

Introductions:

1. 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. Among KFPL certified forests, the allowed cutting volume of forests is about 80000 m3 yearly. Jiangsu High Hope Arser Co.,Ltd(JHHA) imported 56% of them, with a total of about 270000 m3 from 2014 to 2019. Since 2020, JHHA had suspended the import of KFPL FSC logs.

2. JHHA is a Chinese company, that KFPL sells all their FSC logs and a small amount of non-FSC logs (just to help add value to the sustainable logging for their local aboriginal's private forests). From 2014 to 2019, JHHA imported 270,000m3 of FSC logs from KFPL (including a small amount of certified non-FSC logs), of course Pencil cedar also included in this quantity. During that period, other Chinese companies also purchased a small volume of KFPL logs.

3. During 2016-2018, JHHA exported some volume of Pencil cedar faced plywood, but far less than 1000 containers / year. A large number of plywoods exported by JHHA to UK and the European Union are Camgnosperma/Terminalia/ Calophyllum and some other tropical wood faced, and of course, also some plywoods coated with non-tropical wood such as beech, grandis eucalyptus.

4. After 2015, JHHA exported Camgnosperma/ Calophyllum /Terminalia/Pencil cedar and some other tropical wood veneered plywoods to UK and some to Europe, most of the veneers were from KFPL, and a small quantity of Kossipo veneers were from Congo FSC logs.

5. Since 2015, The pencil cedar veneers we used are from KFPL, but from 2017, JHHA began to peel all imported FSC logs by ourselves (no processing for any non-FSC logs), also provide the peeled FSC veneers to relevant factories.

6. IP, Meyer, Altripan and Sakol are the major customers of JHHA in Europe, and they bought grandis eucalyptus /beech / Calophyllum/ Camgnosperma/ pencil cedar and etc. coated plywoods.

7. JHHA is an independent legal corporation, and has no any connection with other branch companies of High Hope group. We don't know much about the details of other companies' operation.

8. In response to the EUTR regulations implemented by the European Union in 2013, JHHA had set up a risk control team headed by [~~Deleted~~], this team is to trace the legality of all raw materials. In the mean time, we also 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. In the past 10 years, JHHA has imported more than 500000m3 FSC logs for production, and we would never allow to import any illegal timber. We have been committed to the cause of global environmental protection, and the legal, sustainable & rational development and utilization of forest system.

The above statement is the actual situation of our company in recent years, and we are willing to accept the legal supervision and audit on our company by a third party.

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Best Wishes!

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Jiangsu High Hope Arser Co.,Ltd.

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Web:<http://www.arserwood.com>