

FAILING THE FOREST

How Home Depot Has Sold
Illegal Congo Basin Timber to
its Customers for Over a Decade

May 2024

SUMMARY

This report presents new findings from eight years of EIA's investigation into the timber supply chains that connect crimes in the Congo Basin forests to consumers in the United States (U.S.).

According to EIA's new research and analysis, Home Depot has sold illegal tropical timber at a massive scale to its consumers for more than a decade. The flawed wood purchasing policy adopted by the company in 2024 – which notably lacks traceability and transparency as sourcing requirements – fails to address the structural issues exposed by EIA, fails to protect the world forests, and fails to give peace of mind to consumers and shareholders concerned by the company's biodiversity footprint.

EIA's 2019 report *Toxic Trade* investigated okoume (*Aucoumea klaineana*) timber from Gabon and the Republic of Congo, documenting systemic illegalities and corruption in the operations of the Deija Group – one of the largest forestry operators in the Republic of Congo – and their direct export to the U.S., where illegally sourced timber was processed by one of the largest companies in the U.S. forest sector, Roseburg. EIA's 2023 report *The Dictator's Door* documented grand corruption in Equatorial Guinea to facilitate illegal logging and exposed a supply chain linking together the forests of Equatorial Guinea, veneer mills in China, door skin manufacturers across Asia, and door manufacturers and subsequently home improvement retailers in the U.S. – most notably Home Depot, the largest home improvement retailer in the world.

This report builds on the results of these two unprecedented investigations, presents new findings, and draws the conclusion that Home Depot has sold illegal timber to its consumers for more than a decade. In effect, the okoume sold by Home Depot in one of its most popular door products, sold across the country, comes from the Republic of Congo and Equatorial Guinea. According to EIA's new research, more than 80 percent of okoume produced in the Republic of Congo is illegally sourced, due to bribery, fraud, and violations of the forest and tax codes. Indeed, as of January 2023, a log export ban has come into effect in the Republic of Congo, meaning that any exports of okoume logs from the Republic of Congo are illegal under Congolese law. Furthermore, EIA's 2023 report *The Dictator's Door* provided evidence that all okoume originating from Equatorial Guinea is illegally sourced, due to pervasive corruption and illegalities throughout the country's forest sector.

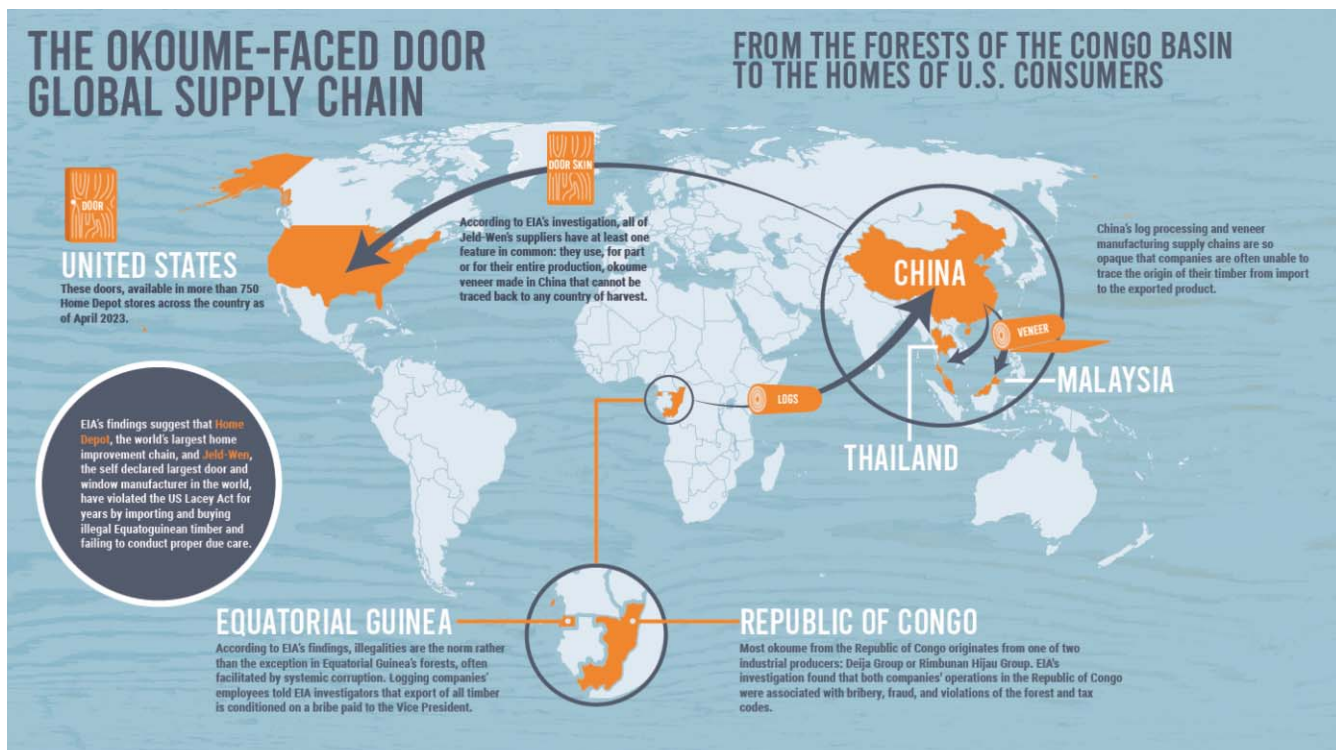
According to EIA's analysis, the okoume wood in at the very least 90 percent of okoume-faced doors sold in the U.S. by retailers such as Home Depot and Menard's is illegally sourced. The amended version of the U.S. Lacey Act makes it illegal to trade in wildlife, fish and plants illegally taken, possessed, transported or sold in violation of any law in either the U.S. or foreign laws.

