

# Responsible Timber Policy

Version 1.0 2024



#### Contract House Contract House

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#### **1. INTRODUCTION**

Forests are of vital importance to the livelihoods of people, animals and plants. Hundreds of millions of people are directly dependent on forests for their living. Forests are also indispensable for many animals and plants. In addition, forests are important as they affect climate, water supply and quality and soil. However, the world's forests are under severe pressure.

Every year, 13 million hectares of tropical forest disappear (an area more than three times the Netherlands) and many northern forests suffer from degradation. Commercial irresponsible logging is one of the drivers behind forest degradation and deforestation. On the other hand, the use of timber products from demonstrable responsibly managed forests positively contributes towards well-balanced forests and goes against deforestation and forest degradation. In this context, Action has taken measures and strengthened the sourcing of products using sustainably sourced timber and will continue to strategically increase these, as laid out in this policy.

#### 2. VISION

As a retailer we recognize our responsibility to ensure that the timber products originate from a legal and responsible source. Action envisions that in the long term all timber products procured by Action are self-evidently FSC®-certified or certified from other recognized sustainable sources. We can thereby secure our future source of timber whilst having a positive impact on the forests and the people and communities dependent on those forests.

#### **3. SCOPE**

The global timber supply chain is a complex web, particularly for assembled products, involving many layers of processing which often crossnational borders before we purchase from our Suppliers. This makes tracing timber products back to its primary source a challenge. It is important that the scope of this policy is realistic and achievable, and takes legal obligations (EU Timber Regulation1,2) well into account. Therefore, at this stage, our Responsible Sourcing Policy, and the issues that it aims to address, are focused on our Suppliers. For timber products we focus our efforts on: (a.) non-commercial products, own use of timber and paper,

(b.) core collection of priority product categories
(household, stationery & hobby, and deco),
(c.) cardboard transit packaging material (middle – long term ambition; for now, product point of sale
Packaging is out of scope and will be addressed
in a later version of the policy). The intention of
this top-down approach is to work closely with our
broad network of Suppliers with the aim that our
collective influence can feed down the supply chain
to the primary production level (forest).

#### 4. TARGET

All timber products are from legal origin in compliance with the EU Timber Regulation with the necessary supporting documentation.

Action aims at:

- a. 100% of non-commercial products to come from third party certified origin by December 2020.
- b. 50% of all timber products sourced by Action to come from third party certified origin by December 2020. We will target 75% of all timber products sourced sustainably by 2022 and 100% sustainably sourced by the end of 2024.
- c. Clear commitment to reduce transit packaging material to be in place by December 2018.

Action applies a 'best sourcing principle' whereby all timber products are preferably FSC-certified (preference due to high stakeholder recognition); for soft-wood PEFC is acceptable and for tropical hardwood FSC is the only option. For recycled material FSC is the preferred option.

#### **5. POLICY COMMITMENTS**

Action's timber products policy strives to set the expectation that all products containing timber are sourced in compliance with the following principles:

#### 5.1 Unacceptable sourcing practices

Action's Suppliers are not directly or indirectly involved and/or take measures to avoid timber products stemming from these unacceptable sourcing practices:

- a) illegal logging or the trade in illegal wood or forest products;
- b) violation of traditional and human rights in forestry operations;
- c) destruction of high conservation values in forestry operations;

- d) significant conversion of forests to plantations or non-forest use;
- e) introduction of genetically modified organisms in forestry operations;
- f) violation of any of the ILO Core Conventions (as defined in the ILO Declaration on Fundamental Principles and Rights at Work).

#### 5.2 Tropical timber

Tropical timber products are only procured when FSC certified. As teak can often be used in products in the 'deco' category we explicitly require teak products to be FSC certified with the relevant supporting documentation. Due to issues surrounding deforestation, Action will not accept timber from Myanmar origin.

#### 5.3 Transparency

Action aims to promote transparency throughout our entire supply chain. Wherever possible we strongly encourage our Suppliers to continue mapping down to the primary production level (forest management unit). Information relating to the origin of the timber products and environmental and social impacts relevant to Action's timber products sourcing must be made available upon Action's first request.

#### 5.4 Recycled Packaging material

Action recognizes the advantages of re-used and recycled timber products. We aim to accelerate our uptake of recycled paper by encouraging our Suppliers to source more packaging made of recycled paper (see also Chapter 4. Target). We encourage our Suppliers to source packaging material with the FSC recycled label where possible.

#### **6. LEGAL COMPLIANCE**

Action strives to promote adherence to local, national, and international laws and regulation throughout its supply chain. All timber products must be compliant with relevant timber legislation, in particular the EU Timber Regulation.

### 7. CERTIFICATION AND ACCREDITATION

Action is committed to partnering with FSC's certification scheme and other recognized sustainable timber initiatives such as PEFC (for soft wood). Action requires its Suppliers of timber products to obtain FSC certification when FSC is specified. Where applicable Action as well as its Suppliers shall use the FSC trademark(s) in compliance with the relevant FSC standards. For the promotional use of FSC trademarks Action will comply with regulations as laid down in the FSC Trademark License Agreement.

- 1 The EU Timber Regulation: Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010: <u>http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32010R0995</u>
- 2 FSC and timber legislation: https://ic.fsc.org/en/for-business/fsc-and-timber-regulation/eu-timber-regulation
- FSC Approach of certification and traceability
   FSC-STD-40-004 V3-0 FSC Chain of Custody Certification:
   <a href="https://connect.fsc.org/document-centre/documents/resource/302">https://connect.fsc.org/document-centre/documents/resource/302</a>
- PEFC Approach of certification and traceability
   Chain of Custody of Forest and Tree Based Products Requirements (PEFC ST 2002:2013)
   Second Edition: <u>https://www.pefc.org/standards-implementation/standards-and-guides</u>
- 5 This paragraph is fully based on FSC's Policy for Association: <u>Policy for Association | FSC Connect</u> in this document under D definitions can be found e.g., for 'direct involvement' or 'significant conversion'
- 6 FSC and recycled material: FSC-STD-40-007 (V2-0) EN Sourcing reclaimed material for use in FSC product groups or FSC certified projects: <u>https://fsc.org/en/document-centre/documents/resource/297</u>
- FSC Trademark: FSC-STD-50-001 (V2) EN Requirements for Use of the FSC Trademarks by Certificate Holders: <u>https://fsc.org/en/document-centre/documents/resource/225</u>
   FSC Trademark Use Guide for Promotional Licence Holders - Guidance Document <u>https://fsc.org/en/document-centre/documents/resource/165</u>
- 8 FSC Trademark License Agreement: Het logo gebruiken | Forest Stewardship Council (fsc.org)