

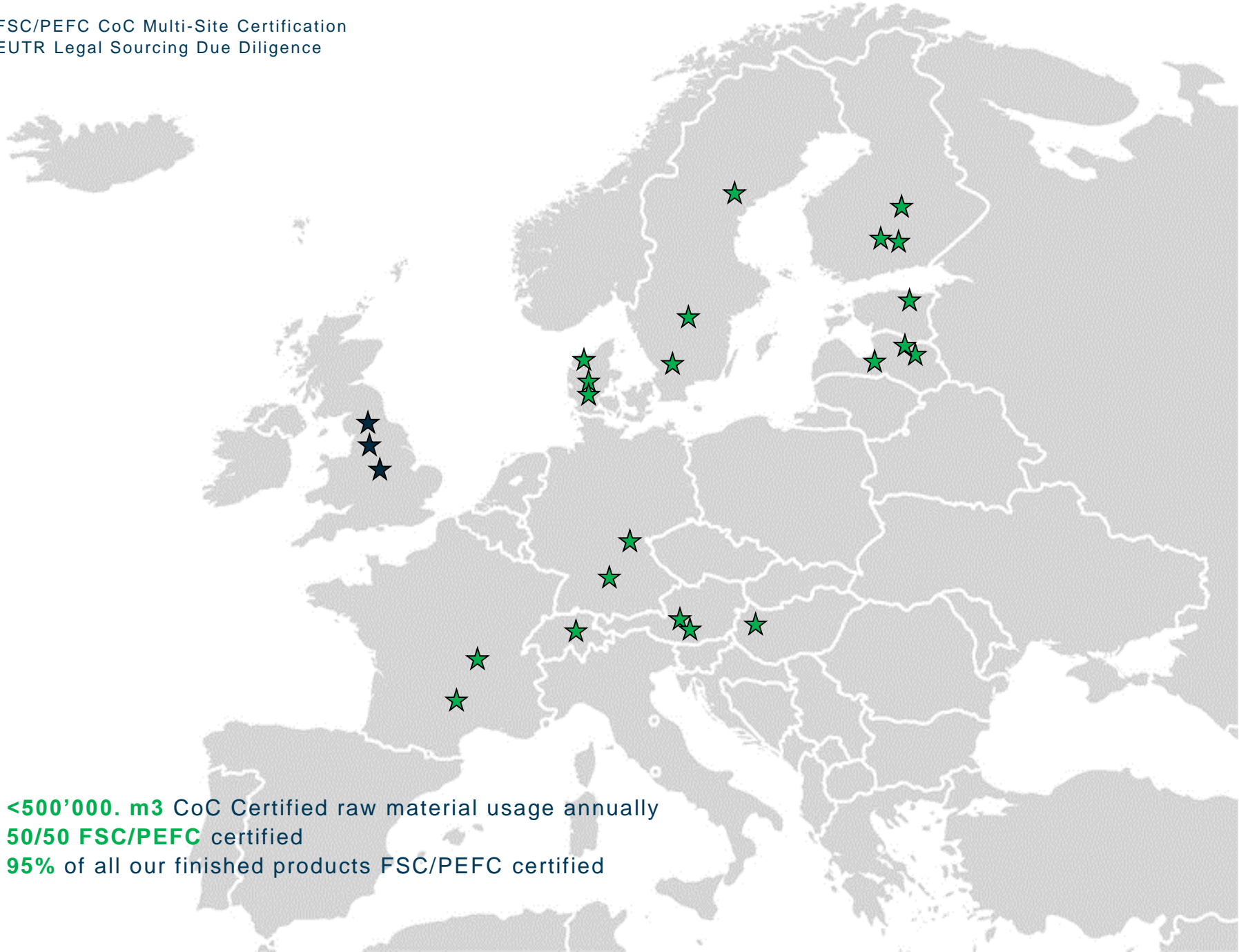
Due Diligence process in JELD-WEN Europe

September 2017



FSC/PEFC CoC Multi-Site Certification
EUTR Legal Sourcing Due Diligence

<500'000. m3 CoC Certified raw material usage annually
50/50 FSC/PEFC certified
95% of all our finished products FSC/PEFC certified



We have worked out a system and principles to minimize any risks that JELD-WEN Europe is sourcing or placing on the market any products with an unknown or illegal origin.

