

June 7, 2021

Dear Mr. von Bismark,

Thank you for your email dated 3 June '21.

Altripan NV purchased FSC certified plywood with a face veneer of pencil cedar (*Palaquim spp.*) manufactured by Jiangsu High Hope Arser (JHHA). JHHA purchased the (*Palaquim spp.*) logs (as well as logs of different species) harvested in the Solomon Island originating from forests managed by Kolombangara Forest Products Limited (KFPL).

KFPL has held a Forest Stewardship Council Forest Management (FM) certificate continuously for approximately 20 years. During that two decade period the KFPL forest area has been the subject of multiple onsite audits by teams of accredited independent inspection experts that will have included both international and national forest management technicians. For your guidance we attach the KFPL's FSC certificate and KFPL FSC Public Summary, which clearly lists the species on tab 'A3 Species list', as well as it is describing in detail the audit and steps the auditor went through to certify. This shows that doubts about FSC practices and how they applied their standards are not founded in this case.

Altripan's understanding is that FSC FM certificate indicates that the assessed forest is managed according to the FSC Principles and Criteria which sets out the best practices for sustainable forest management.

*Palaquim spp.* is listed in the latest KFPL FSC FM certificate public summary report (attached) as one of the species that the current FM certificate covers.

Altripan skills are associated with buying plywood from around the world, importing and then selling it to EU and UK based customers. We are not forest management experts or inspection experts so we rely on the judgement of those that are. That is why we seek to purchase FSC certified wood base materials and for that purpose we have for many years a partnership with FSC Netherlands and FSC Belgium.

Altripan purchased pencil cedar faced plywood from JHHA. JHHA purchased FSC FM certified logs from KFPL. JHHA has an FSC Chain-of-Custody Certificate (CoC) and has held one from October 2014 until late 2020 when it was removed.

This means that JHHA has had multiple onsite audits from accredited independent certification body experts. These individuals have been trained and qualified as CoC inspectors. They are skilled at identifying substitution and dilution of the flow of certified timber entering a processor. Altripan relies on the FSC system to ensure that this is performed appropriately. Again that is why we seek to buy and sell FSC certified material.

Altripan has decided early 2018 to use Eucalyptus Grands FSC veneers for all of its raw plywood produced in China in order to have one uniform surface for all products and allow customers to use various panels products in various applications with the same uniform species. *[Deleted]*

Altripan is aware that FSC FM/CoC does not satisfy all the requirements of the European Union Timber Regulation, 2013 (EUTR). The *NEPCON report* attached evaluates the gaps. In conclusion, it states - 'it can be concluded that the FSC system covers most of the requirements evaluated. However, the most important gap in the FSC system are found in the lack of a system to validate volumes of material with an FSC claim transferred place in the supply chain'.

Altripan outsources its EUTR Due Diligence to a recognized expert timber due diligence business. As part of its supply chain due diligence assessments for Altripan, they have independently, earlier this year, been in contact with KFPL to check on species and volumes of logs supplied to JHHA. They are also in regular contact with JHHA to check on species and volumes delivered to Altripan.

Altripan purchased the pencil cedar plywood in the belief that the risks had been mitigated by the FSC certification process, with the EUTR requirements being met by the additional due diligence assessments.

Lastly in terms of meeting EUTR requirements - Altripan's 2020 purchases from JHHA were (in early 2021) subject to an audit by the Belgian government agency responsible for EUTR enforcement. We satisfied their due diligence requirements.

Your Sincerely

Koen De Witte

CEO, Altripan NV

June 11, 2021

Dear [Deleted]

I've been going through our packing instruction and pictures taken during the factory visit or port inspections, from 2016 till present, and if you are OK to send the pictures through by separate mails then I will do so immediately.

To answer your question ;

1. Has Altripan ever asked Arser to label boxes containing pencil cedar-faced plywood as "100% poplar" ?

No we did not ask to mark pencil cedar faced poplar core as "100% poplar". We did buy however 100% poplar, Alphaply with or without FSC, but that product is actually real 100% poplar, i.e. with bleached poplar faces and poplar core. That product is an alternative to the Spanish full poplar plywood. Pictures of the packing and faces will be sent separately for your guidance and understanding.

The other product we labelled as 100% poplar is the poplar core plywood with Engineered poplar veneer faces. These faces are composed of sliced poplar and therefor are in reality 100% poplar.

2. Has Altripan ever received boxes containing pencil cedar-faced plywood from Arser labeled "100% poplar"?

No, I could not find any instruction nor any photo of plywood from Arser marked as "100% poplar" with Pencil Cedar faces. See above explanation for the specification of "100% poplar".

Please confirm you agree that I send you photo's of the packing and marking instruction from 2016 till now.

Best regards

Koen De Witte

CEO, Altripan NV