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M&S

EST. 1884

Wood Sourcing Policy

This policy applies to:

UK	<input checked="" type="checkbox"/>	Franchise	<input checked="" type="checkbox"/>	Food	<input checked="" type="checkbox"/>	Logistics	<input checked="" type="checkbox"/>
ROI	<input checked="" type="checkbox"/>	Corporate	<input checked="" type="checkbox"/>	Clothing & Home	<input checked="" type="checkbox"/>	Procurement (NMP)	<input checked="" type="checkbox"/>
International	<input checked="" type="checkbox"/>	Retail	<input checked="" type="checkbox"/>	Property	<input checked="" type="checkbox"/>	Suppliers	<input checked="" type="checkbox"/>

SUMMARY

This policy sets out M&S's Minimum Standards on Wood and what should be done to ensure that all wood comes from sustainable sources.

This policy applies to all M&S brand products and packaging and all items procured for own-business use within our sphere of influence that contain any wood, wood-derived materials or paper and pulp. There are a number of specific exclusions which are set out in the policy.

Plan **A** 2020

BACKGROUND

The world has already lost half its forests and what remains continues to be felled or converted for other land uses (e.g. plantations) at unsustainable rates. Avoiding forest loss and degradation is important in reducing carbon emissions, preserving biodiversity, and maintaining critical services to local communities. The demand for timber is expected to triple by 2050 while supplies will become increasingly difficult to obtain. M&S has committed that all wood will come from the most sustainable sources by 2020.

RATIONALE AND OBJECTIVES

The rationale and objectives for this policy are:

- To ensure that M&S meets its Plan A commitment to source sustainable wood;
- To meet due diligence obligations in respect to the EU Timber Regulation (EU Regulation 995/2010);
- To establish principles and processes that ensure that, progressively, all wood products and packaging sold or used within the business come from the most sustainable sources; and
- To provide clarity in respect to roles and responsibilities within the business with regards sourcing of wood products and packaging for sale or use within the business.

POLICY IMPLEMENTATION

General Obligations

Business Units shall ensure that responsibilities are assigned and operations are planned to enable:

- The origin, volume, species and legal status of the wood in items sold or used within the business to be established and unacceptable sources to be avoided. This information shall be obtained and recorded as a condition of supply.
- Action plans to be in place to manage risks associated with wood in items sold or used within the business identified as originating from sources which do not meet M&S Minimum Standards for Wood and implement exit strategies to eliminate these sources.
- Collaborative working with suppliers and partners to progressively ensure that all items sold or used within the business which contain wood meet our Minimum Standards for Wood.

M&S's Minimum Standards for Wood

Wood in products and packaging must:

- Come from forests and plantations which meet M&S Forest and Plantation Standards:
 - Wood is legally harvested;
 - Forests with High Conservation Values are protected;
 - Traditional and civil rights are protected;
 - Plantations converted from natural woodland are avoided; and
- Meet at least one of the following criteria (in order of preference):
 - Forest Stewardship Council (FSC) Certified with full Chain of Custody throughout the supply chain (FSC 100%/Mix) or FSC Recycled and eligible to carry the appropriate label
 - From M&S risk assessed and M&S Accepted Forest Certification Schemes (see Appendix 1).
 - From Other Forestry Schemes where additional evidence can be provided (see Appendix 2).
 - Contains at least 50% Reused or Recycled Content from Pre-Consumer and Post-Consumer sources which have been independently verified (e.g. by a suitably qualified third party or through a recognised scheme). The only exceptions to this are where technical constraints limit the percentage content or a lower level is considered to be above the marketplace norm.
 - Meet the requirements for Non-Certified Sources as detailed below

Note 1: Individual Business Units may have requirements that exceed the Minimum Standards contained within this policy. Under these circumstances the higher standard applies (e.g. all packaging used within our Food Business Unit must be 100% recycled or FSC Certified).

Non-Certified Sources

Where suppliers cannot source from the schemes above they must provide a far greater level of information to allow M&S production and supply chain risk assessment to be completed.

Information is required on all parties in the supply chain and physical evidence of the trade in that material, such as invoices (commercial details may be obscured), plus information on the procurement policies of every party that handles the material.