As a company founded on manufacturing from wood, JELD-WEN recognises the importance of a sustainable supply chain.

All JELD-WEN's doors in Europe meet the requirements of the new EU Timber Regulation effective March 2013.



12.11.2010

EN

Official Journal of the European Union

L 295/23

**REGULATION (EU) No 995/2010 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 20 October 2010**

laying down the obligations of operators who place timber and timber products on the market
(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE
EUROPEAN UNION,

development including the commercial viability of operators acting in accordance with applicable legislation. It also contributes to desertification and soil erosion and

OPERATORS

16

Legal responsibility

Penalties
Stopped deliveries
Court case against member state

TRADERS

350

Moral responsibility

JW Values
JW Strategy
Overall Branding
Overall Sustainability

JELD-WEN Europe is committed to sourcing legal material. Our commitment has been clearly *stated in our Policies and Procedures, Procedure 201*. JELD-WEN Europe has signed and committed with FSC Policy of Association for sourcing certified material.

No wood products shall be placed on the EU market before applicable access to information and risk assessment has been carried out AND negligible risk has been confirmed OR, in the case the risk cannot be declared as negligible, effective risk mitigation actions has been carried out

In parallel JELD-WEN has set up requirements and 3rd party verification demand for suppliers who might cause supply chain or sourcing risks to our company

Quality management system

Responsibilities:

Training, competency development / Maintenance of documents and procedures / RA supplier evaluation / Risk mitigation, overall responsibility

Internal Audits:

DDS Evaluation / CAR fulfillment / Category managers, Local buyers, Management group

Record Maintenance:

As set by FSC /PEFC standard / Supplier verification audit documentation

Summary of documents:

EUTR, Legal Source standard, Audit reports, Training calendar, CAR registry / RA data / Databases

Access to information

Supplier Due Diligence Commitment

Required info is part of contract

Required info is part of invoice

Risk assessment

Is material Certified on Invoice

Does supplier have DDS

Does supplier provide evidences

Complex supply chain, mapping

CPI countries and working with dealers

List of high risk species

Risk mitigation

Demand certified wood FSC/PEFC

Substitute specie, component

Eliminate supplier

3rd part audit

Supplier Due Diligence commitment

is used as a generic letter template we send to our suppliers in order to secure access to information.

Supplier Code of Conduct –

is signed with all our suppliers.



Supplier Due Diligence Commitment
 Annex 3.1.2 (6)
 Date: 02.08.2015 / ASA

Supplier Due Diligence Commitment

JELD-WEN is committed to ensuring that all wood and products containing timber are procured from legal and well managed sources. As an FSC / PEFC Certified Company we are subjected to the conditions of the PEFC / FSC Chain of Custody Standards. As part of our policy and FSC/PEFC Certification requirements we request from all suppliers the following information and statements:

The Supplier:

Commits that the raw materials which are ordered by JELD-WEN with a CoC Certification claim (xx% PEFC Certified, FSC Mix, FSC 100%, FSC Mix xx%, FSC CW, FSC Recycled xx%) will be delivered with the declared claims.

Commits to provide information regarding the origins of timber and the timber species (common name and/or scientific name) for each material. For composite wooden products (MDF, Chipboard, etc.), supplier shall list all timber species included in the material.

By signing this commitment the Supplier is creating access to material origin and sourcing information required by FSC, PEFC Certification Chain of Custody schemes and EU Timber Regulation.

