and the rights of owners or users of third party property or tenure.
- Maintain a Chain of Custody System, including annual audits and management reviews to ensure the controls and documentation are effective and maintained.
- Communicate information to our customers regarding the Chain of Custody System and certified wood fibre used in our manufacturing process.
- Ensure our operations meet or exceed all legal requirements related to labor practices and worker health and safety.



Wanli Zhao
Chief Executive Officer
Neucel Specialty Cellulose