

The Perspective from NGO :

To harmonize with global climate/forests protection:
**The Practice and Challenges of Timber
Responsible Procurement in China**

2009.09.08/09 Shanghai

Responsible Procurement: A very possible solution to illegal logging



- **Problem: Illegal timber destructs global forests and timber market**
 Illegal logging contributes to deforestation and causes reduction of biodiversity, undermines forests law enforcement and governance, undermines responsible forests management and market practice, causes corruption and tax evasion , depresses income of producer countries, and causes and sustain regional conflicts, even associated with human rights abuses.
- **How help?**
 The Responsible Procurement requests companies to set up strict timber standards , by which to improve timber admittance of global market and reduce demands of illegal timber. Responsible Procurement can contributes to responsible forests management and law enforcement, reduces deforestation

“Wood products companies, manufacturers, the government and consumers are all links in the timber supply chain. We must join forces to combat and eliminate illegal logging. It is not enough to rely on the law. Industry must also engage in responsible procurement to stop such criminal acts.”

Lu Weiguang, Board Chairman, Shanghai Anxin Flooring Company Ltd.



Responsible Procurement: A chance to contribute to climate protection

■ Problem: Deforestation worsens climate change

According to IPCC report , Deforestation accounts for nearly 20% of anthropogenic greenhouse gas emissions in the world. Curbing deforestation is a highly cost-effective way of reducing greenhouse gas emissions

➤ How help?

Responsible Procurement help reduce deforestation and CO2 emissions. It's the best chance and practice for governments to implement their forests and climate commitments, as well as best practice for private sector of their social and environmental responsibility.



“Actions to prevent deforestation offer opportunities to reduce greenhouse gas emissions on a significant scale without much need for new technology except perhaps for monitoring. Actions here can also bring significant national co-benefits in terms of local soil, water and climate protection, as well as opportunities for sustainable forest management and the protection of biodiversity and the livelihood and rights of local communities. ”

—STERN REPORT , 2006

Benchmark for Responsible Procurement: Timber Standard

Timber Standard is a benchmark for making and implementing a RPP. It will tell buyers what timber is considered acceptable and what is not.