Compliance Assessment

Information supplied shall be assessed for compliance (Green) or non-compliance (Red) against M&S Minimum Standards for Wood as follows:

Compliance	Rating
<ul style="list-style-type: none">• Labelled, certified products with chain of custody• From M&S risk assessed and accepted forest sources with certified chain of custody• Equivalent documented systems with supporting evidence (see 'Non-Certified Sources' section above)	GREEN
<ul style="list-style-type: none">• Raw materials failed the risk assessment process• Timber species undeclared• Paper mill and/or paper grade undeclared (non-certified materials)• Information missing from the supply chain• Data or organisation unable to be verified	RED

Where a sub-supplier refuses to support our supplier's efforts to comply with this policy, DNA or other testing may be necessary at the suppliers' expense to provide sufficient assurance that the raw material is of low risk. This also applies to instances where the credibility of a certificate is in doubt.

Where a supply chain has a 'broken' chain of custody (i.e. a link in the chain cannot be verified) and insufficient documentation is available, then it may be necessary to arrange an on-site visit to assess the circumstances. Suppliers must co-operate in this process.

Roles and Responsibilities

Individual Business Units are responsible for ensuring that:

- Local processes are in place to fulfil the requirements of this policy and appropriate compliance and communication arrangements are in place.
- All products and packaging which contain wood undergo a risk assessment prior to a final buying decision being made.

M&S Suppliers, Agents and Approved Printers (unless otherwise agreed with individual Business Units and the Plan A team) are responsible for:

- Establishing processes to ensure that wood is sourced in compliance with M&S Minimum Standards for Wood. All orders placed are conditional on the material meeting our Minimum Standards.
- Excluding any organisation from their M&S supply chain which is on the M&S High Risk Companies List (see Appendix 3).
- Completing the M&S Wood Questionnaires on an annual basis in a timely manner. There are two types of questionnaire:
 1. Full Compliance Questionnaire – all must complete this but Recycled Materials and Agricultural Woods (rubber, mango, cotton, palm, and fruit woods) undergo a simpler risk assessment in order to encourage their use (see Appendix 4)
 2. Minimum Volume Fast Track Questionnaire – for Clothing & Home Suppliers with a total annual M&S wood production volume of less than 50 Wood Raw Material Equivalent (WRME) (see Appendix 5). A Full Compliance Questionnaire may also be required.
- Providing Appropriate Documentary Evidence to support their declarations.

- Notifying their M&S representative before any changes are made to the specification of the product or packaging (e.g. species, origin, certifications, etc). This includes changes to any sub-suppliers in their supply chain.

Note 1: If an M&S Supplier has used an M&S Approved Printer, the M&S Approved Printer is responsible for the packaging material compliance.

Note 2: M&S reserves the right to discontinue any items supplied which do not meet the requirements of this policy. Any action taken would not affect M&S's contractual rights.

The Plan A team are responsible for:

- Periodically reviewing and updating this policy.
- Providing support and direction to Business Units to enable M&S commitments on sustainable wood to be met.
- Engaging and consulting with external stakeholders on policy matters.
- Establishing processes to track and communicate progress against the requirements of this policy and sourcing of sustainable wood to internal and external stakeholders.
- Assessing and investigating any actual or potential policy breaches including where complaints are received.

Marketing and labelling

Promoting the sourcing of sustainable wood is encouraged through the use of on-product labels, marketing materials or other methods.

All claims and declarations must be made responsibly and all communications and marketing activities are legal, fair, honest, and transparent.

Note: The use of certain third party logos (e.g. FSC and PEFC) is strictly controlled so the necessary licenses or permissions must be obtained from the relevant certification or licensing body prior to their use on Points of Sale and other marketing literature.

Reporting, assurance and escalation

Business Units shall maintain appropriate records of all items that contain wood. All parts or components of products and packaging shall be identified. Appendix 6 sets out the minimum information that must be recorded.

Business Units shall put in place appropriate governance arrangements and define an appropriate audit and assurance programme in collaboration with the Plan A team to monitor compliance with this policy.

