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## WOOD AND PAPER POLICY GUIDELINES

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# WOOD AND PAPER POLICY GUIDELINES

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# ABOUT THIS DOCUMENT

This document provides guidance for Vendors on meeting the requirements of the Kingfisher Wood and Paper Policy.

## OUR ASPIRATION

Kingfisher acknowledges that it has a role to play in protecting and improving forests and woodland and working towards global net reforestation. In order to ensure security of supply, it aspires to helping to create more forest than it uses in its operations and is committed to 100% responsibly sourced wood and paper in all its operations by 2020.

## GUIDANCE ON SCOPE OF THE POLICY

Kingfisher’s Wood and Paper Policy applies to all goods and packaging made from, or containing timber, wood, wood fibre or paper (herein referred to as ‘wood and paper’) that are sold and/or used in connection with Kingfisher’s business activities, including Goods for Resale (GFR) and Goods Not For Resale (GNFR).

It applies to all goods made entirely of wood and paper as well as goods that contain wood and paper, even if it’s a small part of the overall product e.g. handle of a paint brush, legs of a table, wooden frame behind a mirror.

All Wood and Paper Goods should also be sourced in line with our Ethical Sourcing Policy (separate policy document).

## RATIONALE AND OBJECTIVES

The rationale and objectives for the Wood and Paper Policy are:

- To ensure that Kingfisher meets its sustainability commitments, targets and legal obligations (e.g. EU Timber Regulation - EU Regulation 995/2010);
- To act as a baseline for establishing principles, mechanisms and systems that ensure that all Timber Goods sold or used within the business are responsibly sourced.

## OUT OF SCOPE OF THE POLICY

Although the policy covers wood and materials derived from wood (e.g. timber, paper, cardboard), it does not cover other non-timber forest-derived products and forest-related materials (see examples below). However, such products must comply with Kingfisher’s Deforestation Policy (where applicable) and Ethical Sourcing Policy. They must also be legal and comply with the EU Timber Regulation (EUTR) where applicable, including EUTR data collection requirements to prove they are from a legal source.

Examples of other forest-derived or forest-related products (out of scope of the policy) include:

• Alpine tree heathers	• Cane
• Bamboo	• Cork
• Leather	• Palm oil
• Rattan	• Willow cuttings
• Live horticultural products (i.e bushes, potted trees, standalone Christmas trees)	

# ABOUT OUR POLICY ON RESPONSIBLE SOURCING OF WOOD AND PAPER

Kingfisher's Wood and Paper Policy (Appendix 1) sets out our rules for procurement of Goods containing wood and paper. These are:

## Responsibly Sourced Criteria (Non-Tropical Countries):

For goods containing wood and/or paper sourced solely from forests in non-tropical countries, we shall request and only accept those which meet the following criteria (in order of preference):

- Forest Stewardship Council® (FSC®) Certified items with FULL Chain of Custody certification throughout the supply chain.
- Programme for the Endorsement of Forest Certification (PEFC) Certified items with FULL Chain of Custody certification throughout the supply chain.
- Goods which contain Verified Reused or Recycled Content from Pre-Consumer and Post-Consumer sources.
- Come from suppliers and supply chains that have a Memorandum of Understanding with a Recognised Kingfisher Partner as part of an independent verification scheme to demonstrate progress towards FSC® certification in a time bound and monitored commitment. The current schemes accepted by Kingfisher are: TFT, WWF GFTN, Rainforest Alliance.

## Responsibly Sourced Criteria (Tropical Countries, Endangered and Vulnerable Species):

All goods containing wood and/or paper sourced from forests in tropical countries shall be:

- FSC® Certified items with FULL Chain of Custody; or
- Come from suppliers and supply chains that have a Memorandum of Understanding with a Recognised Kingfisher Partner committing them to achieving FSC® certification within an agreed timescale. The current schemes accepted by Kingfisher are: TFT, WWF GFTN, Rainforest Alliance.
- Goods which contain Verified Reused or Recycled Content from Post-Consumer sources.
- By specifying sustainable forest management, we support the protection of tree species that have been classified as 'endangered' and 'vulnerable'.
- Goods which contain tree Species classified as '**Endangered**' shall be FSC® Certified with FULL Chain of Custody and supported by an appropriate CITES import/export permit.
- Goods which contain tree Species classified as '**Vulnerable**' shall be:
  - FSC® Certified with FULL Chain of Custody; or
  - Come from suppliers and supply chains that have a Memorandum of Understanding with a Recognised Kingfisher Partner committing them to achieving FSC® certification within an agreed timescale. The current schemes accepted by Kingfisher are: TFT, WWF GFTN, Rainforest Alliance.

