

# Century's Implementation of the Lacey Act

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VP Global Logistics

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CENTURY FURNITURE®

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Infinite Possibilities. Unlimited Attention.™

[CenturyFurniture.com](http://CenturyFurniture.com)

# Century Furniture

- Established in 1948
- Manufacturer of fine furniture
- Family owned – 3<sup>rd</sup> generation
- Try to be a good steward of the environment
- Solid manufacturer doing the “right” thing
- Sales of approx 125 million a year – growing
  - Large in our category
  - Small in the furniture industry

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A few slides of our product...

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# Wood products we buy...

- Dried lumber US and imported
  - Veneer flitches US and imported
  - Fancy faces US and imported
  - Plywood US and imported
  - Engineered board US only
  - Components US and imported
  - Chair frames US and imported
  - Furniture US and imported
- 
- In total approx. 4.725 million board feet

# Lacey Act

- Facets of the Lacey Act we keyed on
  - Prohibits all trade in plant products that are illegally sourced from any U.S. state or any **foreign** country
  - Anyone who **imported**, exported, transported, sold, received, acquired, or purchased wood products made from illegal timber, who knew or should have known that the wood was illegal, may be prosecuted for violation of the Lacey Act.

# Purchase of domestic lumber

Level	Activity
1	Cutting of tree
2	Logs are sawn
3	Lumber is sold green
4	Lumber is dried
5	Dried lumber purchased by Century



# Purchase of imported lumber

Level	Activity
1	Cutting of tree
2	Logs are sawn
3	Lumber is dried
4	Lumber is exported
5	Lumber is distributed
6	Dried lumber purchased by Century

# Purchase of imported veneer flitch

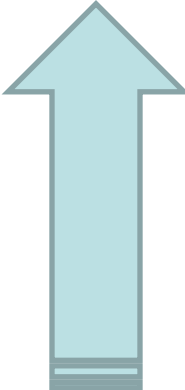
Level	Activity
1	Cutting of tree
2	Logs are sold to veneer mill
3	Logs are sliced dried and bundled
4	Veneer flitches exported
5	Flitches exported
6	Flitches sold to distributor
7	Century buys flitch

# Our Responsible Purchasing Policy

- Assistance of the **Rainforest Alliance**
- Used RA principles & hierarchy
- Stated what we would NOT do
  - Buy from unknown source
  - Buy wood from illegal harvest
- Stated what we would do
  - Prefer FSC but if not available or viable use alternatives
  - Use non-FSC products from low risk parts of the world
- Set targets for purchases by category



# Rainforest Alliance Hierarchy

1. Forest Stewardship Council (FSC) **BEST**
  2. Non controversial
  3. Other forest certification scheme
  4. Certified legal source
  5. Known source
  6. Unknown source (not allowed) **BAD**
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# High Risk Countries

- We followed the RA High Risk country listing
- Identified by various NGOs as high risk
  - Illegal logging
  - Forest conversion
  - Civil and traditional rights violations
  - Production of GMO forests
  - Threatened high conservation values
- Indonesia, Vietnam, Malaysia, China, Burma, Russia, Baltic States, Central & West Africa, Cambodia, Canada – west coast, Philippines, Thailand, Brazil, Papua New Guinea, Peru

# Results of the RPP

- We made conscious choices to move toward FSC particularly in high risk areas and in higher risk materials – not always available...
- Influenced our product development and buying practices
- Really changed what we would/would not do
- The RPP gave us a means to “see” and evaluate risk in our supply chain
- Publish this internally, to our vendors, Industry groups, and Rainforest Alliance



# How we are implementing

- Requiring ALL vendors who sell Century **ANY** wood product to provide Lacey Act data
  - While we are not always the importer of record we can still be liable
  - Some of our purchases are from the US but the Lacey act also applies to US plant harvests
  - Regardless we want to know the origin
- At the same time we are asking for a few additional pieces of information to help us understand our wood products supply chain
- We started the process in 2009
- Published first RPP in 2010

# Gathering of Data

- We mark every material we buy in our computer system if it contains ANY wood products
- When we issue a PO for the material we prompt the vendor for data on the material
- CenturySupplierNet.com is our platform for communicating with vendors
- Data is entered by the vendor on-line prior to shipment
- We promise not to take advantage of data...
- This gives us a clear record of wood products purchased
  - Country of harvest
  - Scientific/Common name
  - Volume
  - Category of the source

PO: 4500402918  
Line: 1  
Material: 100000303449

## PO for soft maple lumber

Type	Trade Name	Scientific Name	Country Of Harvest	Units	UOM	%Recycled	Category	Notes
MAIN	Maple, Soft ND	Acer Rubrum	United States	1.00000	BD FT		(2.2) Non Controversial	

PO: 4500405680  
Line: 1  
Material: 100000315606

## PO for poplar plywood

Type	Trade Name	Scientific Name	Country Of Harvest	Units	UOM	% Recycled	Category	Notes
MAIN	Poplar, Yellow	Liriodendron Tulipifera	United States	28.00000	BD FT		(3) Other Forest Cert	BV-SFIS-US08000557

