



STARK GROUP POLICIES

UK RESPONSIBLE TIMBER POLICY

Version 1.0 – July 2023



Introduction

We wish to be instrumental in building the cities of tomorrow while reducing any negative impact on biodiversity, forest ecosystems and local communities. We acknowledge that our business has an impact on people and the environment and are committed to responsible purchasing of timber and timber-based products.

We know that responsible sourcing of timber and timber-based products has a large impact, both locally and globally. We believe in conducting sustainable business to secure future materials in the supply chain without compromising ecosystems and the rights and livelihoods of local communities in forest sourcing regions.

STARK Group is a signatory to the UN Global Compact and supports the ten principles within human and labour rights, environment and anti-corruption. Furthermore, our responsible timber sourcing processes are based on compliance with all applicable national and international regulation such as EUTR and UKTR.

Scope

This policy applies to all employees of STARK UK Building Materials Ltd. and its business units where products and services are provided from a manufacturer, distributor, provider or other sources inside or outside of the jurisdiction in which the business unit is placed.

STARK UK Building Materials Ltd.

Timber Purchasing Policy 2023

The UK Timber Purchasing Policy is based on our Code of Conduct and the Values that define our vision of a responsible company.

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 UKTR, 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 available on request to our stakeholders and is updated regularly 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.
- The list of prohibited countries of origin is available on request to our stakeholders as per the above.
- 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™ , FSC® or other, subject to validation by the UK Timber Compliance Manager).

- 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 UK Timber Compliance Manager (other than wood for packaging (pallet, box, etc.)).

To ensure the long-term security of our purchases, responsible channels and the offer of certified wood must be developed. We promote this development by involving stakeholders and by:

- Constant dialogue with suppliers throughout the supply chain and on the basis of specifications that integrate environmental, social and ethical requirements to encourage and participate in securing supply chains in high-risk areas.
- The training of our buyers and the sales teams of the distribution subsidiaries as a priority.
- Transparency of information (species, country of harvest, certification) at the point of sale and in our brochures, catalogues or any other means of communication to customers right up to the end consumer.
- Any new timber and panel suppliers will need to complete all relevant risk assessments, a pre-qualification questionnaire and will be reviewed against strict ESG criteria, as well as being required to sign up to the STARK Supplier Code of Conduct.

Governance and Stakeholder Dialogue

The UK Timber Compliance Manager is in charge of ensuring that the purchasing procedures of the different Business Units are in line with the Timber Purchasing Policy and are updated according to the evolution of risks and the development of secure supply chains. They also update and monitor training for buyers and sales teams and adapts commercial communication elements related to the application of the Timber Purchasing Policy to ensure transparency of information to consumers.

Our timber suppliers are our first partners in the development of responsible supply chains. It is imperative that they commit themselves to following this policy alongside us.

We are committed to open dialogue with stakeholders potentially impacted by our timber purchases.

We are committed to communicating our progress and challenges in a regular and transparent manner.

Roles & responsibilities

Roles & responsibilities

Accountable

Policy approval

UK ExCom

Policy owner

UK Commercial Director

Deviations

All deviations must be approved by the policy owner. Such requests must be made in writing to the policy owner. In the event of any discrepancies between the English version of this policy and a translated version, the English version will be binding.

Contact

For more information, please contact the UK Commercial Director

Policy Revision History

Review cycle: Annually Q3

It may be amended at any time with the approval of UK ExCom.



Whistle blower system

We encourage all stakeholders to speak up about any misconduct such as business crime or human rights violations. All information is kept strictly confidential, and all concerns can be raised without fear of retaliation: [STARK Group - Speak Up \(whistleblowernetwork.net\)](https://www.starkgroup.com/whistleblowernetwork.net).

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