

Miller Homes Supplier Guidance Notes:

Timber Sourcing

Introduction

Logging timber can have significant negative social and environmental impacts. On a global scale logging contributes to climate change by reducing the amount of carbon removed from the atmosphere, and at a local level it can lead to soil erosion, flooding, forest fires and the loss of biodiversity.

We recognise the environmental and social impacts that logging has, and are committed to minimising these impacts by working with our supply chain to source timber from both legal and sustainable sources.

To help us deliver this commitment we ask our suppliers to provide evidence that the timber they use is sustainable sourced, either through FSC or PEFC chain of custody certification.

Background

Timber or timber products (i.e. products derived from timber such as paper, cardboard etc.) can be defined as either legally or sustainably sourced:

- Legally sourced timber can be traced back to a known and legal forest source.
- Sustainably sourced timber can be traced back to a known and legal forest source, and a managed forest that considers local use, biodiversity and economic viability.

In 2012 the EU brought in new regulations to ensure that timber and timber products sold within the EU are legally sourced.

Sustainably sourced timber is typically evidenced through the use of chain of custody schemes which trace the timber or timber product back to the sustainable forest they came from. The two main bodies that run certification schemes are the Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC).

EU Timber Regulations 2013

Since 3rd March 2013 these regulations have put obligations on both organisations who purchase timber products from outside the EU (known as 'Operators'), and those who purchase (or sell) timber products from within the EU (known as 'Traders'). A summary of these requirements are noted below but for more information refer directly to the regulation.

- **Operators:** Organisations that purchase timber products from outside the EU and are required to exercise 'due diligence' to ensure the timber is not illegally harvested. The due diligence process should include:
 - collation of information on the timber source (e.g. country of harvest, species, quantity, details of supplier etc.)
 - a risk assessment to evaluate the risk of the product being illegally harvested
 - risk mitigation actions if the risk assessment reveals the risk to be anything other than negligible.
- **Traders:** Organisations buy or sell timber products from inside the EU and are required to:
 - identify and record for five years which organisation supplied the timber product to them
 - identify and record for five years which organisation they sold the timber product too

Wood carrying a FLEGT (Forest Law Enforcement, Governance and Trade) license or a CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) permit, is considered to comply with the EUTR.

These regulations apply to most timber products, including wood products, flooring, plywood, pulp and paper but do not apply to recycled products or printed paper (e.g. books and newspapers).

Chain of Custody certification

Chain of Custody (CoC) certification schemes provide external assurance that the timber product certified is sourced from sustainable forests. This means that each supplier in the supply chain between the certified supplier and forest source has chain of custody certification.

The two main (but not the only) certification bodies are the FSC and PEFC. Both of these only award certification when >70% of the timber product is from certified sources¹. The FSC and PEFC schemes each have their own requirements to obtain certification but typically these include third party verification that:

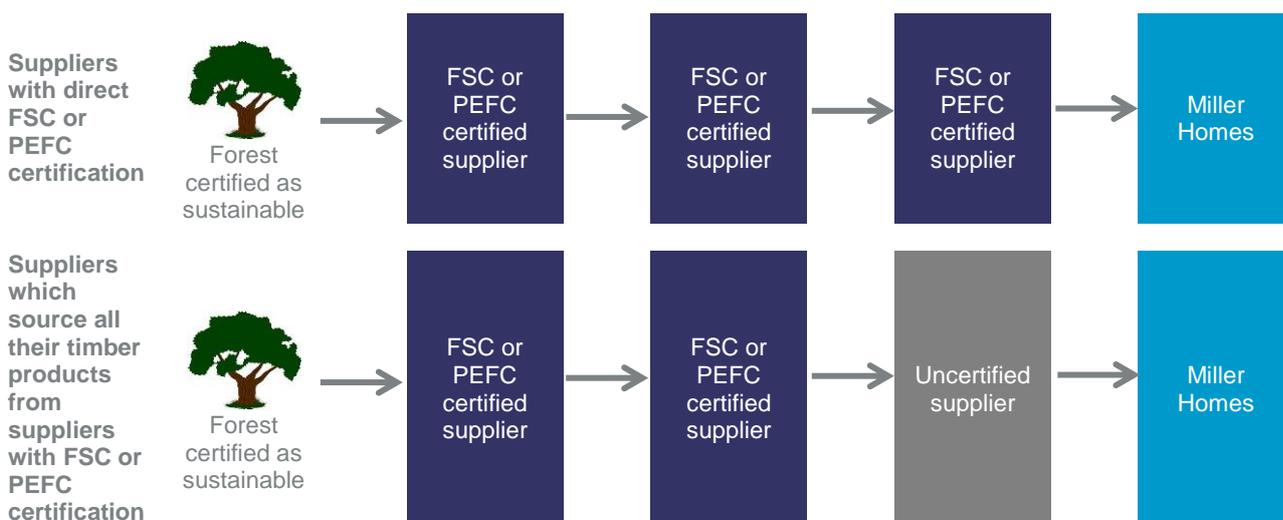
1. There is documentation of the certification status of each timber delivery;
2. There is physical separation of the production and storage of products which contain certified timber;
3. Chain of custody certification evidence is provided to the customer.