Confirmation of the certification and the claim of the products to be delivered:

CoC	Claim	(%)	Explanation
PEFC	<input type="checkbox"/> PEFC	%	PEFC % - system (70-100%) (Please enclose copy of certificate!)
	<input type="checkbox"/> PEFC Controlled Sources		PEFC Controlled source
FSC	<input type="checkbox"/> FSC Mix	%	FSC Mix % - system (70-99%)
	<input type="checkbox"/> FSC Mix (100)	%	FSC Mix credit – system
	<input type="checkbox"/> FSC	100 %	Pure FSC – system
	<input type="checkbox"/> FSC CW		FSC Controlled Wood
	<input type="checkbox"/> FSC Recycled		FSC Recycled wood (1-100) %
No	<input type="checkbox"/> Non CW CM		Unknown Controlled Wood for FSC system Controlled Material for PEFC system



European Procedures
 Business Section 204: JELD-WEN Europe
 Supplier Code of Conduct

Procedure 204: JELD-WEN Europe Supplier Code of Conduct

General: Good behavior is good business and with this point in mind we believe it to be essential point when building up and developing trusting relationships with suppliers.

For Procurement in JELD-WEN Europe, we do not only have a responsibility towards the sourced products or components, we also have a responsibility towards the people and the communities we are sourcing from. This is why all JELD-WEN European Procurement wishes to take responsibility as an active partner to inspire the European Group's suppliers to develop and improve and to take a responsibility themselves.

In JELD-WEN European Procurement we wish for our appearance to have a practical value for the suppliers that we become part of as a customer. Therefore we wish to clearly communicate our values and to select suppliers who are able to identify with our Supplier Code of Conduct and demonstrate responsible sub-supplier management. This is essential for the evaluation of the supplier, and therefore also for the opportunity to be taken into consideration as a future partner. Every supplier is signing a form letter confirming that one agrees and understands the Supplier Code of Conduct of JELD-WEN Europe (see enclosure 1).

The purpose of this Code of Conduct is to ensure that suppliers of JELD-WEN Europe operate in accordance with internationally recognized minimum standards on human rights, labour and



- **Risks originating from the source of origin:**
(Annual corruption Perceptions Index 2016 ,CPI<50 low)

- **Risk originating from specific species:**
List of high risk wood species (yes/no)

- **Risk originating from the complex supply chain:**

- ✓ **FSC/PEFC CoC Certificate**
- ✓ **Supplier Due Diligence Commitment**

! Product Certified and claimed on purchase documents
! SDD provides access to sourcing origin and Timber specie

! Material sourced outside EU
! Sourcing origin – high risk
! Timber specie – high risk
! Non-FSC certified material – enters FSC product

- ✓ **Supply chain mapping**

Forest origin evidences

Supply Chain evidences

Documents Accepted for legal right to Harvest:

Forest management certificate for logging
Forest authority certificate
Forest management licence agreement
Forest timber licence
Forest management permit
A licence to operate in the logging sector
Approved management plan
Harvesting licence

Documents Accepted for Legal Transport:

Invoice stating the supplier's FSC/PEFC certificate nr
Invoice/delivery notes to/from sub-suppliers
Bills of lading
Packing lists
Custom payments/declarations

