

HOME RETAIL GROUP Timber Policy - General Introduction

HOME RETAIL GROUP comprises Homebase and Argos, both of which retail an extensive range of high quality, good value solid wood and composite timber products to their customers. The majority of the solid timber in the Group is sold through Homebase. The bulk of the Argos product is composite: particle board / fibreboard etc. Homebase is a member of the WWF95+ Group (now re-branded as the UK Forest and Trade Network or UK-FTN).

The Group recognises that the most effective way to create sustained change in this area is by:

- Developing a consolidated timber policy, allowing the business to take advantage of shared sourcing opportunities;
- Taking a prioritised approach – concentrating on large propriety suppliers, directly sourced and directly imported solid-wood products and within these areas to concentrate first on the largest volume suppliers;
- Working with suppliers over a period of time to effect change, thereby raising forestry standards.

This overarching policy recognises three timber types, each of which will require slightly different approaches due their origin and supply chain complexity. The three types are:

- Tropical hardwood;
- Other solid wood;
- Particle board and composite board.

HOME RETAIL GROUP Timber Policy

Known Origins

Home Retail Group's policy is only to stock timber and timber related products from known and legal sources and encourage its suppliers to stamp out the worldwide trade in illegal timber. We aim to continue to increase our understanding of the sources of our timber and wood-based products, and we are continuously developing and extending our systems for tracking timber from source across all wood types

Independent Certification

There are advantages to buyer, seller and customer from using wood from forests that have been accredited by an independent third-party as meeting good standards of forestry. We view the Forestry Stewardship Council (FSC) as the most robust independently audited forestry certification scheme. We will source from FSC certified forests wherever possible and actively support developing forests in improving their management procedures in line with FSC requirements. In any event, we will ensure that all tropical hardwood products are from known and legal sources by either second or third party verification.

Clear Priorities

In our work on timber sourcing, we prioritise large propriety own brand suppliers, directly sourced and directly imported products over which we have the largest influence. Within this category we focus on those suppliers providing us with the largest volumes of wood, since this corresponds to the greatest impact on the environment.

Responsibilities

Responsibility for this policy to rest with QA Manager at Home Retail Group who will ensure this policy is reviewed annually. Each of the operating companies will appoint an individual directly responsible for policy implementation, and develop specific objectives and targets for each wood type to achieve our overall policy. HOME RETAIL GROUP will keep stakeholders updated on progress and maintain dialogue with key advisors throughout the sector on developments in timber sourcing best practice.

Tropical Hardwood	Other solid wood	Particleboard and composite
<p>Tropical hardwood is a durable wood and is used in outdoor applications. There are important environmental and social issues surrounding the sourcing of tropical hardwood, for which reasons we pay special attention to our purchasing of these materials. The following example products are often made of tropical hardwood:</p> <p><i>Garden furniture</i> <i>Conservatories</i></p>	<p>Many timber based products are made from non-tropical hard and soft woods. Ecological and social disruption can occur when these wood types are sourced without adherence to local laws, payment of taxes, and good forestry management practices. Example products include:</p> <p><i>Garden sheds</i> <i>Fences</i> <i>Wardrobes, Beds</i></p>	<p>These are alternatives for solid wood products and can be made from a mixture of reclaimed wood, wood shavings, sawdust and plastics. They are typically called MDF, OSB and ply material. Example products include:</p> <p><i>Lounge and bedroom furniture</i> <i>Kitchen furniture, Office furniture, Weight benches, plywood sheeting, BBQ charcoal</i></p>

Policy:

- All tropical hardwood timber must be from known forests and from a legal source.
- To ensure traceability we require chain of custody certificates, verified by 2nd and 3rd party certification, from all suppliers
- We continue, wherever possible, to source tropical hardwood products certified to the FSC and promote the label to our customers.
- Where FSC product is not appropriate or available, we will request our suppliers to work steadily towards FSC certification following internationally recognised mechanisms. We expect that this progress should be subject to external third-party verification.
- We encourage suppliers to seek the support of their WWF Global Forest and trade network.
- Over time we will increase the volume of FSC certified tropical timber in our stores.

Policy:

- All wood products must be from known forests and from a legal source.
- To ensure traceability we require chain of custody certificates from our largest volume suppliers and other major contracts
- We seek to source products from well managed forests, and we will give preference to suppliers who can demonstrate this, preferably through the use of FSC certification.
- We seek to increase the proportions of our product sourced from well managed forests, resulting in a steady rise in our volumes of FSC certified timber and wood products.

Policy:

The supply chain for composite materials is extended and complex. We continue to improve the understanding of the material flows that make up these products and review the potential for improved standards. Our policy is therefore:

- All wood used in products be from a known and legal source.
- We will start with our largest volume suppliers in order obtain accurate data covering the origin of these component materials.
- We will then review the data with a view to setting realistic targets