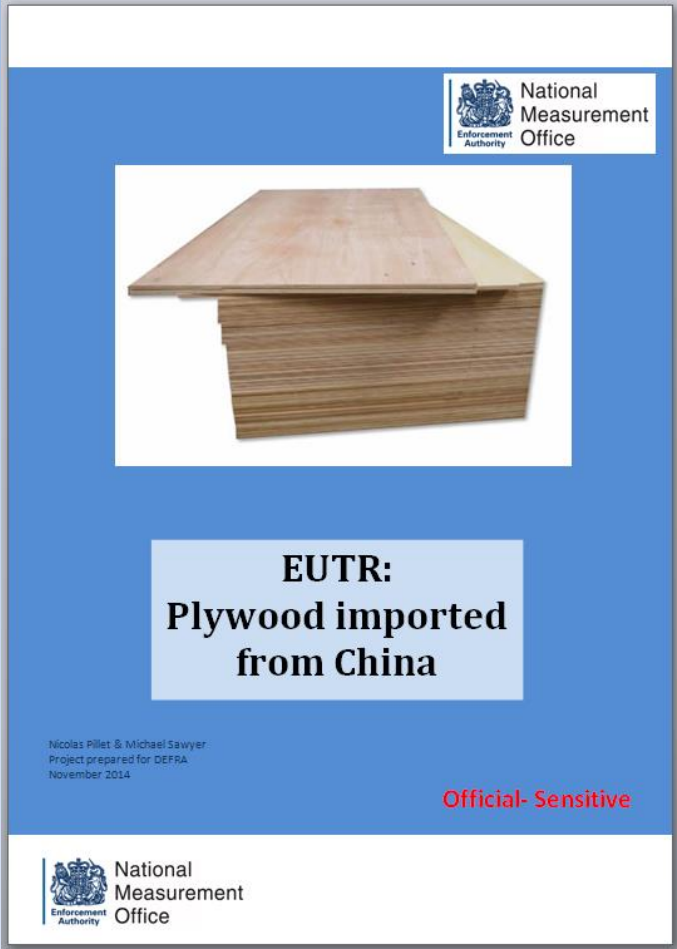


EUTR Chinese Plywood Project



National Measurement Office

**EUTR:
Plywood imported
from China**

Nicolas Pillet & Michael Sawyer
Project prepared for DEFRA
November 2014

Official- Sensitive

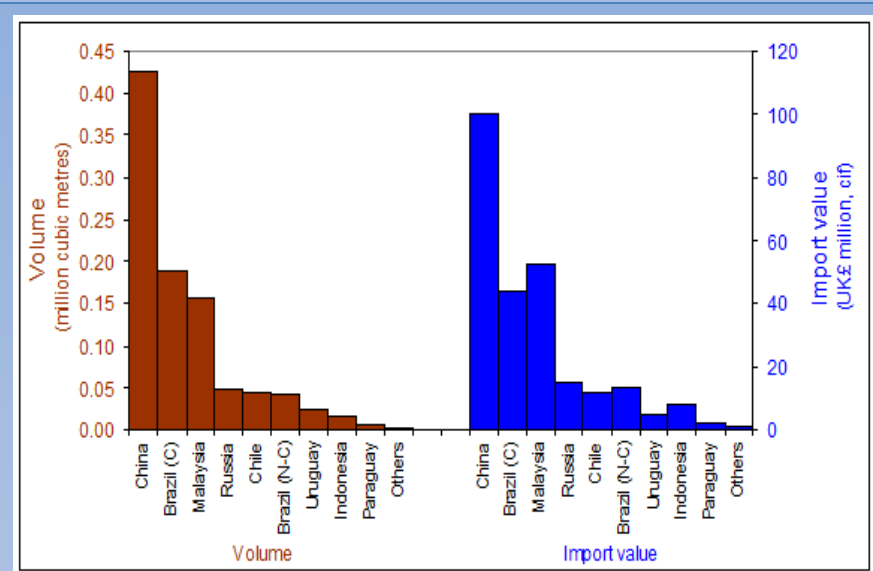
National Measurement Office



National
Measurement &
Regulation Office

Why Chinese plywood?

