Tropical forestry sector under pressure: > 50% of tropical timber from illegal sources
Domestic and international challenges

➢ Timber substitution in domestic construction industry

➢ Additional requirements for timber exporting:
  • Europe: EU TR “due diligence”
  • US: Lacey Act “due care”
Responsible Timber Exchange

Connecting legal sellers to responsible buyers - online and offline

TRADE TIMBER ONLINE

Place Request for Quotations or Sales Offers - FREE OF CHARGE

VISIT THE TRADING PLATFORM

DUE DILIGENCE

Start your Due Diligence
(you can also check the validity of certificates)

START A NEW DUE DILIGENCE
## Responsible Timber Exchange

<table>
<thead>
<tr>
<th>B/S ID</th>
<th>Date</th>
<th>Product</th>
<th>Species</th>
<th>Country</th>
<th>Certification</th>
<th>Volume</th>
<th>Frequency</th>
<th>Price</th>
<th>Make Offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>B 672</td>
<td>5/29/17</td>
<td>Roundwood (logs)</td>
<td>Betula: Birch</td>
<td>Russia (Russian Fed.)</td>
<td>FSC®, CFE</td>
<td>10,000 m³</td>
<td>Monthly</td>
<td>-</td>
<td>SELL</td>
</tr>
<tr>
<td>B 671</td>
<td>5/29/17</td>
<td>Plankia</td>
<td>Swietenia: Mogno, Mahogany, Acajou</td>
<td>South America</td>
<td>FSC®</td>
<td>1 C40</td>
<td>Single batch</td>
<td>-</td>
<td>SELL</td>
</tr>
<tr>
<td>B 670</td>
<td>5/29/17</td>
<td>Roundwood (logs)</td>
<td>Eucalyptus: Eucalipto, Eucalypt, Gum tree</td>
<td>Brazil</td>
<td>FSC®</td>
<td>30 C40</td>
<td>Monthly</td>
<td>-</td>
<td>SELL</td>
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<tr>
<td>B 689</td>
<td>5/29/17</td>
<td>Roundwood (logs)</td>
<td>Eucalyptus: Eucalipto, Eucalypt, Gum tree</td>
<td>Brazil</td>
<td>FSC®</td>
<td>1,000 m³</td>
<td>Monthly</td>
<td>-</td>
<td>SELL</td>
</tr>
<tr>
<td>B 687</td>
<td>5/23/17</td>
<td>Roundwood (logs)</td>
<td>Quercus: Oak</td>
<td>Europe</td>
<td>-</td>
<td>200 m³</td>
<td>Monthly</td>
<td>EUR 110.00 / m³</td>
<td>SELL</td>
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<tr>
<td>B 686</td>
<td>5/23/17</td>
<td>Plywood</td>
<td>Fagus: Beech</td>
<td>Any</td>
<td>-</td>
<td>50,000 ft³</td>
<td>Monthly</td>
<td>-</td>
<td>SELL</td>
</tr>
<tr>
<td>B 685</td>
<td>5/23/17</td>
<td>Plankia</td>
<td>Pinus: Pine, Pinho, Pinheiro</td>
<td>Any</td>
<td>-</td>
<td>500 m³</td>
<td>Monthly</td>
<td>USD 300.00 / m³</td>
<td>SELL</td>
</tr>
<tr>
<td>B 684</td>
<td>5/23/17</td>
<td>Boards, finished</td>
<td>Tectona: Teak, Teca</td>
<td>Asia</td>
<td>-</td>
<td>30 m³</td>
<td>Single batch</td>
<td>-</td>
<td>SELL</td>
</tr>
<tr>
<td>B 683</td>
<td>5/23/17</td>
<td>Sawn timber, finished</td>
<td>Fagus: Beech</td>
<td>Poland</td>
<td>FSC®</td>
<td>100 m³</td>
<td>Monthly</td>
<td>-</td>
<td>SELL</td>
</tr>
</tbody>
</table>
Make a RFQ or a Sale Offer

Product group: *
- Planned Timber

Product: *
- Sawn timber, finished

Product's place of origin:
- Ghana

Certification:
- FSC®

Community: ?
- No

Species: *
- Entandrophragma: Sapele, Gedu nohor, Kosipo
- Entandrophragma spp.

Drying:
- Any

Other specifications:
- Ex.: E4E female-female, impregnation ...