OTHER RELATED DOCUMENTATION

The following should be read in conjunction with this policy:

- High Risk Company List
- M&S Wood Questionnaires (Full or Minimum Volume Fast Track Questionnaire)

EXCLUSIONS

The following is currently excluded from the scope of this policy:

- Non-timber forest products (e.g. cork, grasses such as bamboo and cane, rattan, and willow cuttings)
- Wood fibre used in fabric manufacture (e.g. lyocell fibres)
- International store build and fit-out
- Non-M&S branded products such as magazines and newspapers
- Packaging for non-M&S branded products
- Transit packaging provided by suppliers
- Propriety newspapers, magazines, journals or other business related literature purchased *ad-hoc*, received on subscription or through third party direct marketing initiatives

Although outside the scope of this M&S wants forest products used in textiles to be sourced responsibly. As such M&S is committed to ensuring that wood fibre used in fabric manufacture also meets our policy. To achieve this M&S participates in [Canopy's Fashion and Textile Leaders for Forest Conservation Working Group's 'Fashion Loved by Forest' initiative](#). As this will be the delivery mechanism for M&S standards, these materials are currently outside the scope of this policy.

DEFINITIONS

Appropriate Documentary Evidence: Suppliers must be able to provide documentation to support their declarations. Details of the information required can be found in Appendix 1 and 2.

High Conservation Values: Biological, ecological, social or cultural values which are considered significant or critically important at a national, regional or global level (www.HCVnetwork.org).

High Risk Company List: A list of companies' production sites and mills on the Additional Resources section on the Raw Materials Data Hub (RMDH) which pose an unacceptable risk to our business.

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

Origin: This does not refer to the country of manufacture but the country of origin where the wood was originally harvested.

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.

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.

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

Wood: Refers to solid wood, wood derived materials such as MDF, plywood and chipboard, and paper and pulp products and packaging.

Wood Raw Material Equivalent (WRME): WRME is calculated using established conversion factors to show the volume of timber required to produce the materials that go on to become products for sale or internal use. M&S uses the WRME conversion factors recommended by [WWF Global Forest and Trade Network](#)

For advice on this policy, please contact:

Policy Questions:
Plana@marks-and-spencer.com

Data Submission and Report Questions:
planatimber@strategic-environmental.co.uk

Appendix 1 M&S Accepted Forest Certification Schemes

Sustainable Forest Certification Schemes	Compliance Requirements	Evidence
<p>FSC (virgin or recycled)</p>	<p>FSC or PEFC Chain of Custody complete to final manufacturer or supplier.</p> <p>Country of origin and species information.</p>	<p>Compliant Chain of Custody Certificate for final manufacturer or supplier.</p> <p>Invoices to demonstrate supply of certified product.</p>
<p>PEFC Grade A</p> <p><i>PEFC certification from countries that have a national FSC Controlled Wood Risk Assessment.</i></p>	<p>FSC or PEFC Chain of Custody complete to final manufacturer or supplier.</p> <p>Country of origin and species information</p>	<p>Compliant Chain of Custody Certificate for final manufacturer or supplier.</p> <p>Invoices to demonstrate supply of certified product.</p>
<p>FSC Controlled Wood</p>	<p>FSC or PEFC Chain of Custody complete to final manufacturer or supplier.</p> <p>Country of origin and species information.</p>	<p>Compliant Chain of Custody Certificate for each company in the supply chain.</p> <p>Invoices to demonstrate supply chain listed is accurate.</p> <p>Licenses to show that timber from an FSC Controlled Wood Certified forest source is used.</p>

Appendix 2 Other Forestry Schemes (which require additional evidence as detailed below)

Forestry Schemes	Evidence
<ul style="list-style-type: none"> • PEFC Grade B (<i>all non-Grade A countries</i>) • Rainforest Alliance Verification of Legal Compliance (VLC) • Scientific Certification Systems (SCS) • Legal Harvest Verified • SCS Russia • Smartwood VLC • Tropical Forest Foundation • Woodmark Soil Association • FLEGT Country Specific • Bureau Veritas OLB Certification (Origine et Légalité des Bois) • Certisource UK • Global Forestry Services VLC • Keurhout Hallmark System • TFT • GFTN Producer Groups 	<ul style="list-style-type: none"> • Country of origin and species information • Compliant chain of custody certificate for final manufacturer or supplier • Invoices from forest source to M&S direct supplier, demonstrating supply of certified product • Named forest source with address and management systems information OR a named paper mill and management systems information

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Appendix 3 M&S High Risk Companies List

M&S reserves the right to exclude any organisation from its supply chain that poses an unacceptable risk to its brand.

