

# **Group Deforestation Policy**

**(previously Timber policy)**

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Owner: Group Head of Sustainability

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## Importance of Policy

Timber is one of the major natural resources that the Grafton Group sources for the products that it sells to its customers in particular building timber. In addition to timber, we sell products that could be linked to deforestation such as rubber-based products and a limited number of other raw materials.

Forests from which timber, wood and other raw material products derive play an essential role in carbon sequestration to tackle climate change, in ecosystem management and encouraging biodiversity and in supporting the livelihoods of those who live in or near these forests.

The Grafton Group is committed to ensuring that the forest related products that we sell are legally and responsibly sourced.

## Legal due diligence

All relevant business units of the Grafton Group must comply with the relevant regulatory requirements for their country of operation.

EU based businesses will align with the EU Timber Regulation (EUTR) the EU Deforestation Regulation (EUDR) when it comes into force.

UK based businesses must adhere to the UK Timber Regulation (UKTR) and UK FLEGT (Forest Law Enforcement, Governance and Trade\*) Regulations.

## Responsible Sourcing

Beyond the legal requirements, Grafton Group is committed to promoting third party certification schemes.

Given the importance of timber to our business units the focus on third party certification is on timber products. However, business units should investigate certification of other raw materials. The two main certification schemes that we accept are:

- Forest Stewardship Council (FSC)
- Programme for the Endorsement of Forest Certification (PEFC)

Both standards operate a chain of custody process to trace the material from certified forests through the supply chain. Both of these standards also allow verified recycled material to be used.

## Product labelling

The Grafton Group follows the labelling guidance of the certification bodies.

Where a business unit in the Grafton Group makes customer facing claims related to own-brand products the business unit must have the associated license with the scheme.

## **Target**

As a leading retailer of building materials in the UK, Ireland, Netherlands and Finland, the Grafton Group has committed that all building timber products it sells should be certified as FSC or PEFC.

Building Timber products include but are not limited to our major product categories including: Rough Timber, Planed Timber, Sheet Materials, Decking, Worktops, Mouldings, Cut Boards, Panel Boards, Cladding, Doors, Flooring.

The Group will continue to review the scope of our target to ensure it captures the most material forest derived products in our product range.

The Group also encourages business units to work with suppliers of all forest derived products to move towards third-party certification.

## **Compliance**

Each business unit is required to produce an annual summary of products sourced in each financial year with associated legal due diligence documentation and chain of custody certification (see appendix B).

Each business unit is also required to report data throughout the year as part of the Sustainability Reporting Cycle.

## **Notes**

The Grafton Group sources forest-based products via a number of supply chain routes – direct from factories, via importers, via agents. Compliance to this policy is obligatory irrespective of the sourcing route.