



Market requirements for certification



Environmental Manager

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•International trade with hardwoods

•Trade with softwood and panel products

•Sale of building materials in Denmark

•First Environmental Policy in 1991

•Turnover 2004 – 675 mill. Euro

•59% of turnover outside Denmark

•1700 employees

● Procurement office

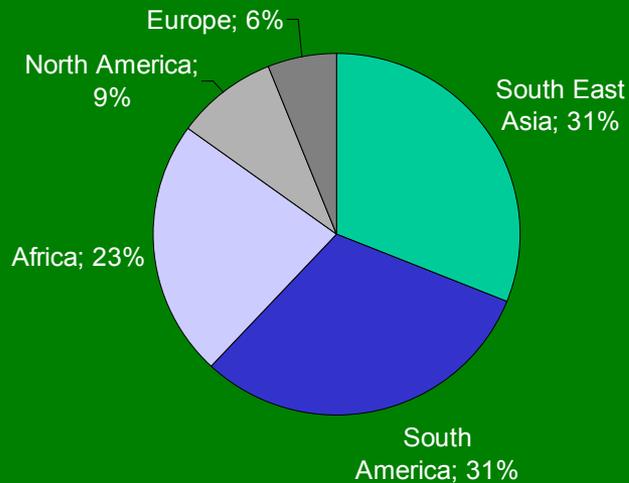
● Sales office

The Hardwood Division

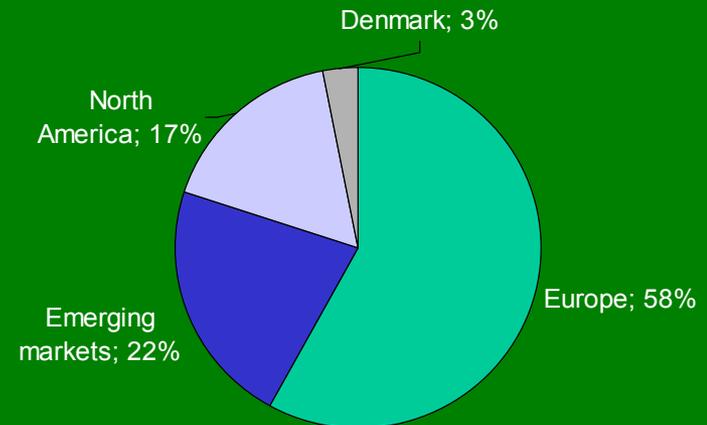
DLH



Origin of goods



Sales markets



The Setting



- Increasing imbalance between consumer demands and real progress in the producer countries – we are in a conflict zone
- Tough EU purchasing policies can help – but where is the rest of the market? The marketplace outside EU will become more attractive for some producers
- We tend to forget the rationale behind certification – certification is not an objective in itself
- “Risk countries” and “low-risk” countries
- Increased substitution of natural tropical hardwood with plantation wood, softwoods, aluminium and steel
- FSC wood is being transported around the globe for the sake of “origin and sustainability” – but this is bad news from a holistic environmental point of view (good for the timber traders, though ☺)
- The legality aspect is not as simple as some try to tell us
- Trade measures cannot stand alone. Dialogue is needed - but we are getting impatient!

A message from the market place



- Too little progress in producer countries to satisfy a demanding market – “want to” has become “need to”
- Fair demand for FSC on certain markets, but little output - and limited premium
- Interest for MTCC, but still low output - and no international COC is a problem
- Plenty of PEFC (softwoods and panel products), but little demand and no premium
- High demand for “Verification for Legal Origin” – but where is the tool?
- Demand for alternative documentation
- WWF GFTN producer groups OK – but little real progress

How can we improve?



- *YES* to Phased Approaches, but *NO* to rigid solutions – each country has its characteristics
- Make “high risk countries” into “low risk countries” by means of verification at country level (Global Witness, Global Forest Watch)
- More national initiatives are needed (like MTCC)
- Producers should join hands at national level and be proactive
- Develop simple and cost efficient country-specific tools for verification of legality

What can a timber trading company like DLH do? **DLH**



- A clear policy with targets for *known origin* and *certified wood*
- Select good suppliers – DLH’s Good Supplier Project (see www.dlh-group.com)
- Cooperate with suppliers on verification and certification (Russia, Malaysia, Cameroon, Brazil)
- Cooperate with clients to get the message through
- Cooperate with trade organisations
- Cooperate with NGOs on environmental and human rights
- DLH is a big player, but our share of the industrialized tropical timber is less than 1%



Thank You!

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