Suppliers shall exclude wood, wood-derived materials or paper and pulp materials originating from any of the following organisations:

Organisation	Additional notes
Asia Pulp and Paper (APP)	Exclusion applies to <u>all</u> subsidiaries, affiliates, joint ventures and brands. A list of affected companies can be found on the Environmental Paper Network Forest Products Database available here .
Asia Pacific Resources International Limited (APRIL)	Exclusion applies to <u>all</u> subsidiaries, affiliates, joint ventures and brands. A list of affected companies can be found on the Environmental Paper Network Forest Products Database available here .

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Appendix 4 Fast Track Risk Assessment for Secondary materials

M&S is keen to encourage the use of plantation by-products (e.g, rubber wood) and by-products from agricultural production (e.g, Mango wood) and recognises that the complex and informal harvesting and trading of these timbers can make compliance with the policy difficult.

The following species are M&S permitted plantation and agricultural by-product timbers. This list is subject to annual review and changes will be communicated through the policy.

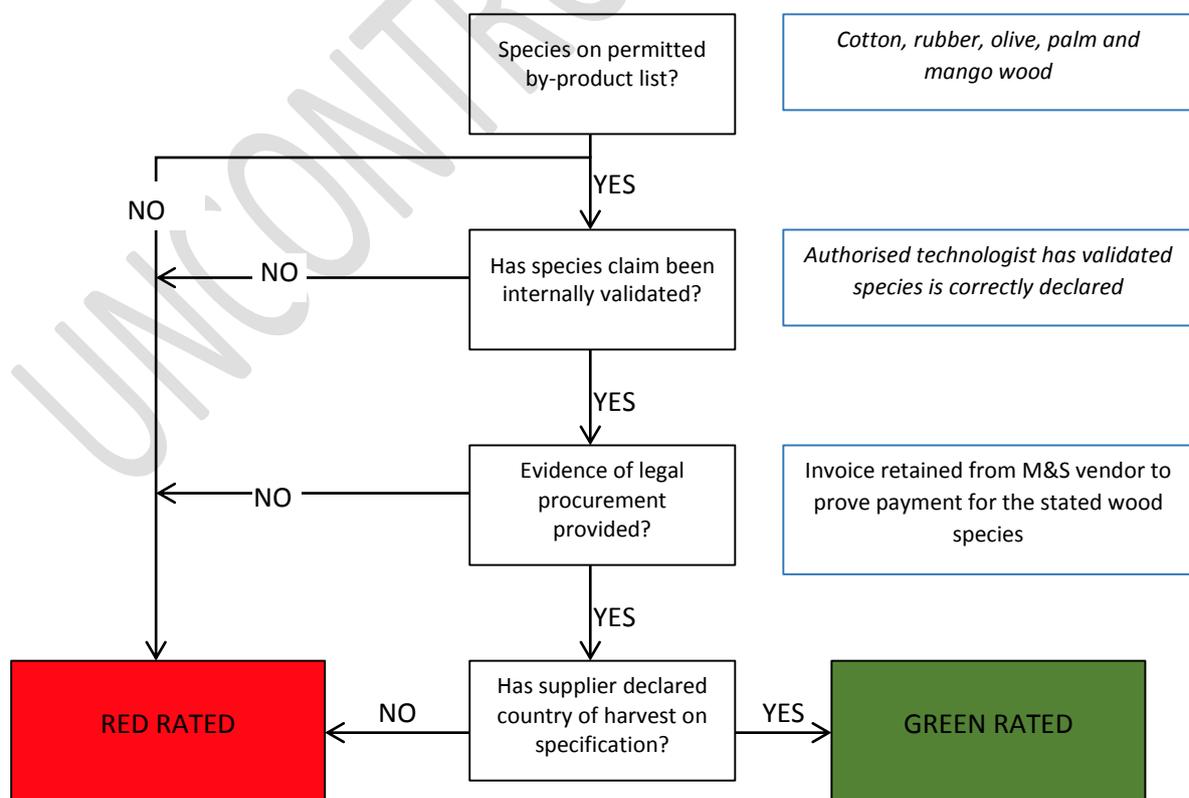
- Cotton wood
- Rubber wood
- Olive wood
- Palm wood
- Mango wood

This Appendix clarifies the evidence required for these materials to ensure product meets M&S minimum standards.