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Furthermore, contrary to Home Depot's claim that the company will only source FSC-certified wood from the Congo Basin, EIA's investigation indicates that none of the okoume used on the doors sold to the U.S. consumers could come from an FSC-certified concession. On this issue, Home Depot has not only misled consumers, but also misled shareholders. Home Depot's SEC Form 10-K for the fiscal year ending February 3, 2019, maintains that they have "updated our wood purchasing policy to require FSC certification for wood products from the... Congo basin." This claim was repeated in Home Depot's 10-K for the year 2020. Again, according to EIA's findings this cannot be true.

In response to EIA investigation and reporting it appears that Home Depot has taken some new encouraging measures regarding its overall sourcing of Congo Basin timber. As of May 2024, Home Depot stated to EIA that they "have received assurances that the doors that Jeld-Wen is supplying to Home Depot do not contain okoume wood, any wood from the Congo basin that is not FSC-certified, or any wood originating from the Congo basin that is processed in China." If corroborated, this represents a significant positive development in terms of combating the illegal logging of okoume and associated international trade of the species from the Congo Basin.

Yet Home Depot's wood purchasing policy – most recently updated in January, 2024 – does not address the larger, structural reasons that this trade existed in the first place and could exist for other timber species widely distributed across the U.S.: a lack of traceability and transparency in Home Depot's wood sourcing that makes it impossible for the company to identify even the country of origin, or in some cases the species, used in its wood products.

EIA recommends:

- **U.S. Department of Justice:** investigate Jeld-Wen and Home Depot for importing and selling products containing okoume to determine if the Lacey Act is being violated, and if so, prosecute those responsible.
- **U.S. Securities and Exchange Commission:** investigate whether Home Depot misled investors in claiming in SEC filings to only purchase timber from the Congo basin when FSC-certified, while offering okoume wood from the Congo basin that cannot have been FSC-certified.
- **Home Depot:** a) immediately remove all okoume-faced doors from its shelves and stocks; b) urgently review and revise its wood purchasing policy in order to include unbroken traceability to the point of harvest for all wood products; c) make information about the origin of wood products easily accessible to customers; d) conduct a biodiversity impact and dependency assessment in line with the shareholder proposal from Domini Impact Equity Fund.
- **Jeld-Wen:** permanently suspend the import and manufacture of okoume-faced door skins.
- **Animal and Plant Health Inspection Service of the U.S. Department of Agriculture:** adopt and implement a robust plan to monitor and investigate Lacey Act compliance, using available data and technology to improve timely analysis of high-risk imports.