Volume: *
- 300.0 m³

Delivery frequency: *
- Monthly

First delivery date: *
- March 2017

Delivery place: *
- FOB - Takoradi (Ghana)

Price: *
- 1,000 USD / m³
### Responsible Timber Exchange

<table>
<thead>
<tr>
<th>B/S ID</th>
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<th>Country</th>
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</tr>
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<tbody>
<tr>
<td>B 672</td>
<td>5/29/17</td>
<td>Roundwood (logs)</td>
<td>Betula: Birch</td>
<td>Russia (Russian Fed.)</td>
<td>FSC®, CFE</td>
<td>10000 m³</td>
<td>Monthly</td>
<td>-</td>
<td>SELL</td>
</tr>
<tr>
<td>B 671</td>
<td>5/29/17</td>
<td>Planika</td>
<td>Swietenia: Mogno, Mahogany, Acajou</td>
<td>South America</td>
<td>FSC®</td>
<td>1 C40</td>
<td>Single batch</td>
<td>-</td>
<td>SELL</td>
</tr>
<tr>
<td>B 670</td>
<td>5/29/17</td>
<td>Roundwood (logs)</td>
<td>Eucalyptus: Eucalipto, Eucalypt, Gum tree</td>
<td>Brazil</td>
<td>FSC®</td>
<td>30 C40</td>
<td>Monthly</td>
<td>-</td>
<td>SELL</td>
</tr>
<tr>
<td>B 669</td>
<td>5/29/17</td>
<td>Roundwood (logs)</td>
<td>Eucalyptus: Eucalipto, Eucalypt, Gum tree</td>
<td>Brazil</td>
<td>FSC®</td>
<td>1000 m³</td>
<td>Monthly</td>
<td>-</td>
<td>SELL</td>
</tr>
<tr>
<td>B 667</td>
<td>5/23/17</td>
<td>Roundwood (logs)</td>
<td>Quercus: Oak</td>
<td>Any</td>
<td>-</td>
<td>500 m³</td>
<td>Monthly</td>
<td>EUR 110.00 / m³</td>
<td>SELL</td>
</tr>
<tr>
<td>B 666</td>
<td>5/23/17</td>
<td>Plywood</td>
<td>Fagus: Beech</td>
<td>Any</td>
<td>-</td>
<td>500000 ft³</td>
<td>Monthly</td>
<td>-</td>
<td>SELL</td>
</tr>
<tr>
<td>B 665</td>
<td>5/23/17</td>
<td>Planika</td>
<td>Pinus: Pine, Pinho, Pinheiro</td>
<td>Any</td>
<td>-</td>
<td>500 m³</td>
<td>Monthly</td>
<td>USD 300.00 / m³</td>
<td>SELL</td>
</tr>
<tr>
<td>B 664</td>
<td>5/23/17</td>
<td>Boards, finished</td>
<td>Tectona: Teak, Teca</td>
<td>Asia</td>
<td>-</td>
<td>30 m³</td>
<td>Single batch</td>
<td>-</td>
<td>SELL</td>
</tr>
<tr>
<td>B 663</td>
<td>5/23/17</td>
<td>Sawn timber, finished</td>
<td>Fagus: Beech</td>
<td>Poland</td>
<td>FSC®</td>
<td>100 m³</td>
<td>Monthly</td>
<td>-</td>
<td>SELL</td>
</tr>
</tbody>
</table>
Response to request for quote

Request for quote #317

Veneer, FSC®
Copaihera: Copaiba, Castanha, Entedua, Bubinga,
Centedua, Ghana
9 m³, Single batch

Drying: Any
10/FG
Width x Thickness : 15 mm x 0.55 mm
Length : 2700 a 3800 mm (100 %)

Delivery conditions
From February/2017
FOB, Qualquer porto (GH)

Make a non-binding sales offer for this quotation request. Below you can indicate your price, the country of origin of the timber, your commercial conditions, and send the response. If you prefer, you can change other specifications of the timber product you are offering:

- **Price**: 1,200 USD / m³
- **Product’s place of origin**: Ghana
- **Delivery place**: FOB, Qualquer porto (GH)

Send response
Change specifications
Product promotion to create demand, open markets and increase sales
Email campaigns

Database of >100,000 buyers and sellers of timber from all over the world

Emails campaigns for every new product offered or demanded

Targeted emails to segmented groups interested in specific products

A/B testing to improve targeting

BVRio brings a West African timber offer from the company John Bitar. Established in 1995, the company is one of the most important timber producers in Ghana. Currently, John Bitar is the leader on wood processing and the company has three factories in the country.

John Bitar specializes in producing high quality products from the finest tropical hardwoods. We currently have two offers on BVRio Responsible Timber Exchange: Obeche and African Mahogany Planks.

