



FSC & the EU Timber Regulation

Key Issue Statement

03 January 2012

Background and context

Illegal logging is a major cause of deforestation with significant impacts on local communities and biodiversity. It occurs when timber is harvested, processed or traded in violation of national laws applicable in the country of harvest. Illegal logging undercuts the competitiveness of legitimate forest industry operations, contributes to global deforestation and causes governments significant revenue losses. It undermines the rule of law, hinders sustainable development, and can cause severe negative social impacts. As such legality is a fundamental part of FSC's Principles and Criteria.

In October 2010, the European Union adopted the EU Timber Regulation (Regulation 995/2010) to prevent sales of illegal timber and timber products on the EU internal market. From 3 March 2013, anyone who places timber or timber products on the EU market for the first time must ensure that they have been legally produced.

The EU Timber Regulation will affect thousands of companies, small and large, that are producing timber domestically or importing timber or timber products into the EU. It covers a wide range of timber products, including plywood, veneer, particle board and furniture, but exempts some products, in particular printed media.

The Timber Regulation includes three key obligations:

- It prohibits the placing of illegally harvested timber and timber products to the EU market, whether of domestic or imported origin.
- Timber accompanied by a FLEGT (Forest Law Enforcement, Governance and Trade) or CITES (Convention on International Trade in Endangered Species) license will be accepted as legal. In all other cases, operators must exercise 'due diligence' when they sell imported and domestic timber.
- Traders (those after the operators in the supply chain) need to keep records of their suppliers (and customers). In this way the operators can always be traced.

The Regulation requires operators to minimize the risk of putting illegally harvested timber, or its products, on the EU market. To do this they need to:

- Have reliable information describing the products, including country, region, and/or concession of origin, species, quantity, supplier, and information about compliance with national legislation;
- Assess with this information the risk of illegal timber entering their supply chain.
- Mitigate any risks identified by, for example, demanding additional information or third party verification of legality from the supplier, or eventually change supplier.



Operators can set up their own due diligence system, or can use the services of a monitoring organization (i.e. companies recognized by the European Commission, including for the due diligence system(s) they will offer).

How does this relate to FSC?

Third-party verified schemes (such as FSC certification) may form part of operators' information, risk assessment and mitigation procedures. FSC is currently working to demonstrate that its systems provide adequate assurance of the legality of FSC certified materials to ensure that FSC certificate holders are not obliged to apply additional due diligence procedures to FSC certified materials (including controlled wood).

FSC is already adjusting its standards to comply with the Timber Regulation. Revisions to the Controlled Wood standard cover relevant aspects of the Regulation, such as information about species, country of harvest, trade and customs rules. Uncertified, uncontrolled components will be eliminated from FSC certified products: from the end of 2012, all 'minor components' will need to comply with the controlled wood (or certification) requirements. And a tracking and tracing system will guarantee that the "operator" will, if needed, have access to the required information held with the forest management units involved.

FSC is also considering developing a wider due diligence system to help certificate holders with their non-certified products, where they do not work exclusively with FSC certified materials.

FSC supports without reservation the goal of banning illegally harvested timber from the EU market. FSC is working to ensure that its systems will fulfill the requirements of the Regulation when it enters into force in 2013 so that certificate holders do not have to apply any additional due diligence activities for their FSC materials. FSC will seek formal confirmation by EU authorities about this matter.

Legal compliance is only the first step towards responsible stewardship of the world's forests. FSC certification is an attractive alternative to using or developing a system which deals only with legality, and FSC encourages operators to go beyond legality-only schemes and to move entirely FSC certified timber and timber products.

For further information, please contact:

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