

## **Wood Purchasing Policy**

As the world's largest home improvement retailer and an industry leader on sustainability issues, we have the ability to effect change by doing the right thing. To help protect endangered forests and to ensure that there will be timber for future generations, The Home Depot first issued its Wood Purchasing Policy in 1999. From 1999 through 2018 we have been very successful in leading our suppliers to understanding and practicing sustainable forestry throughout the world.

We pledged to give preference to wood that has come from forests managed in a responsible way and to eliminate wood purchases from endangered regions of the world.

Today, we have broadened our focus to understand the impact of our wood purchases in all regions and embrace the many social and economic issues that must be considered in recognizing "endangered regions" of forests.

To fulfill the pledge, it was necessary to trace the origin of each and every wood product on our shelves. After years of research, we now know item by item - from lumber to broom handles, doors to molding and paneling to plywood - where our wood products are harvested.

It was a daunting task, but we are proud of our accomplishments. To further show the company's leadership commitment to the environment and to promote certification in the industry we felt compelled to share our findings.

### **Building on the Journey**

We sell less than 1% of all the wood cut worldwide with 94% coming from North America. The forest land coverage in North America has grown by over 247,000 acres from 2010-2015.

Our research taught us much about the world's forest coverage by country. This information came from many highly regarded organizations, including, but not limited to, the U.S. Agency for International Development (USAID), USDA Forest Service, the U.S. State Department, the Food and Agriculture Organization of the United Nations, the Global Forest and Trade Network, the Tropical Forest Foundation, the Tropical Forest Trust, The Nature Conservancy and the World Wildlife Fund.

### **Reaching out to Stakeholders**

At Home Depot we have reached out to many stakeholders over the past 18 years to help us research and understand the world's forestry issues. We have participated in many committees and studies in efforts to clarify the issues that affect our forests. Some of these include Yale Forest Forum, Southern Forest Carbon Project, FSC controlled wood working group and many others. We also invite many ENGOs to our corporate headquarters to meet with our senior leadership team members. Examples of some of the ENGOs that have met with our senior leadership are: Greenpeace, Natural Resources Defense Council, Rainforest Action Network, Forest Ethics, Dogwood Alliance, Rainforest Alliance, The Nature Conservancy, WWF and others.

## **Environmental Seal of Approval**

Wood is considered "certified" if it has been managed and harvested under strict guidelines and monitored by a third party to ensure sustainable practices are followed. In short, some certified timber can be tracked through its entire journey from stump to shelf.

One of the certification standards is the Forest Stewardship Council (FSC), an independent organization based in Bonn, Germany. We sell more FSC certified wood than any retailer in America and at the same time we have transitioned more vendors to FSC certified wood than any other retailer in America.

We began to give preferential treatment to FSC certified products in 1999. In addition, we have shifted buying wood from questionable sources to companies that practice responsible forestry. These products originated in many continents including: Europe, Asia, North and South America.

We have worked closely with domestic and international manufacturers to help develop a supply chain that enables consumers to purchase FSC wood products. During the timeframe 2000 to 2017 we developed programs and purchased FSC wood products from over 60 global suppliers. These products currently include categories of doors, boards, patio furniture, moulding, plywood and much more.

Implementing the policy meant making minor changes to our wood supply chain and rewarding companies that practice responsible forestry. Since initiating our policy in 1999 and continuing through 2017 we have maintained approximately the same ratio in wood purchasing volume by country. In 2007 and 2008 we shifted additional wood purchases out of Malaysia, Russia and Papa New Guinea to areas of more sustainability and certified forests. In addition, we have:

- Replaced carpenter pencils with FSC certified pencils
- Worked with our vendors to shift more than 80% of our lauan wood used in the production of doors to wood from more sustainable sources
- Replaced mahogany levels with domestically engineered wood
- Reduced our purchases of Indonesian lauan by more than 70%. The minimal amount of lauan purchases that remain in Indonesia are strategically placed with vendors that are aggressively pursuing certification, and have been engaged in third-party audits
- Moved more than 90% of our cedar purchases to second- and third-growth forests in the United States. The remaining cedar purchases are sourced from coastal British Columbia and have been through the local community stakeholder review. In addition, our vendors are participating in the Joint Solutions Process negotiations
- Significantly increased our FSC certified redwood. Our two primary suppliers of redwood both give a strong purchasing preference for FSC certified wood and we will continue to exercise a preference for certified redwood
- Committed to not purchase uncertified wood products sourced from the 10 most vulnerable forest ecoregions as identified by the World Wildlife Fund in February 2001.

These forest ecoregions include:

Southern Pacific Islands forests	Madagascar mangroves
Naga-Manapuri-Chin Hills moist forests	Palawan moist forests
Solomons-Vanuatu-Bismarck moist forests	Philippines moist forests
Cameroon Highlands forests	Mexican dry forests
Gulf of Guinea mangroves	East African mangroves

Committed to not purchase wood products made from the 40 suspect tree species listed by the World Conservation Monitoring Centre as potentially endangered species, unless the supplier provides the export permit. These species include:

Afzelia bipindensis	Dyera costulata
Amburana cearensis	Erythrophleum fordii
Aniba rosaeodora	Eusidoroxydon zwageri
Aquilaria malaccensis	Flindersia iffliana
Araucaria angustifolia	Guibourtia ehie
Araucaria cunninghamii	Intsia bijuga
Aspidosperma polyneuron	Juglans neotropica
Baikiaea plurijuga	Lovoa swynnertonii
Baillonella toxisperma	Microberlinia bisulcata
Bertholletia excelsa	Microberlinia brazzavillensis
Bombacopsis quinata	Milicia excelsa
Caesalpinia echinata	Nauclea diderrichii
Caryocar costaricense	Neobalanocarpus heimii
Cedrela fissilis	Pericopsis mooniana
Cedrela odorata	Pinus tecunumanii
Dalbergia cochinchinense	Pterocarpus angolensis
Dalbergia davidii	Pterocarpus indidicus
Dalbergia latifolia	Santalum album
Dalbergis purpurascens	Taxus wallichiana
Dialium cochinchinense	Vitex parviflora

1. The Home Depot will give preference to the purchase of wood and wood products originating from certified well managed forests wherever feasible.
2. The Home Depot will eliminate the purchase of wood and wood products from endangered regions around the world.
3. The Home Depot will practice and promote the efficient and responsible use of wood and wood products.
4. The Home Depot will promote and support the development and use of alternative environmental products.
5. The Home Depot does not accept wood from the Amazon or Congo Basin areas unless Forest Stewardship Council (FSC) certified.
6. The Home Depot expects its vendors and their suppliers of wood and wood products to maintain compliance with laws and regulations pertaining to their operations and the products they manufacture.