# GUIDANCE ON POLICY IMPLEMENTATION

This section provides guidance on how to implement the policy and covers:

- Product procurement
- Marketing and labelling
- Data and reporting

## Product procurement

Product procurement teams need to ensure that all products and materials containing wood and / or paper comply with Kingfisher's Wood and Paper Policy. To do this, they need to incorporate the policy requirements into all key stages of the sourcing process including:

### *Selection process for new suppliers and products*

- Suppliers will be asked to confirm that they will comply with the Kingfisher Wood and Paper Policy and data reporting requirements during the selection process for new suppliers and products<sup>1</sup> (see Reporting and Assurance section).
- If a supplier cannot confirm this, the supplier or product will not be selected.

### *Supplier contracts*

- Supplier contracts will require compliance with the Kingfisher Wood and Paper Policy.
- Example clause: *The Supplier will ensure that any goods or materials supplied to Kingfisher which contain wood and / or paper comply with the 'responsibly sourced' criteria in Kingfisher's Wood and Paper Policy.*

### *Supplier and product performance review*

- Performance reviews of suppliers and their products will regularly assess compliance with the Kingfisher Wood and Paper Policy.
- Data will be collected regularly to track compliance (see Reporting and Assurance section).
- If any non-compliances with the policy are identified, an action plan or exit strategy must be agreed with the supplier to discontinue or replace such products within an agreed time-frame.

## Marketing and labelling

Kingfisher's commitment to responsible sourcing of wood and paper can help to build customer trust and confidence in our business. Therefore, goods for resale should be clearly labelled with the appropriate logo e.g. FSC®, PEFC. Marketing and Brand teams should communicate achievement of Kingfisher's Responsibly Sourced Criteria through the use of on-product labels, marketing materials, informative signs or other methods.

The use of certain third-party logos (e.g. FSC®, PEFC, and TFT) is strictly controlled so the necessary licenses or permissions shall be obtained from the corresponding certification or licensing body prior to their use on all Points of Sale, on product use and other marketing literature. Where required the appropriate trademark copyright symbol (e.g. ®) shall be used alongside third party logos (e.g. FSC®).

In some countries, there are legal requirements to provide information at Point of Sale regarding origin and species of the timber. Kingfisher businesses need to comply with the relevant legal requirements in their country.

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<sup>1</sup> Within Kingfisher, the new vendor selection process is commonly referred to as the Request For Information (RFI) / Request for Quotation (RFQ) stage.

## Reporting and Assurance

Kingfisher publishes data and progress on responsible sourcing of wood and paper in its annual sustainability report, which is published externally. Data is important for:

- Ensuring verifiable evidence of policy compliance is gathered as part of data collection for reporting in our annual Sustainability Report, against the Target: 100% responsibly sourced wood and paper by 2020
- ensuring compliance with regulatory requirements such as the EU Timber Regulation (EUTR) which obliges the business to collate, hold and assess key data parameters relating to the import of wood & paper products;
- Supporting B&Q Chain of Custody audits, which are conducted yearly by certifying body BM Trada and report on Volumes summary is supplied

### *Data to be collected from vendors and provided to Kingfisher*

The following data should be submitted by vendors to enable Kingfisher to report data in its annual sustainability report on wood and paper that is responsibly sourced.