PO: 4500384944  
Line: 7  
Material: MN5071T

## PO for item w/multiple species & countries

Type	Trade Name	Scientific Name	Country Of Harvest	Units	UOM	% Recycled	Category	Notes
MAIN	MDF	MDF	Malaysia	0.01100	CU M		(5.2) Known	
MAIN	Tram	Acacia Auriculiformis	Vietnam	0.13200	CU M		(5.2) Known	
MAIN	Alder, Red	Alnus Rubra	United States	0.01000	CU M		(2.2) Non Controversial	
MAIN	Poplar, Yellow	Liriodendron Tulipifera	United States	0.00100	CU M		(2.2) Non Controversial	
MAIN	Okoume	Ancoumea Klaineana	Gabon	0.00700	CU M		(5.2) Known	
MAIN	Maple, Hedge	Acer Campestre	United States	0.00100	CU M		(2.2) Non Controversial	
MAIN	Oak, English	Quercus Robur L.	United Kingdom	0.00200	CU M		(1) FSC Certified	TT-COC-002224
MAIN	Prima Vera	Tabebuia Donnell Smithii	Mexico	0.00100	CU M		(2.2) Non Controversial	

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**Purchase order lines needing Lacey Act Info**

**EBusiness\_Notification** to: antony, hai\_imex, trang\_ohp, ljrichsales...

08/14/2015 05:16 AM

[Show Details](#)

**CENTURY FURNITURE SUPPLIERNET LACEY ACT REQUIREMENTS**  
=====

Vietnam Furniture Resources Ltd (0000021472)

You have 3 PO line/s that need completed Lacey Act Information.

2 are past due.

0 are due in the next 7 days.

Just a reminder, it is critical that this information be provided to Century before shipment. Accuracy and timeliness of this information is important. We will not honor an invoice till this has been completed.

If you feel that one or more of your POs do not have wood products and have been tagged incorrectly for Lacey Act data please contact your Century Purchasing agent to have it removed.

Please visit the link below to see your worklist,

<http://www.centurysuppliernet.com/forward2.asp?URLToView=/extranet/LaceyAct/Update.aspx>

If you need help entering Lacey Act Info, please visit the link below for a training video.

<http://www.centurysuppliernet.com/videos/LaceyAct.wmv>

Thanks you for your prompt completion of these entries.

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Reminder email going  
Out to vendor...

Links to entries not  
complete and training  
video on why and how

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# Vendor Response

- Response has been very good... early on there was real hesitation but won most over
- If a vendor will not cooperate in providing data then we will drop them... we are committed this
- As we review data and they submit data that is incorrect then we work with them on training and fixing
- We will challenge entries when we are doubtful... not often as most of the time this is addressed in the “errors” check.

Resulting in “good” data...

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# Data for analysis and reporting

[\(Export to Excel\)](#)

Material Group	VendorID	Vendor	PO	Line	Scientific Name	Trade Name	Country of Harvest	Gross Units	UOM	Total Received Qty	Footage Received (BDFT)	% Reclaimed	Category	Notes	Received
MG08	0000009088	Art of Living	4500380381	1	Samanea Saman	Rain Tree	Thailand	1.25000	CU M	5.000	2648.6000062500		(5.2) Known		1/7/2011
MG70	0000017885	Tradewinds Furniture, Ltd.	4500381482	1	Betula platyphylla Sukaczew	Birch, Chinese	China	0.02120	CU M	20.000	179.6810244240		(5.2) Known		12/17/2010
MG70	0000017885	Tradewinds Furniture, Ltd.	4500381482	1	Quercus Rubra	Oak, Red	United States	3.09560	BD FT	20.000	61.9120000000		(2.2) Non Controversial		12/17/2010
MG70	0000017885	Tradewinds Furniture, Ltd.	4500381482	1	Acer Macrophyllum Pursh	Maple, Big Leaf	United States	4.58590	BD FT	20.000	91.7180000000		(2.2) Non Controversial		12/17/2010
MG70	0000017885	Tradewinds Furniture, Ltd.	4500381482	2	Betula platyphylla Sukaczew	Birch, Chinese	China	0.10170	CU M	15.000	646.4702895255		(5.2) Known		12/17/2010
MG70	0000017885	Tradewinds Furniture, Ltd.	4500381482	2	Acer Macrophyllum Pursh	Maple, Big Leaf	United States	0.30897	CU M	15.000	1964.0110654346		(2.2) Non Controversial		12/17/2010
MG70	0000017885	Tradewinds Furniture, Ltd.	4500381482	2	MDF	MDF	China	0.27705	CU M	15.000	1761.1071161558		(5.2) Known		12/17/2010
MG70	0000017885	Tradewinds Furniture, Ltd.	4500381482	2	Particle Board	Particle Board	China	0.04614	CU M	15.000	293.2953702921		(5.2) Known		12/17/2010
MG70	0000017885	Tradewinds Furniture, Ltd.	4500382333	1	Hevea Brasiliensis	Rubberwood	Thailand	0.00920	CU M	15.000	58.4810881380		(5.2) Known		12/17/2010
MG70	0000017885	Tradewinds Furniture, Ltd.	4500382333	1	Betula platyphylla Sukaczew	Birch, Chinese	China	0.05790	CU M	15.000	368.0494568685		(5.2) Known		12/17/2010
MG70	0000017885	Tradewinds Furniture, Ltd.	4500382333	1	Fagus Sylvatica	Beech, European	Germany	0.00270	CU M	15.000	17.1629280405		(5.2) Known		12/17/2010
MG70	0000017885	Tradewinds Furniture, Ltd.	4500382333	1	MDF	MDF	China	0.12500	CU M	15.000	794.5800018750		(5.2) Known		12/17/2010

