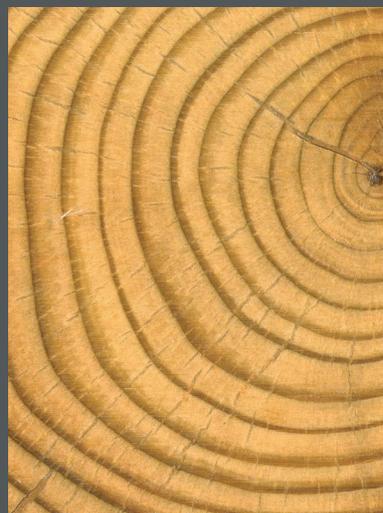


SUSTAINABILITY STATEMENT



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 65% 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.



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 Environmental Timber Policy defines the ethical and responsible conduct that brands should uphold and sets common operating rules.

This policy notably covers timber purchases and sales which could involve specific challenges and risks. It is within this context that the timber policy reflects the commitment of the Building Distribution Sector and its brands which purchase timber products from various countries, to be recognised as a group of responsible businesses.

It is in the Building Distribution Sector's objective to bring positive contributions at various levels in the supply chain: protection of forest biodiversity and local populations upstream, develop more sustainable products for end users in its own markets.

This policy is based on two principles:

- Responsible purchasing,
- Responsible selling.

RESPONSIBLE PURCHASING FOCUSES ON 3 AREAS

1 Protection of biodiversity and local populations

- Analysing the degree of species vulnerability leads us to adapt our purchasing policy accordingly,
- Refuse to sell timber from countries in contravention of international conventions of good forestry practices.

2 Assurance of timber legality in accordance with European Regulation FLEGT. Our product traceability commits us to:

- Obtaining proof from suppliers that timber comes from legal operations,
- Establish a due diligence system.

3 Promotion for certified or responsibly managed timber

- This means each year promoting certified timber (FSC®, PEFC™...) as well as local timber sourcing.

RESPONSIBLE SELLING FOCUSES ON 3 AREAS

- 1 **Training & involving our sales force** in this process.
- 2 **Certifying our sales outlets** (FSC® and PEFC™).
- 3 **Informing our customers** and providing them with all necessary indications on products being offered.

The Environmental Timber Policy of the Building Distribution Sector of Saint-Gobain applied to its branches will be reviewed on a regular basis. This is an open-ended continuous improvement process, with planned and quantified commitments.

2020

Kåre O, MALO

President – Building Distribution Sector of Saint-Gobain



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

