

Dear Alexander

I am writing on behalf of Meyer Timber in response to the letter we have received from EIA Global dated 3rd June 2021 titled:

*Inquiries relating to your company's alleged role in the import into Europe of high-risk pencil cedar (*palaquium spp.*) manufactured in China*

In the letter you make a number of statements in relation to the company's previous purchasing of plywood from High Hope Arser Wood in the years 2014 - 18.

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From 2014 to 2018, it is a matter of record we have made imports from China and in this instance High Hope Arser. This information is available via UK customs, as it is for all importations into the UK for all products classified under the combined nomenclature.

During this period, our supply chains would have been audited annually by the UK Timber Trade Federation, under their Responsible Purchasing Policy (RPP) and we would have made submissions to the UK Competent Authority for our plywood supply chains during that period. Through all of these submissions, there was not any indication that the company's approach to due diligence was not in complete compliance with the EUTR.

After risk assessment, Meyer has always classified Chinese plywood as a non negligible risk. In line with industry recommendations, and ever evolving European guidelines, we were utilising 3rd party certification to mitigate known risks to negligible. We have been long standing signatories to 3rd party auditing and have maintained FSC certification for a number of years. A number of European Competent Authorities have continually pushed for the inclusion of FSC as a 'green lane' through the regulation, much in the same way as FLEGT.

Throughout the period in question, not a single report became available that would oppose the use of FSC certification as risk mitigation in the procurement of plywood utilising face material from the Solomon Islands. However, following on from the publication of NGO reports in the autumn of 2018 in relation to the Solomon Islands, Meyer Timber stopped the purchasing of any plywood from High Hope Arser that incorporated any component that originated in the Solomon Islands. This shows the correct functioning of a due diligence process and reacting to the changing nature of publically available information on matters affecting our supply chains.

Following the appointment of a new Group Compliance Manager in early 2018, (which brought vast experience of the timber trade throughout the world along with EUTR regulatory experience), extensive work has been done in China to transform our supply chains and the way we procure our Chinese plywood.

As a company we have visited every part of the plywood supply chain in China. For the purposes of EUTR due diligence we have visited Zhangjigang log port, to understand how logs are procured and imported into China for veneer peeling. It is unlikely other UK importer's will have gone too these measures. These trips confirmed that we needed to have total control over our supply chains and to de-risk every element involved. We have removed the purchasing of tropical logs from unknown supply chains within China.

To enable us to achieve this, we have exclusively sourced Uruguayan Eucalyptus for our face and back veneer. We procure the logs from one company only and we have visited their forestry operation and propagation nursery in Uruguay. This has resulted in us connecting our partner mills with supply chain's we feel comfortable in them buying from, giving us a level of transparency throughout the supply chain. As a consequence, we see every part of the commercial log transaction. From the initial placing of contracts, through to receiving original copy documents on delivery, we have complete oversight on our supply chains.

We conduct rigorous 2nd party audits on an annual basis and we visit China at least twice a year as a minimum, obviously the pandemic has made that impossible. These audits have meant we do not purchase from multiple mills in China and only procure from a select handful that we work with closely who met our criteria and standards.

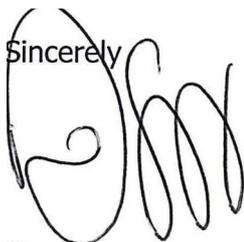
When dealing with our Chinese partners we look to do business at a fair price and can commit testimony from them as to how we procure and conduct our pricing negotiations.

Due diligence is a framework and one that should constantly change and adapt in light of new information presented. We have worked extensively in China to transform our plywood procurement and have acted on new and substantive information when it comes to light. We will continue to evolve our processes and procedures in relation to the purchasing of Chinese plywood and maintain the continual high bar we have set ourselves.

As a company, we have withdrawn from the UK Timber Trade Federation; on the basis the outcome of their plywood review did not go far enough. We would thoroughly welcome a root and branch dissection of the UK plywood trade, particularly in relation to China. The continued dogma and prevailing narrative around what remains "tradition" only serves to perpetuate many companies in the UK plywood trade pursuing the cheapest option. This leads to an indifference when working on health and safety, glue manufacturing, worker training, working conditions and standards and many other factors involved in Chinese plywood production. We at Meyer Timber can verify these are of the highest importance to us.

We would welcome the opportunity to discuss our approach to plywood procurement further with you. As a company we have put considerable time, effort and investment in working with

our Chinese partners to get to the position we are in today. *[Deleted]*

Yours Sincerely

David Siggins

7/6/2021

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