Evidences need to be available for every step inside supply chain

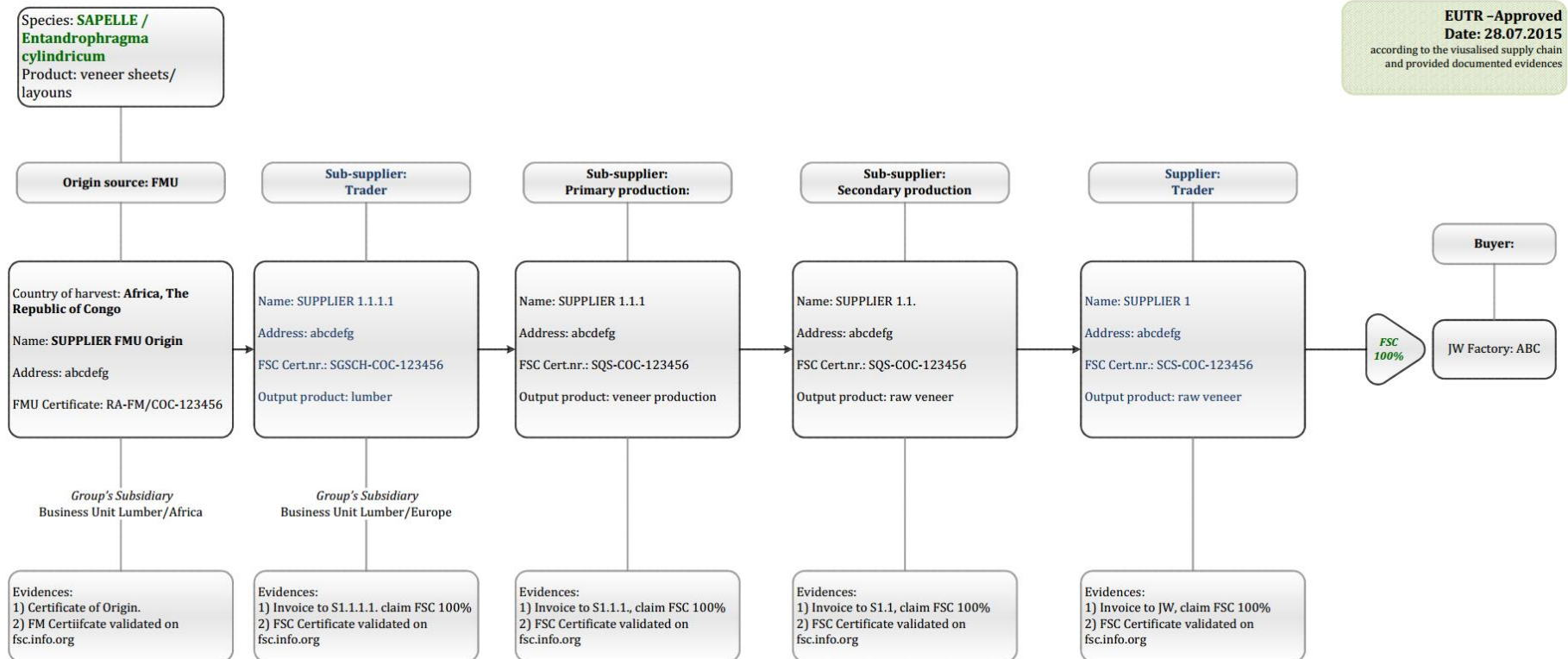
- ✓ **3rd party verification**

