



# Lowe's Canada Compliance Wood Sourcing Policy

Lowe's Canada Wood Sourcing Policy is intended to inform the public and suppliers of our philosophy and commitments. This policy is aligned with Lowe's Companies, Inc. Wood Policy applicable to Lowe's Companies Canada, ULC and RONA Inc. (hereinafter "Lowe's Canada").

As a leading North American home improvement company, Lowe's Canada purchases significant amounts of wood and recognizes the important role the world's forests play. Forests are crucial to life on the planet, supporting plant and animal life; capturing and storing greenhouse gases; and providing food, water, fuel, medicine and livelihoods to billions of people around the world. Lowe's Canada is dedicated to protecting these critical resources, and we want to do our part to protect them by adopting responsible practices. Trees are a critical part of our business, so ensuring a long-term, sustainable source of wood is paramount. In addition, we want to hold ourselves and our suppliers to high standards.

## Scope

This policy applies to all products containing wood that are sold in Lowe's Canada stores in Canada (hereinafter "Wood Products").

## Commitments

1. By 2020, Lowe's Canada will achieve 100 percent Forest Stewardship Council (FSC) certification for all Wood Products sourced from identified regions at risk.

Amazon Basin	East Africa
Atlantic Forest/Gran Chaco	Eastern Australia
Borneo	Greater Mekong
Cerrado savanna	Papua New Guinea
Chocó-Darién moist forests	Sumatra
Congo Basin	Russian Far East

*\*This list is updated annually in conjunction with our network of non-profit partners.*

2. By 2025, 100% of Lowe's Canada Wood Products will be purchased from a responsible source, thus either certified or from a controlled source.

## Guiding Principles

Lowe's Canada recognizes that environmental and socioeconomic issues often are directly related to forest products and, as a responsible corporate citizen, we take addressing these issues seriously. Our wood sourcing policy aims to contribute to environmental protection and to adopt ethical business practices.

Lowe's Canada commits to source wood that:

- Comes from a known source;
- Is legally harvested and traded;
- Does not threaten high conservation value or high carbon stock forests;
- Does not come from deforestation or other ecosystem conversion, which leads to biodiversity loss, including that of rare, threatened and endangered species;
- Is not endangered.
- Is harvested and produced in a way that recognizes and upholds indigenous and other local community rights and customs
- Is harvested and produced ensuring that human and worker rights are protected, including decent

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and humane working conditions and no forced labor.

For Lowe's Canada, a responsible source is either 1) certified or 2) controlled:

1. Lowe's Canada recognizes the following certifications: FSC and all the certifications recognized under the Program for the Endorsement of Forest Certification (PEFC), including the Sustainable Forestry Initiative (SFI). Lowe's Canada gives preference to FSC-certified Wood Products when they are available and meet product performance and business requirements.
2. In circumstances where wood product is not sourced from a certified forest, the supplier must prove that its product comes from a controlled source and demonstrate evidence of compliance with Lowe's Canada Wood Sourcing Policy.

Lowe's Canada will continue to engage with a diverse set of stakeholders including NGOs, regulators, peers and academia to ensure our wood sourcing policies and practices are focused on the most critical risks and to identify additional ways that Lowe's Canada can help to promote sustainable forestry practices.

1. Lowe's Canada is committed to reviewing this policy on an annual basis and will revise as necessary.
2. Additionally, Lowe's Canada is committed to develop verification and reporting processes to provide regular updates on progress against our targets.