

INTERHOLCO AG
Schutzengelstrasse 36
P.O. Box 1356
6341 Baar (Switzerland)
Telefon +41 41 767 03 03
Telefax +41 41 767 03 00
E-Mail info@interholco.ch
www.interholco.com

**Implementation
of the
EU Timber Regulation**
*Information and Declaration to
our Customers*

Dear customer,

With reference to the European Union Timber Regulation (EUTR), which came into force on March 3, 2013, we would like to inform you of the steps that INTERHOLCO AG has taken in order to ensure that we and our customers are in compliance with the “Due Diligence” aspects of the legislation.

Service and Declaration to our Customers

Today many customers rely on us concerning the legality of timber sources. We take this seriously and therefore have implemented means and measures to organize ourselves to give to you the best and most reliable service possible.

➔ We confirm that any wood product we import into the EU will undergo our Due Diligence process. Taking into consideration the specific risks of the country of harvest, the supplier and species, we have obtained the necessary information and documentation in order to satisfy ourselves to a high level of confidence that the products are compliant with the national laws and regulations of the country of harvest.

Following the EU Timber Regulation, we can assure (and request from our suppliers):

1. access to information describing the wood and wood products, such as country of harvest, species, quantity, details of the supplier and information on compliance with the national legislation;
2. systematic assessment of the risk of illegal timber in the supply chain, based on information identified above and taking into account criteria set out in the regulation;
3. implementation of risk mitigation measures and procedures if high risk is identified, including requiring additional information or documents and/or requiring 3rd party verification. Certification or 3rd party legality verified timber gives the best proof of legal compliance for wood from high risk areas.

In particular for non-certified wood or wood products where non negligible risk has been identified, we assess in detail the risk of each supplier, collect legal documents indicating compliance with the applicable legislation, and suppliers sign a declaration of legality.

Based on our risk assessment, if we still identify high risk, we can ask either additional information, audit certain suppliers or alternatively request 3rd party verification.

➔ As the best proof for compliance with legality for high risk sources is 3rd party legality verified or certified timber¹, including a certified chain of custody. Seen our effort to obtain certified timber, we demand you to request for certified or legality verified timber.

Background- The EU TIMBER REGULATION

In 2010, the European Union created new legislation to ban illegal wood from being placed on the EU market. The “EU Timber Regulation”² (prohibits placing illegally harvested and produced timber products on the EU market, requiring operators to practice due diligence to minimise risk.

¹ Commission implementing Regulation (EU) No 607/2012 of 6 July 2012, art. 4, Risk assessment and mitigation: “Certification or other third-party verified schemes referred to in the first indent of the 2nd paragraph of Article 6(1)(b) and in Article 6(1)(c) of Regulation (EU) No 995/2010 may be taken into account in the risk assessment and risk mitigation procedures where they meet the following criteria: ...”. FSC, PEFC and legality verified wood that Danzer provides comply with these requirements.

² Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market)

It also requests to assure traceability of wood products within the EU back to 'operator', first importer.

The Regulation applies since 3 March 2013 and affects timber trade of all 27 EU Member States, requires operators to have systems in place that assure that the timber is from legal origin – or face sanctions.

The new Regulation is a response to demands from a number of EU Member States and various stakeholder groups to prohibit the sale of illegal timber in the EU and to concerns of FLEGT partner countries to have a level playing field for timber trade with the EU. Any company importing wood products from outside the EU will be responsible for ensuring their legal origin by operating a robust due diligence process to verify legality. EU member states are expected to randomly test imports on a regular basis and follow up where concerns regarding possible illegality exist. Member states will also be obliged to actively investigate the legality of any imports where "whistle blowers", such as civil society organizations, have raised concerns.

Procurement Rules as part of the Sustainability Agenda

Since 2006, Interholco has operated an ISO 14001 certified system for the verification of the legality of its wood products.

The system comprises a due diligence process to audit the legality of procurement sources and progressively increase the volume of 3rd party verified timber sources (from Legality Verification schemes such as TLTV-VLC , OLB, Rainforest Alliance VLC and NEPCon LegalSource™).

As a matter of principle, we decided to avoid controversial sources (based on the FSC Controlled Wood categories) and progressively increase procurement volumes of FSC® and PEFC™ certified timber.

Currently, about 85% of Interholco's sources are 3rd party verified and 50% of wood products sourced will be FSC® certified in 2015.

Our due diligence system comprises a risk assessment to establish ahead of any procurement commitment the level of potential legality risks which may arise from the respective wood species, country of origin, forest of origin, or supplier. In case of potential risks, we give preference to procure goods supplied with a certificate confirming legality as a minimum requirement or preferably a confirmation of both legality and responsible forest management. If such certificates cannot be obtained, we will initiate our own audit procedures to verify legality.


As a result of our efforts, Interholco was the first company to obtain in 2014 **NEPCon LegalSource™ certification**, demonstrating that our due diligence system conforms to EU TR requirements³.

Interholco also has an FSC Chain of Custody and PEFC Chain of Custody certification, implementing the PEFC Due Diligence System.

⇒ Please ask our sales team for our large panel of certified, verified legal and LegalSource™ verified timber, the best proof of compliance with the EU Timber Regulation.

Thank you for doing business with us and thank you for your confidence!

Baar, November 2014,



Ulrich Grauert

Managing Director



The mark of responsible forestry



Promoting Sustainable Forest Management
www.pefc.ch



Our LegalSource™ certification demonstrates that our due diligence system conforms to EUTR requirements



Generic COC CH12/1241 for trade of wood verified under the Verification of Legal Origin (VLO) and Verification of Legal Compliance (VLC) Programs

³ Interholco NC-LS-0000173