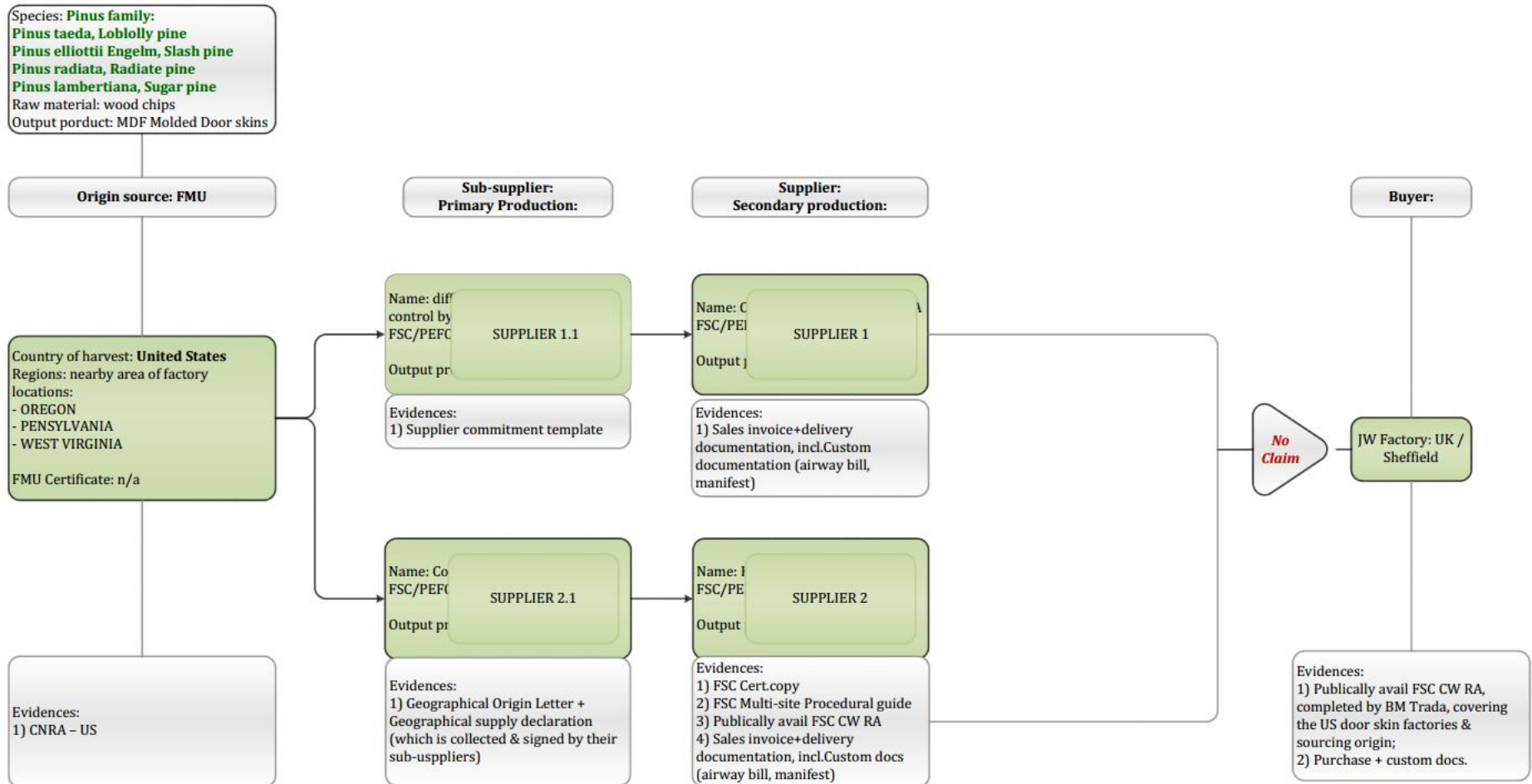
! Approved DDS, low risk

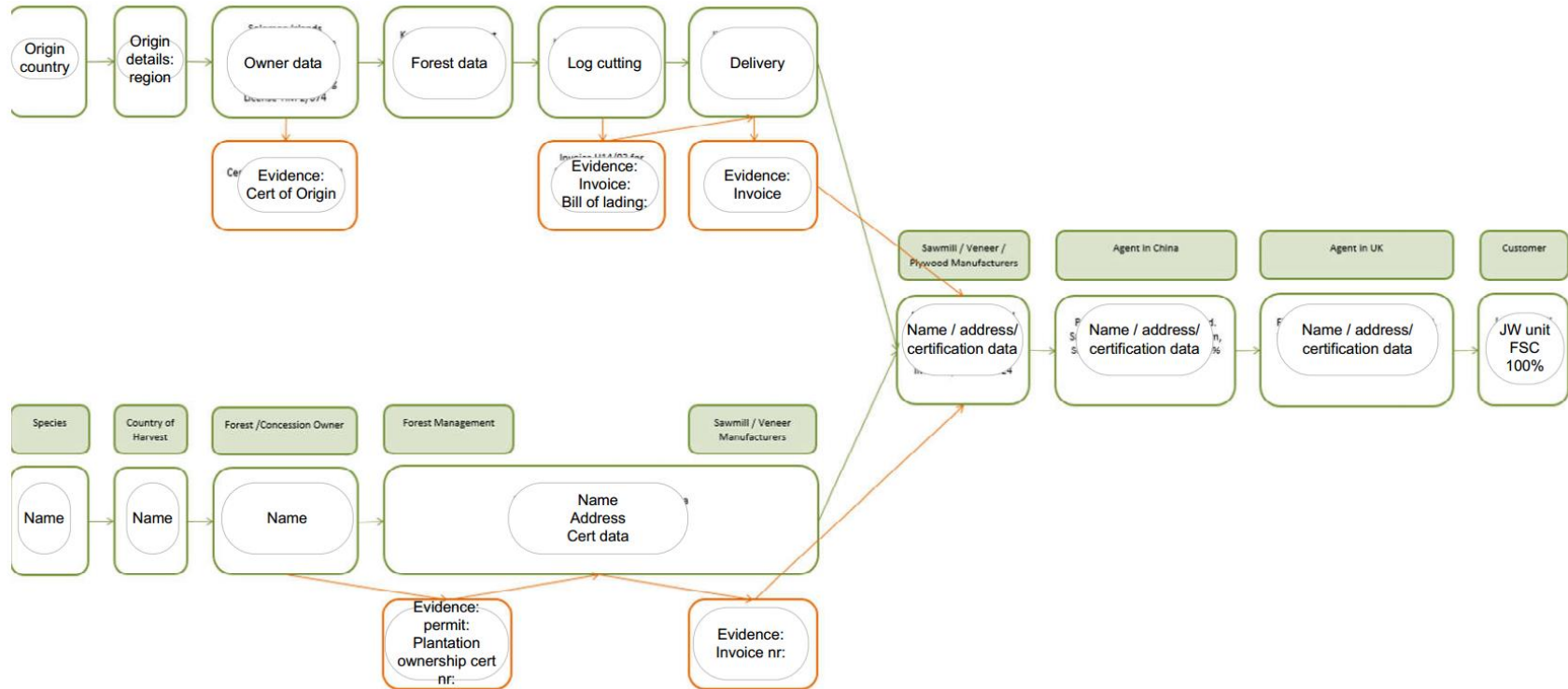
! Eliminate, substitute product and/or supplier