- Wood volume or weight - volume (m<sup>3</sup>) for wood or metric tonnes for paper
- Wood certification status (see table below for evidence required for the different types of certification)
  - FSC® (including FSC® claim e.g. FSC® 100%, FSC® MIX, FSC Recycled)
  - PEFC (including PEFC claim e.g. 100% PEFC Certified, 70% PEFC Certified, 70% PEFC Recycled)
  - WWF GFTN
  - Rainforest Alliance
  - Post-consumer recycled (note: FSC® or PEFC recycled timber should be reported in the FSC® or PEFC section)
  - Pre-consumer recycled (note: FSC® or PEFC recycled timber should be reported in the FSC® or PEFC section)
- Where appropriate the FSC® Chain of Custody Certificate number and license number, or PEFC Chain of Custody Certificate and license number; together with CoC holder's name and expiry date for the certificate.
- Product RWE Category (e.g. Fibreboard, Plywood, Paper, Sawn, Sawn timber).
- Timber species<sup>2</sup>:
  - Commercial name
  - Scientific name
- Country of origin of the timber source (forest) and in higher risk cases - region of timber source within the country (where harvested/grown).
- Confirmation of EUTR vendor status – whether they are an Operator or Trader; or Kingfisher is the Operator.

In order to comply with EU Timber Regulations (EUTR), the following additional data is required for products directly imported from vendors located outside Europe (where Kingfisher is the Operator):

- Combined Nomenclature<sup>3</sup> code

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<sup>2</sup> Timber species is not legally required under EUTR for verified recycled timber, including recycled mixed sources e.g. particle board.

<sup>3</sup> The EC's Combined Nomenclature (CN) is a systematic list of commodities **applied by most trading nations** used to classify most goods when they are **declared to customs in the EU**. Every year, **Annex I** to the basic CN Regulation (Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff) is updated and **published as a stand-alone Regulation** in the EU's Official Journal.

- Proof of legal status of wood (evidence may include but is not limited to: FSC® Chain of Custody Certificate number and license number, PEFC Chain of Custody Certificate and license number, FLEGT license, SVLK or V-Legal Document, Right of harvest audit, Legal trade compliance audit, FSC® 'controlled wood', PEFC 'avoidance of controversial sources'. Note: a validated FLEGT license should be provided for imports from VPA partner countries e.g. Indonesia to the EU for products specified in VPA agreements).
- Details of forest of harvest – for timber identified as high risk
  - Details to include:
    - Forest of harvest: location / address and latitude and longitude
    - Forest of harvest: forest management enterprise certification code number
    - Forest of harvest: documentation

**Note:** Additional verifications shall be required should the credibility of a certificate be in doubt or to obtain further assurances that the source complies with the requirements of the Kingfisher Wood and Paper Policy.

# APPENDIX 1: WOOD AND PAPER POLICY

[www.kingfisher.com/WoodPolicy](http://www.kingfisher.com/WoodPolicy)

## Policy Vision

We support sustainable forest management by procuring all<sup>1</sup> wood and paper goods as 'responsibly sourced' as defined below.

## The Policy

We will:

- request and only accept goods containing wood and / or paper which meet our criteria for 'responsibly sourced' (shown below in order of preference):
  - Forest Stewardship Council® (FSC®) certification with FULL Chain of Custody throughout the supply chain<sup>2</sup>.
  - Programme for the Endorsement of Forest Certification (PEFC) certification with FULL Chain of Custody throughout the supply chain<sup>2</sup> (excluding goods containing wood and / or paper sourced from tropical countries<sup>3</sup>).
  - verified / certified as recycled or reused (including pre-consumer or post-consumer sources).
  - adhere to a Kingfisher recognised scheme (TFT, WWF GFTN, Rainforest Alliance)<sup>4</sup>.

Note:

- goods which contain tree species classified as '**endangered**' shall be FSC® Certified with FULL Chain of Custody and supported by an appropriate CITES import/export permit.
- goods which contain tree species classified as '**vulnerable**' shall be FSC® Certified with FULL Chain of Custody or adhere to a Kingfisher recognised scheme (TFT, WWF GFTN, Rainforest Alliance)<sup>4</sup>.