Product: Planks (Oferta nº 653)
Species: Obeche
Dimensions: 30 x 4 cm x 6 - 15 ft
Volume: 50 m³ / Single batch
Delivery: FOB - Takoradi, Ghana

Visit the Exchange
Social media, e-commerce, digital marketing

Facebook promotions, reaching over 1 million viewers per post, directed at interested parties

Twitter campaigns

AdWords to increase visibility in internet searches

LinkedIn to explore B2B connections

Google Ads for targeted advertisement

Google Analytics and other tools to monitor success and improve strategies
Conference and Trade Fairs

IWPA 61st World of Wood Annual Convention
APRIL 5-7, 2017
HOTEL NIKKO • SAN FRANCISCO, CA

BVRio Responsible Timber Exchange at Espaço Ri
Events
Published by Renato Costa 11th April 12, 2017, São Paulo, SP, Brasil - B
Profissionais e empreendedores que trabalham na cadeia produtiva e de
manejo do Mogno Africano podem conhecer a Balsa de Madeira
Responsável.
#MadeiraLegal #MadeiraResponsável

BVRio participa do 6º Workshop Internacional de
Mogno Africano, no dia 16 de outubro de 2018, com o intuito de fomentar o
comércio entre compradores e vendedores de madeira do mundo inteiro.
BVRioCBO
Partnerships to expand reach, create demand and open markets

FSC® – Key Account partnership

Rainforest Alliance – to promote community forestry enterprises

Forest Legality Initiative – to raise awareness of buyers

China, Indonesia and Ghana – establishing local presence
Results to date: More than 18 mi m³ of sales or requests of timber in the Exchange
But... who’s the legal producer?
Due Diligence and Risk Assessment System

Big data analysis for risk detection
What is it?
Compilation of all primary sources of information

Legal documents
- Logging permits
- Licences

Infractions and embargoes
- Federal infractions and embargos (Ibama)
- State infractions and embargos (Semas)
- Slave labor list

Satellite imagery
- GFW
- Simex
- SAD Deforestation and Degradation
Cross Checks and Big Data analysis

- Internal analyses
- 22 databases
- Over 2 billion cross checks every day
- Risk assessment of all production sites in the Amazon
Focus on “individual supplies” as opposed to “Suppliers”
Blockchain technology for record-keeping
Advisory board
How does it work?
Enter the barcode of all the transportation documents (DOF or GF) of the timber consignment...
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Enter the barcode of all the transportation documents (DOF or GF) of the timber consignment...
...and, once complete, the system gives you:
(i) ...a map of the supply chain, from the forest of origin to the last supplier...
(i) ...the location of the suppliers and the routes.
(ii) A risk assessment of the consignment...

---

**Overall Risk**

- 🚧 High risk

**Summary of findings**

Supply chain consistency

- ✔️ Negligible risk

Supplier-related risks or irregularities

- 🚧 High risk

If risk of illegality is considered non-negligible, the EU TR requires you to conduct **risk mitigation**, putting in place measures to minimize it, including obtaining additional information and/or engaging third party verification. Consult [NEPCon Trading Hub](#) for more information.

*To see details of findings click on each link of the supply chain on the diagram.*
...with the details of the findings, for each supplier, including:
- details of environmental infractions and embargos;

**Supplier:** MADEIREIRA AROS LTDA - EPP

**Taxpayer Number (CNPJ):** 22.359.900/0001-62

**Location:** Juruena, MT, BR

**CHECKS**

**Federal infractions**

**Date:** 22/09/2017

**Fines (R$):** 3,500.00

- **AI Number:** 9147108, Cadastro Técnico Federal
- **CNPJ/CPF:** 22.359.900/0001-62
- **Legal basis:** 70 1° 72 II Lei, 9605/98, 3 11 82 Decreto, 6514/2008
- **Status:** para homologação/prazo o de defesa (Decision Pending)

**Date:** 01/08/2017

**Fines (R$):** 11,500.00

- **AI Number:** 9134584, Flora
- **CNPJ/CPF:** 22.359.900/0001-62
- satellite monitoring of the logging area:
  - overlaps with protected areas
  - signs of degradation
(iii) Registry of the supply chain

Control of the timber transport authorisations used in the supply chain to avoid double use.
(iv) Printed due diligence report
Where are we?

Due Diligence tools

To date:

• > 20,000 checks
• > 1 million m³ of timber checked
• 300 regular users:
  • Domestic and international buyers
  • Law enforcement agencies
• V2 just launched!

