

Forest Products Procurement Policy

2014

VISION

A key tool in our approach to sustainability

In Canada, RONA is recognized as a responsible company in its industry. Our [Responsible Procurement Policy \(RPP\)](#) establishes the principles stating that we seek to do business with suppliers and partners who respect the environment and comply with labour standards.

RONA has adopted a rigorous approach to analyzing the environmental impact of its products, based on life cycle assessment, a stringent and recognized method to measure the environmental impact of a product from cradle to grave.

RONA firmly believes that the environment must be conserved through the protection of and the responsible use of natural resources extracted from it, so that future generations can continue to benefit from these resources. We recognize that we have an important role to play, through the products we sell and consume as a business, to ensure the sustainability of natural resources and to reduce our environmental footprint.

RONA wishes to do business with suppliers who continuously improve their practices with regard to sustainable management of forests and the environment, those who can demonstrate that the fibre they use is from a legal and sustainable source, those who do not contribute to deforestation, those who are dedicated to continuous improvement, and those who proactively address issues related to their operations.

RONA believes in a collaborative approach. Protection of forest resources is a shared responsibility that requires continuous cooperation between stakeholders. To this end, we work in partnership with suppliers and leading environmental and government organizations to define and promote responsible behavior.

Scope of this policy

This policy applies to forest products that are included in RONA's procurement program and sold in our network of corporate stores.

The forest products targeted in this policy are primarily softwood lumber (spruce, pine and fir), finishing wood, plywood, MDF and cedar.

This policy deals specifically with key environmental and socioeconomic issues pertaining to forest products. For all other sustainability-related issues, these products are governed by RONA's [Responsible Procurement Policy \(RPP\)](#), including the principles for implementation.

PRINCIPLES

As stated in the RPP, RONA expects that suppliers comply with all applicable laws pertaining to the environment and to labour. RONA also wishes to raise awareness among suppliers so that they integrate the life cycle approach into their business operations.

1. Responsibly sourced fibres

RONA wishes to do business with suppliers who provide wood products made from fibres that come from legal and certified sources.

1.1 Legally sourced

RONA will not knowingly purchase wood products made from illegally harvested trees. For the purposes of this policy, illegally harvested wood is any such product obtained in violation of established legislation.

RONA will diligently investigate all complaints in this regard and ask the supplier to take corrective action immediately. If the supplier fails to comply with such a request, RONA will reconsider its business relationship with the supplier.

1.2 Third-party sustainable forest management certification, fibre traceability and labelling

RONA wishes to do business with suppliers who provide wood products sourced from forests that have a recognized certification in sustainable forest management (SFM), or are in the process of obtaining certification.

We have adopted an inclusive approach to the certification of forests and recognize the standards of the following organizations:

- Forest Stewardship Council (FSC)
- The standards supported by the Programme for Endorsement of Forest Certification (PEFC), including:
 - Canadian Standards Association (CSA)
 - Sustainable Forestry Initiative (SFI)

RONA supports certifications that integrate environmental and social aspects into forest management. RONA recognizes the importance of strong and respectful relationships with indigenous communities, along with the conservation of biodiversity, two priority factors as defined in FSC certification. RONA also recognizes that differences exist between the various certifications and that FSC standards are among the most stringent. As a result, RONA will give preference to certified wood that complies with FSC standards, subject to availability and price competitiveness. RONA will also seek to improve these criteria by considering other certification standards.

For wood products, RONA favours labelling that identifies the certifications mentioned above. RONA considers labelling to be an effective way of informing and educating consumers on sustainable forest management.

SFM certification, fibre traceability and labelling are the most effective ways to ensure that wood products purchased by RONA were responsibly harvested.

2. Conservation of biodiversity and forests

RONA recognizes that forests are complex ecosystems and that certain forests stand out in terms of biodiversity and ecological value. These forests should be assigned a special status, such as “high conservation value” or “endangered.” Such a status should be clearly established by acknowledged experts and be based on scientific evidence. RONA will not purchase wood products from these types of forests.

However, in rare circumstances, wood products from these forests may be acceptable provided they are legally harvested, in compliance with the rules and requirements of the certification bodies, and the supplier takes measures to ensure the protection of high conservation-value forests. In this case, RONA will require that such wood be certified, preferably by the FSC.

When RONA purchases wood originating from a forest that is considered endangered by certain stakeholders, but has not been certified as a high conservation-value forest, RONA will request that the supplier do the following:

- Take action to conserve the ecological and cultural value of the forest, as well as protect the biodiversity and ecosystems in the forest.
- Protect the habitats of species that depend on the forest.

- Support the conservation of biodiversity and the advancement of knowledge in this field.
- Cooperate with conservation organizations, government bodies, indigenous communities and other groups to identify sustainable solutions and ensure the long-term viability of the forest.

3. Social responsibility

Respect for employees

In keeping with our Responsible Procurement Policy (RPP), RONA wishes to do business with suppliers who comply with labour standards as defined by the International Labour Organization (ILO), as well as applicable laws.

Aboriginal peoples and communities

RONA recognizes that indigenous peoples and their communities around the world are closely linked to the forests from which our products are derived. When sourcing forest products, RONA will give preference to suppliers who build economic and cultural relationships with indigenous groups whenever these communities are willing to do so. Suppliers are required to:

- Respect indigenous rights by:
 - Cooperating with members of indigenous communities to develop a forest-management plan.
 - Managing responsibly or protecting areas where culturally important activities or practices take place.
- Ensure that people from the indigenous communities participate in the forest economy, working as employees, contractors or suppliers.

VERIFICATION

As stated in the Responsible Procurement Policy (RPP), RONA will take the required action to monitor compliance with this policy. For details, please see the Verification section of the RPP.

This policy will be applied in a context of dialogue and continuous improvement. Suppliers must implement corrective measures to resolve all cases of non-compliance. If necessary, the business relationship with the supplier may be reconsidered.

RONA is also committed to cooperating with all stakeholders to implement and improve this policy.

RONA will inform and educate all stakeholders on this policy and on our commitments regarding the procurement of wood products.

As part of a sustainability action plan, RONA will develop goals that are specific to this policy. In its annual report on corporate responsibility, RONA is committed to reporting on progress made in implementing this policy.