

Fact sheet

EU Timber Regulation

Stora Enso's fact sheet for stakeholders - May 2018



Stora Enso fulfills the obligations of the European Union Timber Regulation (No 995/2010), which prohibits the placing and trading of illegally harvested timber and timber products on the EU market.

- The Regulation concerns rough wood, fuel wood, sawn products, pulp, paper and board products; not included are printed books and products made from recycled material.
- Penalties are defined by EU member states.
- The Regulation is applied since March 2013.

Background information

- By the strengthened Timber Regulation, the European Union combats illegal logging and related trade.
- The Regulation is an outcome of the EU Forest Law Enforcement, Governance and Trade (FLEGT) process.
- The FLEGT process also includes negotiations of Voluntary Partnership Agreements (VPAs) against illegal logging with non-EU countries. The EU Timber Regulation complements these agreements.
- The Regulation brings obligations to operators, who first place timber or timber products on the market, as well as to the traders of the products.
- An operator, who places timber or timber products in the EU market for the first time, is responsible for conducting a risk assessment and must have an access to information on tree species and country of origin of the wood. In other than negligible risk cases an operator also must have an access to information on the region and concession of harvest.
- A trader, who trades timber and timber products already placed in the EU market, needs to know from whom they buy and to whom they sell timber and timber products.

How does Stora Enso comply with the regulation?

Stora Enso fulfills the obligations of operators to place timber or timber products for the first time on the market - as well as the obligations of traders to buy or sell products already placed on the market.

Due Diligence – access to information by Stora Enso

Stora Enso's written purchase agreements include suppliers' commitment to legality and access to the required information about the origin of wood, such as description and quantity of the product, country of harvest and name and address of supplier and buyer. Usually a single document indicating compliance with applicable legislation does not exist. Therefore, dependent on the country and risk assessment, applicable documents are checked as part of Stora Enso's fibre traceability system. Stora Enso considers FSC® and/or PEFC™ Chain of Custody certified timber and timber products as legally placed on the market.

Due Diligence – risk assessment by Stora Enso

Risk assessments required by the Regulation are included in the fibre traceability system of Stora Enso, developed in order to achieve FSC® and/or PEFC™ Chain of Custody certification.

Due Diligence – risk mitigation by Stora Enso

The Regulation requires risk mitigation procedures from operators in all areas where the risk for illegal harvesting cannot be regarded as negligible. The procedures may include access to additional information, on-site audits and/or third party verification. Stora Enso applies the procedures as part of the FSC® and/or PEFC™ Chain of Custody and traceability systems.

Glossary

Operator is any natural or legal person that places timber or timber products on the EU market for the first time. **Trader** is any natural or legal person that sells or buys timber or timber products already placed on the EU market.

A **Due Diligence system** consists of three elements: (i) access to relevant information, (ii) risk assessment and (iii) mitigation.

Competent authorities are nominated by each EU member state. They are responsible for applying of the Regulation.

Illegally harvested means harvested in contravention of the applicable legislation in the country of harvest.

Questions and answers

What is the purpose of EU Timber Regulation (EUTR)?

EUTR shall prohibit placing and trading of illegally harvested timber and timber products on EU market.

Who are concerned by EU Timber Regulation?

Operators, who are natural or legal persons that place timber or timber products on EU market for the first time and Traders, who are natural or legal persons that sell or buy timber or timber products already placed on EU market.

What is required from operators and traders?

Operators have to implement a Due Diligence System (DDS), which includes a risk assessment and ensuring access to information on tree species and country of origin of the wood. In other than negligible risk cases operators also must have access to information on the region and concession of harvest. Traders only need to know from whom they buy and to whom they sell timber and timber products.

Which products are concerned by EU Timber Regulation?

Included are timber and timber products made of any tree species such as: Round wood, chips, sawdust, pellets, pulp, paper products, packaging boards and papers (delivered without content), sawnwood and further processed products, fuelwood. Excluded are all timber and timber products, which are not used for commercial purposes, all printed papers (e.g. books, newspapers, magazines), products made of recycled materials and packaging materials as part of other products.

What is the role of forest certification and Chain of Custody?

Voluntary FSC® and/or PEFC™ Chain of Custody (CoC) systems can be used by operators as one tool to implement the required DDS. CoC systems include risk assessment and risk mitigation mechanisms as required from operators by EUTR.

What is Stora Enso's approach to EU Timber Regulation?

Stora Enso has implemented Due Diligence Systems as part of its FSC® and/or PEFC™ Chain of Custody systems.

More information on the European Commission website

- http://ec.europa.eu/environment/forests/timber_regulation.htm
- <http://ec.europa.eu/environment/eutr2013/>

Contact information

Antti Marjokorpi, Senior Vice President, Stora Enso Group Forest Operations, antti.marjokorpi@storaenso.com