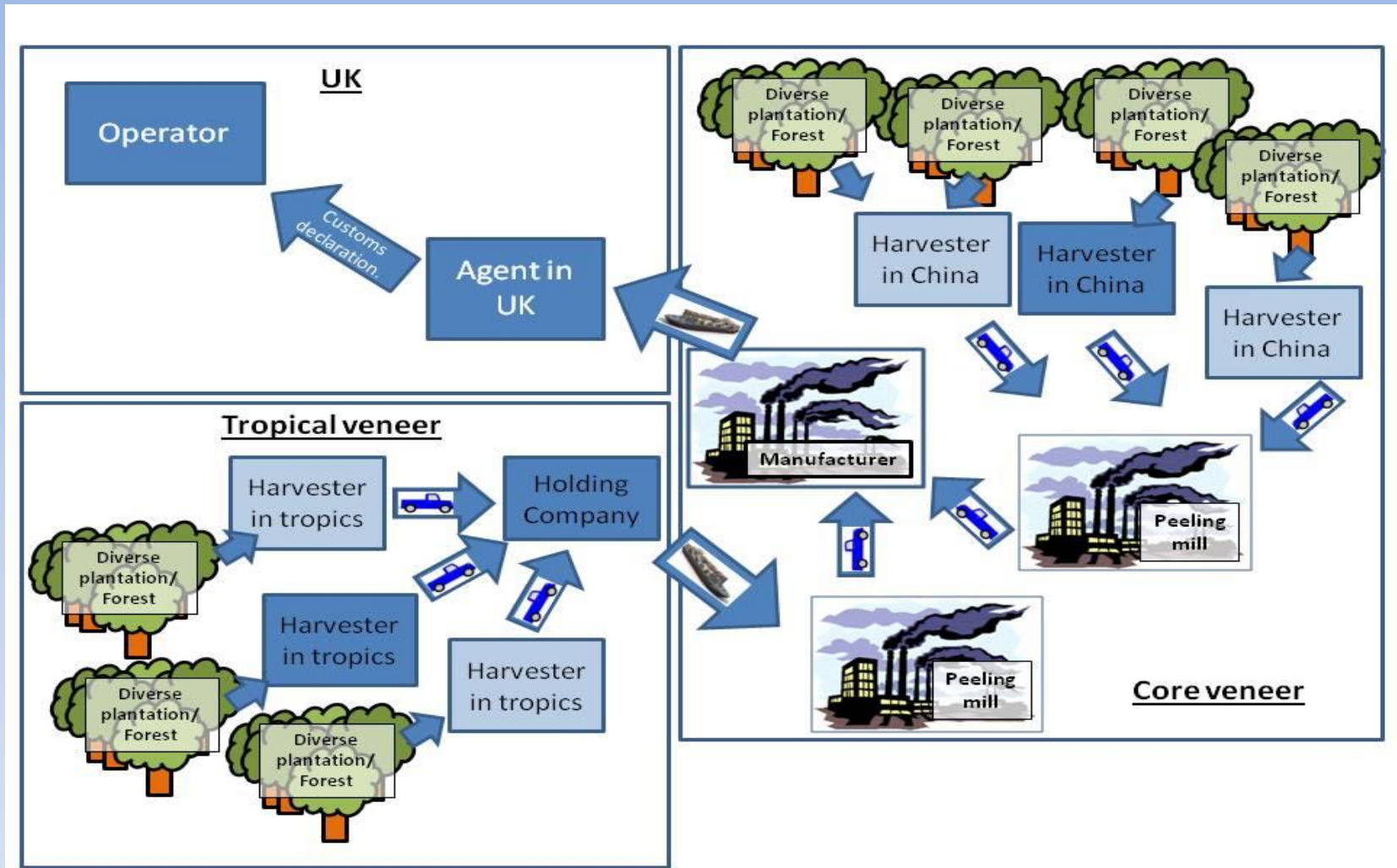
- High risk
 - Species (face)
 - Countries of origin
- Whistle blowing
- Composite material
- High volume
- Complex supply chain



