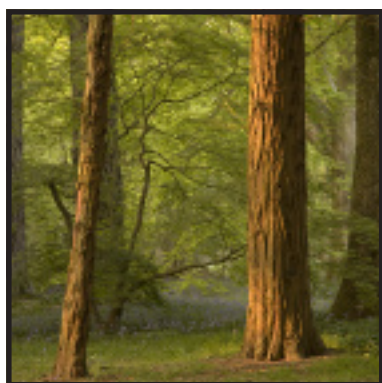


International Panel Products



Certification Guide 2008

International Panel Products

International Panel Products is proud to be able to offer its customers "Certified" Panel Products where they are available. International Panel Products does so under its Chain-of-Custody registrations with the Forest Stewardship Council (FSC); Certificate No. SA-COC-1305; the Programme for the Endorsement of Forest Certification (PEFC); Certificate No. CATG-PEFC-051, and the Malaysian Timber Certification Council (MTCC); Certificate No. CATG-MTCC-001. In this document, we introduce the main Certification schemes present in the UK market for our customers.

What is Timber Certification?

Sustainably managed forests are those whose management implements performance standards based on internationally agreed environmental, social and economic requirements. Although many forests are sustainably managed, the only way to provide credible proof of this is through independent checking or auditing. Once audited, the forest owners then receive registration to one of the national (e.g. CSA, SFI, MTCC) or international (FSC, PEFC) certification schemes and is then able to sell their forest products under the appropriate forest certification scheme logo.

Once the wood leaves the forest, the chain-of-custody certification monitors that the wood flow from certified forests to end-user continues to meet the exacting requirements of a certification scheme.

International Panel Products buys and sells certified panel products where they are available. Customers wishing to continue to re-sell these panel products as certified must themselves be registered with a certification scheme operating a chain-of-custody programme and must hold an appropriate valid chain-of-custody certificate.

The Forest Stewardship Council
www.fsc.org

The Forest Stewardship Council (FSC) is an independent, non-governmental, not-for-profit organization established to promote the responsible management of the world's forests. In the wake of the 1992 UN Conference on

Sustainable Development (The "Rio Summit"), concerned business representatives, social groups and environmental organizations got together and established the Forest Stewardship Council.

FSC certification is widely regarded as one of the most important initiatives of the last decade to promote responsible forest management worldwide. The FSC Principles and Criteria describe how the forests have to be managed to meet the social, economic, ecological, cultural and spiritual needs of present and future generations. They include managerial aspects as well as environmental and social requirements. In fact, FSC rules are the strictest and FSC's social and environmental requirements are the highest of all the presently operating certification schemes.

FSC does not issue certificates itself. The certification process is carried out by FSC approved independent organisations called certification bodies. Examples in the UK include the Soil Association, SGS, and BM TRADA Certification Ltd. These certification bodies assess forest management and chain of custody operations against FSC standards. Only these FSC accredited certification bodies are authorised to issue FSC certificates.

FSC Facts & Figures

Currently there are more than 100 million hectares of forests worldwide that are certified to FSC standards, distributed over 79 countries.

- FSC certified forests currently represent the equivalent of 7% of the world's productive forests.
- FSC is the fastest growing forest certification system in the world.
- There are over 7,500 certificates issued to companies along the forest product supply-chain from forest to end-user.
- The total value of FSC labelled sales to date is estimated to be over 20 billion US Dollars.

FSC Certified Plywood, MDF, OSB, Hardboard, Insulation Board, and Chipboard are all regular stock items at International Panel Products.

The Programme for the Endorsement of Forest Certification Schemes

www.pefc.org

The Programme for the Endorsement of Forest Certification (PEFC) is an independent, not-for-profit, non-governmental organization, founded in 1999, which promotes sustainably managed forests through independent third party certification.

The PEFC works as an umbrella organization to provide a framework for the mutual recognition of credible national or regional forest certification standards. These standards have been developed to meet internationally recognized requirements for sustainable forest management.

PEFC has in its membership 35 independent national forest certification systems of which 25 to date have been through a rigorous assessment process involving public consultation and the use of independent assessors. This 25 includes CSA International (Canada) and SFI (USA and Canada) which enables products from these systems to carry the PEFC logo and be marketed accordingly.

These 25 systems produce millions of tonnes of certified timber products for the market place, making PEFC the world's largest certification system. The other national member's schemes are at various stages of development but all are working towards mutual recognition under the PEFC processes.

