

Product Procurement Policy

As one of the largest wood product distributors in the UK, Meyer Timber Group Ltd recognises and takes seriously its responsibility to the environment and to the principles of timber as a legal, sustainable and renewable resource. This policy applies to all Meyer Timber Group companies, including Meyer Timber Ltd and Panelco Ltd.

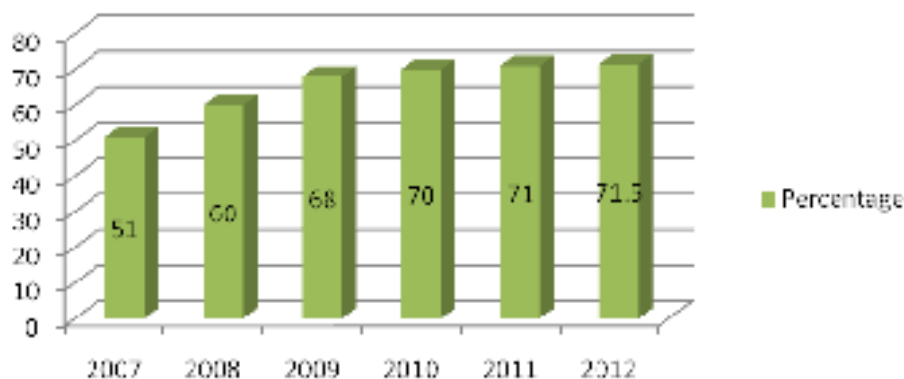
Meyer purchases timber products from many parts of the world. We are committed to the procurement of these products from legal sources and to ensuring that wherever possible they are produced from well-managed forests. Within this policy, we acknowledge that some regions from which products are sourced can present greater potential risk than others. Where demand dictates that we purchase timber from such areas we undertake specific due diligence to establish that such risk is of a negligible level, as measured by the requirements of the European Union Timber Regulation (EUTR). We seek to work with suppliers who can demonstrate a commitment towards improving the level of sustainability in their activities and we actively seek to increase the use of fast grown plantation timber species within our plywood products, replacing what would traditionally have been felled from existing forest resources.

Our buyers regularly travel to our supplier's production facilities and concessions, in order to seek clear evidence that they are operating in a legally compliant and sustainable way. Risk assessments are carried out using the Timber Trade Federation (TTF) Responsible Purchasing Policy (RPP) tool, to which we are a member signatory.

In all our supply decisions we look for evidence of good forestry or plantation management practice. Whilst preference is given to those who can provide such evidence, we accept the need to give encouragement to suppliers who cannot currently fulfil all criteria, but who can demonstrate that they are working to achieve higher standards in particular via chain of custody processes leading to 3rd party certification.

We are committed to the concept of auditable independent certification for all our product ranges, and are certified for FSC® (TT-COC-001670), PEFC™ (BMT-PEFC-0057) and BM TRADA Forest Products chain of custody processes at all our sites. The Company also submits itself to annual independent scrutiny under the TTF RPP scheme, to ensure that all our non-certified products can be independently verified as coming from legal sources, in line with the requirements of the EUTR. We track and audit our year-on-year performance in sales of certified products, as a percentage of our total activity:

Certified Legal & Sustainable Product Sold as % of total sales



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We will give preference to suppliers whose products and systems meet the specific qualifying requirements of the Government's procurement criteria, as defined within the CPET (Central Point of Expertise in Timber) Category A (FSC®, PEFC, CSA, SFI).

We will not trade in timber species prohibited under the Convention on the Trade in Endangered Species (CITES).

We are fully compliant with the requirement to demonstrate timber legality under the EU Timber Regulation which came into force in March 2013. As such we carry out audited due diligence throughout our supply chain, including companies in higher risk areas that are not directly supplying Meyer Timber Group Ltd, but who do feature in the complete supply chain.

We will seek to continuously improve this policy, as further certified product options become available.

A handwritten signature in black ink, appearing to read "Dave Siggins". The signature is fluid and cursive, with a large initial "D" and "S".

DAVE SIGGINS
Group Commercial Director
Meyer Timber Ltd
Date: January 2014