

Morgan Sindall Group plc is committed to ensuring the effects of its operations on people and the planet are minimised. In meeting with this commitment, we will progressively review our processes for the procurement of key commodities, components, and services incorporated within the projects delivered to our Clients.

We aim to procure timber and timber fibre products from sources that can demonstrate, through auditable certification and chain of custody, that the wood raw material are manufactured from has been forested in a legal and sustainable manner.

This policy will be delivered through the following actions. We will:

- › **Ensure all timber products purchased for either temporary or permanent inclusion in our projects shall be certified as legally and sustainably sourced, as defined by the UK Government Central Point of Expertise on Timber (CPET)**
- › Give preference to timber and timber fibre products from suppliers with independently certified Chain of Custody controls.
 - › *The two principle schemes preferred by the Group are, in priority order, the **(Forest)** Stewardship Council www.fsc-uk.org/ and the Programme for the Endorsement of Forest Certification <http://www.pefc.org/internet/html/>*
- › Work with our suppliers and our supply chain to achieve documented evidence that the wood is from legal and sustainable sources. Where necessary we will take action to influence the procurement processes.
- › Take steps to influence our designers and clients to ensure that we are provided with contract specifications that do not require the use of endangered species.
- › Regularly assess our current procurement practices and record the proportion of wood that comes from credible and auditable sustainable sources
- › Specify on all purchases of timber materials the requirement for the products to be either FSC or PEFC certified and purchased in line with legal requirements such as the EU Timber Regulations.
- › Not accept timber or timber fibre products from uncontrolled sources onto our construction sites.
- › Identify those hard and soft woods that are endangered **(Cites listed)** will select alternatives and remove these types of wood from our procurement processes.
- › Consider the use of recycled and reused timber and wood products where appropriate.
- › Support creating a sustainable future for our woodlands and forests through 'Grown in Britain' programme

For and on behalf of Morgan Sindall Group plc



Graham Edgell

Director of Sustainability and Procurement

Updated: Rev F – August 2019. Original: 10th March 2014.

Note on implementation of the Policy

cpet

The Central Point of Expertise on Timber Procurement (CPET) is a service of the UK Government. CPET has been set up by the Department for Environment, Food and Rural Affairs (Defra), and is operated by ProForest, a company with wide experience in advising on responsible purchasing. The two main timber schemes are listed below:

Forest Stewardship Council (FSC)

The FSC is a non-profit non-governmental body controlled by members from environmental, social and indigenous people's organisations and the timber industry. The standards set by the FSC apply worldwide, and each forest is inspected regularly by independent certifiers to a set criteria. These cover social, environmental and economic aspects of forest management.



The process calls for constant improvement with publicly available targets, for example, to increase the forest's, and improve the benefits to indigenous populations. This ensures that the source forests are well managed and the timber from it is truly sustainable.

The FSC also uses a Chain of Custody (CoC) certification system for timber processors and merchants checked by regular inspection. This prevents timber substitution and ensures an unbroken audit trail for the timber from user to forest. The rigour of the system and its inspection processes has led to the FSC becoming the most widely respected system in local and national government.

Programme for the Endorsement of Forest Certification

Besides the FSC, the main European system is the **PEFC** (Programme for the Endorsement of Forest Certification). This is an umbrella organisation of forestry schemes – such as SFI and CSA. They follow common guidelines, which include biodiversity and social-economic factors.



In addition, whilst some PEFC schemes, like the UK Certification Scheme are rigorous, others are less so. As PEFC is based on mutual recognition, the weaker schemes act as the benchmark for the rest.

The market for FSC is growing and availability of some materials is limited. It is recognised that having PEFC certification is a significant step towards meeting Morgan Sindall timber policy if FSC materials are not available.

Both FSC and PEFC are recognised by the UK government as meeting their sustainability criteria.

WWF's Forest Campaign

We are supporting WWF's Forest Campaign, which is calling for a transition to a 100% legal and sustainable timber market in the UK and EU by 2020.

To Support the Campaign, we pledge to:-

- › Buy timber and timber products from sustainable sources by 2020, and make our performance public.
 - › Support the call for the EU to close the loopholes in the EU Timber Regulation (EUTR) so that all timber and timber products must be from legal sources.
 - › Support the call to the UK and the EU to complete the transition to a market in sustainable timber and timber products by 2020.



