

NEPCon recognised as EUTR Monitoring Organisation

27 August 2013, London: Businesses across the EU can now gain EU-recognised support from NEPCon to stay on the right side of the law. The European Commission today issued the first formal recognitions of Monitoring Organisations envisaged to play a key role in aiding companies to comply with the EU Timber Regulation.

Today, the non-profit organisation NEPCon received formal recognition as Monitoring Organisation (MO). NEPCon is thus one of the two first bodies recognised as competent to aid companies in complying with the EU Timber Regulation (EUTR). The regulation includes very specific requirements to many companies importing timber products and impacts thousands of businesses across the EU.

The role of the MOs is to help EU operators fulfil their obligations by providing a due diligence system for legal timber sourcing and conducting regular evaluation of the users' system implementation. Choosing to work with an MO is voluntary and does not exempt the company from liability. The main benefit for companies of engaging with an MO is the help in navigating the EUTR, safe in the knowledge that they can trust the quality of the provided system as well as the due diligence evaluations.

Timber legality expertise in high demand

As a basis for making its decision, the EU has reviewed NEPCon's LegalSource[™] Due Diligence System as well as the organisation's competence for conducting performance evaluations.

"The EC's recognition of the quality and robustness of our due diligence system is good news not only for us, but also for the companies we work with. We have taken great efforts to ensure that our system is user-friendly whilst being aligned with the EUTR and other legal frameworks of key timber markets", comments Executive Director of NEPCon Peter Feilberg. NEPCon's system has been tested by several leading industries and used as the framework for developing the due diligence system that the European Timber Trade Federation (ETTF) shares with its members.

Mr Feilberg continues, "There is great demand for professional expertise on legal timber sourcing. We are presently experiencing a surge of interest in our due diligence evaluation services and timber legality training events across the EU and in supplier markets". To date, hundreds of corporate and public sector organisations have tapped into NEPCon's timber legality expertise.

The EUTR is a game-changer

The strong growth in timber certification schemes such as FSC over the past decade underlines the industry's commitment to responsible timber sourcing. Yet illegal products still abound in global timber markets.

Mr Feilberg anticipates the regulation will be a game-changer due to the size of the EU timber market: "We have experienced the greatest influx of FSC certification customers in our history over the past year. We believe this is mainly happening in response to the EUTR. We are committed to helping companies with their due diligence efforts and turn the challenges posed by the regulation into benefits for the European industry".

Global services

As part of the organisation's pursuit to provide global solutions, NEPCon provides its legality services in collaboration with the <u>Rainforest Alliance</u>, enabling service delivery worldwide through an extensive network of representatives and auditors.

- ENDS -

Phone: +45 8618 0866 | Fax: +45 8618 1012 | CVR: 18044633 | FSC-N001927 | PEFC/09-44-02

View and download press photos

A list of EU-recognised MOs will shortly be published at the official EC website.

Contact:

Christian Sloth

NEPCon Forest Legality Programme Manager cs@nepcon.net | + 45 31 58 79 81

About NEPCon

NEPCon is an international, non-profit organisation that promotes the responsible use of natural resources through sustainability services and innovation projects.

Sustainability in the timber supply chain and related auditing to high standards lie at the core of NEPCon's expertise. The organisation has a 15-year track record of providing FSC^{TM} auditing services to companies in the timber supply chain. Over 1,200 companies across Europe and Russia hold forest management or chain of custody certificates based on NEPCon's services.

In the framework of its LegalSource Programme, NEPCon offers an array of services designed to help buyers and suppliers facing legal requirements and buyer demands as a consequence of the EUTR and similar legislation in the US and Australia. In addition to the EUTR monitoring services, this entails due diligence facilitation, LegalSource certification, supplier verification and capacity building.

NEPCon is presently conducting supplier verification audits according to the LegalSource Standard in several Asian countries and is expanding its auditing capacity to meet the growing demands for its LegalSource services.

Learn more about NEPCon's LegalSource Programme at www.nepcon.net/legaltimber.

The LegalSource Due Diligence System: a free resource

From timber traders to manufacturers and retailers, the EUTR requires companies placing a wide range of timber products on the EU market for the first time to implement a due diligence system minimising their risk of sourcing illegal timber. The LegalSource Due Diligence System is carefully aligned with all the EUTR requirements and forms part of the basis for the EU recognition of NEPCon as an MO.

The core of NEPCon's due diligence system is the LegalSource[™] Standard which sets out due diligence requirements. The standard is complemented by a toolkit including guidelines, templates and forms assisting companies in customising the system and exercising due diligence in a streamlined way. "We have chosen to develop our due diligence system based on a certification standard in order to secure a high-quality system and to provide a firm base for our monitoring services", explains NEPCon Forest Legality Programme Manager Christian Sloth.

The LegalSource Due Diligence System is freely available to all stakeholders and can be accessed at www.nepcon.net/DDS.