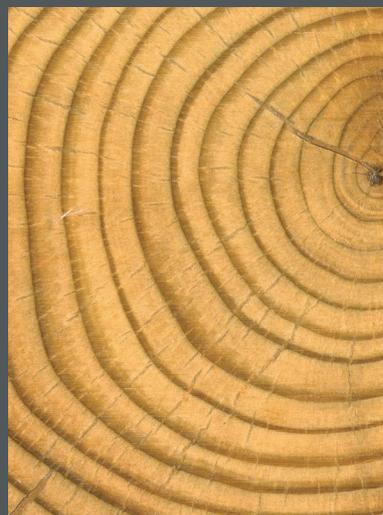


SUSTAINABILITY STATEMENT



WHY SOURCE SUSTAINABLY?



The global population drastically needs to reduce its impact on the world's resources which are currently being used at an average of 1.5 times that which are available (this rises to 3 times in the developed world).

The amount of land available for food production and its quality is decreasing which raises the question of how a world population expected to increase to 9.5 billion by 2050 will be fed without

using ever more intensive ways of production that create their own issues regarding the use of chemical fertilizers and intensive animal farming.

It is estimated that only 2.5% of the world's water is fresh water and with increasing demands by industry and an increasing population by 2050 as many as 4 out of 10 people could be living under severe water stress.

Rising greenhouse gas emissions are thought to contribute to global warming that is in turn impacting on our weather patterns and could lead to rising sea levels due to melting sea ice. Areas such as the Fens could disappear. Rising temperatures will increase instances of premature death, as well as forest fires, drought and failure of harvests.

Deforestation has major impacts reducing biodiversity among plant and animal species, and affecting the lives of forest-dependent people. We don't really know what the long term effect of this will be. It also causes soil destabilisation with increased risks of localised flooding, and landslides.

As a company we ensure that we are not contributing to illegal logging and criminal organisations that prevent legitimate revenue reaching producer countries' populations and so denies them the opportunity to improve infrastructure and living conditions.

WWF states that up to 15% of global hardwood trade is illegal and believes that much of the world's deforestation could be prevented with proper management.

What are Saint-Gobain doing to reduce carbon emissions?

Saint-Gobain have pledged as part of the Global Compact to reach net-zero carbon emissions by 2050. Saint-Gobain responded to a call for action, issued by a broad coalition of businesses, civil society and UN leaders, to make its contribution to keeping global temperature increase within 1.5°C above pre-industrial levels.

What are International Timber doing to reduce their impact on the Earth's resources?

We have introduced a "roadmap" into the business to set ourselves targets to reduce our impact on the world's resources and also to promote good working practices in terms of our employees. This roadmap is divided into three "pillars"

1 Environment 2 Social 3 Economic

Within these pillars we have set ourselves targets and a time line to meet them. By setting targets and measuring performance we can highlight areas for improvement where resources can be saved.

Waste – Over 95% of our waste is either recycled or recovered with less than 5% going to landfill. Our ambition is to achieve zero waste to landfill by 2025.

Carbon – At International Timber we've invested heavily in energy saving technologies reducing energy consumption by over 26% since 2016. In addition and where possible we purchase renewable energy with 100% of our energy now coming from renewable energy supplies.

Resource and Product Stewardship – At International Timber we're incredibly careful to only purchase timber from sustainable sources. We aim for full Chain of Custody certified timber but as a minimum we ensure that all our products are legal and sustainable.

Education / Advocacy – Presented at trade shows. Have embarked on comprehensive training programme with key customers to increase awareness of importance of running a sustainable business.

Suppliers – all suppliers are required to submit evidence on sustainability and corporate and social responsibility – these are taken into account when decisions are being made on whether to trade with them.



Timber Trade Federation
Growing the Use of Wood

International Timber are Members of the Timber Trade Federation who also practice a responsible purchasing policy (RPP), and are represented on their Forests Forever Committee and National Panel Products Division Committee.

We hold regular dialogue with the above organisation to ensure continuing best practice within our company.