PEFC Facts & Figures

- Twenty-five national certification systems currently endorsed by the PEFC, account for more than 200 million hectares of forest worldwide.
- National schemes include CSA International (Canada), SFI (USA and Canada) and Certfor (Chile).
- There are over 3,900 certificates issued to companies covering the whole of the forest product supply-chain from forest to end-user.

PEFC certified Plywood, MDF, OSB, and Chipboard are all regular stock items at International Panel Products.

The Malaysian Timber Certification Council

www.mtcc.com.my

The Malaysian Timber Certification Council (MTCC) is an independent organization established in 1998 to develop and operate a voluntary national timber certification scheme in Malaysia, in order to provide independent assessments of forest management practices as well as to meet the demand for certified timber products.

Two types of certificate are issued under the MTCC scheme. The Certificate for Forest Management is issued to Forest Management Units (FMU) which have complied with the requirements of the forest management standard, and The Certificate for Chain-of-Custody is issued to timber product manufacturers and exporters who have shown compliance with the chain-of-custody Standard.

In performing its role, MTCC's main activities are to co-ordinate with national, regional and international bodies related to timber certification in order to facilitate co-operation and mutual recognition arrangements.

MTCC Facts & Figures

- Currently 10 Forest Management Units (FMUs) covering 4.85 million hectares of permanent reserved forest have been awarded the Certificate for Forest Management.
- To date 116 timber companies have been awarded the Certificate for Chain-of-Custody, offering sawn timber, wooden mouldings and plywood among their products.
- On the 28 March 2008, MTCC formally submitted its Malaysian Timber Certification Scheme (MTCS) to the PEFC Council for its endorsement.
- At present, MTCC certification is only recognized as providing an assurance of legality under the UK Government CPET guidelines. It does not assure sustainability by these criteria.

MTCC certified Malaysian Plywood is a regular stock item at International Panel Products.

International Panel Products

The Canadian Standards Association www.csa-international.org

The Canadian Standards Association (CSA) is a not-for-profit, membership-based association serving industry, government, consumers and other interested parties in Canada and the global marketplace.

The CSA Sustainable Forest Management (SFM) Standard (CAN/CSA-Z809) was first published as a National Standard of Canada in 1996. Developed according to an internationally recognized and accredited standards development process, and based on the international Helsinki and Montréal processes, the CSA SFM standard incorporates Canada's own national SFM criteria, as agreed by the Canadian Council of Forest Ministers.

A volunteer technical committee, representing consumers, environmental groups, government, industry, academia and other stakeholders was established to develop the Standard. Canada's national standards system requires that standards be reviewed and, if appropriate, revised approximately 5 years after they are first published to ensure they remain current and relevant.

CSA Facts & Figures

- As of June 2007, about 59% or 79.3 million hectares out of 134.1 million hectares of certified Canadian forests had been CSA certified.
- The CSA marking can only be used when the product constituents contain a minimum of 70% CSA sustainable forest management certified timber.

CSA certified Plywood is a regular stock item at International Panel Products.

The Sustainable Forestry Initiative www.aboutsfi.org

The Sustainable Forestry Initiative (SFI), was developed by the American Forest and Paper Association (AF&PA) for its membership, but is now available for use by any interested party through a licensing arrangement. This standard was developed for application in the USA where the vast majority of the land is privately owned, therefore there is somewhat less of an emphasis

on public participation.

The SFI programme is a comprehensive systems and performance-based standard that integrates the perpetual regeneration and harvesting of trees with the protection of wildlife, soil and water quality, and biodiversity. The AF&PA has strengthened the credibility of the standard by introducing a third-party certification process and an independent Sustainable Forestry Board with a broad representation of interests to govern SFI.

SFI Facts & Figures

- Currently, 219 Program Participants with 127 million acres of forest are independently 3rd party certified to the SFI Standard.
- 1.2 million acres of SFI program participants' forests were reforested in 2005 through planting or natural regeneration.
- SFI programme participants have invested 799 million US Dollars in sustainable forestry research since 1995.

International Panel Products do not currently hold stocks of SFI certified products.

In the UK and Europe, public procurement policies increasingly demand certified forest products as an assurance of sustainable forest management. Such procurement policies are rapidly becoming a driving force for certification and proving an important source of demand for sustainable forest products.

The volume of certified products available is increasing as more forests become certified. Although there will continue to be a price premium for certified products to reflect the costs to companies of gaining and maintaining Certification, these extra costs will become more accepted as the demand for certified products increases. International Panel Products will ensure that stocks of certified products are available to satisfy this increasing demand.

For more information about certified Panel Products and Chain-of-Custody issues, please contact our Environmental Manager. Email: steve@plywooduk.com