Note that chain of custody certification is applicable at the product not organisation level. This means that an organisation can sell chain of custody certified timber products as well as also selling uncertified timber products.

The cost of obtaining chain of custody certification will depend on the size and nature of your business. Organisations that can certify compliance with the FSC and PEFC include BM TRADA, Soil Association, SGS and the Rain Forest Alliance. Typically the certification body will require a fee for auditing your processes and the FSC and PEFC ask for a membership fee on top of this. For smaller companies there is an option to get a Group Chain of Custody certificate (e.g. through the British Woodworking Federation) which can be cheaper than getting certification independently.

Miller Homes timber requirements

As a 'trader' under the EU Timber Regulations 2013 we only purchase timber from suppliers based inside the EU. Further it is our policy is to purchase timber products only from suppliers who either have direct chain of custody certification by the FSC or PEFC or source all their timber products from suppliers who have chain of custody certification by the FSC or PEFC.

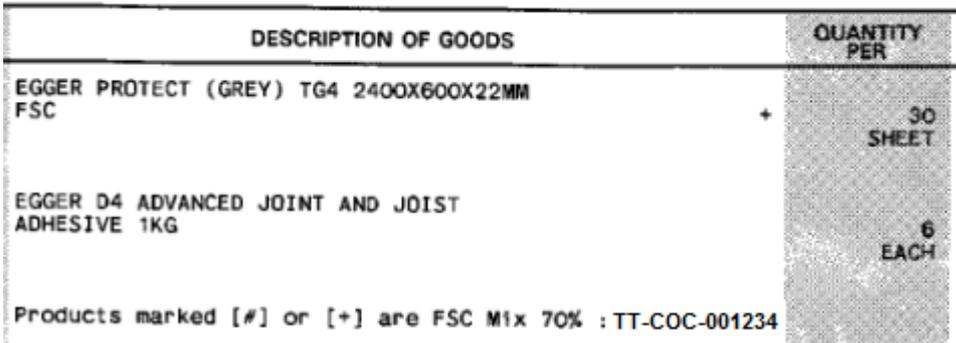


¹ This does not mean that the remaining <30% is illegal but rather that <30% is either recycled, certified by a different certification scheme or from a controlled, legal source.

Although we accept timber products certified in either of these two ways we give preference in our supplier selection process to those suppliers that have direct FSC or PEFC certification.

Evidencing your timber sources

Before you work with us we require evidence of the FSC and/or PEFC certification relating to your timber products. The type of evidence depends on whether you have a) direct FSC or PEFC certification or b) source all your timber products from suppliers with FSC or PEFC certification.

Timber product source	Evidence required to work with Miller Homes
Direct FSC or PEFC certification	<p>- An electronic copy of the FSC or PEFC chain of custody certification in your organisation's name, and covering the specific timber product(s) we are purchasing.</p> <p>- Reference to the relevant FSC or PEFC chain of custody certification relating to the timber product(s) we purchase on our invoices. An example of how this could be done is shown below:</p>
	
Source all your timber products from suppliers with FSC or PEFC certification	<p>- Confirmation of the suppliers who sell those timber product(s) to you that you then use in a timber product(s) sold to Miller Homes.</p> <p>- An electronic copy of the FSC or PEFC chain of custody certification relevant to each of your suppliers and covering the specific timber product(s) that are used in the production of the timber product(s) that we are purchasing.</p>

Whilst working together we may also periodically ask you to reconfirm the above evidence.

More information

For more information about the Miller Homes requirements please contact abetterplace@miller.co.uk or your tender contact.

For more information on Miller Homes' sustainability approach please follow us on twitter [@ABetterPlace_MH](https://twitter.com/ABetterPlace_MH).

For more information about timber certification the below links may help:

- EU Timber Regulations: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:295:0023:0034:EN:PDF>
- EU Timber Regulations overview: http://ec.europa.eu/environment/eutr2013/index_en.htm
- EU Timber Regulations detailed guidance: http://ec.europa.eu/environment/eutr2013/_static/files/guidance/guidance-document-5-feb-13_en.pdf
- Timber Trade Federation (TTF): http://www.ttf.co.uk/Environment/Responsible_Sourcing.aspx
- Forest Stewardship Council (FSC): <http://www.fsc-uk.org/>
- Programme for the Endorsement of Forest Certification (PEFC): <http://www.pefc.org/>
- British Woodworking Federation: <http://www.bwf.org.uk/toolkit/environmental-waste-management/chain-of-custody>.