EUTR Chinese Plywood Project

EUTR: Plywood imported from China

Official: Sensitive
Why Chinese plywood?

- High risk
  - Species (face)
  - Countries of origin
- Whistle blowing
- Composite material
- High volume
- Complex supply chain

Source: http://www.duediligencetimber.eu/UK.htm
Key aspects:

• Paperwork collection
• Risk Assessment
• Risk mitigation

Should be in place prior to placing on the market

Engagement process
Anatomical testing

- Important tool to verify due diligence processes
- Can identify which species are contained within the product, for comparison against the Operator’s declaration
- Limited to identification of content, not origin
- Cost effective process from enforcement point of view
Results

Due Diligence Submission

- Sufficient Due Diligence
- Insufficient Due Diligence

Anatomical Testing

- Matched declaration
- Did not match

Only one company was compliant in both aspects
## Test results by veneer

<table>
<thead>
<tr>
<th>Sample #</th>
<th>Face declaration</th>
<th>Face test result</th>
<th>Core declaration</th>
<th>Core test result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Palaquium</td>
<td>Palaquium</td>
<td>Eucalyptus</td>
<td>Eucalyptus</td>
</tr>
<tr>
<td>2</td>
<td>Betula</td>
<td>Betula</td>
<td>Eucalyptus</td>
<td>Kedongdong/Pine/Poplar</td>
</tr>
<tr>
<td>3</td>
<td>Sapeli</td>
<td>Sapeli</td>
<td>Poplar</td>
<td>Poplar/Elm</td>
</tr>
<tr>
<td>4</td>
<td>Palaquium</td>
<td>Palaquium</td>
<td>Eucalyptus</td>
<td>Kasai</td>
</tr>
<tr>
<td>5</td>
<td>Bitangor</td>
<td>Palaquium</td>
<td>Poplar</td>
<td>Poplar/Poplar/Eucalyptus</td>
</tr>
<tr>
<td>6</td>
<td>Lotofa</td>
<td>Sapeli</td>
<td>Poplar</td>
<td>Poplar</td>
</tr>
<tr>
<td>7</td>
<td>Beech</td>
<td>Beech</td>
<td>Eucalyptus</td>
<td>Eucalyptus</td>
</tr>
<tr>
<td>8</td>
<td>Eucalyptus</td>
<td>Ozigo</td>
<td>Eucalyptus</td>
<td>Eucalyptus/Poplar</td>
</tr>
<tr>
<td>9</td>
<td>-</td>
<td>Phenolic resin</td>
<td>Poplar</td>
<td>Poplar</td>
</tr>
<tr>
<td>10</td>
<td>Sapeli</td>
<td>Sapeli</td>
<td>Poplar</td>
<td>Poplar</td>
</tr>
<tr>
<td>11</td>
<td>Palaquium</td>
<td>Palaquium</td>
<td>Eucalyptus</td>
<td>Poplar/Pulai/Red Meranti</td>
</tr>
<tr>
<td>12</td>
<td>Eucalyptus</td>
<td>Bitangor</td>
<td>Eucalyptus</td>
<td>Eucalyptus/Poplar</td>
</tr>
<tr>
<td>13</td>
<td>Bitangor</td>
<td>Bitangor</td>
<td>Poplar</td>
<td>Kasai/Medang</td>
</tr>
<tr>
<td>14</td>
<td>Campnosperma</td>
<td>Awaiting result</td>
<td>Poplar</td>
<td>Awaiting result</td>
</tr>
</tbody>
</table>
Trends

• Difficulty to obtain legality documents from countries of origin
• Lack of transparency of supply chain
• Species from various sources are mixed during production process, letting down UK operators
• Serious species failures from companies in the production process
Sanctions applied

Based on:
- Quality of initial submission
- Cooperation
- Quality of any further submissions
- Test results against declaration
Impact of testing on project

- High failure discovered justified the focus on this product area
- Reiterates the need for better due diligence processes
- However, it cannot prove/disprove illegality—therefore due diligence stays at the centre of enforcement projects / engagement
- Increasing number of Operators are implementing testing as a relatively inexpensive mitigation measure which can increase their confidence in their supply chain
Observations from a EUTR perspective

• Initial submissions:
  – Overreliance on 3rd party certificates and schemes
  – Poor to no risk assessment of species, origins and supply chain
  – No suitable mitigation steps taken
  – Little to no appetite to conduct due diligence prior to placing products on the market

• Behaviour change:
  – Thorough scrutiny of supply chain
  – Implementation of meaningful mitigating steps (product testing, site visits, consulting experts...)
  – Change of suppliers observed and species avoided
Report publishing and effect

- Feedback from companies
  - Email alerts
  - NMO input
    - E.g. Reuters
  - TTJ Article
  - Quoted in press

- NMO Website
  - Feedback from companies
  - Feedback from policy holder
    - Industry press
    - NGO articles

- NMO Social Media
  - Trade Social Media (multiple instances)

- Feedback at trade events
  - Trade Social Media
  - E.g. Global timber forum (Chinese)

- Additional notes:
  - Feedback in press
  - E.g. Construction Manager Magazine
  - NMO input
  - Trade Social Media
  - Email alerts
Maintaining momentum

ONGOING..
Online engagement with industry via online forum

NEXT..
Visit to China to meet with trade

FUTURE WORK..
Revisit product area