

Email sent to Repórter Brasil in January 17th:

Timber Holdings has considered itself a leader in our industry as it relates to environmental, social and legal compliance in the sourcing of our products.

This history includes becoming the 48th company FSC Chain of Custody certified under the Rain Forest Alliance SmartWood Program in 1989, the development of our Green By Nature...Build with Conscience Environmental Compliance Program in 2009 and our work with Unifloresta in developing and implementing Unifloresta's Legal Verification Program in 2014. 100% of Timber Holdings Imports from Brazil have been audited under Uniflorestas Verification Program since its inception.

As requested and in the spirit of transparency, Timber Holdings has attached a copy of our Green By Nature 'Due Care' Policies and Procedures. Timber Holdings takes these types of specific targeted complaints very seriously and as per our 'Due Care' Policies and procedures, an investigation into this matter has been triggered in response to your inquiry.

As a result of our investigation we have determined that two containers of Ipe decking were purchased by Timber Holdings through GWP group with chain of custody documentation indicating connection to Bonardi de Amazonia Ltda. Both of these loads were vetted through Unifloresta, verified legal and approved for shipment, indicating that all chain of custody documentation relating to legality at time of production and shipment, was in order. As such we have engaged Unifloresta to join the dialogue regarding your concerns.

We cannot speak to the case referenced from 2012 and have no knowledge of any document known as the 'Dirty List', though we are very interested in acquiring such a document that it might assist us in our 'Due Care' processes.

I can assure you that Timber Holdings has not knowingly engaged in commerce with any company participating in illegal activity and we take every possible precaution within our scope of knowledge to actively encourage commerce with those companies engaged in ethical practices and discourage commerce with those companies knowingly acting unethically or without conscience.

Email sent to Repórter Brasil in January 18th:

Further to our investigation, it has been relayed to us by GWP group that they have been advised by UNIFLORESTA that they have evidence that Bonardi de Amazonia Ltda should never have been put on the blacklist (which we do not have and would appreciate) in the first place. The case against Bonardi de Amazonia Ltda was settled and archived on 13/Oct 2015 and that the Ministerio Publico – Dept. of the Interior failed to remove their name from the list.

We do not know the nature of this settlement. As such our investigation will continue until we have full clarity and Bonardi de Amazonia Ltda will be suspended from commerce with Timber Holdings until such time as it can be verified and documented that they are operating ethically and legally as per company policies and procedures.

Second email sent to Repórter Brasil in January 18th:

Further investigation with Unifloresta who audited this transaction on our behalf has concluded as follows.

The two loads of lumber who's bill of lading you tied to Bonardi, were actually supplied by Ronardi. We do not know if there is any connection between these two companies but Ronardi is not listed in the slave labor list you referenced which we have now sourced (see attached). It now appears that your inquiry may have been misdirected.

As such we would be remiss not to expand our answers to your previous questions.

1-) What is the company's position about the situation described above?

Answer: We have imported from Ronardi and NOT Bonardi. There is absolute nothing in this list you called "dirty list" against them.

2-) Does the company adopt any kind of policy to avoid modern slavery in its supply chain? What are the Timber Holdings USA policies regarding trading with suppliers or economic groups involved with the use of workforce in conditions analogous to slavery?

Our company is completely against any kind of slave labor and illegal timber trade, and it should be noted that Timber Holdings was one of the first companies in the whole world to invest in order to have a third party analysis/audit performed on every load of lumber we import from Brazil. The organization which is doing this process to us is named Unifloresta. You can find more information about the verification services they provide at www.uniflorestaconsult.com. I am sure they will be more than happy to talk to you and explain their job and also get inputs from you on how they can improve their system.

We would be very interested to know what U.S. Companies you may be investigating. We would also appreciate receiving a copy of any article which you may publish related to this issue.

Email enviado à Repórter Brasil em 19 de janeiro:

Thank you for bringing my attention to the typo in my original response to your email. We certainly want to get this right. The name Bonardi or Pancini does not appear in any of our chain of custody documentation, so the answer to your question is that there is no chain of custody documentation indicating connection between Bonardi and the ipe decking sourced through GWP and Ronardi.

The material purchased from GWP has the following chain of custody with all supporting documentation.

Importer – Timber Holdings
Broker – GWP
Supplier – Ronardi
Milling Source – Jose de Silva Madeiras
Serraria – Delta Norte Madeiras LTDA
Serraria – Joao Claudio Rodrigues E CIA LTDA
Forest Project – Reni Miotto Borsatti
Forest Project - Eliana Tolardo Galli

As to your second question all Chain of Custody Audits include analysis of any parties within that chain being on the Slave Labor List and or having any active legal issues or concerns. No shipment is approved for export without a full chain of custody audit and vetting which through Unifloresta includes vetting against what we know as the Slave Labor List utilized by Unifloresta in their audit process and not what you reference as the Dirty List. To be honest I'm not sure what the accurate name of this documents is but I would suggest that it be referenced as accurately as possible.

The attached Understanding 'Due Care' document is what we use to educate our market on the importance of developing specifications that drive business to those companies practicing Environmental and Legal Due Diligence and I believe speaks directly to your second question.

As to your third question, we agree completely which is why we engage an independent third party 'Unifloresta as the tool to audit our transactions as it relates to the entire chain of custody from forest to export.

It is my sincere hope that upon evaluation of the systems and procedures that Timber Holdings has in place that we might be held up as an example of a company leading our industry in developing and implementing the best possible practices of 'Due Care'.

We hope that you will take this opportunity to reach out to Unifloresta as to the leadership role Timber Holdings continue to play in our industry as it relates to legality, social justice, environmental compliance and the fair trade of forest products.

We appreciate your engaging us in this dialogue as part of the reporting process. I hope that we have adequately demonstrated how seriously we have taken your inquiry.