Sourcing FSC certified material – raw veneer
From high risk country/ high risk species
 Claim on invoice + Supplier commitment
 Supply chain mapping – access provided

Review, evaluation of documented evidences –
 approved as low risk EUTR;







- Door produced in Malaysia- delivered to UK
- UK National monitoring organization is sending request to JW about being Operator, asking evidences
- JW provides all sourcing and legality documentation (invoices, supply chain mapping, local permissions, Legal Source audit report, etc)
- NMO is asking one door to send to DNA testing
- JW will deliver the Malaysian door to NMO which goes to DNA testing
- DNA test result shows, that we have some mismatch in documentation vs product

1. Evidence to support claims of origin for US materials (oak)
2. Evidence to support claims that materials are purchased from listed suppliers
 - Sales invoice, Alpine
 - Sales invoice APP

4

- Sales invoice Baillie
 - Sales invoice Bohlke
 - Sales invoice Metro
 - Sales invoice Misc suppliers
3. Risk assessment for Uruguay and Argentina
 - Low risk pine, no UN sanctions
 4. Map out supply chain (diagram)
 - Approved Vendor List For EU
 - Corinthian FSC Certificate valid 2017
 - Supply Chain Diagram Corinthian 2015
 - Local Forestry Documents FA-KO (2)
 - Local Forestry Documents FA-KO IIC 3076
 - Local Forestry Documents FA-KO IIC 3091
 - Local Forestry Documents FA-KO
 5. Risk mitigation
 - > Check FSC suppliers (e.g. still registered) (Jayakuik lost FSC certification)
 - Jayakuik FSC certificate
 - Jayakuik FSC Webprint
 - > Check if visits to suppliers have been carried out + follow up audits
 - LegalSource Supplier Verification Audit Jayakuik 28JAN15
 - LegalSource Supplier Verification Audit Metro 2015
 - LegalSource Supplier Verification Audit PCC 2015
 - CW Risk Assessment-Malaysian suppliers
 - CW Risk Assessment-Red Oak White Oak (AD 54-F-07)
 - CW Risk Assessment-US suppliers

Question- Does JELD-WEN have well functioning DDS system?

Thanks a lot for your time over the phone.

As discussed I would like to purchase one of your oak doors to conduct some microscopic and DNA testing on it then review its due diligence.

As I couldn't find a clear description in the documentation, could you send me the name of the oak tables Jeld-Wen is an operator for and the contact details or process to follow to buy it?

Thanks in advance.

I look forward to hearing from you.

