

Responsible Purchasing Policy

A Real Solution to Public & Private Sectors

负责任采购政策：政府与企业部门真正的解决方案

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RPP : Real timber solution to Public and Private Sectors

Why need RPP : Illegal logging and Deforestation

- Illegal logging contributes to Deforestation
- 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
- Causes and sustain regional conflicts, associated with human rights abuses

“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.*

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Why need RPP : Climate Change and Deforestation

- Forest ecosystems currently store about one and a half times as much carbon as is present in the atmosphere.
- 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

“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. ”

——斯特恩报告，2006年



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How RPP contributes to halt deforestation and climate change?

- Improve timber admittance of global market and reduce demands of illegal timber
- Contributes to responsible forests management and law enforcement, reduces deforestation and CO2 emission
- Best chance and practice for governments to implement their forests and climate commitments
- Best practice for private sector of their social and environmental responsibility
- Easy and direct way for consumers to contribute protecting global forests and climate



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What's a RPP?

RPP (Responsible Purchasing Policy), is an environmental-friendly procurement policy adopted by the timber companies having good will to demonstrate social responsibility, through which they can keep their timber business away from illegal timber and destructive timber and only buy timber from well-managed forests.



- **Timber Principle** : what timber standard the company recognizes and implements .
- **Purchasing Standard** : what criteria the timber product of a company procurement should reach.
- **Application Scope** : which timber products the RPP should apply to.
- **Purchasing Goal** : the goal of the company's responsible purchasing plan, i.e, by 2010 the company will only purchase FSC timber product.
- **Action Plan** : the plan of what actions and when the company will take, according to the purchasing goal of the RPP.



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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*



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Make and Implement RPP : Private Sector



4 Stages

11 Steps



—Greenpeace RPP Guide 2008



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Make and Implement RPP : Discussion of Public Sector 1

UK RPP Case

- ❑ Government's timber procurement policy go first to generate responsible procurement standards and market demands
- ❑ Supported by private sector, TTF established the Responsible Purchasing Policy (RPP)
- ❑ Improve the policy and push market demand of legal and sustainable timber
- ❑ CEPT: expertise supports
- ❑ Political participation: Sign MoU with producer countries and develop partnership programs
- ❑ Multi-stakeholders dialogue (NGO, company involved)



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Make and Implement RPP : Discussion of Public Sector 2

Possibility discussion of RPP in China public sector

- Government's Green Procurement Policy
- If RPP on timber supported by the Green Procurement, it will
 - Guide market into a responsible practice with demanding less illegal timber and more legal and sustainable timber
 - Reduce risks of timber products exports
 - Win good reputation for China timber industry
 - Help to implement our international agreements and commitments



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Greenpeace pushing RPP practice in China

DIY RPP Project

负责任采购家居建材项目

Target: Push the major DIY chains in China to establish and implement the RPP

项目目标：推动国内主要的家居建材企业建立负责任的木材采购政策

Who are we negotiating with?

我们与谁在谈判？

- 百安居 B&Q China
- 东方家园 Orient Home
- 美颂巴黎 La Maison China
- 乐华梅兰 Leroy Merlin China
- 家得宝 Home Depot China
- 好美家 Home Mart

