

DISPUTE RESOLUTION

STAKE HOLDER INPUTS/DISPUTES/COMPLAINTS PROCEDURE:

Through culturally appropriate engagement of stakeholders local communities, Open Bay Timber Limited developed the following dispute resolution mechanism.

The stakeholders may complain about their field problems by any one of the followings methods:

- By phone call
- By registering in the complaint boxes at the Admin Office and Reforestation Office.
- By sending mail
- By sending written complaints through post/courier
- By sending written complaints directly to the Public Relationship Officer

If any complaint is received from stakeholders through any one of the above modes, it will be registered in the complaint register within 1 week after it is received and forwarded to the OBT Admin Office. The Public Relations Officer (PRO) will classify it as a request or a complaint based on the checklist. The PRO shall prepare an acknowledgement letter and inform the reporter or complainant of the classification outcome. If it is classified as "request", it shall be processed in accordance with the Standard Operating Procedures (SOP) of the respective department. If it is classified as "complaint", it will be processed in accordance with this procedure. The PRO will assess the complaints received from stakeholders and analyze the root cause of the issues. Then he will find out the solution to sort out the issues and not to occur the same issues in the future. Accordingly, the PRO put up the details about issues and solutions to get approval from the Management Member. Management members analyze the issues and solutions given by the Public Relationship Officer and approve the solutions for implementation.

Based on approval from management members, the PRO instructs the concerned field officials to sort out the issues raised by stakeholders. He will also confirm the complaints sorted out by field officials by reviewing them. Every effort will be made to address any complaint within 60-days from the date of receipt. This 60-day response period will also be communicated to stakeholders at the time the complaint is received, via phone, letter, or email. This 60-day time period will also be informed to stakeholders through phone, letter or mail once we receive the complaints from them.

Similarly, if the complaint is received from any stakeholders with respect to damage or loss for them with supporting evidence, that will be registered in the register and forwarded to the OBT admin office. It will be assessed by the PRO and he will analyze the root cause of the damages/losses. In the event that evidence is considered relevant, field investigation / verification will be conducted within 60 days of receipt of the complaint under the supervision of Public Relationship Officer.

After field verification, the PRO will submit his findings and compensation request to the management member for approval. The management member will approve the compensation based on the nature of the damage or loss, and the compensation will be provided within 30 days from the date the report is submitted by the PRO. The details of the compensation will be determined in agreement with the complainant. Therefore, complaints regarding damage or loss are expected to be addressed within 90 days from the date of receipt.

The management member is authorized to provide solutions to all complaints received from stakeholders based on the approval of the Managing Director. This systematic resolution mechanism ensures consistent handling of all complaints from stakeholders.

In cases where a dispute relates to the Principles and Criteria of the FSC®, the certifying body will be informed immediately about the disputes and will act accordingly. Genuine disputes over customary land tenure, customary rights to use the forests, and customary rights to alienate forest resources are to be resolved through consultation with the customary landowners, Lands and Physical Planning, and the leaseholders (PNGForest Authority).

Through this systematic system, OBT will address any complaint received from any of the stakeholders.

Contact information of the management member responsible for addressing inputs/complaints:

Mr. Yohei Araki
General Manager
Telephone Number: 7206-2068

Mr. Kenji Ueda
Senior Manager (Admin)
Telephone Number: 7206-2068

Mr. Kodai Hirakata
Senior Manager (Reforestation & FSC Resource Planning)
Telephone Number: 7206-2068

The persons above have the responsibility to sort out the disputes if any are raised by any of the stakeholders who will be Ombudsman for plantation Implementation activities.

If the resolution given by the Ombudsman is not satisfactory for any of the stakeholders, then they may contact the top management of OBT at the following address:

Mr. Takashi Fujita
Managing Director
Telephone Number: 7206-2068

Further, if the disputes are not solved, the stakeholders may take the following actions.

- Take legal action in the Provincial Court (at Kokopo) or National Court (at Port Moresby).
- Bring complaints into the FSC® certification scheme (FSC®-PRO-01-008 (V2-0) EN).

OBT will cease or stop its operations and procure FSC® FM 100% where the disputes exist for a substantial duration or involve a significant number of interests. Under these circumstances, OBT will not continue its FSC® FM operations in these selected plantations, which will be excluded from OBT FSC® FM scope of certification and logs from these plantations will not be procured as FSC® FM 100% material.

If we are getting at least one dispute/complaint per day for a one-week continuous period about the same particular plantation/location or reasons and which also remains for more than 30 days, that will be treated as disputes/complaints with substantial duration. If the disputes/complaints about the same particular plantation/location or reasons are received from more than 10 stakeholder representatives, they will be treated as having a significant number of interests.

Under these circumstances, OBT will not continue its FSC® FM operations in these selected plantations, which will be excluded from OBT FSC® FM scope of certification, and logs from these plantations will not be procured as FSC® FM 100% material.