Regards,

Nicolas Pillet

EUTR Compliance Officer
National Measurement Office
Stanton Avenue | Teddington
Tel 020 8943 7229 | Mob 0788
Email nicolas.pillet@nmo.go.uk

"P00081915 (evidence bag) 'Oak doors'"

This bag was stated to contain 10 "samples"; T121.1, T121.2, T121.3, T121.4, T121.5, T121.6, T121.7, T121.8, T121.9 and T121.10. However, two samples were labelled T121.6, which we have relabelled T121.6A and T121.6B, and T121.10 was missing. All these samples were macroscopically examined using a hand lens. The samples from this bag are stated to be *Quercus alba* (USA) and Loblolly Pine (Argentina or Uruguay). None of the samples were Pine.

T121.1: Seven pieces of solid wood, all matching *Quercus* sp. Although microscopic examination would be needed to confirm whether these samples are white or red oak, they look much more like the many white oak samples we have sectioned than the red oak ones. The same applies to the samples identified as oak below.

1

T121.2: Six solid pieces, one of these "pieces" comprising 12 layers, two veneers, i.e. 20 components in total, all matching *Quercus* sp.
T121.3: Eight pieces, matching *Quercus* sp.
T121.4: Two pieces, matching *Quercus* sp.
T121.5: Two veneers matching *Quercus* sp., chipboard inside comprising at least two hardwoods, one matching *Hevea* sp., the other with storied axial parenchyma but unidentified.
T121.6.A: at least three pieces, all matching *Quercus* sp.
T121.6.B: at least three pieces, all matching *Quercus* sp.
T121.7: Six inside pieces and two veneers, all matching *Quercus* sp.
T121.8: Two pieces, matching *Quercus* sp.
T121.9: Five pieces and two veneers, all matching *Quercus* sp."

As discussed, I'd like to know today what stock of this particular door you are currently holding.

Also, I'd like you to keep me informed of your findings as to why your products contained hardwoods component rather than the listed pine and to resubmit as soon as possible a valid due diligence applied to the species contained in that door.

- I think we DO because we fulfill all EUTR elements, but.....
- The problem is that supplier have changed the product content (Bill of Material) without informing us.
- Supplier had all evidences, but they were not able to link them with specific items.

Learning is: How to link clear evidence with real product? And how collect specific case based evidences- no uniformed solution; each case is unique.

- JELD-WEN got positive evaluation for DDS setup in UK
- Same case in Latvia- China plywood

CONTAINS data

- for all 23 JW units within 12 EU countries, (production factories inc terminals) managed under the FSC/PEFC Multi-site certificate
- of in total 1000 inputs by timber specie
- of all wooden based suppliers 367

BENEFITS

- reduces time spent for managing data – overview by supplier, by unit, by specific product data (input type, specie, delivered claim, etc.)
- allows to analyse data in a variety of ways – flexibility of reporting
- documents can be uploaded, imported from anywhere at anytime
- user friendly to maintain existing information and update new data – up-to-date valid data 24/7

Manage Reports Admin Log out									
Back Add new Supplier									
Filters Region Country Supplier Name Supplier No. ERP Supplying									
No.	[Supplier name]	Supplier Short Name	Supplier No. ERP	Supplying	Subsidiary of	Supplier Country	Supplier type	Supplier Legal Address	Supplier Delivery Address
1	4plus, SIA			Local		Latvia	External Producer	Abula 6b, Valmiera, LV-4201, Latvia	Abula 6b, Valmiera, LV-42
2	A. Soirv OY			Local		Finland	External Producer	Takojankatu 3, 15800 Laihi, Finland	Takojankatu 3, 15800 Lai
3	Aabling Handel A/S			Global		Denmark	External Dealer	Lancievej 2, DK-7100 Vejle	Lancievej 2, DK-7100 Vej
4	Abalon Hardwood GmbH			Local		Austria	External Producer	Europastrasse 2, Helgenkreuz 7561, Austria	Europastrasse 2, Helgen
5	ABET France	Abet		Global		France	External Producer	Av. Aristide Briand, BP 9154, 73051 Chambéry	Av. Aristide Briand, BP 9
6	ABET GmbH	Abet		Global		Germany	External Producer	Fullenbruchstraße 189, 32051 Hertord	Fullenbruchstraße 189, 3