Adapting due diligence system to other jurisdictions

• Peru
• Ghana, Cameroon, Liberia, Ivory Coast
• Validity of FLEGT licenses in Indonesia
Next steps

• Expansion into China, Indonesia, Peru and West Africa
• Special assistance to Community Forestry Enterprises
• Creation of a circuit of Responsible Timber Trade Fairs
• Partnerships to increase reach
• Recognition of the Exchange as a robust environment for the procurement of timber products from legal and sustainable sources
• Increase market access for legal and sustainable products, helping to create incentives for compliance
• “VPA – acceleration” effect
## Where are we?

### Trading platform

<table>
<thead>
<tr>
<th></th>
<th>Million m³</th>
<th>%</th>
<th>US$ billion</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global tropical timber</td>
<td>350</td>
<td></td>
<td>&gt; 100</td>
<td></td>
</tr>
<tr>
<td>BVRio Exchange sales</td>
<td>18.2</td>
<td>5.1</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td>Certified</td>
<td>15%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
BVRio’s 2020 target:

• 50 million m³ of legal timber transacted in the Responsible Timber Exchange

• At least 50% certified for sustainability
Thank you

Support

pedro.mouracosta@bvrio.org
www.bvrio.org/timber
www.bvrio.com/timber
Due Diligence and Risk Assessment

Select the type of certificate to be checked:
FSC®

Enter with the licence code number of the certificate:
FSCC | 123456

Company
Company’s Name: JINJIANG CHANGBO TRADING CO., LTD

Contact
Contact’s Name: Chunli ZHUO
Email: 1426659979@qq.com
Contact’s Phone: 86-595-85618177

Certificate Code FSC®
Licence Code: FSCC-123456
Expiry Date: 09/11/2019

Location
Fujian Province, China

Products Certified
P1 Pulp
P1.1 Mechanical pulp, bleached
P1.3 Chemical pulp, bleached
P2 Paper
P2.1 Copying, printing, communication paper
P2.3 Wrapping and packaging paper
P2.4 Specialty paper
- Track record of the suppliers and their technical managers:

### Track Record (Supplier)

<table>
<thead>
<tr>
<th>Type</th>
<th>✓</th>
<th>!</th>
<th>⚠</th>
<th>❌</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUTEX</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Infractions - head-office and all branches of the supplier</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Embargoes - head-office and all branches of the supplier</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Slave Embargoes - head-office and all branches of the supplier</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Track Record (Technical Manager)

<table>
<thead>
<tr>
<th>All AUTEX signed by the technician</th>
<th>✓</th>
<th>!</th>
<th>⚠</th>
<th>❌</th>
</tr>
</thead>
<tbody>
<tr>
<td>VILA OLIVEIRA</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>4</td>
</tr>
</tbody>
</table>

Logging area (overlap/protected areas)

- ✓
Complementary analysis and Risk Indicators

Analysis of volumes

<table>
<thead>
<tr>
<th>Risk Indicator</th>
<th>Assessment</th>
<th>Label</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volumes of valuable species in the logging permit.</td>
<td>Below average + 1 standard error</td>
<td>Coherent</td>
</tr>
<tr>
<td></td>
<td>Below average + 2 standard error</td>
<td>Inconclusive</td>
</tr>
<tr>
<td></td>
<td>Below average + 3 standard error</td>
<td>Questionable</td>
</tr>
<tr>
<td></td>
<td>Above average + 3 standard error</td>
<td>Incompatible</td>
</tr>
</tbody>
</table>
- consistency analysis of the inventory of the harvesting area;

<table>
<thead>
<tr>
<th>Species</th>
<th>Max coherent volume</th>
<th>Observed Volume</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ipê</td>
<td>3.15 m³/ha</td>
<td>3.25 m³/ha</td>
<td><img src="image" alt="Warning" /></td>
</tr>
<tr>
<td>Cumaru</td>
<td>1.49 m³/ha</td>
<td>2.94 m³/ha</td>
<td><img src="image" alt="Error" /></td>
</tr>
<tr>
<td>Angelim pedra</td>
<td>2.46 m³/ha</td>
<td>3.65 m³/ha</td>
<td><img src="image" alt="Warning" /></td>
</tr>
</tbody>
</table>
- keep copies and details of the legal documents;
Practical guide to conducting due diligence of tropical timber products

Samples of main documents and how to read them

1. Export Forest:

Other terms relate to measuring the species transported, which may be identified by a name that is not compatible with a certain species.
Development of e-commerce system to expand reach
Getting started: Registration and Profile

Registration and Profile

DOCUMENTS: Fill in your documents

Name*: 

E-mail*: 

Phone Number: 

Password*: 

Password confirmation*: 

My country*: 

FSC® Certification: 

PEFC Certification: 

FLEGT Certification: 

Company name: 

Community forest enterprise: 

I declare have read and agreed to the terms and conditions of use