



Brussels, 14 February 2022

To the EU Permanent Representation – Attaché for the environment

To the members of the “Ad hoc working group on the risk of deforestation and forest degradation associated with products placed on the EU market”

Comments to the Proposal for a regulation of the European Parliament and of the Council on making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010

Herewith, on behalf of the European Woodworking and Furniture Industries here represented by CEI-Bois – The European Confederation of Woodworking Industries, EFIC – European Furniture Industries Confederation, EPF – European Panel Federation, EOS – European Organisation of the Sawmill Industry and FEP – European Federation of the Parquet industry, we would like to share with you our considerations in relation to the European Commission’s Proposal for a regulation on deforestation.

As awareness of climate and environment issues increases and consumption habits change, new opportunities are opening up for the overall forest industry and wood construction to develop functional green solutions to meet consumers’ needs. For this reason, it is of utmost importance that subjecting wood to the requirements of the cited Regulation be done in a careful manner, considering several aspects, as outlined below.

For forest-based products, Chain-of-Custody (CoC) certifications are a way to support responsible forestry in the supply chain; FSC, SFI and PEFC CoC standards are rooted in demonstrating traceability of the product back to the forest. CoC certification is a way for our Companies (wood processors, manufacturers, brands, and others) to take a no-deforestation position by procuring only responsibly sourced wood products that are independently certified to these standards.

It goes without saying that, **the European Timber Industry strongly condemns any form of illegal logging**, and this is why it has made great investments to ensure that forest laws, rules and regulations are complied with during the harvesting, transport, processing and trade of forest products. Our wood comes only from sustainably managed forest. It should also be recalled that wood and wood-based products are already covered by the EU Timber Regulation, which ensures that products entering the EU market have been harvested and traded in compliance with the laws of the producing country.

Specific comments:

1. The European Woodworking and Furniture Industries would like to **raise its concern associated with the definition used in the proposal and measurement of ‘forest degradation’ or ‘degraded forest’**, which are not supported by any international scientific consensus. There has been considerable debate about it in the context of the United Nations Framework Convention on Climate Change (UNFCCC) policy on Reduced Emissions from Deforestation and forest Degradation (REDD+) and many contrasting views have been presented on this subject. *“There are a number of reasons for the difficulties in adopting clear and consistent definitions, including the differences in perspectives and management goals amongst actors, the challenge of defining the counter-factual (what would the biomass density be if the forest were not degraded) when the natural condition and dynamics of forest ecosystems are so variable, and human disturbance impacts on forest vary so much in their intensity, spatial extent and*



frequency. An underlying challenge is the fact that ecosystems vary greatly in their capacity to recover to a pre-disturbance state, and complex transitions occur throughout the disturbance phases”¹

The adoption of an unestablished definition poses a risk to ongoing and planned sustainable harvesting activities in Europe, potentially resulting in a blockage of the European timber industry and in halting the timber harvesting activities in Europe. We believe that until a solid agreement is established internationally and on a scientific basis, the definition of ‘forest degradation’ and sustainable harvesting operation should be removed from this proposal for a Regulation.