Source: <http://www.duediligencetimber.eu/UK.htm>



Supply chain complexity

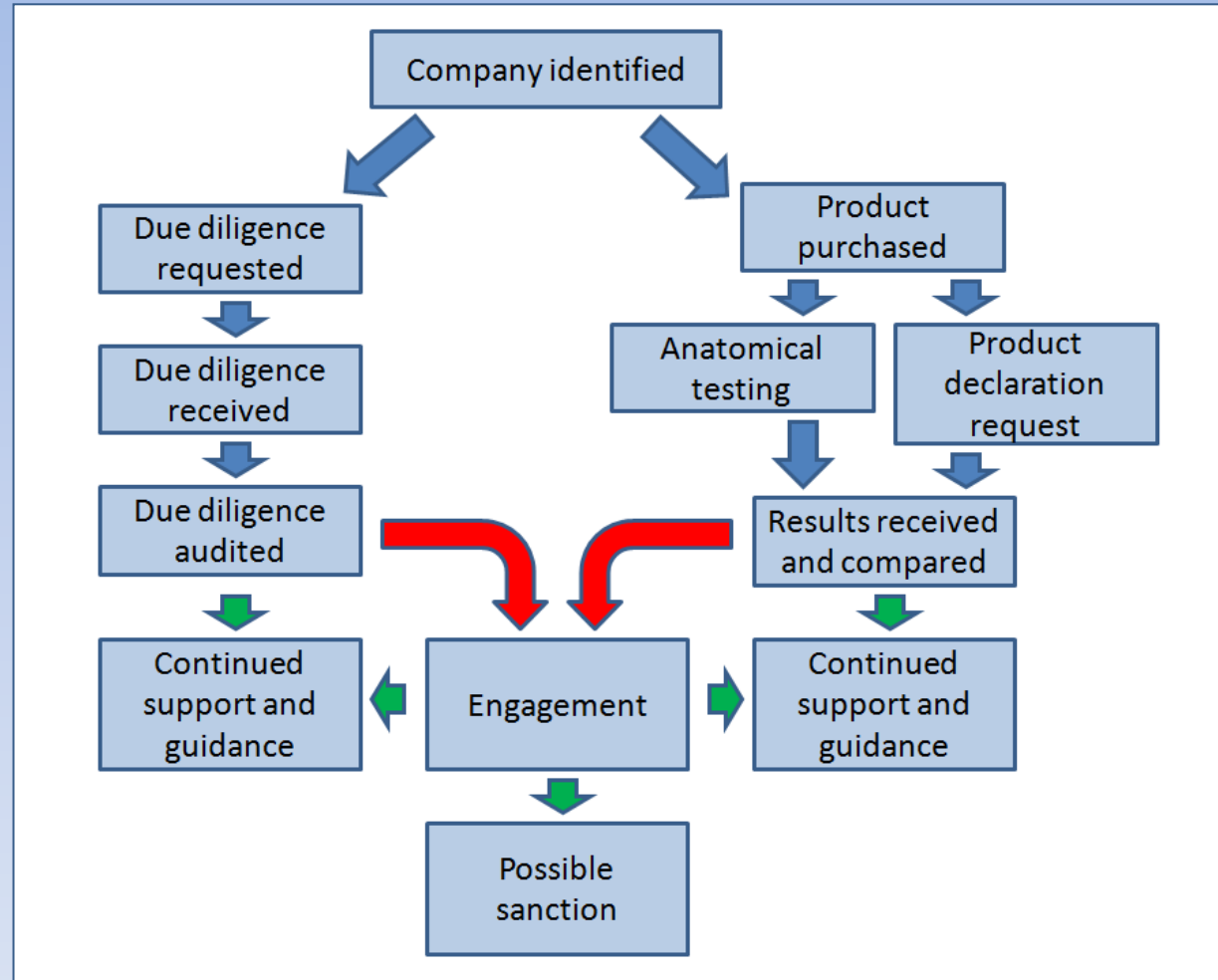


Engagement process

Key aspects:

