



STARK GROUP POLICIES

RESPONSIBLE TIMBER POLICY

Version 2.0 – July 2023



Introduction

We wish to be instrumental in building the cities of tomorrow while reducing any negative impact on biodiversity, forest ecosystems and local communities. We acknowledge that our business has an impact on people and the environment and are committed to responsible purchasing of timber and timber-based products.

We know that responsible sourcing of timber and timber-based products has a large impact, both locally and globally. We believe in conducting sustainable business to secure future materials in the supply chain without compromising ecosystems and the rights and livelihoods of local communities in forest sourcing regions.

STARK Group is a signatory to the UN Global Compact and supports the ten principles within human and labour rights, environment and anti-corruption. Furthermore, our responsible timber sourcing processes are based on compliance with all applicable national and international regulation such as EUDR and UKTR.

Scope

This policy applies to all employees of STARK Group and its business units where products and services are provided from a manufacturer, distributor, provider or other sources inside or outside of the jurisdiction in which the business unit is placed.

Requirements

STARK Group Principles for Responsible Timber

1. We are committed to eliminating deforestation and land degradation

We recognise the importance of forests in maintaining a healthy carbon balance, biodiversity and as resources for local communities. We are committed to eliminating deforestation and land degradation throughout our value chain by purchasing timber and timber-based products from well-managed forestry sources.

We conduct due diligence to ensure that the risk of our products being associated with deforestation or forest degradation is low and perform risk assessments and implement risk mitigation actions where necessary.

All timber from high-risk countries, as defined by monitoring organisations and international regulators, must be sourced from certified suppliers. Furthermore, all products containing tropical hardwood species must be sourced certified.

2. We comply with all international and national legislation

We comply with all relevant legislation that regulates our group wide functions. Through our due diligence process, we engage a third-party organisation to monitor, audit and evaluate our timber supply chains to mitigate risks and ensure compliance.

3. We are committed to increasing the share of certified timber

We recognise that third-party certifications of responsible forest management combined with chain of custody audits throughout the supply chain are key to reducing the risk of sourcing illegal and controversial timber products and to improve forest management.

We are committed to increasing the share of certified timber and preference is given to certified suppliers. If certified timber and timber-based products are not available, suppliers will be required to provide evidence that the product is from a legal and traceable source.

4. We expect our suppliers to continuously improve their operations

We expect our suppliers to share our ambitions and work to measure and reduce their ecological and carbon footprint and improve labour conditions throughout their operations. Further, we expect our suppliers to gradually increase their share of certified supply chains and work with certification bodies to improve their methods.

5. We actively engage our customers to increase the demand for certified timber

We will promote the added value of certified timber from responsibly managed forests and actively engage our customers to increase their demand for certified and responsibly sourced timber.

Key Definitions



Certified timber

We define certified timber from internationally recognised certification bodies (i.e. FSC® and PEFC™). We continuously evaluate the various bodies together with industry experts and third-party monitoring agencies to ensure the highest level of quality and relevance.



Independent risk evaluation

We cooperate with recognised third-party monitoring organisation Preferred by Nature to evaluate our supply chains and do onsite audits. Further, we work with independent laboratories to verify origin of products.



High risk countries

We apply the country risk assessment of Preferred by Nature and the European Union to assess the risk profile of countries. This definition is a composite of indicators such as level of corruption, instances of illegal harvesting, prevalence of armed conflicts, and presence of valuable species.



Deforestation

The conversion of forest to agricultural use, whether human-induced or not, as defined by [UN Food and Agriculture Organization's](#) (FAO).



Forest degradation

Structural changes to forest cover, taking the form of the conversion of primary forests or naturally regenerating forests into plantation forests or into other wooded land and the conversion of primary forests into planted forests, as defined by the Council of the European Union



Deforestation-free

Timber based products made of wood being harvested from the forest without inducing forest degradation after December 31, 2020, as defined by the Council of the European Union

Roles & responsibilities

Roles & responsibilities

Accountable

Policy approval

ExCom

Policy owner

Group Sourcing CEO

Deviations

All deviations must be approved by the policy owner. Such requests must be made in writing to the policy owner. In the event of any discrepancies between the English version of this policy and a translated version, the English version will be binding.



Whistle blower system

We encourage all stakeholders to speak up about any misconduct such as business crime or human rights violations. All information is kept strictly confidential, and all concerns can be raised without fear of retaliation:

[STARK Group - Speak Up \(whistleblownetwork.net\)](https://www.starkgroup.com/speakup).

Contact

For more information, please contact the local Sourcing director or STARK Sourcing Excellence.

Policy Revision History

Review cycle: Annually Q3

It may be amended at any time with the approval of ExCom.

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