Forest Management Certification

The need for certification – view from the processor

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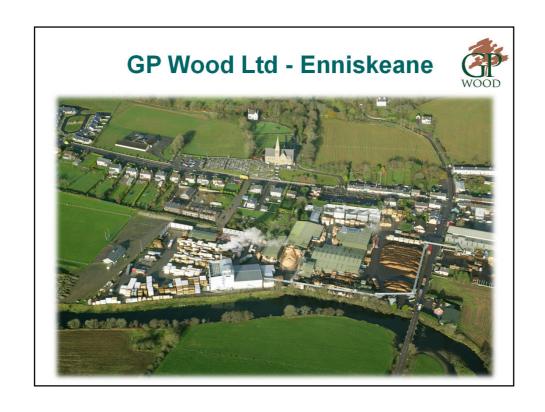
June 30th 2016



GP Wood - History

- Merger of Palfab Sawmills and Grainger Sawmills in 2013 – both had been in operation since 1977.
- Two sawmill facilities in West Cork approximately 150 employees.
- An estimated further 250 indirect employees in areas such as harvesting and haulage.
- What we do we purchase logs (>400,000m³ pa) and process them into sawn timber products.
- Both companies had been certified and we combined their certifications without any difficulty.







Sales

• Products: - Sawn Timber

Construction, Pallet, Fencing, Decking

- Woodchips
- Wood Shavings
- Pulp Wood
- Electricity CHP Plant

Markets: - Mainly Ireland & UK

Mainland Europe, Scandinavia and occasionally beyond.



The Need for Forest Certification

- Social & Ethical Responsibility in respect of issues such as illegal logging, human rights and conservation.
- Promoting Sustainability.
- EU Timber Regulation 995/2010 "prohibition on the first placing of illegally harvested timber and timber products on the EU Market". – Forest Management Certification is a key element of our due diligence as required under the Regulation.
- Customer Requirement Markets Demand Timber Certification.
- Product Promotion.

How our Forest Certification Works

- We have FSC[©] Certification we therefore have signed up to abide by the principles of sustainable forest management.
- Logs (Inputs) Purchased as either:
 - FSC[©] 100% (From FSC[©] Certified Sources)
 - FSC[©] Controlled Wood (From non certified sources) controlled wood while addressed in the FSC[®] Standard carries a 0% weight.
- A rolling average is maintained based on a 'percentage system'.
- Outputs (Sales) as FSC[©] Mix.



The Private Grower

- All material from private growers is currently purchased as Controlled Material (Non-Certified).
- A Controlled Wood Risk Assessment is completed on this material to verify it is from low risk sources.
- GP Wood will not exceed to amount of controlled wood purchased to >30%.
- Should some private growers get certified priority would be given to this material.
- We would therefore recommend that private growers look to get certified.



Chain of Custody

- Our Forest Certification is based on a Chain-of-Custody System – documentation and paper trail.
- All our certified suppliers make a claim on the material supplied to us.
- We in turn make a claim on all our sales and our customers can then use this as part of their chain of custody system.
- Our claim is FSC[©] Mix but the product is fully Certified.
- We have annual chain of custody audits which includes supplier validation.



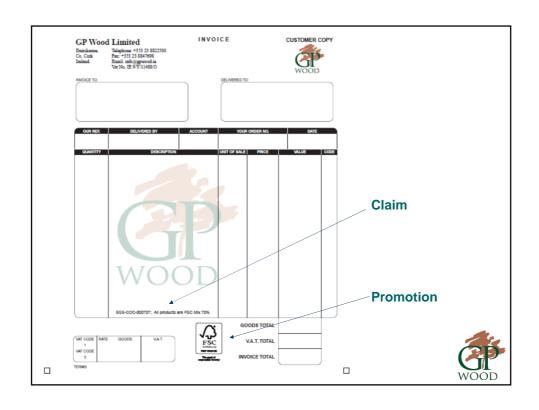
Promotion of Product – Off Product

- Paperwork Invoices and Delivery Documentation
- Website
- Promotional Material
- Tradeshows
- Advertising



The mark of responsible forestry







Summary

- Forest Certification is a requirement for all responsible timber processing organisations.
- Numerous important social and environmental reasons but the main driving force is customer requirement – without certification we would struggle to sell our product.
- Way of proving that products come from well managed sources.
- Customers can check our certification status on-line.
- Priority will be given to private growers with forest certification.



Thank you for your attention.