2. The European Woodworking and Furniture Industries strongly support voluntary forest certification schemes, such as PEFC or FSC, which give additional assurance on the wood producer’s commitment and capacity to safeguard environmental and social values in forestry. A certificate demonstrates that wood produced by a forest manager is sustainable. It is therefore our view that, **if a product is certified under a certification or verification scheme, it shall fall under the category of negligible risk.**
3. In close relation to this, we would also note that, under the EU Timber Regulation and the FLEGT Regulation, which are currently in force, timber and timber products covered by the provisions of CITES are considered to be legally harvested and compliant. Therefore, wood and **wood-based products covered by a valid FLEGT and CITES license should continue to be declared as fulfilling the requirements under the new Regulation.**
4. As a representative of both operators and traders in the European Woodworking and Furniture Industries, the undersigned organisations underline that it is imperative to avoid administrative burdens for companies, which could also increase the risk of creating involuntary human errors. **We do not support the expansion of the due diligence requirements of operators to traders** because it will certainly create confusions and errors. On the one hand, operators are the business actors who first place timber or timber products on the EU market. Operators include importers of timber products and EU-based foresters. Already based on existing regulations, they must implement a due diligence system to assess any risk that their product contains illegally sourced timber. On the other hand, traders are business actors trading in timber or timber products that had been already placed on the EU market by the operators. Traders must receive the appropriate information from the operators.
5. We express **great concern also on the new requirement related to the provision of geo-localisation coordinates** of all the plots of land where the relevant commodities and products originate from. The European Woodworking and Furniture Industries stress that due diligence requirements should not create conditions that may breach competition law and respect a confidential contract between the seller and the buyer. The collection of geodata information may lead to numerous errors. Especially when, for example, small forest enterprises are cooperatively linked in marketing, and therefore it is difficult or even **impossible** to collect precise coordinates over a wide area. Many companies in the wood processing industry buy wood from forests in different regions/areas with different structural sizes. In addition, the level of digitalization in the forestry and timber industry is not yet sufficient in some cases to collect the required amount of digital data and pass it on in the supply chain. Additionally, although chipboard, fibreboard, and other composite wood products are covered by the present draft Regulation, there are no explanations on how due diligence - especially the intended geo-localisation - can be implemented operationally for these products. For these reasons the requirement to provide detailed information on raw material origin should be deleted.

¹ (Baker, T.R.; Jones, J.P.G.; Rendón Thompson, O.R.; Cuesta, R.M.R.; del Castillo, D.; Aguilar, I.C.; Torres, J.; Healey, J.R. How can ecologists help realise the potential of payments for carbon in tropical forest countries? J. Appl. Ecol. 2010, 47, 1159–1165).



6. The European Woodworking and Furniture Industries advocate for lessening the administrative burden associated with sourcing from low-risk countries, which would further incentivize operators to procure timber from these countries, thus advancing this Regulation's intent to minimize deforestation and forest degradation worldwide. Unless identified as presenting a high risk, **countries should be assigned a level of low risk that would only result in the information requirements of Article 9 (excluding geo-localisation, as stated above) for operators.** The requirements of Article 10 on "Risk assessment and risk mitigation" shall apply only to high-risk countries.
7. As regards access to justice, we stress that, **for the purpose of investigating a crime, criminal evidence (physical or verbal) needs to be presented.** Evidence must be logically relevant, material, and competent. **'Substantiated concerns' is not a sufficient element:** being falsely accused of a possible crime such as illegal logging is a 'brand damage' of unimaginable proportions for wood companies. Putting any company at risk of public scrutiny and legal actions without any evidence base is prejudicial and could lead to unhealthy competitors' actions.
8. Finally, given the complexity of the proposed Regulation, it can be challenging for companies to understand all the nuances of how legislative changes will impact their business. It's imperative that companies receive enough time and support to adapt to changes. **Two years is therefore not a sufficient time frame to evaluate the implementation of the new Regulation companies, which why we propose a period of five years** until the first review is conducted.
9. WTO commitments prohibit discrimination among WTO members. This poses hurdles to the EU's intended identification of countries as presenting a low, standard or high deforestation risk. Trade rules focus on products and are limited when it comes to considering processes and production methods. The EU needs to be careful in seeing that international trade agreements are respected when legislating. Exceptions may justify breaches of trade commitments, but the requirements of exceptions are not easily met, and call for serious dialogue and cooperation with third countries.

Hoping you may take into account our suggestions, I remain for any questions that you may have.

The undersigned organisations remain available to provide more detailed explanations:

CEI-Bois – The European Confederation of Woodworking Industries

EFIC – European Furniture Industries Confederation

EPF – European Panel Federation

EOS – European Organisation of the Sawmill Industry

FEP – European Federation of the Parquet industry