Agricultural by-products will continue to be declared as part of the wood reporting process but will be classed as secondary products. The supporting evidence required to ensure compliance to our policies will be as follows:

1. All timber species must be verified and the technologist will confirm the species is on the agreed list of plantation and agricultural by-product timber
2. M&S supplier to provide evidence of legal procurement by the vendor in the form of a purchase invoice or equivalent from their supplier
3. M&S supplier to confirm location, country of origin as a minimum, and region / plantation / farm if known
4. M&S suppliers are encouraged to make use of certified materials where available

The following decision chart explains the steps required by this Policy



Appendix 5 Fast Track Risk Assessment for Low Wood Volume Clothing & Home Sites

M&S is committed to sustainable sourcing of wood and timber products and in order to maximise environmental benefit through the policy, technologists and suppliers should prioritise attention and resources on areas of greatest volume.

M&S offers a simplified risk assessment process for Clothing & Home supplier sites where product wood usage falls below volume thresholds for paper and for other wood materials. These thresholds will be subject to annual review and changes will be communicated through the policy.

This Appendix explains the policy requirements to demonstrate compliance where our suppliers are purchasing very low volumes of particular timber species, either due to the size of buy or because wood is a minor component in a product. Materials will be green rated subject to meeting conditions below.

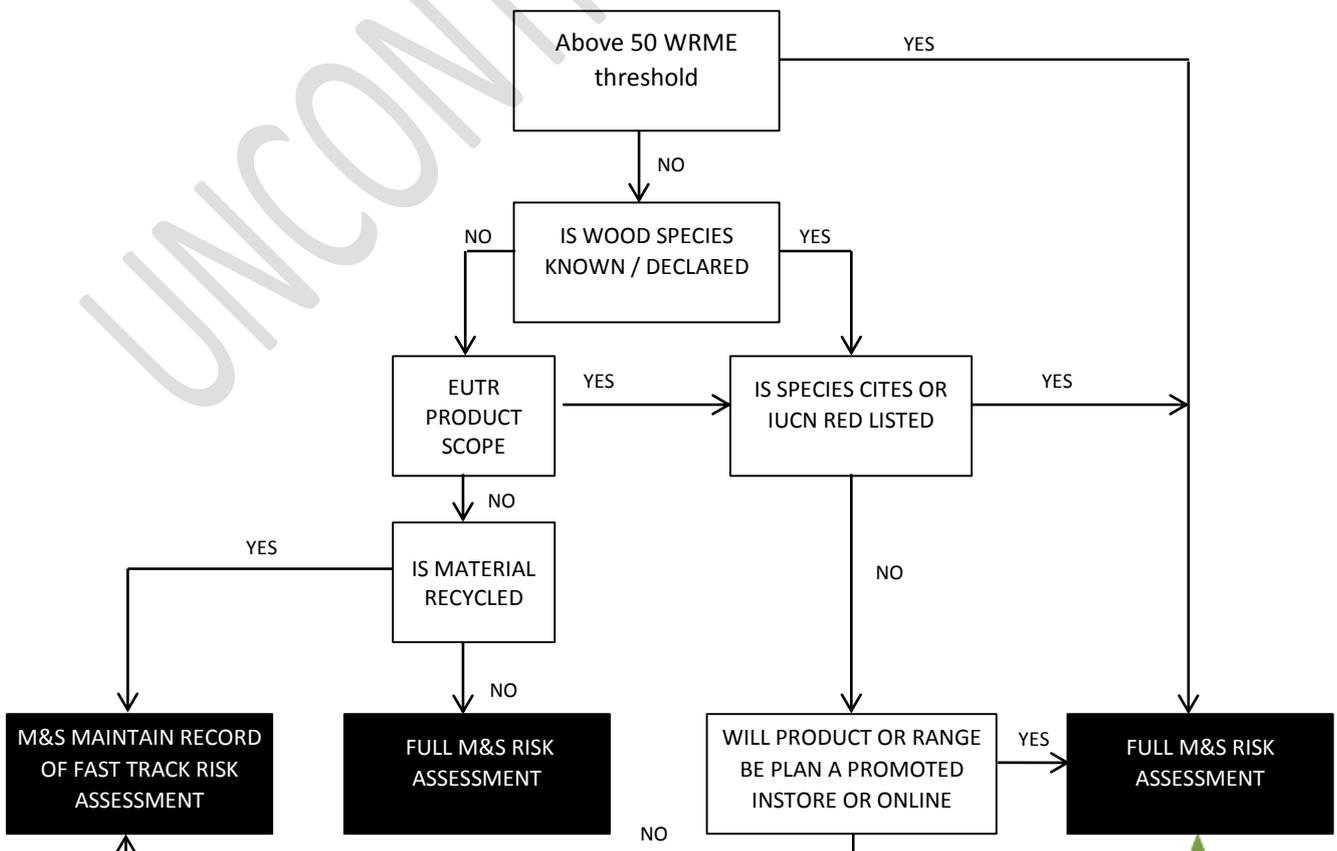
Annual timber tonnages of any species from a single vendor less than the annual threshold of 50 WRME for wood materials will be subject to a lesser level of assessment meaning only the following is required:

1. All timber species must be verified and must not be CITES listed
2. The M&S technologist is responsible for maintaining a record of the species, country of harvest and tonnage of timber involved
3. Additional risk assessment may be required where a product is promoted or marketed as having sustainability credentials ('Plan A promotion')
4. Additional risk assessment may be required at M&S discretion

Specific requirements for paper materials below the threshold

- A. The threshold will be ONE metric tonne (3.9 WRME) of paper material
- B. With the exception of recycled paper, species should be declared by the supplier where EUTR applies, but additional verification is not required
- C. Paper must be free of non-compliant sources (see M&S High Risk Company list)

SUPPLYING SITES USING >50 WRME OF ANY SPECIES MUST UNDERGO A FULL RISK ASSESSMENT



Appendix 6 Wood Policy Data Requirements for Certified and Non-Certified Supply Chains

DIRECT SUPPLIERS – CHAIN OF CUSTODY CERTIFIED

Questionnaire Requirements: Complete on the 'Company Declaration' Tab:

- FSC or PEFC Certificate number
- Certificate Expiry Date
- Scope of Certification

Additional Information Requirements:

- Copy of Certificate held

SUB-SUPPLIERS – CHAIN OF CUSTODY CERTIFIED

On Questionnaire Requirements: Complete on 'Your Suppliers CoC Details' Tab:

- Full Company Name
- Full Company Address Details (Address/Post Code/Country)
- Website or official Trade Link
- Certificate Status
- Certificate Type
- FSC or PEFC Certificate Number
- Certificate Expiry Date

SUPPLIERS OR SUB-SUPPLIERS – NON-CERTIFIED

On Questionnaire Requirements: Complete on 'Your Suppliers CoC Details' Tab:

- Full Company Name
- Full Company Address Details (Address/Post Code/Country)
- That company's own Website or some external reference point such as an Official Trade Link or Directory – we need to find another point of reference for their company name and address.

Additional Information Requirements: Where there are non-certified supply chain members additional research will be required to identify:

- The presence of policy or management systems, either general quality, environmental or timber specific (for example Environmental or Wood Sourcing Policy, ISO 14001, ISO 9001)
- Documented evidence of any 3rd party certifications
- Any NGO or civil society activity surrounding the company that would suggest illegal or unsustainable activity
- Evidence of legal harvesting and other relevant legality documentation

To facilitate this process and to ensure the best ratings possible, suppliers are encouraged to provide as much of this information as possible with their submission.

FOREST SOURCE OR RAW MATERIAL INFORMATION

- For all virgin materials and agricultural waste products, it is expected that suppliers will provide Species and Country of Forest Origin information.
- Recycled content, species and country information are not required for non-virgin materials. However supporting evidence that virgin materials are not used will be requested, for example invoice confirming that material is supplied as recycled, and/or from processing site confirmed as supplying recycled grade material.