SUSTAINABILITY STATEMENT



How can you help as a customer?

In order to reduce your own environmental impact you should only use credible companies that have responsible procurement policies and the evidence to show that they are following them. If you purchase legally verified products you will be sourcing timber that has not been illegally produced, however, by purchasing Chain of Custody you can ensure that you are buying a product from a legal and a well managed source that will not be contributing to factors such as:

- Illegal logging
- Violation of traditional and human rights in forestry operations
- Destruction of high conservation areas in forestry operations
- Significant conversion of forests to plantations or non-forest use
- Introduction of genetically modified organisms in forestry operations
- Violation of any of the ILO core conventions

At International Timber we are fully aware of our obligations as an importer under the European Timber Regulation (EUTR) which makes it a criminal offence to place illegally logged timber and timber products on the European Market. Under the regulation there are two sets of responsibilities depending on whether you are classed as an 'Operator' or a 'Trader'.

Put simply operators are the company or person who first places timber on the EU market. Operators are required to employ a due diligence system to all products sourced from outside the EU and to gather information on species and original country of origin along with documents to prove timber has been legally harvested. They are then required to do a risk assessment to assess the likelihood of timber coming from an illegal source. If this is high they must then mitigate that risk. If this cannot be mitigated then alternative suppliers or species must be sought. Failure to comply can lead to seizure of timber, fines and ultimately custodial sentences.

Anyone buying or selling timber products already within the EU is classed as a trader and is only obliged to keep records of where product is bought from and who it is sold to (if it has been sold to another trader and not the final consumer) to allow traceability through the supply chain. Failure to keep records will lead to fines / prosecution and if illegal product is found on site it will be seized.

We have had due diligence systems in place for several years as part of our commitment to the WWF and TTF. Our Timber Procurement policy can be seen below.



ENVIRONMENTAL TIMBER POLICY

The timber purchasing policy is based on our Principles of Conduct and Action, the Group's core values that define our vision of a responsible company, and on the Group's Responsible Purchasing policy.

We are an important player in the timber industry. That is why we are committed to acting ethically and responsibly along the value chain to preserve forests, the local populations living there and biodiversity. Through these actions, we are committed to fighting deforestation.

OUR APPROACH

We wish to make a positive contribution with all the people involved in the supply chain to develop ethically, environmentally and socially secure supply chains.

The Timber Purchasing policy is based on a method of due diligence. The analysis of risks linked to the degree of vulnerability of species and/or countries of origin enables us to adapt our purchasing procedures, which may even lead to the exclusion of species or countries from our supplies.

We rely on international conventions, good practices in forest management and the advice of certifying organizations for responsible production.



We are attentive to non-governmental organizations involved in the fight against deforestation and are engaged in dialogue as part of a process of continuous improvement.

OUR ACTIONS TO PRESERVE THE FOREST

To preserve forest areas and their biodiversity, it is imperative to identify the risks of deforestation and control them by ensuring the **traceability** of our purchases.

- Comply with local, regional, national and international regulatory frameworks including EUTR and FLEGT in Europe and LACEY ACT in the United States;
- Follow the purchasing procedures implemented according to the risks related to human rights and biodiversity:
 - The list of species prohibited for purchase and sale is distributed to all buyers and sellers. This list is available on request to our stakeholders and is updated annually based on the IUCN (International Union for Conservation of Nature) Red List of Threatened Species and the CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) lists. Among the species we ban are Burmese Teak, Wenge, Kempas, Merbau and Moabi.
 - The list of prohibited countries of origin is circulated to all buyers and sellers on an annual basis.
 - Purchases must come from responsible production. Specific procedure sheets, depending on the species and the area of origin, define the purchasing approach to be followed and the minimum level of certification for the sector (verified local certificate, PEFC™1, FSC®2 or other, subject to validation by the Group's Timber expert).
 - For identified high-risk areas, certification is mandatory for all purchases with priority given to FSC® certification and the possibility of other certification subject to validation by the Group's Timber expert (other than wood for packaging (pallet, box, etc.)).



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