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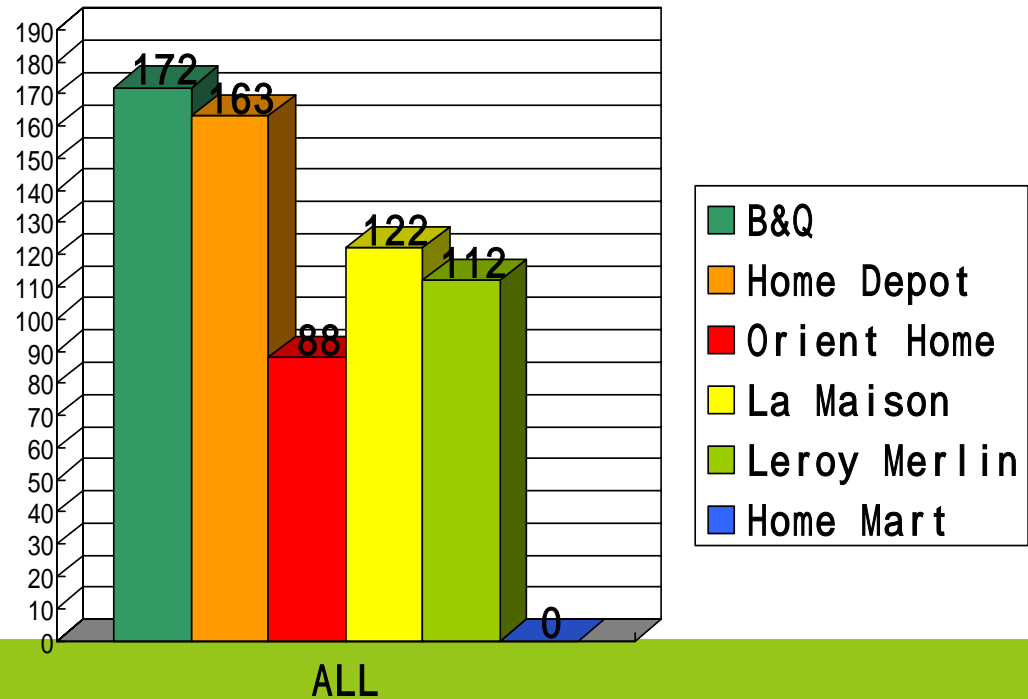
DIY Responsible Purchasing Policy Report Card

Released in Oct.2008

DIY	Score	Classification
B&Q China	172	A-
Home Depot China	163	B+
La Maison China	122	B-
Leroy Merlin China	112	B-
Orient Home	88	C
Home Mart	0	D

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Classification	A	A+ A A-	Has robust RPP& Action-plan and they are being implemented firmly towards the procurement goal of 100% sourcing from "Sustainable Timber".
	B	B+ B B-	RPP& Action-plan are in steadily developing with acceptable moves but still need improvements against some criteria.
	C	C+ C C-	Some processes have been taken but RPP& Action-plan are NOT clear and largely improvements against most of the criteria are requested.
	D	D	Nothing happened with RPP& Action-plan so it is defined as "Non-Responsible Purchasing Company"



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Conclusions

DIY	Classification	Strength & Weakness
B&Q	A-	In June 2007, B&Q launched their RPP in China first of all DIYs. Their RPP has clear procurement goals and action plan. During the following months, the implement of the action plan is going well. However, the boycott steps to other endangered species could be quickened, which is only inharmonious with its RPP.
Home Depot	B+	In April 2007, Home Depot stopped selling Merbau firstly in DIYs and started to implement its environmental program "Eco Options". The Eco Options includes an endangered tree species list for the group to refuse. Following this list, Home Depot has taken very positive actions to drop them in China and this makes Home Depot be ahead other DIYs against the endangered species. However, there is no an integrated and robust RPP scheme to umbrella all actions taken by Home Depot. It is crucial to have such a RPP policy to guide the implement of all responsible purchasing actions. This is why Home Depot is behind B&Q and ranked into grade B.
La Maison	B-	La Maison has taken some positive actions to drop Merbau and review with its suppliers. However it hopes to continue its mother group Saint-Gobain's relevant timber policy so it has no plan to set up a RPP for La Maison China. We think the timber policy indicated by Saint-Gobain is not good enough and needs improvements as it does not include procurement goal and action plan such key elements
Leroy Merlin	B-	Leroy Merlin China gave their first response to Greenpeace re RPP in this July. So far it has made clear commitments and already stepped into some positive processes like stop purchasing Merbau and negotiating with 3 rd party to find more legal timber sources. However, the delayed on-board lags Leroy Merlin behind other DIYs in this year.
Orient Home	C	Orient Home made their written commitment on RPP to Greenpeace in July 2007 and scheduled the beginning of 2008 to drop Merbau. However, Orient Home did not take enough actions to put their commitment into practice. Even by the end of this assessment, Orient Home has been found that it is still selling Merbau. This gets itself behind.
Home Mart	D	Home Mart never response to Greenpeace's inquiry and show its position to RPP and illegal timber. Since this assessment is based on the questionnaire sent back by each DIY, Home Mart's no-reply makes itself at the bottom in the ranking.



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Questions and 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



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Quick analysis re EU Timber Law

- ❑ Status quo: Plenary vote on 22nd Apr.
- ❑ Impacts to China timber products export
- ❑ Solution advised : [Responsible Purchasing Policy](#)



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Save Forests, Save Climate

Thanks!

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Any questions, please contact:

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