

Timber Sourcing policy

Introduction

Our purpose is 'Making sustainable living a reality, building strong communities'. The Group is determined to be the leading sustainable national housebuilder. We believe that fundamental to building quality homes is creating a positive environmental, social and economic legacy for future generations. Sustainability presents opportunities for business prosperity and growth, encourages innovation and resilience, and improves our products and customer experience.

The Group uses substantial amounts of timber in the production of our homes and would therefore not be able to operate effectively without ensuring a sustainable onward supply of this critical building material. We purchase timber materials from numerous suppliers across the UK who in turn source these materials from around the world. We are committed to purchasing all timber and timber products from well-managed forestry sources, whilst recognising that some areas of the world represent greater environmental risks than others in respect of timber harvesting.

We recognise the importance of forests as carbon sinks to reduce the pace and scale of climate change, as habitats for wildlife, and for providing the raw materials used in our business. As climate change impacts weather patterns, leading to greater intensity of rainfall as well as issues with water scarcity, the role of forests and good forestry management in slowing water run-off is increasingly critical to prevent soil erosion, hold water in the soil and reduce the risk of flooding.

Protection of forests underpins our contributions to two UN Sustainable Development Goals relevant to our business: 12 'Responsible consumption and production', and 15, 'Life on land'.

The Group acknowledges the importance of auditable independent certification throughout the supply chain. Whilst there is currently more than one recognised forestry certification body, we have chosen the following as certification standards that all suppliers must conform to:

- Forest Stewardship Council ('FSC') standard and its "Chain of Custody" certification or
- Programme for the Endorsement of Forest Certification ('PEFC').

This Policy sets out a framework that we expect our timber supply chain partners to apply and relates to all timber products that they provide to us and the operating activities that they and their respective supply chains are engaged in.

Policy

The Group is committed to eliminating deforestation and degradation. We are committed to the protection of rights and livelihoods of local communities in forest sourcing regions which we seek to achieve by:

- Maintaining 100% timber sourced from sustainable sources for Group timber agreements, and all timber fencing contracts.
 - Seeking more robust validation on the minor volumes of timbers from higher risk regions and from higher risk species.
 - Continuous improvement in data and assurance.
-

- Engaging suppliers on our sustainable Timber Sourcing policy.

All timber and timber products purchased directly by the Group, be that centrally or locally sourced, or on its behalf by subcontractors (retained within the house or garden) should be acquired from sustainable sources, and, where applicable, should carry either FSC or PEFC certification. It is a condition of contract that all suppliers and subcontractors to the Group will comply with relevant legal obligations regarding timber and timber products, in particular in compliance with the UK Timber Regulations and EU Regulation on Deforestation- free products.

When selecting suppliers, preference will be given to those organisations that can demonstrate compliance to independent chain of custody standards.

If independently certified timber or timber products cannot be sourced, suppliers will be required to provide evidence that they are using timber from a known source that is well managed (evidence to support this will be required).

Compliance with this Policy

- We will periodically monitor the quantity of timber we purchase from suppliers, and its type and country of origin. All suppliers will be required to provide evidence of third-party certification documentation. All supplier certifications will be audited periodically to ensure documentation continues to be valid.
- We are committed to procuring timber sourced from known, legal, certified sources.

This includes ensuring we do not purchase timber originating from noncertified High Conservation Value Forests, and inappropriately cleared, converted or degraded/degrading forests.

- We will implement the necessary strategic and innovative programmes to maximise compliance and will work in partnership with our suppliers to facilitate the provision of transparent and clear information about the sources of our wood products wherever practicable.
- We will also seek, through our suppliers, to obtain clear evidence of good forest management practice at the original source. Whilst our intention is to give preference to those suppliers who can provide such evidence, we also accept the need to work with those who are less able but are genuinely seeking to attain high standards of forestry management.

This policy is reviewed annually and is approved by the Group Board. It is communicated to key stakeholders and is available on our website.

David Thomas
Chief Executive
22 October 2024