- Paperwork collection
- Risk Assessment
- Risk mitigation
- Maintenance

Should be in place prior to placing on the market



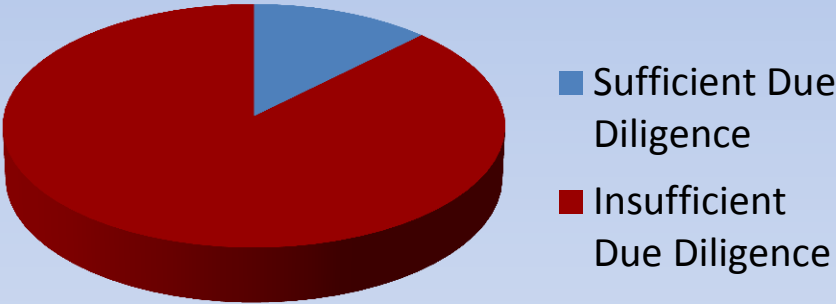
Anatomical testing

- 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

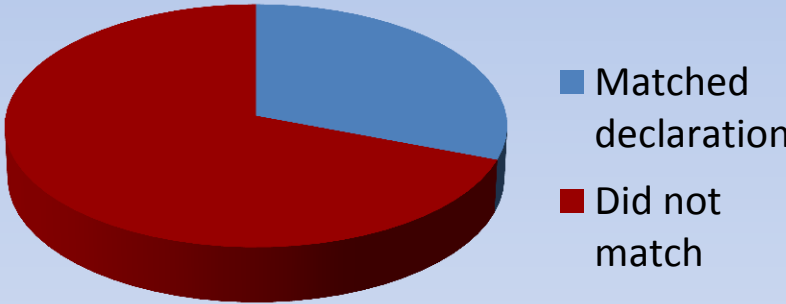


Results

Due Diligence Submission



Anatomical Testing



Only one company was compliant in both aspects

Test results by veneer

Sample #	Face declaration	Face test result	Core declaration	Core test result
1	Palaquium	Palaquium	Eucalyptus	Eucalyptus
2	Betula	Betula	Eucalyptus	Kedongdong/Pine/Poplar
3	Sapeli	Sapeli	Poplar	Poplar/Elm
4	Palaquium	Palaquium	Poplar	Poplar
			Eucalyptus	Kasai
5	Bitangor	Palaquium	Poplar	Poplar/Eucalyptus
6	Lotofa	Sapeli	Poplar	Poplar
7	Beech	Beech	Eucalyptus	Eucalyptus
8	Eucalyptus	Ozigo	Eucalyptus	Eucalyptus/Poplar
9	-	Phenolic resin	Poplar	Poplar
10	Sapeli	Sapeli	Poplar	Poplar
11	Palaquium	Palaquium	Eucalyptus	Poplar/Pulai/Red Meranti
12	Eucalyptus	Bitangor	Eucalyptus	Eucalyptus/Poplar
13	Bitangor	Bitangor	Poplar	Kasai/Medang
14	Camptosperma	Awaiting result	Poplar	Awaiting result