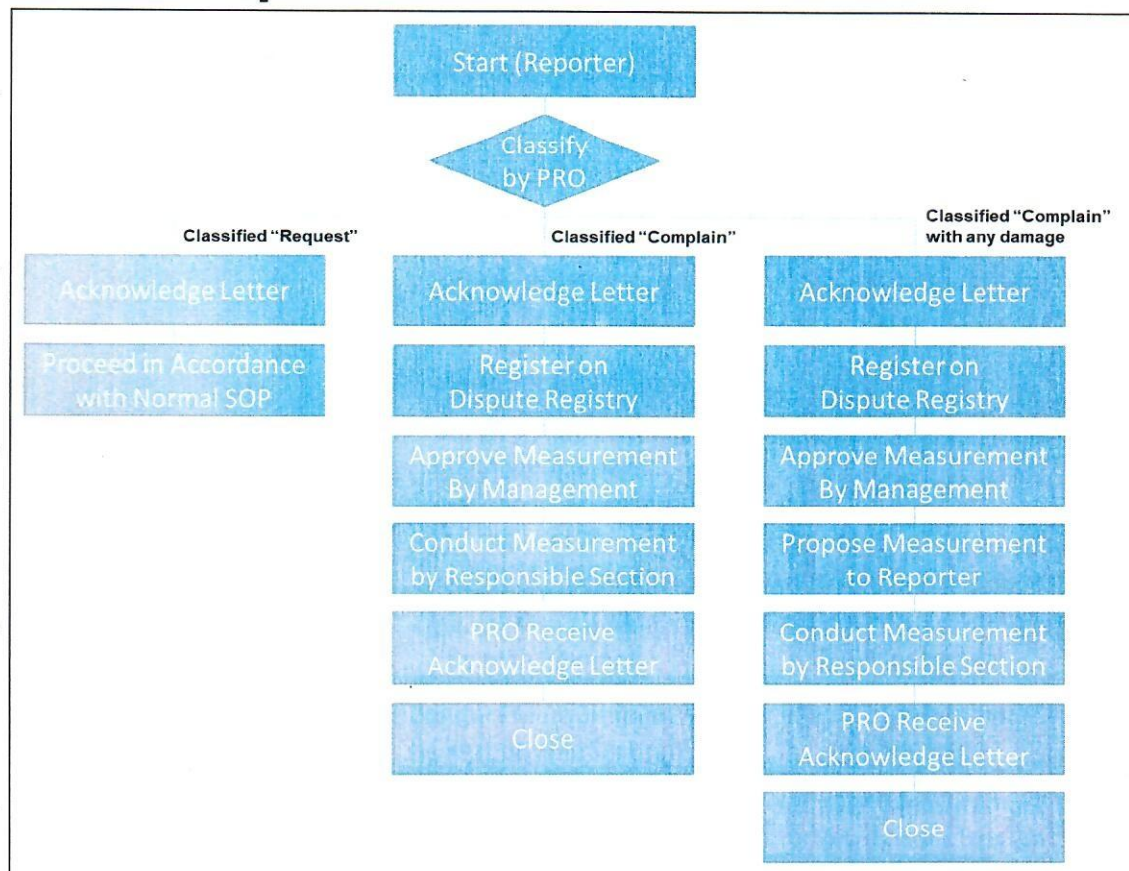


TAKASHI FUJITA
Managing Director

Date: 21 April 2021

ANNEX

1. Flowchart of Dispute Resolution Process



2. Request / Complaint Classification

Classification Criteria	"Request"	"Complaint"
Content	Request for provision or implementation of something	Claims of disadvantage, damage, or dissatisfaction
Cause	Stakeholder's request or need	Organization's actions, omissions, or negligence
Response Flow	Handled through the normal operational procedures of each department	Handled through the Dispute Resolution process (investigation, reporting, corrective action)

3. Reporting and Resolution Form

WFF Incident/Complaint Reporting & Resolution Form

1. Incident/Complaint

Date of Report: _____

Reporter (Affiliation & Name): _____

Contact Information: _____

2. Incident/Complaint Received Details

Date of Receipt: _____

Mode of Receipt (as applicable):
☐ Phone ☐ Complaint Box ☐ Email ☐ Mail Courier ☐ Other (_____)

Received by: _____

3. Incident/Complaint Classification

☐ Request
☐ Complaint/Dispute
Reason for Classification: _____

4. Relevant Area/Subject

Relevant Area/Subject: _____

Summary (Damage, dissatisfaction, request, etc.): _____

Supporting Documents: ☐ Yes (Details: _____) ☐ No

5. Root Cause Analysis & Proposed Action

Root Cause Analysis: _____

Proposed Action: _____

6. Approval Process

Assistant General Manager (Admin):
☐ Reviewed ☐ Approved ☐ Returned
Comments: _____
Date: _____ Signature: _____

Managing Director (if Applicable):
☐ Reviewed ☐ Approved ☐ Returned
Comments: _____
Date: _____ Signature: _____

7. Incident/Complaint Resolution

Field Officer Responsible: _____

Date of Completion: _____

Actions Taken (Corrective measures, actions performed, etc.): _____

PRO Verification Result (if applicable):
☐ Verified Complete ☐ Incomplete (Reason: _____)

8. Complaint Handling Timeline Confirmation

Days from Receipt to Completion: _____

☐ Resolved within 60 Days ☐ Resolved within 90 Days
☐ Exceeded (Reason: _____)

9. Additional Notes

Note:
- This form must be retained as an official record of all actions taken and can be used for reporting to stakeholders when required.
- Attach supplementary materials (photos, statements, investigation reports, etc.) as necessary.