

Responsible Forestry and Procurement

Interholco commits itself to responsible forestry and procurement.

That means first, we source any timber from our own and third party forests in an environmentally and socially responsible manner and our goal is to procure from sustainably managed forests. This not only applies to Interholco but also to its entire (own or third party) supply chain.

Second, it is our aim to ensure legal compliance with relevant forestry, social and environmental legislation. We also comply with relevant international treaties, business and trade regulations. We safeguard the human rights of parties involved.

Our policy is to:

- treat our suppliers fairly and equally at all times;
- maintain an active commitment to legal standards and to social and ethical practices;
- continually improve our knowledge of socially and environmentally responsible supply chain management practices.

Interholco commits itself not to be involved in the following unacceptable activities:

- a) illegal logging or trade in illegal wood and wood products;
- b) violation of traditional and human rights in forestry operations;
- c) destruction of *High Conservation Values*¹ or *High Carbon Stock areas* in forestry operations;
- d) deforestation, conversion of forests to plantations or non-forest use;
- e) introduction of genetically modified organisms in forestry operations²;
- f) violation of any of the ILO Core Conventions³.

¹ As defined by FSC-STD-01-001 (V5-0), 2012:

HCV 1 - Species diversity; HCV 2 - Landscape-level ecosystems and mosaics; HCV 3 - Ecosystems and habitats; HCV 4 - Critical ecosystem services;

HCV 5 - Community needs; HCV 6 - Cultural values.

² As defined by FSC-STD-01-001 (V5-0), 2012

³ As defined in the ILO Declaration on Fundamental Principles and Rights at Work.

Interholco implements this policy:

1. gradually by a process of continual improvement, adapted to the situation of our companies and that of our suppliers;
2. credibly by transparent systems that ensure traceability and performance;
3. reliably by using internationally recognized standards for good forest management and human rights (e.g. FSC® or PEFC™);
4. accurately by assessing the countries of origin and if necessary each single supplier.

This process is continually certified by qualified auditors.

Each supplier must adhere to our Interholco Commitment, in particular:

- assure compliance with national and international legal requirements,
- respect fundamental human rights,
- avoid adverse impacts on communities,
- adopt ethical business practices.

We will:

- scrutinize all suppliers to assure compliance with our requirements;
- set targets and implement action plans for improvement in our supply chain;
- recognize the achievements of our suppliers.

Interholco's path to Responsible Procurement
Illustrated in the stepwise approach below

