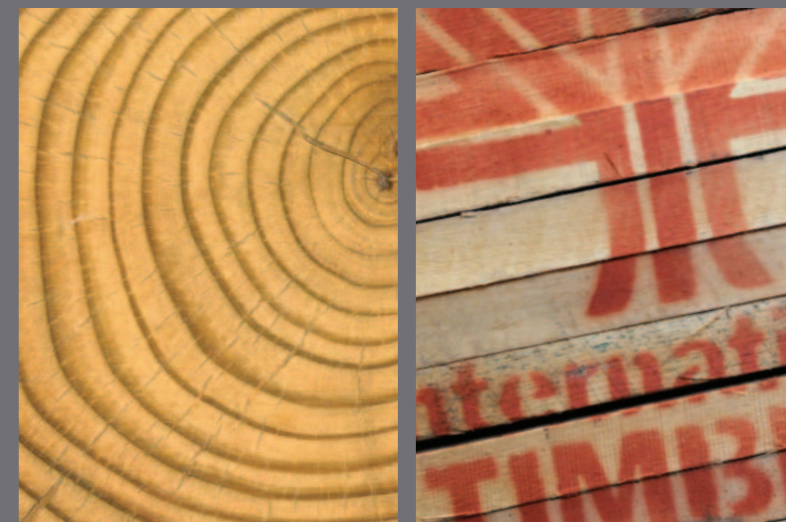


SAINT-GOBAIN BUILDING DISTRIBUTION LIMITED
TRADING AS INTERNATIONAL TIMBER,
REGISTERED IN ENGLAND,
COMPANY NUMBER 1647362.

REGISTERED OFFICE:
SAINT-GOBAIN HOUSE,
BINLEY BUSINESS PARK,
COVENTRY, CV3 2TT



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.

Waste- we are running at 85% recycling – all timber, card, paper, plastics and metal sent for recycling – ultimate target 90% waste to landfill for 2013 and zero by 2015

Reduction of overall impact of our transport fleet – have achieved 25% reduction in emissions due to changed way of managing our fleet. Increased use of web/ telephone conference call facilities. New site at Purfleet that be better placed logistically to serve customer network.

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.

Resource and Product stewardship – 2012 95% purchases with Chain of Custody with the aim to increase to as near to 100% as possible. All purchases are 100% legal as a minimum.

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.

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.



International Timber have also been members of the WWF GFTN since 1998. Upon joining we introduced a "stepwise" approach to sustainable sourcing and are committed to increasing our purchases of credibly certified material on an annual basis.



International Timber are also 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 both of the above organisations 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.



SAINT-GOBAIN BUILDING DISTRIBUTION

SAINT-GOBAIN BUILDING DISTRIBUTION IN THE UK AND IRELAND RESPONSIBLE PURCHASING TIMBER POLICY

Timber and timber products form a very significant part of the activity of the Building Distribution Sector of Saint-Gobain. We therefore consider it imperative that we take an informed approach to ensure responsible procurement and sales. We purchase timber materials from around the world. Our policy is to purchase from well managed forest sources positively participating in the protection of biodiversity of forest lands and the habitats of forest reliant peoples. However, we do recognise that some areas of the world represent greater environmental risk than others with respect to the timber trade.

Procurement: Saint-Gobain Building Distribution in the UK & Ireland is committed to sourcing all timber and timber products from legal sources. We will require clear evidence of good forest management practice at the original source, and give preference to those suppliers who can provide such evidence. Where customer demand dictates that we procure timber from areas of greater risk, our approach is to only work with suppliers who can demonstrate to us an improving program of sustainability in their timber related activities and can provide evidence that product has been legally sourced

Saint-Gobain Building Distribution in the UK & Ireland acknowledges the importance of auditable independent certification throughout the supply chain process and has introduced relevant schemes where appropriate to the

business. We are firmly committed to a stepped approach, through the risk assessment of products by Species, Country, and Supplier, to the sourcing of timber from legal and certified sources. This includes the elimination of wood originating from non-certified High Conservation Value Forests, including those species recognized as endangered, using references including the IUCN Red list, and from inappropriately cleared or converted forests.

Sales: We actively market to our customers "Legal and Sustainable" timber products through external and internal communication, training and the use of Chain of Custody certification. We will work in partnership with our suppliers to facilitate the provision of clear information about the sources of our wood products and will make this available to our customers when required. An integral part of our program for continuous improvement is our activity and association with relevant leading organisations.

We are members of the WWF's Global Forest and Trade Network in the UK which we joined in 1998, find out more about our performance at: www.internationaltimber.co.uk - Saint-Gobain Building Distribution in the UK & Ireland - Committed to maintaining a responsible approach to the procurement of timber and timber products (2013)

Saint-Gobain Building Distribution Limited
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You may wish to introduce your own CSR or purchasing policy or to implement Chain of Custody procedure into your own company.