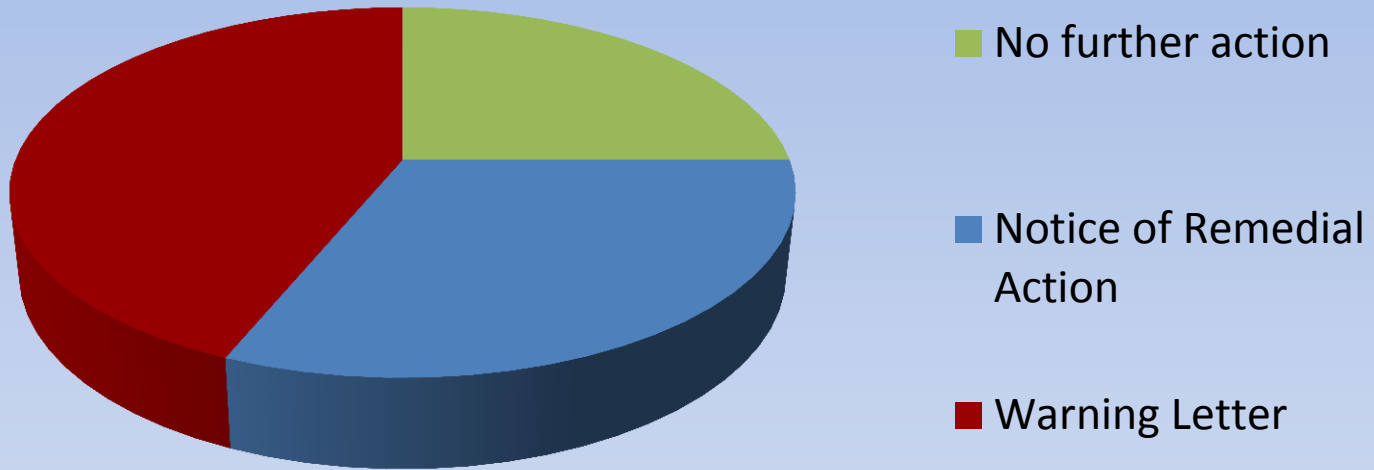


Trends

- 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

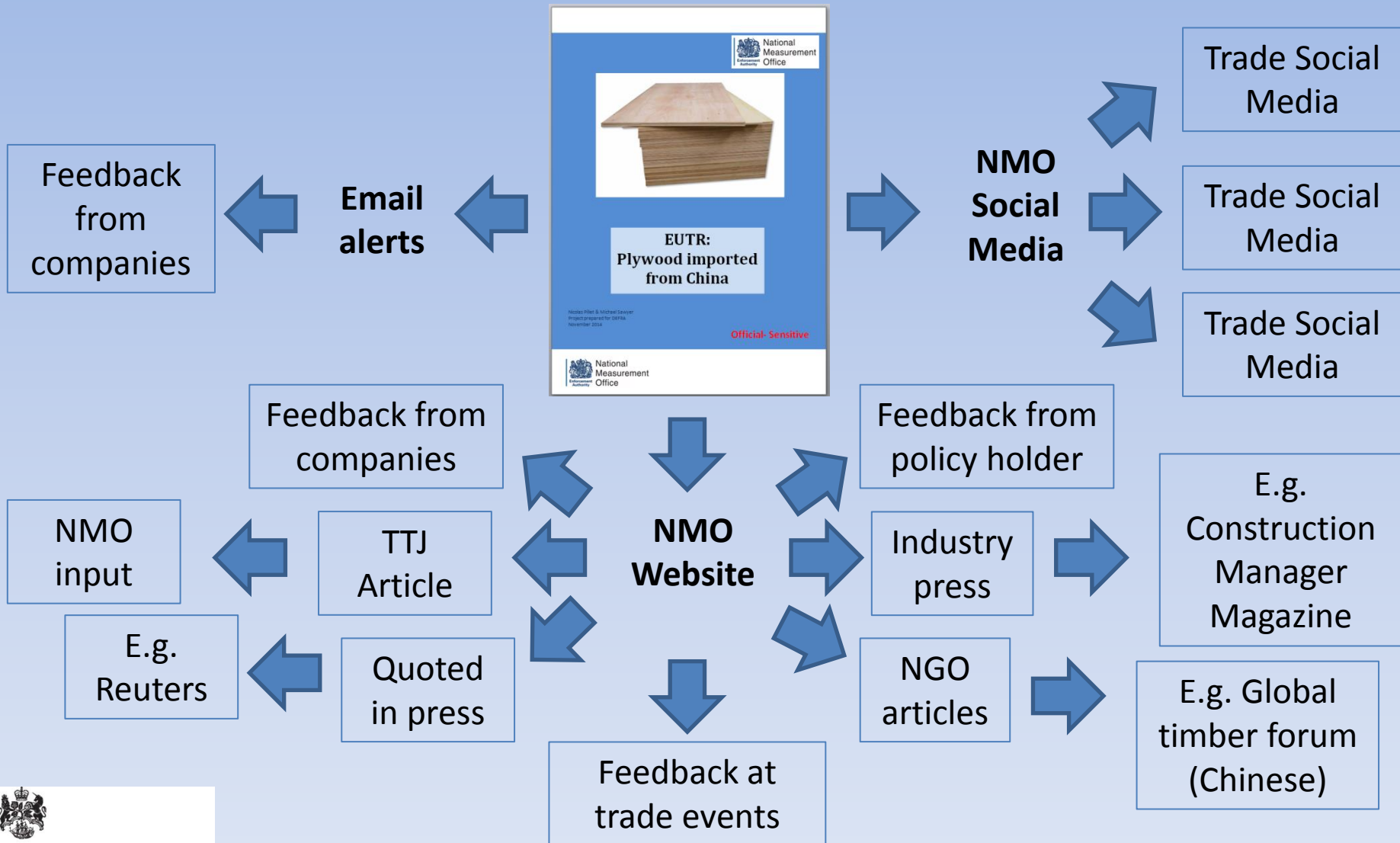


Observations from a EUTR perspective

- Initial submissions:
 - Overreliance on 3rd party certificates and schemes
 - Poor to no risk assessment of species, origins and supply chain
 - No suitable mitigation stapes 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



Maintaining momentum

ONGOING..



Online engagement
with industry via
online forum

NEXT..



Visit to China to
meet with trade

FUTURE WORK..



Revisit product area

