



LEGAL LUMBER and FSC

LEGAL LUMBER™

LEGAL LUMBER™ is Tropical Forest Products corporate environmental “Due Care” compliance program built on the foundation of FSC controlled wood standards pertaining to the legal sourcing and trade of forest products. A foundation which includes FSC Chain of Custody Controlled Wood Legal Compliance Standards, but also addresses the life cycle environmental impact benefits associated with forest product verses non forest product resources.

LEGAL LUMBER™ does not replace the voluntary standards set by the FSC. Tropical Forest Products recognizes the voluntary nature of the FSC and the need for “Due Care” and accountability related to the trade of all forest products at a corporate level. LEGAL LUMBER stands separately but enhances the efforts of the FSC and our own participation in it. Lack of availability of FSC certified products does not eliminate our moral or ethical obligation to participation in the trade of well managed forest products.

As part of the LEGAL LUMBER™ program Standards Policies and Procedures, it is required that Tropical Forest Products maintain FSC chain of custody certification and promote the use and sourcing of FSC certified products when available and upon market demand as FSC represents the highest voluntary international sustainability standard.

LEGAL LUMBER™ is about setting and enforcing self-imposed standards, systems and procedures when sourcing forest products from those companies that do not voluntarily participate with the FSC and promoting the environmental benefits of sustainable wood products over non-wood and non-renewable material options.

LEGAL LUMBER™ is about self-imposed corporate accountability with third party oversight whenever and wherever available. It is both our moral and legal obligation to set and maintain standards, systems and procedures that stand up to potential investigation and enforcement by federal environmental and legal authorities. It is a responsibility that Timber Holdings takes very seriously.

“Due Care” as defined within the U.S. Lacey Act is the compliance baseline established by the U.S. Department of Agriculture and enforced by the U.S. Department of Justice to verify that agricultural products both domestic and foreign are sourced legally and in compliance with international regulations like the ITTA (International Timber Trade Agreement) and CITES (Convention on International Trade of Endangered Species) as well as environmental laws established by the country of origin that promote global forest sustainability.

LEGAL LUMBER™ like FSC Controlled Wood verifies legal harvest at point of origin, unbroken chain of custody and compliance with all foreign and international laws pertaining to the legal trade of forest



products, with an emphasis on compliance with U.S domestic laws including but not limited to the U.S. Lacey Act, U.S. Foreign Corrupt Practices Act, U.S. Forced Labor Laws and the U.S. Buy American Act from forest floor to the end users door.

Like FSC Controlled wood, LEGAL LUMBER™ utilizes independent third party chain of custody auditing of all transactions from point of harvest to moment of export from the country of origin like the Risk Assessment and Verification of Legal Origin services provided by organizations like Unifloresta a Brazilian NGO endorsed by the WWF (World Wildlife Fund).

LEGAL LUMBER also recognizes that certified or not, forests can only be protected if well managed and if the value of well managed forest products resources exceed the value of converting managed forest lands to non-forest agricultural uses or the value of alternative non-renewable environmental resources. Forests are unique in their ability to grow and regenerate naturally if protected against conversion. Avoidance of forest products specification FSC certified or not is in fact counterproductive to forest sustainability.

FSC

FSC (Forest Stewardship Council) is an NGO which sets and oversees compliance with a specific set of standards which have been established by the FSC to promote responsible forest management that provides environmental, social and economic benefits.

FSC Principles and Criteria provide standards which are independent from international laws and governmental regulations pertaining to the environmental protection of resources. Participation in FSC forest sustainability initiatives is completely...**Voluntary**. It's third party oversight approach to forest resource sustainability specifically, is designed to create a public awareness of forest sustainability issues and drive market demand for participants products.

Forest owners and concession holders who choose to have their forests FSC certified agree to manage their forests by a specific set of "FSC Standards" and participate in annual audits designed to verify compliance. Products coming from FSC certified concessions are allowed to make the claim that these products are FSC Certified.

In order for a product to maintain its FSC certification a chain of custody must be maintained between the forest and the end user. This chain of custody must be made up of companies who maintain a valid FSC chain of custody certification. Timber Holdings for example was and is the 48th company FSC Chain of Custody certified by the Rain Forest Alliance (now NepCon), and have been involved with the FSC voluntarily since its inception as part of our corporate commitment to environmental leadership.

Under our Chain of Custody certification we are permitted to sell FSC 100% or FSC Mixed (70% FSC 100% and 30% FSC Controlled Wood).



FSC Controlled Wood is wood which while not meeting the highest level of FSC certification does meet specific standards pertaining to the legality. Legality being the sourcing of timber which has been sourced legally under foreign and international environmental laws and regulations with a documented and independently audited chain of custody from Non FSC certified forests. FSC controlled wood is the only controlled wood standard allowed for use under the FSC Mixed designation.

Currently under USGBC (U.S. Green Building Council) LEED (Leadership in Environmental Design) 1 point towards LEED certification under LEED v4 “Building product disclosure and optimization – sourcing of Raw Materials” (MRc3). Under the requirements a project must use at least 25% by cost of the total value of permanently installed building products must comply with “leadership extraction practices”. This can be achieved through the use of Reused or Recycled products or Wood products certified by the FSC or approved equal. As of this writing there is no official Approved Equal to FSC under the LEED standard. It is important to note that MRc3 is but one of many paths to achieving LEED credits and certification and that the use of FSC certified forest products is not mandatory under USGBC LEED standards. For example, the installation of a bike rack has the same 1 credit value as MRc3. The largest values for LEED certification come from the Environmental Systems and Energy Consumption Reduction side.

We hope that this document helps better explain the respective roles of FSC and LEGAL LUMBER™ in the promotion of forest sustainability.

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