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<sup>1</sup> This policy applies to all Goods for Resale (GFR), all Goods Not For Resale (GNFR), all packaging and all construction goods made from, or containing timber, wood, wood fibre or paper that are sold and/or used in connection with Kingfisher's business activities. The Policy is reviewed annually.

<sup>2</sup> Full chain of custody is required for all goods for resale and catalogue paper. It is our preference for other goods not for resale and construction goods.

<sup>3</sup> PEFC is not accepted for goods containing wood and / or paper sourced from tropical countries.

<sup>4</sup> These are sources from suppliers and supply chains that have a Memorandum of Understanding with a recognised Kingfisher partner as part of an independent verification scheme to demonstrate progress towards FSC® certification in a time bound and monitored commitment. The current schemes accepted by Kingfisher are: TFT, WWF GFTN, Rainforest Alliance.



## APPENDIX 2: DEFINITION OF TERMS

Acceptable Documentary Evidence: Acceptable documentary evidence includes, but is not restricted to:

- Independently verifiable proof of legality, i.e. right of harvest audit; legal trade compliance audit; Forest Law Enforcement, Governance and Trade (FLEGT)-licensed timber (once available on the market); SVLK or V-Legal Document.
- Independently verifiable proof of avoidance of Controversial Sources at the forest level, e.g. FSC® 'Controlled Wood' status; PEFC 'Avoidance of Controversial Sources' status.

Certified: Assessed by an independent third party to have achieved standards of forest management conformity defined by the corresponding standard setting organisation as well-managed/sustainable. In some cases, Kingfisher may choose to apply additional verifications should the credibility of a certificate be in doubt or to obtain further assurances that the source complies with its aims. **Note:** Items are only considered to be 'Certified' if they are eligible to carry an 'on-product' claim, i.e. carry the FSC®, PEFC, or TFT logo.

Chain of Custody: Process for tracking Certified material from the forest to the final product to ensure that the wood contained in the product or product line originates from Certified forests. Only FULL Chain of Custody is acceptable to Kingfisher and vendors are required to provide evidence which may include the chain of custody certificate, chain of custody code on invoices and license number for both FSC® and PEFC. If there are 'breaks' in the chain, then they would need to be fixed to be accepted. For example, if the factory was handling Certified material but was not Certified in its own right this would be classified as a broken Chain of Custody. **Note:** Items are only considered to be 'Certified' if they are eligible to carry an 'on-product' claim, i.e. carry the FSC®, PEFC, or TFT logo.

Controlled Sources: which can offer evidence that all of the following categories have been avoided:

- Illegally harvested, transported or traded wood;
- Wood harvested in violation of traditional and civil rights;
- Wood harvested in forests where high conservation values are threatened by management activities;
- Wood harvested in forests being converted to plantations or non-forest use;
- Forest areas where stakeholders express concern regarding land and other rights issues.

Controversial Sources: Timber, paper, wood or wood fibre (herein referred to as wood) from the following categories:

- Illegally harvested wood;
- Wood harvested in violation of traditional and civil rights;
- Wood harvested in forests where high conservation values are threatened by management activities;
- Wood harvested in forests being converted to plantations or non-forest use;
- Wood from forests in which genetically modified trees are planted.

Endangered or Vulnerable Species: Kingfisher will regularly update a reference list which summarises the Species listed on Appendix I, II, and III of the Convention on International Trade in Endangered Species of wild fauna and flora (CITES) or classified as 'Endangered' or 'Vulnerable' by the International Union of Conservation Networks (IUCN).

FLEGT Licensed Timber: The Forest Law Enforcement, Governance and Trade (FLEGT) licensing scheme places obligations on the importation of certain timber and timber products

from partner countries to be covered by a licence. It is based on bilateral Voluntary Partnership Agreements (VPAs) between the European Union (EU) and timber-exporting countries. The agreements seek to improve regulation and governance in the forest sector and ensure that timber and timber products exported to the EU come from legal sources. The licence is issued by the partner country (e.g. Indonesia) and should accompany each shipment of timber and timber products into the EU. A validated FLEGT licence is regarded as proof of legality under the European Union Timber Regulation (EUTR).

