



PROCUREMENT POLICY STATEMENT

OVERVIEW

Columbia Forest Products (“Columbia”) appreciates intact forest landscapes for the many values they provide: fresh water, climate regulation, aesthetic beauty, carbon sequestration, and verdant ecosystems for wildlife habitat. Columbia also believes that forests must be protected to maintain the natural health and strength vitality of our communities. Forests represent a store of renewable value upon which families and forest-dependent communities draw vitality, including indigenous cultures, which possess a unique connection with forested landscapes.

Columbia’s employee owners value the forest for its natural beauty and as a source of society’s most renewable building material: wood. Columbia also understands the environmental, social, and economic concerns that accompany forestland management and use. Accordingly, Columbia recognizes that sustainable and responsible forestry practices are critical to meeting the needs of current and future generations. As such, Columbia is committed to using responsible forestry management and sourcing practices throughout its operations.

COMMITMENT

Columbia is committed to the legal trade of wood products and does not knowingly purchase or use wood products that are illegally sourced. To further this commitment, Columbia:

- Validates its forest management practices against recognized standards through independent third-party certification. We favor certifying operations to the Forest Stewardship Council® (“FSC”) certification, where feasible. [Columbia’s FSC license code is FSC-C017500.]
- Conducts operations in accordance with an internal due care program to reduce the risk of illegal timber entering into the supply chain and to avoid suppliers engaged in illegal sourcing activities.
- Monitors and adapts forest management and sourcing practices to facilitate continual improvement.
- Endeavors to ensure Columbia employees and contractors are knowledgeable, skilled, and experienced in their areas of expertise and are responsible and accountable for the successful implementation of this policy.

STRATEGY

Taking Responsible Forest Stewardship to Market

Columbia has long recognized the critical role of forest ecosystem services and the necessity that the forest resource be managed responsibly, expanded where possible, and maintained in perpetuity. In that spirit, in 1998, Columbia chose the FSC® Chain-of-Custody (“COC”) certification. By doing so, Columbia committed to offer the choice of a third-party independently audited, COC-certified FSC Mix production to the marketplace with a labeling system consumers could understand. Columbia was the first decorative hardwood plywood and veneer company certified to FSC COC standards by the Rainforest Alliance. Also, in 2000, Columbia was one of the first economic chamber members of the FSC in the United States to be granted a group forest management certificate.

Columbia encourages its customers to value protection of biodiversity and ecosystem integrity by purchasing Columbia panel products with the FSC ecolabel. Purchasing wood bearing the FSC ecolabel is a vote for the forest stewardship principles and criteria that Columbia is committed to meeting within independent, third-party audited forest management and COC certifications. Columbia strives to offer a growing percentage of its production as FSC-certified, an option that is available on demand at the time that a panel order is placed.

The Lacey Act and FSC Stakeholder Engagement

Enacted in 1900, the Lacey Act banned trafficking in illegal wildlife for more than 100 years. In 2008, Congress expanded the Lacey Act to penalize importing or possessing plants and their products—including timber and wood products—taken in violation of the laws or regulations of the country from which they are sourced. Columbia was a supporter of this amendment to the Lacey Act, which has encouraged and supported efforts by academic and

environmental nongovernment organizations to educate supply chain partners about exercising “due care” when it comes to sourcing wood.

Columbia is committed to the legal trade of wood products and compliance with the Lacey Act. As part of that commitment, Columbia has developed an internal due care program, one objective of which is to ensure that its suppliers are also committed to the legal trade of wood products. This program reflects industry and consensus standards and involves, among other things, vetting Columbia’s suppliers and engaging independent third-party certifiers to audit and certify Columbia’s sourcing practices against recognized standards and company policies.

Columbia’s effort to avoid illegal wood is buttressed by its FSC multi-site conformance regime and has been enhanced under the FSC standards for COC and Controlled Wood. Columbia strives, where feasible, for FSC certification in all of its operations, and works within collaborative stakeholder groups in the FSC Network to improve practices that track the trade of legal wood globally. Additionally, Columbia makes it a priority to develop and maintain working relationships in forest management and wood procurement where public lands are shared with indigenous communities.

Sources to Be Avoided

By offering products that are FSC-certified and vetted to internal standards of due care, Columbia endeavors to support the growth of responsible forest management around the globe. If Columbia discovers that a supplier has engaged in illegal or inappropriate conduct, Columbia will stop purchases from the supplier immediately and will require the supplier to undertake and verify all appropriate corrective actions before Columbia will consider resuming business with such supplier.

Columbia favors suppliers who meet FSC standards. FSC-certified wood must maintain a COC, a documented paper trail maintained by each participant in the supply chain. Certification requires regular monitoring and auditing by a third party to ensure that robust systems are in place to track certified, controlled, and non-certified materials and thereby helps Columbia verify its sources of wood under the Lacey Act.

Training and Accountability

Columbia strives to promote a culture of responsible sourcing that permeates all levels of the organization—from the procurement process to senior management. To that end, all employees involved in the procurement process undergo training specific to Columbia’s internal due care program. Columbia assesses its internal due care program annually and utilizes performance outcomes with the goal of improving the program on a continuous basis.