

# TROPICAL

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## *More than a piece of wood...Peace of Mind*

### **Environmental and Legal Compliance Overview**

**At Tropical Forest Products we take our role as industry leaders very seriously.**

For any responsible company trading in wood products both tropical or temperate, imported or domestic this process starts with the development of clearly defined written, implemented and enforced **Controlled Wood Policies and Procedures** that verify compliance with all international and domestic laws and regulations pertaining to the environmental, legal and ethical harvest, processing and trade of wood products.

Once established it is incumbent on the consumer to preference products from those companies who share a commitment to sustainability like Tropical Forest Products **Tropical Forest Products** brand lumber, wood products and systems

It is also the responsibility of an environmentally conscious company, to develop programs like our **LEGAL LUMBER™ Due Care Environmental Compliance Program** to promote the life cycle environmental benefits associated with naturally renewable forest products over non-renewable resource based alternatives as well as promoting sustainability legal compliance and sustainability initiatives.

It is also important for company's to encourage specifying individuals and agencies to adopt specification language which supports environmental accountability.

**Tropical Forest Products has clearly defined and implemented controlled wood systems and procedures, specification language and programs that are designed to encourage the highest possible standards in environmental ethics.**

There is however no one magic pill. The process starts with the compliance with International Laws and Regulations.

**Lacey Act...** (U.S. Federal Ban on the Trade of Illegally Harvest Plant and Forest Products). Enforced by the U.S. Department of Agriculture with harsh financial and criminal penalties modeled after U.S. drug trafficking laws, the Lacey Act is a good example of individual ITTO member countries enact and enforce domestic laws in support of International laws. The Lacey Act requires anyone participating in the commerce of wood and other agricultural products to exercise "Due Care" in the sourcing of the products they sell or use to verify that those products have been harvested and sourced legally. "Due Care" requires the use of the highest level of

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verification process available at the time of the transaction. It is a felony to be found in violation of this “Due Care” statute. Due Care includes but is not limited to the following laws. It is important to remember that the U.S. Lacey Act is both a foreign and domestic law addressing the legal trade of both foreign and domestic wood products and as such should be addressed in any wood or plant (yes it includes bamboo) specification.

**CITES...** (The Convention on the International Trade of Endangered Species) was established to clearly identify any plant or animal species which fall into one of three appendixes or categories.

Appendix I – Species threatened with extinction.

Appendix II – Species which may become threatened with extinction if not closely monitored.

Appendix III – Species that are already being voluntarily being regulated by a specific country of origin irrespective of Appendixes I or II.

**ITTO...** (International Tropical Timber Organization) and the ITTA (International Tropical Timber Agreement)

The ITTO as an organizational body made up inside of and overseen by the United Nations is made up of member countries who have signed an agreement to adopt and support CITES regulations.

The process then moves on to compliance with Domestic Laws and Regulations

**U.S. Foreign Corrupt Practices Act...** It is a felony to commit bribery or fraud in any form in an international transaction. This includes not only monies but exchanges of goods, services favors or any other transaction of value.

**U.S. Forced Labor Laws...** It is a felony to trade in any product in which forced labor or any form of slavery, child or adult has been used in the production, transport or any other act related to the sourcing of any goods or services.

**U.S. Buy American Act** The U.S Buy American Act requires that government agencies preference products sourced and or produced in the United States unless there are no products with equivalent qualities available domestically or if that product is required for historic preservation. Tropical Forest Products naturally durable hardwoods fall into this category as there are no species of wood grown domestically which provide the performance characteristics associated with naturally durable tropical hardwoods.

**These International and Domestic Laws and Regulations backed by implemented and audited systems and procedures and independent environmental initiatives represent the Minimum standard of accountability under which Tropical Forest Products brand products are sourced, processed, distributed and sold.**

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The process then moves to domestic initiatives and programs.

**USGBC** (U.S. Green Building Council) and **LEED** (Leadership in Environmental Design)

Programs like the USGBC and LEED provide financial incentives in the form of tax relief for designing buildings which meet minimum environmental criteria in support of sustainability efforts.

The process then moves to NGO's (Non Government Organizations).

**FSC** ( Forest Stewardship Council ) The FSC developed Principles and Criteria for sustainable forest management. The adoption of which and participation in by forest products producers and distributors is completely **voluntary**. These Principles and Criteria have been created for both temperate and tropical, domestic and foreign forest management and if adopted should not be adopted selectively in favor of any country or species over any other.

The FSC and Its approved certification bodies such as the **Nepcon** (formerly Rainforest Alliance SmartWood) and **Scientific Certification Systems** are third party NGO certification systems. These initiatives were developed in response to political pressures and these programs exist under the assumption that the general public will support additional cost of goods in exchange for NGO third party oversight of the forest products industry. As an example the FSC is currently the only third party certification body recognized by the USGBC. The use of FSC certified materials in LEED certified buildings is not mandatory however. LEED credits can be achieved through alternative material applications in a building construction.

Tropical Forest Products is an FSC Chain of Custody certified company. That means we can trade in FSC certified forest products subject to their availability and market demand. FSC certified availability and demand has been inconsistent, making it a challenge to predict market demand. Willingness to pay any premium for third party NGO oversight has been and continues to be very low and has in fact fallen off even further since the enactment of the U.S. Lacey Act in 2008.

As such FSC certified wood products are only sourced on a Special Order basis subject to availability.

**So what do you do if FSC certified products are unavailable or cost prohibitive?**

This is exactly why the U.S. Lacey Act is so important. If you are not looking for LEED points, the U.S. Lacey act and programs like LEGAL LUMBER™ stand as the compliance benchmark for trading and specifying wood products.

We hope that this document assists in clarifying your responsibilities as a specifier, consumer, contractor, dealer, wholesaler, wholesaler, importer, wood processor, or concession holder.

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