Forest Stewardship Council® (FSC®): Organisation promoting environmentally appropriate, socially beneficial and economically viable management of the world's forests. As a stakeholder, Kingfisher remains committed to continual improvement of the forest certification schemes and, in order to guide our preferences, will regularly assess schemes against internal performance criteria and independent research. Globally, FSC® is the closest to meeting fully Kingfisher's expectations and is therefore its preferred certification scheme.

Hired or Leased Items: Asset items which already exist on the market (i.e. Kingfisher are generally not the first user) and are acquired from a hirer or lessor for Group Companies to use for a defined period of time before being returned to them. Examples may include temporary buildings or cabins, leasing of office space, furniture or other items for corporate events, and temporary fences and signage.

Illegal Timber: Means timber harvested in contravention of the applicable legislation in the country of harvest.

Origin: This does not refer to the country of manufacture but the country of origin where the timber was originally harvested. Where possible (and specifically where high risk imports are concerned) this should include information about the region within the country or even the specific concession or forest.

Post-Consumer Material: Material generated by households or by commercial facilities in their role as end-users of the product that can no longer be used for its intended purpose. This includes returns of materials from the distribution chain.

Pre-Consumer Material: Material diverted from the waste stream during the manufacturing process. Excluded is the reutilisation of materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process that generated it.

Programme for the Endorsement of Forest Certification (PEFC): Organisation dedicated to promoting Sustainable Forest Management (SFM) through independent third-party certification. It is an umbrella organisation which endorses national forest certification systems developed through multi-stakeholder processes and tailored to local priorities and conditions.

Kingfisher only accepts PEFC goods containing wood and/or paper if sourced from forests in non-tropical countries. We define tropical countries as those that have over a quarter of their land mass situated within a tropical latitude between the Tropic of Cancer and the Tropic of Capricorn (see 'tropical countries' definition below).

Recognised Kingfisher Partners: Third party schemes operated by recognised Kingfisher partners which are currently as follows: The Forest Trust (TFT) projects, WWF Global Forest & Trade Network (GFTN), and Rainforest Alliance participants.

Recognised recycled labels: We have a separate guidance document on recognised recycled labels. These include the 'Recycled Content Certified label' (SCS Global Services), '100% Recycled Paperboard' (Recycled Paperboard Alliance), 'Global Recycled Standard',

Venus Carbon Neutral recycled logos on recycled content, pre-consumer content and post-consumer content, Blue Angel recycled logos.

Recycled Material: Waste materials that have been reprocessed in a production process and made into finished goods or packaging or into a component for incorporation into finished goods or packaging.

Responsibly Sourced: Goods which contain wood and / or paper that comply fully with Kingfisher's Responsibly Sourced Criteria.

Species: The common name of all the tree Species used to make the goods and, where there may be ambiguity, the full scientific name.

Timber Goods: All goods and packaging made from, or containing timber, wood, wood fibre or paper, that are sold or used in connection with Kingfisher's business activities, including Goods for Resale (GFR) and Goods Not For Resale (GNFR).

Tropical Countries: the 159 countries that are situated within a tropical latitude, i.e. have part of their land mass between the Tropic of Cancer in the northern hemisphere at approximately 23°26' (23.5°) N and the Tropic of Capricorn in the southern hemisphere at 23°26' (23.5°) S. A list of tropical countries is available on Kingfisher's sustainability reporting tool.

Recycled Content: Proportion, by mass, of Recycled Material in goods. This should be verified by a suitably qualified third-party auditor or carry a recognised recycled label or logo (see guidance above). Only Pre-Consumer and Post-Consumer Materials shall be considered as Recycled Content. **Note:** only Post-Consumer Materials are acceptable for timber from tropical countries. For packaging, Kingfisher's Packaging Policy Standard requires any recycled packaging to have a high percentage of independently verifiable pre and post-consumer reused and / or recycled material (minimum 85% pre and post-consumer waste).

Reused Content: Proportion, by mass, of Reused Material in goods which has or can be used for a second or subsequent time for the same or similar purpose without requiring any reprocessing.