



SPE Responsible Lumber Guidelines and Additional Resources

SPE Responsible Lumber Guidelines

While we at Sony Pictures Entertainment (SPE) strive to "light up screens around the world" with quality content, we are also committed to playing our part to protect the environment for future generations. We aim to reduce our ecological footprint by pursuing sustainable policies and actions that combat climate change, preserve natural resources and protect the health and safety of our community.

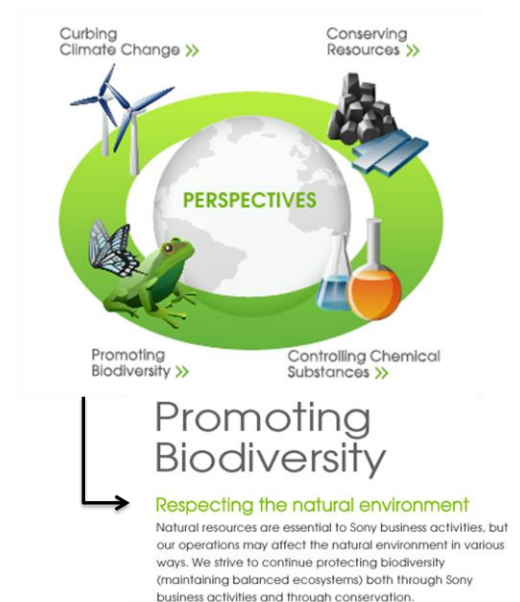
Furthermore, Sony Corporation recognizes the importance of preserving the natural environment that sustains all life on the earth for future generations and thereby ensuring that all humanity can attain a healthy and enriched life. In order to realize such sustainable society, Sony strives to achieve a zero environmental footprint throughout the lifecycle of our products and business activities.

SPE is committed to promoting biodiversity through our business activities by striving to purchase lumber coming from responsibly managed forests. By responsibly managed, we mean forests that are operating legally, protecting biodiversity and not causing tropical deforestation or conversion of natural tropical forests to plantations.

To ensure that SPE achieves these environmental goals, and that our lumber purchases are responsible, we encourage the following practices across our supply chain and in our productions, including:

- Reusing, recovering or recycling wood from previously used sets or non-production sources
- Minimizing set construction
- Purchasing rapidly renewable or sustainable alternatives
- Purchasing certified wood products where available, with a preference towards Forest Stewardship Council (FSC) certified products.

Additionally, each production is required to sufficiently document all wood purchases on **Appendix B: SPE Lumber Purchase Overview & Worksheet**. SPE has created **Additional Resources** with tools that help each production to abide by these guidelines.



Additional Resources

The following materials are provided here as references to help you implement the Guidelines when purchasing lumber for SPE productions. You are required to review them and acknowledge this review on the **Environmentally Sustainable Production Checklist**.

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Figure 1. Flowchart: Questions to Ask When Purchasing Meranti (Lauan) Plywood

The following flowchart includes questions to ask of your vendor when purchasing meranti (lauan) plywood. SPE will engage vendors in different production locations in order to secure access to preferred FSC certified meranti (lauan) plywood - see the 'List of Engaged Vendors' as the first step for plywood purchases. In all cases, report your purchases on the 'SPE Lumber Purchase Worksheet.' When purchasing meranti (lauan) products, ask your vendor what mill/factory the plywood is coming from; see 'Table 2. Identifying Meranti (Lauan) Factory, including Brand Names' for more information. Even if vendors do not have certified plywood available, asking them questions about the availability of FSC certified product will help send positive market signals and show a demand for products coming from responsibly managed forests.