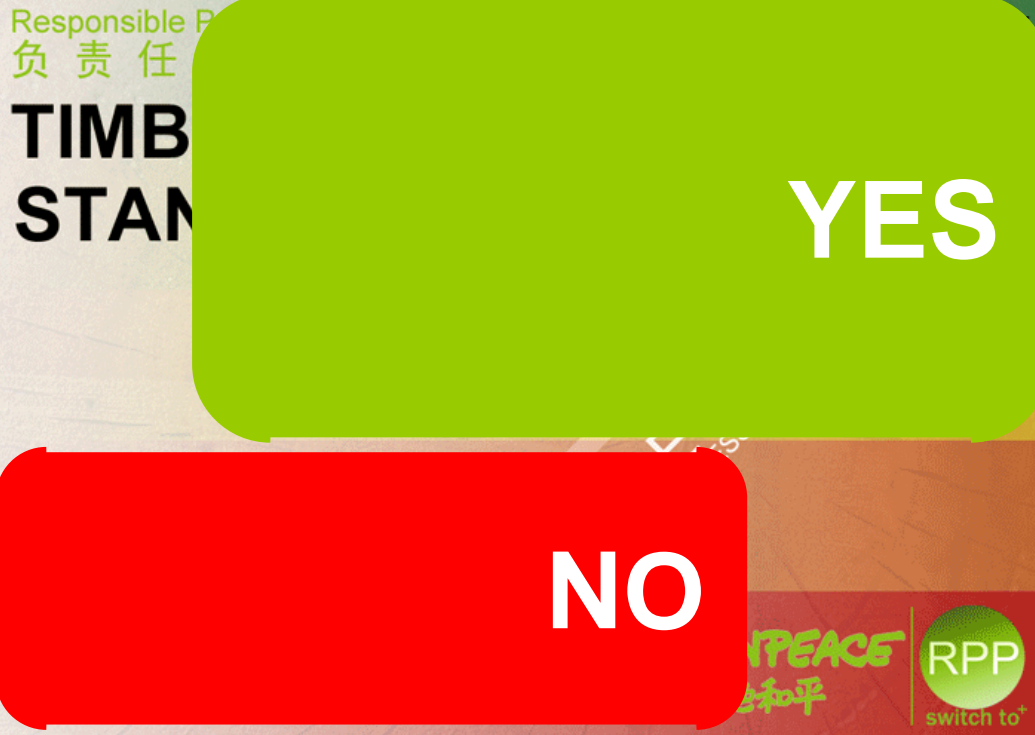
■ Sustainable Timber

is timber coming from well-managed forests which meets the requirements of principles of sustainability. Sustainable Timber is the top category of this Timber Standard. We strongly advise corporations to adopt purchasing sustainable Timber as the final goal of their Responsible Purchasing Policy on timber.

■ Transition Timber Moving towards Sustainable

At present, some forestry operations are taking credible steps to move quickly towards achieving FSC Forest Management certification. Relevant certifiers and third party organizations take steps to ensure these forests will achieve this goal within a few years, through having adopted an action plan with concrete measures identified to reach this goal. We identify the timber from these kind of forestry operations to be Transition Timber Moving Towards Sustainable.

Others please refer to *Greenpeace RPP Guide 2008*



Responsible Procurement Strategy



Procurement Strategy

- Prioritize to purchase FSC products
- Seek for “Transition Timber”
- Ensure the LEGALITY is your bottom line

How to get more resources?

- Expand procurement contracts to global good management forests to seek for FSC and Transition timber
- Discover more legal timber sources via 3rd parties like Smart Wood or TFT to ensure a stable legal timber supply

Recommend to get 3rd parties independent verifications for legal timber products



The practice of Responsible Procurement in China

- In 2007, Greenpeace started DIY RPP campaign to push the major DIYs in China to set up and implement Responsible Purchasing Policy (RPP)
- In June 2007, B&Q China firstly launched its RPP with action plan; in 2008, it started purchasing FSC solid flooring from Bolivia and piloted FSC Eucalyptus project with Anxin; in 2009, Bolivian FSC project continued
- In April 2007, Home Depot China firstly stopped purchasing/selling Merbau; in 2008, it further stopped selling more species listed by WCMC; in 2009, it started to sell 5% FSC solid flooring from Anxin; Recently it is close to finish its RPP
- June 15, 2009, (new) Orient Home took immediate action to drop Merbau nationally; In July, it started RPP drafting and gave training/capacity building to its core purchasers; At the moment, its RPP waiting for approval.
- Others: La Maison dropped Merbau in 2007; Leroy Merlin gave commitment of RPP/ Dropping Merbau to Greenpeace



The Challenges

- ❑ Volunteering actions of small group retailers
- ❑ Lack of supports from supplying end
- ❑ Lack of supports of legality verification and 3rd party audit
- ❑ Needs improve FSC demands in domestic markets
- ❑ Requires governments preferential policy supports



Conclusion & Suggestions

Conclusion: Greenpeace recognizes that the Responsible Purchasing Policy will be a key step to realize a two-win of both timber market development and global forests/climate protection. However, the responsible procurement needs companies' voluntary practice as well as relevant policy support from government.

Suggestions:

- Responsible suppliers should give their supports to DIY such responsible retailers, by which to ensure the sustainable market supply of legal/sustainable timber
- Timber industries should seek supports from 3rd parties(SmartWood or TFT), to ensure their material sourcing get independent and creditable verification.
- A multi cooperation mechanism with governments, NGOs as well as companies should be developed, to ensure a sustainable market developments of demands and supply.
- Government should consider to take FSC and legal timber into its public procurement plan, to stimulate the market supply of legal/sustainable timber
- Government should consider to echo and support the responsible procurement volunteered by companies by i.e. policy or tax benefits

Responsible Purchasing Policy

Save Forests, Save Climate



Thanks!
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