

Desktop Risk Assessment

Patriot Timber RevolutionPly Plywood

TFT conducted a desktop risk assessment of Patriot Timber's RevolutionPly® plywood product, which has been created as an alternative to meranti (lauan) plywood used for various construction purposes. This assessment was done on behalf of a TFT client that has piloted use of the product. TFT (The Forest Trust) is an organization that works with companies to source responsible products and drive change in raw material supply chains.

The purpose of the assessment was to evaluate potential legal, environmental and social risks associated with the product. TFT reviewed a wide variety of supply chain documentation related to the wood sourcing and manufacturing of the RevolutionPly product and applied expertise in product supply chains to evaluate contextual risks.

Summary of Findings

- The RevolutionPly product is made primarily from (*Populus* spp., primarily *P. tomentosa* Carrière) and a small proportion (less than 10%) birch (*Betula pubescens*) veneers.
- Neither of the wood species in the product are listed in the Convention of International Trade in Endangered Species (CITES). *Betula pubescens* is listed on the IUCN Red list as a species of Least Concern. This is in contrast to *Shorea* spp. and other tropical hardwood species making up meranti plywood that is used by studios for set construction, many of which are listed as Endangered to Critically Endangered on the IUCN Red List.
- The supply chain in China is complex with many different brokers and manufacturers for the veneers, which would generally increase legality risk. However, there is a very good level of transparency and traceability in the RevolutionPly supply chain and indication of good supplier relationships. The wood is able to be traced to individual forest owner. The poplar component is sourced from mostly privately owned plantations across three provinces in China - Henan, Shandong, and Inner Mongolia. TFT understands that these small private plantations are primarily grown either in rows to act as windbreaks for the farms, or as small block plantations for economic benefits to the farmer.
- The birch component comes from raw birch logs that can be identified back to forest source in the Eastern Europe, which are shipped and peeled for veneer in China.
- After initial peeling of the logs by primary processors, two manufacturing facilities purchase and process the birch and poplar veneers into the RevolutionPly product (secondary processing), before selling to Shanghai Futuwood, Patriot Timber's China

representative, broker, and owner-operator of the packaging and finishing facility in Machangu Town, Shandong Province. The product is then exported to the US.

- Cash transactions are common practice in this industry and region, and so written records of these transactions are not always maintained. Patriot Timber was able to provide some documentation to verify the transactions, and based on the results of this assessment, will be implementing an improved system for record of sale.
- Based on the documentation provided, including harvest and transportation licenses, the product can generally be considered low risk for *legal* and *environmental* issues related to the wood sourcing in China and Eastern Europe, and for the manufacturing in China. Patriot Timber has some systems in place to control and evaluate their wood sourcing, and is encouraged to maintain these practices.
- It is difficult to assess social risk through a Desktop Risk Assessment process, and China is a high risk country for social and labor issues.
- Overall based on this desktop risk assessment, TFT recommends that its client purchase the RevolutionPly product over non-certified meranti (lauan) plywood as a good alternative product.

Disclaimer

This summary was created based on the full report for The Forest Trust's (TFT's) client dated 30-Nov-2015, and should not be shared without permission from TFT and Patriot Timber.

Our findings are limited by the accuracy and reliability of the supplier declared information. We have made efforts to validate and cross check the information provided to the extent possible, but it can only be relied upon to a certain extent for full visibility into the supply chain.

Any findings, opinions, or recommendations stated within this report are based on the circumstances and information as existed at the time TFT performed the work. TFT assumes no liability for any errors, omissions or representations made.



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