



## CERTIFICATION and LEGALITY - TIMBER RETAIL COALITION

27 April 2011

### 1. Background

While certification has been recognised as a mechanism to ensure low risk sources within the EU Timber Regulation, it is not clear whether additional steps will be required to meet the requirements of the implementing regulations currently being developed. The TRC considers forest management and chain-of-custody certification important tools for combating illegal logging.

This is strengthened by the due diligence being independently verified. A wealth of experience has been gained through certification in legal due diligence and chain-of custody management which should be leveraged by the EU. The fact that certification is integrated in existing timber legality due diligence systems further underlines the need for a clearer recognition of the role of certification.

### 2. Environmental and Social Values of Certification

Forest certification goes beyond legality, to address the broader drivers of deforestation and forest degradation and to support sustainable forest management. In addition, certification strengthens the resilience of forests to mitigate and adapt to climate change. Consequently, in order to support the underlying aims of the EU Timber Regulation, FLEGT Action Plan and UNFCCC, it is vital that progress towards increasing uptake of forest certification is not unintentionally hampered by the Regulation's implementing measures.

The EU should therefore ensure that the implementation of the Regulation is consistent with and supportive of certification.

### 3. Recognition of Forest Certification Schemes as a Risk Mitigation and Verification Tool

There are a number of assessments of forest certification schemes, including the State of Sustainability Initiatives Review, the UK Government's CPET Evidence Assessment process and the WWF/World Bank's Forest Certification Assessment Guide. These assessments have repeatedly highlighted the strengths and weaknesses of forest certification schemes, which have consequently evolved over the last 20 years and are now widely recognised as reflecting best practice in certification, able to credibly mitigate risk of illegal or unsustainable practices and verify both legality and sustainability of forest management. The UK Government's Timber Procurement Policy 2010 has clearly recognised several forest certification schemes ability to demonstrate legality.

Forest certification schemes have been recognised by many public and private timber procurement policies as a vital tool for manufacturers and retailers to provide assurance of legality and sustainable through an on-product certification label, without the need to carry out very resource intensive and impractical (for the buyer) tracking to the forest of harvest and subsequent documentation assessment.



#### 4. Link between Certification and Legality

Forest certification standards, such as those endorsed by FSC and PEFC, include principles and criteria which define requirements for demonstrating legality. A certification assessment then enables legality to be verified against those standards, providing credible assurance of legal compliance

The definition of legality and acceptable evidence for demonstrating legal compliance does vary from one certification body to another and from one country to another. To ensure that this potential weakness is addressed, forest certification schemes have developed region or country specific standards and robust accreditation requirements for certification bodies.

#### 5. Addressing Potential Threats to Certification as a Tool for Legality Verification

Mixing of certified and uncertified timber in the supply chain is a potential threat to legality. Consequently, credible certification schemes have robust controls in place to minimise the risk of uncertified illegal timber entering into a certified timber supply chain.

Since the EU Timber Regulation and certification have developed more or less independently, there is an obvious risk of gaps between certification standards and legislation. The standard setting forest certification organisations are however already in the process of assessing the Regulation in order to ensure that potential gaps between their requirements and the EU legislation will be closed before the legislation will start to be enforced.

#### 6. Potential Impacts of Weak Recognition

Chain-of-custody certification is focused on avoiding unwanted wood to enter the supply chain. It is normally not possible to track individual piece of wood through the supply chain. If requirements, such as to identify each forest of harvest were required, this would significantly reduce the value of forest certification as a risk mitigation and verification tool, undermine the current growth in forest certification and related environmental and social benefits.

Chain-of-custody certification requires operators throughout the supply chain to have systems that allow them to produce the relevant information regarding forest origin and main species for their wood sourcing. In most international retail set-ups buyers do not have the capacity to trace all timber components and fibres back to forest of origin, even where those products are certified, given the highly complex nature of many retail product ranges and related supply chains, involving thousands of forest sources.

Reaching the broader sustainability objectives of forest certification requires significant input of resources. If, in addition to this, buyers are required to significantly expand capacity to double check traceability and/or validity of legality verification components of product certification, they will most probably focus purely on legality verification in order to reduce the commercial risk. This could considerably reduce the demand for forest certification to sustainable forest management standards shifting the focus verification of legality exclusively.

We believe this would contradict the ultimate aim of the EU Timber Regulation, EU FLEGT Action Plan and UNFCCC to promote sustainable forest management.



## 7. Recommendations

The Timber Retail Coalition encourages the Commission to ensure that the implementation measures of the EU Timber Regulation take full account of the merits of forest management and chain-of custody certification as tools for legal due diligence.

The TRC would like to call the Commission's attention to the fact that forest certification standards form an integral part of existing legal due diligence systems and that therefore consistency between the requirements of the implementation measures and forest certification is needed.

The TRC also stresses the importance of the implementation measures to be consistent with, and supportive of, certification in order to promote the wider agenda of sustainable forest management.

The TRC would also like to urge the Commission to closely assess the cost efficiency of the implementation measures to ensure that the requirements deliver cost efficient due diligence and avoid resource consuming add-ons that do not deliver toward this objective.

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# KINGFISHER



## [The Timber Retail Coalition \(TRC\)](#)

*Illegal logging is a serious offence causing severe environmental consequences, threatening biodiversity, undermining the user rights of indigenous people and creating unfair competition and severe distortions on the global and European market. **Kingfisher, IKEA, Carrefour and Marks & Spencer**, members of the European Retail Round Table, have formed the Timber Retail Coalition (TRC) in support of measures to curb illegally harvested timber and to ensure that EU regulations are effective and workable.*

*Building on the Copenhagen Accord's acknowledgement of the importance of tackling global deforestation linked to climate change, these leading European retailers agree to provide a single platform with which to engage politicians and policymakers at national and EU levels.*

*TRC members believe that customers of timber and timber products want to know that the wood they buy is legal, responsibly sourced and sustainable. Its members have come together to raise awareness of the need for clear and workable practices to be in place so that customers can be confident this is the case. These practices should be based on a combination of voluntary and statutory arrangements.*

*The TRC will campaign at all levels of government in the EU to ensure that regulation is both effective and workable. It will also engage with other companies which use timber and with relevant Non-Governmental Organisations. TRC members have worked together in support of the introduction of European Union-wide regulation based on market-proven 'Due Diligence' mechanisms, with a robust compliance and enforcement regime in place, to ensure minimum ethical standards for all timber and wood products sold in the EU.*

*Although the <sup>1</sup>TRC companies already implement extensive voluntary measures, appropriate legislation will help to create a more level playing field in the supply chain and marketplace.*

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<sup>1</sup>Please note that the TRC is a consensus and collaboration platform and a clearing house for disseminating information. No auditing, certification or verification of membership is undertaken and therefore the TRC makes no claims on part of its members.