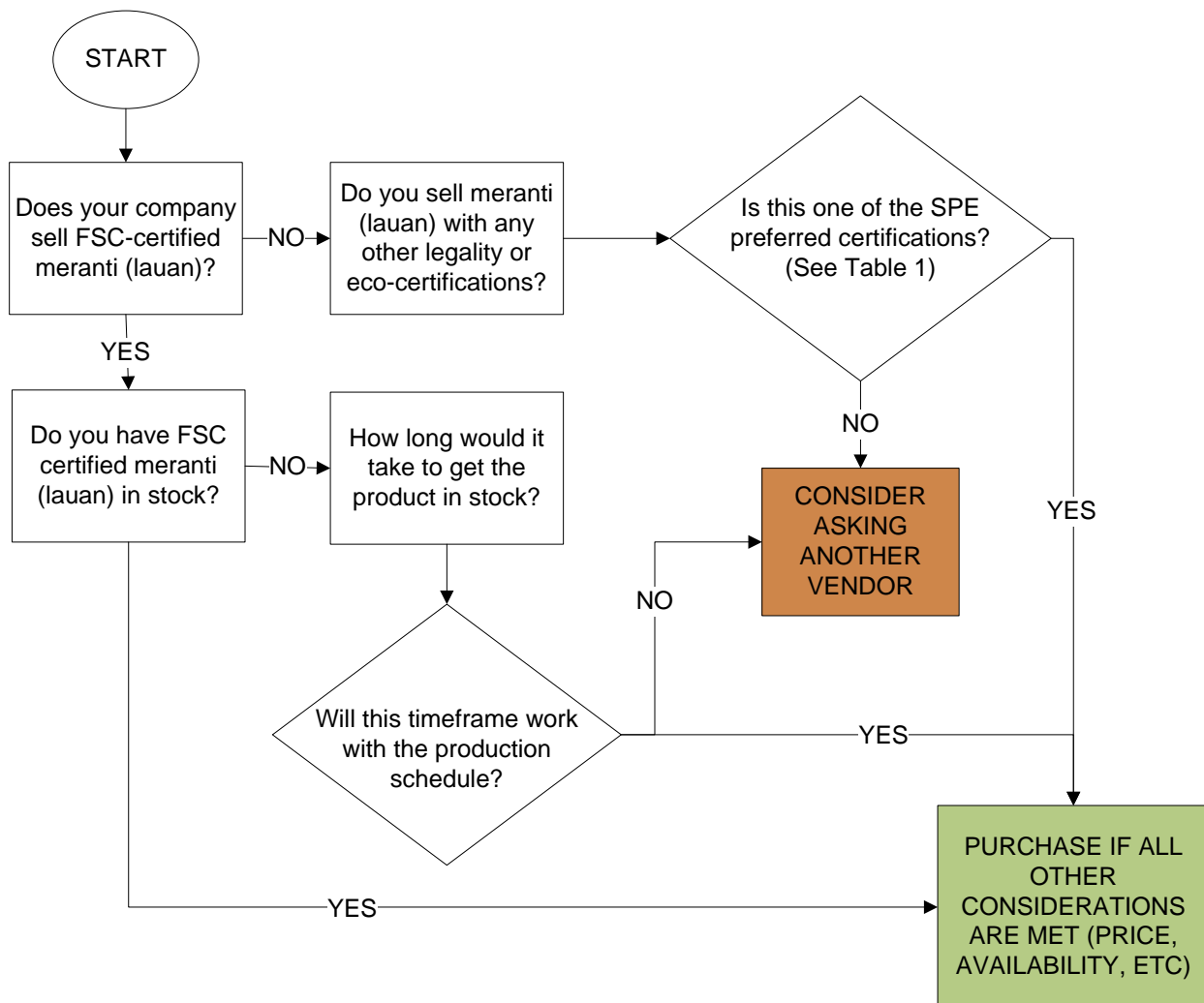





Table 1. Wood Certification Labels and Preferences

SPE strives to only purchase lumber that comes from known, legal sources, and to give preference to FSC-certified lumber when available. In this table, SPE has listed different certifications by preference based on which certifications best provide assurances related to legality and biodiversity protection. This list should guide purchasing when FSC certified wood is not available. For example, buyers should prefer FSC certification over VLC certification and VLC certification over PEFC certification. In each case the certification should be for the specific product being sold. It is not enough for the vendor to be chain of custody (COC) certified if the product they are selling is not a certified product. For more details on this distinction, see the resource 'Factsheet: Get Smart on FSC and Why It Matters.'

Preference Level	Certification Schemes (in order of strength)	Type of Certification	Legality Assurance	Biodiversity Protection	Logo or Verification*
1	FSC: Forest Stewardship Council	Responsible Forest Management, Chain of Custody for supply chains	Yes	Strong: Certification ensures no forest conversion occurs and protects high conservation values	
2	VLC: Verified Legal Compliance	Legality, Chain of Custody for supply chains	Yes	Moderate: Certification ensures no forest conversion and legal compliance related to the country's environmental laws. Also requires that a company must be working towards FSC certification.	Company should have a Verification Statement
3	VLO: Verified Legal Origin	Legality, Chain of Custody for supply chains	Yes	Moderate/Weak: Certification only ensures no forest conversion occurs. Also requires that a company must be working towards FSC certification.	Company should have a Verification Statement
4	SVLK: Wood Legality Verification Certificate**	Legality, Chain of Custody	Yes	Weak: Wood from forest conversion can still be considered legal if it meets all legal requirements.	
4	PEFC / SFI: Programme for Environmental Forest Certification or Sustainable Forestry Initiative	Forest Management, Chain of Custody	Yes	Weak: Wood from forest conversion may still be included, as can wood from High Conservation Value areas that are not protected.	
5	CARB	Product, State of California formaldehyde-emissions regulations	No	Not applicable: This is a very specific legal requirement and does not cover legality of operations nor biodiversity	Products should be labeled as compliant with CARB

* Logos will be on-product marks. These logos are provided as an internal reference for educational use only.

** SVLK certification is unique to Indonesia. The Indonesian government will require SVLK certification for all Indonesian wood products in 2013. All export shipments of the SVLK-certified product should be accompanied by a V-Legal Document, which should be requested when buying wood products from Indonesia.

Table 2. Identifying Meranti (Lauan) Factory, including Brand Names

This table is provided in order to help each production fill out the request for factory/mill of origin for meranti (lauan) products on the **SPE Lumber Purchase Worksheet**.

Currently, there are only three factories in the world that provide the specific large size of meranti (lauan) plywood that is commonly used in set construction by SPE: 4ft x 10ft x 1/4in. The different factories have different risks associated with them including sourcing wood from unknown or poorly managed forests.

