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SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP



## **Stolen Wood, Certified: Despite finding timber giant awash in stolen wood, FSC allows certification to continue comments EIA**

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WASHINGTON--(BUSINESS WIRE)--The Environmental Investigation Agency (EIA) has commented on the following breaking news:

Stolen wood, certified: FSC allows certification to continue <https://eia-global.org/press-releases/stolen-wood-certified-press-release> #Romania #FSC

A scathing investigation report released today by the Forest Stewardship Council (FSC) details systematic illegal timber sourcing by one of Europe's largest timber processors, the Austrian firm Holzindustrie Schweighofer. FSC's 110-page report, produced by a panel of experts over nearly one year, states that Schweighofer "developed a culture" that incentivized illegal timber sourcing by putting cheap wood above legality in their sourcing of logs in Romania. FSC's Board of Directors refused to accept the panel's recommendation that Schweighofer lose its FSC status, instead putting the company on a three-month probation which allows products to continue to be sold under the FSC label.

The FSC's comprehensive investigation responded to a complaint by the World Wide Fund For Nature (WWF) Germany, based largely on the findings published by EIA in the October 2015 report *Stealing the Last Forests*.

The FSC's expert panel confirms the wealth of evidence of illegal timber sourcing levelled against Schweighofer by EIA, other NGOs, investigative journalists, and the Romanian Government. On page 73 of the report, the FSC panel describes "clear and convincing evidence" that among other things, Schweighofer:

1. Purchased illegal timber;
2. Has an inadequate due diligence system for assessing the legality of its timber purchases;
3. Has "itself violated several laws and regulations" in its timber sourcing;
4. Sourced timber from stolen forests;
5. Continues to associate with "individuals and companies with criminal and corrupt backgrounds;
6. Developed a bonus system that encourages illegal logging.

The FSC panel recommended that Schweighofer be disassociated from the FSC, and further that the company "make appropriate environmental and social compensation for the damages it has caused to the Romanian forest and its people as a whole." Despite these findings, the FSC today decided to ignore the panel's recommendations.

"It is now unfortunately clear that the FSC logo is used to launder illegal wood," said Alexander von Bismarck, Executive Director of EIA. "It is all the more shocking that the FSC come to this conclusion itself, and yet allows it to continue."



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In April, 2015, EIA released an undercover video showing Schweighofer’s main sourcing officials in Romania repeatedly accepting offers of illegal wood. EIA’s October 2015 report *Stealing the Last Forests* documented numerous cases in which Schweighofer had received illegally logged timber.

Schweighofer is selling its wood products to clients around the globe, including Japan, the United States and the European Union.

“Now that the FSC has come to the same conclusion as EIA that Schweighofer’s products are filled with illegal wood, customers in Europe, Japan, and elsewhere must immediately stop buying from this company if they want to avoid breaking various laws around the world prohibiting the trade in stolen wood,” continued von Bismarck.

A new investigation conducted by EIA in September 2016, shows that Schweighofer continues to buy and sell illegal wood. In a series of short videos, EIA documents illegalities linked to trucks that investigators witnessed delivering logs to Schweighofer’s Romanian sawmills.

“Companies seeking to comply with the EU Timber Regulation and the US Lacey Act have been looking to FSC certification for assistance,” said von Bismarck. “The FSC’s choice to certify illegal timber makes it clear this is currently not a good idea.”

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