Grown In Britain

Grown in Britain is a government backed, and industry-led, campaign which aim to create a more sustainable future for British forests. In line with the UKCG / Build UK commitment, the Group has committed to support the Grown in Britain campaign and procure British grown timber where feasible.

Uncontrolled Sources

These maybe defined as without known legal origin, wood from conversion operations or uncertified wood species classified as endangered or higher by the IUCN red list, www.iucnredlist.org/ contains a searchable database of wood species and their conversion classification.

In most cases, the use of uncontrolled species may be avoided by the presence of at least partial chain of custody within the timber or timber fibre supply chain. The establishment through a partial chain of custody, that the material in the product was at least harvested under certified management controls provides a limited assurance and is a pragmatic solution to timber supply allowing the identification of clearly undesirable timber and timber fibre which has come from unidentified or unknown source.

Suggested Clauses in Contract Documentation to achieve the policy

Include the following timber clause in specifications.

- › All timber and timber fibre products to be supplied as FSC or PEFC certified.
- › Partial FSC Chain of Custody (CoC) or other proof may only be used with the prior written approval of the Contract Administrator or Purchaser if it can be demonstrated that the full Chain of Custody is not available..
- › Environment Statements from suppliers alone are not to be used to demonstrate that materials are from a sustainable source.

Where full FSC or PEFC Chain of Custody is not available the Contract Manager should check that the specification does not specify timber which maybe from uncontrolled sources.

Include following documents in Supply Chain Pre Qualification and tender info:

- › List of FSC certified suppliers
- › The appropriate design brief for the project
- › Monitoring protocol
- › The Timber Policy of the relevant Morgan Sindall Group plc operating Division

Tender Evaluation

At tender evaluation contractors responses to sustainable construction and timber use, should be reflected in your evaluation process. Ideally, the contractor should be FSC CoC certified. All timber should be procured from an auditable sustainable source with a preference for FSC timber. Failing this, the contractor should demonstrate their ability to monitor their timber use and procurement, and demonstrate knowledge of and an ability to provide sufficient evidence to demonstrate that the wood in the product is not from an uncontrolled source.

Monitoring Protocol

The Project Specifications are expected to develop sufficient monitoring and control procedures to ensure compliance with this policy. Timber and Timber Fibre deliverers should be verified by sight of the relevant delivery notes and invoices.

The FSC or PEFC CoC number or proof that the wood in product is not from an uncontrolled source should be recorded in a robust enough way so that compliance to responsible sourcing requirements may be audited.

Where the number of deliveries is high and therefore it is not practical to check each invoice, spot checks will be sufficient to ensure that there is auditable proof of sustainable timber procurement. It is recommended that a minimum of 5% of all invoices are monitored. Each individual contractor shall maintain records of all timber and timber fibre products used for a minimum of five years and make these available for inspection by the Contracts Manager, or other relevant persons.

Such information shall be made available to the relevant Morgan Sindall Group plc operating Division, on request.

Timber and Timber Fibre Products	Evidence Required	Outcome
Suppliers with FSC CoC or PEFC CoC certification	Copy of supplier CoC certification, Correctly annotated invoice(s) & a report of the percentage of certified timber used (monthly)	Complies with the Policy
Timber and Timber Fibre products from a component manufacturer/supplier with FSC or PEFC CoC but without distributor CoC certification or equivalent	CoC certification of manufacturer/supplier identification, through certification markings of timber on site.	Complies with policy as a controlled source.
Wood from local sustainable sources e.g. Kent coppiced chestnut used for paling fencing.	Declaration of species	Complies with policy as a controlled source
Timber and Timber Fibre products without even a partial FSC or PEFC CoC.	Copies of all the environmental policies in the supply chain & details of checks carried out.	Complies with policy as a controlled source

	<p>Declaration from the supplier of species and evidence of known legal forest origin. Declaration that the wood is not from a recent forest conversion.</p> <p>(dependent upon risk we may request that the evidence is provided by an independent and credible third party)</p> <p>.</p>	
--	--	--

FSC Forest Stewardship Council

PEFC Programme for the Endorsement of Forest Certification

COC Chain of Custody (independently verified audit trail of timber to well managed forest)

CPET The central point of expertise for timber procurement

Reporting

Morgan Sindall adhere to the UKCG / Build UK reporting process and file our compliance quarterly.

2015 Compliance

FSC Certified	54.99%
PEFC Certified	43.10%
Legal and Sustainable	1.36%
Reclaimed or Reused	0.06%
Unknown, Uncertified	0.49%