Factory	Location	Brand Name
Cymao	Malaysia	Invowood
Kayu Lapis Indonesia	Indonesia	Fuji or Mt. Fuji
PT Sumalindo Lestari Jaya	Indonesia	Sumalindo or SLJ

Only some of these factories currently have access to FSC certified forests and can produce FSC certified meranti (lauan) plywood in the required dimensions. Even if vendors do not have the plywood available, asking them questions about the availability of FSC certified product will help send positive market signals and show a demand for products coming from responsibly managed forests. SPE intends to monitor how much wood it is using from each factory over time to better understand these risks, and this information will be tracked for each production in the 'SPE Lumber Purchase Worksheet'.

Most retailers can tell you which factory they are sourcing their meranti (lauan) plywood from, especially if you speak with the person in charge of purchasing. If they cannot, the vendor can look for brand names or on-product logos to get clues about where the plywood was manufactured.

Factsheet: Why Buying Responsible Meranti (Lauan) Products Helps Forests

Key Messages

- *Meranti (lauan) is a tropical hardwood species coming from natural tropical forests.*
- *Buying meranti (lauan) from responsible sources (such as FSC-certified forests) helps protect natural forests because it provides an economic incentive to keep natural forests intact. In contrast, buying plantation wood provides an incentive to convert natural forests.*

Meranti and lauan are trade names often used interchangeably for tropical hardwood species in the genus *Shorea*. Meranti (lauan) is commonly used in set production because its unique properties help to meet the quality standards needed for such construction. However, there are social and environmental risks associated with these tropical forest species, which usually originate from Indonesia and Malaysia. In both countries there are significant risks that meranti (lauan) could come from forests where illegal logging, forest destruction or conversion, displacement of indigenous peoples or violation of workers' rights are taking place. Due to these risks, for many years the use of meranti (lauan) plywood was characterized as inherently unsustainable and destructive to natural forests. As a result, many organizations recommended that the use of meranti (lauan) in set construction be stopped altogether.

However, this perspective fails to take into account the primary drivers of forest destruction in Indonesia and Malaysia. By and large, forest destruction is driven by a demand for land, especially land for the expansion of wood (primarily acacia) and palm oil plantations. Thus, a preference for plantation wood may actually harm natural forests; since a rising demand for plantation wood can lead to clearing natural forests to establish plantations. Similarly, if there is no demand for natural forest wood, then other land uses will likely be more competitive, and forests are more likely to be converted.

Instead, the best thing that a company who wants to encourage protection of natural forests can do is to insist on natural forest wood coming from responsibly-managed forests where high-value timber trees are managed in such a way that sustainable harvests over long rotation periods are possible. Responsibly-managed forests also include biodiversity assessments and incorporate protection of endangered and threatened species into their long-term management plans.

If more companies insist on lumber from responsibly-managed forests, like SPE is doing with these guidelines, then governments and businesses in Indonesia and Malaysia will see that there is a rise in demand for sustainably harvested natural forest wood like meranti (lauan), and will respond by managing their forests more responsibly, rather than converting them to plantations or continuing with 'business as usual' logging practices that are more destructive to biodiversity. Thus, with its guidelines, SPE will send a market signal for Indonesia and Malaysian wood suppliers that investing in responsibly managed forests is a good strategy for their long-term business.

Factsheet: Get Smart on FSC and Why It Matters

Key Messages

- *When buying plywood made from tropical species like meranti (lauan), strive to buy FSC certified product. The FSC certification provides the best assurances of legality and biodiversity protection.*
- *Asking vendors about the availability of FSC certified meranti (lauan) sends a market signal that responsible management of natural forests is important.*

To raise the demand for wood from responsibly managed forests, SPE is prioritizing Forest Stewardship Council (FSC) certification of meranti (lauan) plywood wherever feasible. FSC is widely considered to be the 'gold standard' in forest certification. The FSC standard demands that the wood in a product comes from a forest that is operating legally, protecting high conservation values (especially related to biodiversity), respecting the land rights of indigenous people, and respecting workers' rights. It also demands that there is a system in place to ensure that the wood in a product is traceable back to its forest of origin. Regular third-party audits ensure that the certification standard is being upheld by the forest owner.

It should be noted, however, that buying from an FSC certified company is not the same thing as buying an FSC certified product. Many manufacturing companies as well as wood wholesalers are FSC Chain of Custody (COC) certified, which means that they have the systems in place to separate FSC certified wood from non-FSC wood, or wood from unknown and potentially risky sources. However, this does not mean that they cannot buy wood from unknown or risky sources—it just means that they have the ability to separate this wood from FSC wood. Thus, if SPE buys a non-FSC product from a company that is FSC COC certified this product may still have wood from forest conversion and possibly even illegal sources in it. It is therefore important to specify the preference for FSC certified plywood to vendors.

Where FSC certified plywood is not available, there are a series of other certifications that can provide some assurance as to the legality and management practices used in the forest of origin. SPE has listed the various certifications in order of preference in Table 1 of Additional Resources.