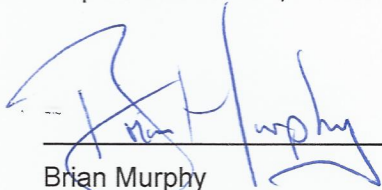


STATEMENT OF COMMITMENT TO SUSTAINABLE PELLET PRODUCTION

The Management of Balcas Timber Limited are committed to ensuring that its wood sourcing practices and its pellet production operations are carried out in accordance with the following principles:

- The production of wood biomass does not significantly take place at the expense of the net carbon balance of carbon reservoirs in vegetation and soil.
- The production of wood biomass does not interfere negatively with biodiversity within the forest of origin.
- The production of wood biomass maintains or improves the soil quality
- The production of wood biomass does not exhaust ground and surface water and avoids or significantly limits negative impacts on water resources.
- The production of pellets avoids or significantly limits negative impact on air quality
- The production of wood pellet does not endanger food, water supply or subsistence means of local communities.
- The production of wood pellets respects property rights and contributes to local prosperity and to the welfare of the employees and the local population.
- Ethnic principles related to health and safety, human rights, freedom of association, compulsory labour, child labour, discrimination, environmental responsibility, business integrity and corruption in all its forms are fully respected.
- Wood sourcing is fully compliant with the European Timber Regulation (*EUTR*) and the EU Forest Law Enforcement, Governance and Trade (*FLEGT*) regulations.

The Management of Balcas Timber Limited will make this commitment public by adequate means of communication. The management also agrees that it will accept any investigations organised by the inspection body being responsible for the production control as part of the ENplus certification, if serious concern is raised that these principles are not being followed.



Brian Murphy

Chief Executive Officer

18th March 2016

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