

TFT's work with trade & industry



- Works with factories & buyers to monitor wood sources & supply chains.
- Verifies that raw material is legal & from well managed forests.
- This helps to establish environmental credibility for timber product traders.

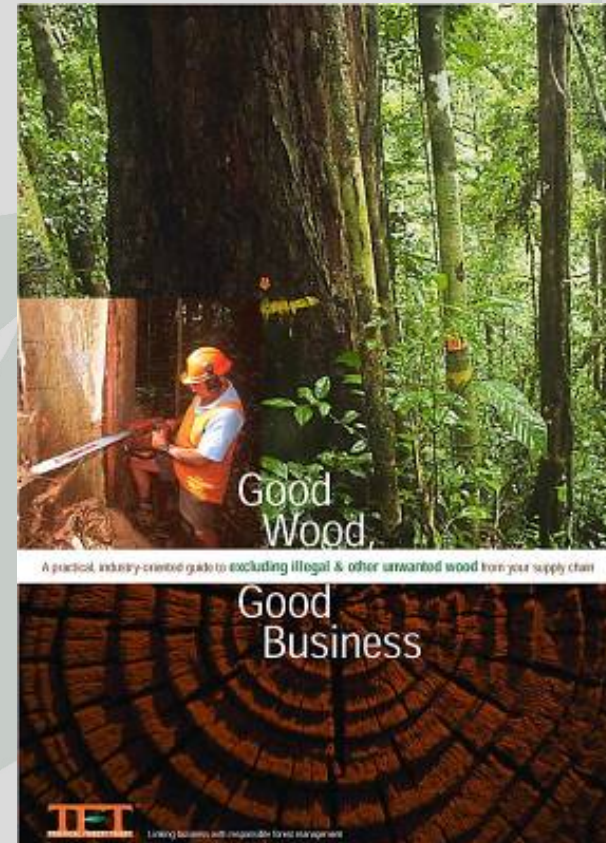


Linking Business with Responsible Forest Management

The TFT Model



- The model for support to industry is **“Good Wood, Good Business”**.



Linking Business with Responsible Forest Management

The TFT in China



- Increasing focus by NGOs on the China wood industry.
- TFT now here to help business reduce negative impact.
- Establishment supported by U.K. Department of Food & Rural Affairs (DEFRA).
- Activities started mid 2006.
- Partners: U.K. Timber Trade Federation & GEI (Global Environmental institute).
- Working with factories on raw material issues & supply chain management.



Linking Business with Responsible Forest Management

Wood Control Systems



Element 1: Identifies which wood is acceptable in end product.

Element 2: Targeted procurement policy.

Element 3: Implementation of CoC throughout supply chain.

Element 4: WOC to control wood entering supply chain.

Element 5: Internal auditing to ensure system is secure.

Element 6: Independent third party verification.

Element 7: Reporting systems.



Linking Business with Responsible Forest Management

Secondary Processors



Linking Business with Responsible Forest Management

Primary Processors



Linking Business with Responsible Forest Management

Forests



Linking Business with Responsible Forest Management

Benefits



- **Illegal wood is often of inferior quality**
 - lower recovery.
- **COC requires efficient handling**
 - better recovery.
- **Legal wood in your supply chain is good for export business.**
- **Premium prices may be achieved.**
- **Legal timber may become a pre-requisite for continued business.**



Linking Business with Responsible Forest Management

Why Should Industry Get Involved



- The demand for legality is gaining influence.
- Maintaining trade with valuable export markets requires wood used to be legal.
- Taking action will mean businesses comply with future requirements.
- Increasingly assistance is available.
- Currently TFT manages the DEFRA grant.
- The European Commission will extend the Timber Trade Action Plan to China.



Linking Business with Responsible Forest Management

Contacts & Further Information



Tropical Forest Trust

184 Jalan Tun Sambanthan, 50470 Kuala Lumpur, Malaysia

Tel +60 3 2274 9595

E-mail: h.blackett@tropicalforesttrust.com

Lewis Du Chaogang, China Representative, Shanghai

Tel +86 136 0101 5640

E-mail lewis.du@tropicalforesttrust.com

Web: www.tropicalforesttrust.com

Linking Business with Responsible Forest Management