INDUSTRY STATEMENT FOR THE REVIEW OF THE EU TIMBER REGULATION

2015

EU

INDUSTRY STATEMENT FOR The review of the EU TIMBER REGULATION

We support an EU Timber Regulation which is more effective at stopping illegal timber from being traded on the European market.

We, the undersigned organisations, are producers, purchasers or retailers of timber and timber products.

We welcomed and supported the introduction of the EU Timber Regulation (EUTR). It provided important progress towards stopping the trade in illegal timber in the EU and an opportunity to create a level playing field for businesses that source timber responsibly.

But the current legislation does not entirely fill its stated purpose, so there is an urgent need for further measures to make it fully effective.

Illegal logging poses a significant threat to global forest resources. It contributes to deforestation, causes loss of biodiversity and erodes the rule of law. It undermines responsible forest management, encourages corruption and tax evasion, and reduces the income of producer countries. Cheap imports of illegal products also distort market pricing and investment prospects. And they have social implications, threatening the jobs and livelihoods of people who depend on forests for their survival. Many companies supported the original call for EU legislation to tackle these problems. This led to the EUTR.

In its review in 2015, the EUTR needs to be strengthened so it will be implemented and enforced effectively in all EU member states. At present, competent authorities often lack resources, training and coordination at EU level to ensure a coherent approach to the way the EUTR is implemented. And it remains unclear how many operators have comprehensive due diligence in place. It's essential that competent authorities take a coherent and firm approach towards the interpretation of the legislation, as well as applying harmonised penalties and sanctions, and ensuring there is sufficient capacity for enforcement across the EU member states.

In addition, at present the law does not apply to all timber and timber products. In fact, it covers less than 50% of the value of those products entering the EU market¹. We believe that the regulation must be broadened so it applies to all wood products that could contain illegally-sourced timber.

Unfair competition, caused by widely varying enforcement practices among EU member states and the lack of coverage of a number of timber products in the EUTR, harms European companies that behave responsibly and attempt to play by the rules. Concerted political action is needed to address these conditions in the review of the EUTR and subsequent proposals made for improvement by the European Commission.

We urge the European Commission to seize the opportunity of upcoming review to

deliver a strong EUTR that can halt the trade in illegal timber. Our dependencies on global forest resources are at risk if the European market does not support a vision for comprehensively legal, responsible forest trade.

¹Newleaf, 2014. 'In or out? Can the European Union's Timber Regulation keep out illegal timber?' WWF-UK, Woking, UK. Available to download from <u>www.wwf.org.uk/eutrscope</u>

LIST OF SIGNATORIES*

COMPANIES

AB Fortum Värme samägt med Stockholm stad Accsvs Andrighetti Legnami Spa B&Q plc BAM Construct UK Ltd. BAM Nuttall Ltd. Bellotti Spa Boots Canal & River Trust Carillion Carrefour Castorama Corà Domenico & Figli Spa Crest Nicholson PLC CrowdsKnow Danzer UK Limited Delhaize Group SA/NV Edeka AG & Co. KG Empatika Exott Ferrovial Forestry Commission England G. Luvisoni & Co SRL Home Retail Group Hornbach Baumarkt AG IKEA Immediate Media Co. John Lewis Partnership Kährs Group Kingfisher plc Kinnarps Group James Latham PLC

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FEDERATIONS/ASSOCIATIONS

Assocofani

Asociația Producătorilor de Mobilă din România

European Timber Trade Federation and its members:

- · Asociación Española de Comercio e Industria de la Madera
- Association Technique Internationale des Bois Tropicaux
- Belgische federatie van Hout Invoerhandel / Fédération Belge du Commerce d'Importation de Bois
- Dansk Traeforening
- European Federation of Parquet Importers
- Fedecomlegno
- GD Holz
- Koninklijke Vereniging Van Nederlandse Houtondernemingen
- Le Commerce du Bois
- UK Timber Trade Federation

FederlegnoArredo

Fedustria Federatie voor de Belgische textiel-, hout- en meubelindustrie/ Fédération belge de l'industrie textile, du bois et de l'ameublement

Intergraf - European Federation for Print and Digital Communication

Koninklijke CBM, Branchevereniging voor interieurbouw en meubelindustrie

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Why we are here

To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature.

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