Operators / Traders Report

Filters

Supplier Type

Supplier Region

Supplier Country

Supplier Name

Product Group

Product Type

Country of origin

Claim

Wood Species

JELD-WEN Unit

Risky Species

Category Manager

Local category manager

Clear Filters Generate report Available results:

Manage

Reports

Admin

Log out

Back

Add Certification

Add Product

Add Document

Change

Supplier Information

Supplier name

AS Barrus

Short Name

02354

Supplier No. ERP

Subsidiary of

Supplier Country

Estonia

Supplier type

External Producer

Legal Address

Verijärve, 05541 Võrumaa, ESTONIA

Delivery Address

Verijärve, 05541 Võrumaa, ESTONIA

Supplier Documents

No.	Document Type	File Name	Description
1	Code of Conduct	Supplier Code of Conduct AS Barrus Aug2018.pdf	
2	Copy of Certificate	AS Barrus FSC Certificate BM Trade Barrus_Lat_2018-05-09.pdf	FSC Certi March 201
3	Copy of Invoice	Barrus_Invoice.pdf	
4	Supplier Due Diligence	Barrus_SDD.pdf	SDD + Co
5	Supplier Due Diligence	SDD Aug2018 Supplier Due Diligence Submitted Aug2018.pdf	

Certifications

No.	Certificate name	Certificate Description	Certification
1	FSC CoC	Forest Stewardship Council	TT-COC-00331
2	FSC CW	Forest Stewardship Council - Control Wood	TT-CW-00332

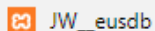
Supplier Products

Inactive Supplier

Expired Certificate

Inactive

Product ID	JW Unit	Supplier	Certification	FSC Ph
1871	JELD-WEN Eesti Ravimise P...	AS Barrus	FSC CoC - TT-COC-003380	Solid v



Covers and fullfills FSC/PEFC and EUTR requirements for Wooden based raw material; enables status review and gap analyse from different aspects

20th April, 2017

Corporate Responsible Purchasing and Compliance Statement

JELD-WEN has 24 operations in Europe and is structured into four main regions; UK, France, Central Europe and Northern Europe.

JELD-WEN has a global procurement policy. This entails that JELD-WEN always demands certified raw materials from suppliers and works to minimise the number of high risk wood species from high risk regions.

JELD-WEN confirms that at present majority of our products on the European market are available as FSC™ or PEFC™ certified and the number of certified products is continuously rising, reaching the 95% level. JELD-WEN's own certification code from FSC and PEFC, respectively can always be found on the invoices and delivery notes identifying the precise certified products.

All certified products as well as the few non-certified products in the JELD-WEN range comply with EUTR requirements (*Regulation (EU) No 995/2010*) which means the products are verified as legal. As traders, we demand traceability, visibility and evidence documents for all wooden material purchase and keep records sales of our timber products. As operators, we maintain and exercise due diligence system which incorporates information gathering and evaluation, risk assessment and risk mitigation activities.

Being member of FSC and PEFC schemes JELD-WEN is subject to annual third-party assessments by certification body NEPCon and Exova BM Trada. We conduct our own annual internal audit program and implement Due Diligence system procedures.

For specific questions about product lines or project orders, please refer to your JELD-WEN contact person for detailed information about material traceability and legality aspects, or contact JELD-WEN Regulatory compliance department using the details below.

Neil Letham
V.P Procurement Europe
JELD-WEN

We use it towards big building companies and retailers.
It is „must to be“ document

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Tel +371 28 657 385
ASaksen@jeldwen.com
SKarkle@jeldwen.com

Regions: France / Central Europe / Northern Europe
Certification Body: NEPCon

Compliance Group UK
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Sheffield, South Yorkshire,
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Tel +44 (0) 7801 530890
DWade@jeldwen.com

Region: UK
Certification Body: Exova BM Trada