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# Data enabling us to see shifts in categories and for RPP

Goals set by categories,

<b>Rainforest Alliance Sustainability hierarchy</b>	<b>Act % of Rcvd in 2010 (Year 1)</b>	<b>Act % of Rcvd in 2011</b>	<b>Act % of Rcvd in 2012</b>	<b>Act % of Rcvd in 2013</b>	<b>Act % of Rcvd in 2014</b>	<b>Goals for % in 2015</b>
1 – FSC certified	0.5%	3.82%	3.7%	8.1%	10%	11%
2 – Non controversial sources	35.7%	32.1%	39.3%	36.8%	39%	40%
3 – Other forest certification	19.8%	19.8%	23.4%	24.2%	20%	21%
4 – Certified legal origin	12.5%	9.2%	13.8%	12.3%	13%	13%
5 – Known source	31.5%	35.1%	19.8%	18.6%	18%	15%

# Output for US Customs

## Plant and Plant Product Declaration Form Section 1 - Shipment Information

Est Date of Arrival in US

8/10/2015

Entry Number

Container Number

UACU5547507

Bill of Lading

6460009759

MID

Importer Name

Century Furniture, LLC

Consignee Name

Importer Address

401 11th ST NW  
Hickory, NC 28601

Consignee Address

I certify by penalty of perjury that, to the best of my knowledge and belief, the information furnished is true and correct.

Signature



Type or Print Name

Glenn Locke

Date

8/14/2015

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# Output for US Customs

## Plant and Plant Product Import Declaration

### Section 2 - Compliance with Lacey Act Requirements

ASN #: www0020258

HTS - 9401.69.6011		3161-FR - 3161 PURCHASED FRAME		Qty - 30.00		
Main/Alt	Common Name	Scientific Name	Country of Harvest	Qty of Material	UOM	% Recycled
ALT	Beech, European	Fagus Sylvatica	France	41.32	CU FT	
ALT	Beech, European	Fagus Sylvatica	Germany	41.32	CU FT	
MAIN	Beech, European	Fagus Sylvatica	Switzerland	41.32	CU FT	

HTS - 9401.90.4080		3163-FR - 3163 PUR FRAME (FSC)		Qty - 31.00		
Main/Alt	Common Name	Scientific Name	Country of Harvest	Qty of Material	UOM	% Recycled
ALT	Beech, European	Fagus Sylvatica	Germany	103.45	CU FT	
MAIN	Beech, European	Fagus Sylvatica	Switzerland	103.45	CU FT	

HTS - 9401.69.6011		330-521-FR - 33-521 PURCHASED FR (FSC)		Qty - 80.00		
Main/Alt	Common Name	Scientific Name	Country of Harvest	Qty of Material	UOM	% Recycled
ALT	Beech, European	Fagus Sylvatica	Germany	124.31	CU FT	
MAIN	Beech, European	Fagus Sylvatica	Switzerland	124.31	CU FT	



# Elements of our due care

- We control the Species we allow in our data base & use
- We do one-on-one training with vendor owners and staff
- Provide on-line training on Lacey Act and our process
- Visit factories multiple times a year – legality is discussed
- Pursue FSC and other certifications of legality
- In some cases we request to visit sources down the chain
- We share our RPP with vendors and ask that they commit in writing to the principles in it annually
- Lacey Act data is required and we remind vendors weekly
- We deal ONLY with people we know and are substantial people concerned about their brand (share our values)
- We encourage our vendors to buy from substantial people who they know and that can vouch for (not cheapest)

# Open issues/concerns

- A LOT of opportunities for illegality early in the supply chain remain
- The incentive to illegally harvest remains for an individual... less likely for a large company
- With strict liability we are very conscious that we are still on the hook... “should have known...”
- Most companies in this space are small and in a low margin and very price competitive
- There is a feeling that Government is placing this open ended burden on companies with no formula to fix... makes us uneasy BUT we understand and agree with the intent

# Thoughts...

- This approach is based on Century understanding the risks in its supply chain and applying pressure internally and externally to reduce risk
- Since we cannot make it disappear we do our best to minimize risk
- Continual pressure over time is key, not overnight changes
- We try to associate ourselves with companies that share our values and view of sustainability
- This is not cheap but thoughtful systematic approaches to this kind of problem can make economic sense

# Questions?

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