



Želimir Ivelić
Lead buyer for wooden products



Giving the world a good night's sleep™

Leading European producer of beds and mattresses

ZELIMIR WOODWORKING AREA



HA COMPANIES (TOTAL 12 M€)

- HA France
- HA Switzerland
- HA Belgium
- HA Netherlands
- HA Croatia
- HA Spain

2016-06-10

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EU TR

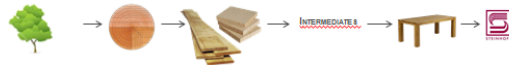
EUTR : (European Timber regulation) / FLEGT regulation (Forest Law Enforcement Governance and Trade)

Application date : from March 2013, in Europe

Target : eliminate the illegal wood from European market

Website : <http://ec.europa.eu/environment/forests/flegt.htm>

Necessity for our suppliers to have a full traceability of wood from the harvest to the store (solid wood and chipboard are concerned)



Regulation EU No 995_2010

Regulation EU No 607_2012



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EU TR

This requires:

To know exactly the traceability of wood origin from the suppliers

To collect information from European suppliers :

- ➡ Country of origin
- ➡ Species
- ➡ Commercial and latin name
- ➡ Volume and / or weight
- ➡ Accredited chain of custody certificate (FSC, PEFC...)

Conforama requests to every suppliers to fill a FLEGT data collection file for each product containing wood, for every new models from September the 1st 2012 + Conforama top 50 in sales



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Due Diligence System

Due diligence systems: the new EU Timber Regulation stipulates that operators who place timber or timber products on the internal market for the first time must exercise due diligence through a system comprising three elements inherent to risk management:

Access to information: You shall provide the following information:

- a. Description of the type of product and species of the wood used
- b. Country of harvest, and where applicable:
 1. Sub-national region where the timber was harvested.
 2. Concession of harvest.
- c. Quantity (expressed in volume, weight or number of units).
- d. Name and address of the supplier to the operator.
- e. Name and address of the trader to whom the timber and timber products have been supplied.
- f. Documents or other information showing legality of the timber.

Risk assessment: You shall, based on the procedures, take into account the relevant risk assessment criteria, including:

Mitigation of the risk identified: This concerns a set of measures and procedures that are adequate and proportionate to minimize effectively that risk and which may include requiring additional information or documents and/or requiring third party verification.

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Actions in HA

- Discussion with our suppliers for wood how they will handle it
 - Some of them wasn't aware of this,
 - They don't have clear picture how to do it and what will be the impact but they feel confident
- Discussion internally in HA how we are handling this
 - We have put focus on companies that are receiving wood material from China others should have European suppliers which have FSC or PEFC certificate
 - HP had some seminars in Poland and they use IKEA document for that,
 - Somilar also uses IKEA document for suppliers that are supplying wooden components for IKEA products
 - Timbo and Hespo were informed about EU TR and to discuss with their suppliers about that and collect basic data from suppliers who supplies wooden products
- Where do we see biggest threat
 - Biggest threat is on materials coming from China and we asked them to fill in some format where they confirm their source of wood material in next slide
 - FSC and PEFC certificate helps but also not fully fulfills with EUTR
 - We did first access to information and than risk assessment and mitigation of the risk identified

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EUTR statement from Chinese supplier

Supplier Consent and Information Form

Undersigned representative of Edward Meng hereby confirms commitment to meet the following requirements as outlined in the EU Timber Regulation:

- 1. Agreement to follow all applicable legal requirements.
- 2. Agreement to make relevant information about the material or product available to Wen'an Long Ou Furniture Co., Ltd including information about:
 - a. Species :Birch
 - b. Origin (Country, region or concession) : Northeast China
 - c. Product type :Bed Slats
 - d. Supplier : Wen'an County Jian Xin Veneer Co.,Ltd
 - e. Volume : 5000 M³ per month
- 3. Agreement to exclude timber with unknown or illegal origin from the supply chain.
- 4. Agreement to allow the Wen'an Long Ou Furniture Co., Ltd or external auditors to conduct audits of relevant entities including providing access to all relevant evidence if it should be necessary.

I hereby confirm that we have read, understood and that we agree to comply with the terms in this form.

Signature: [Signature]
Date: 14th Jan 2015
Name: Edward Meng

Position : General Manager
Company:Wen'an Long Ou Furniture Co., Ltd



EUTR statement from Chinese supplier

(香港) 大连良木国际贸易发展有限公司
DALIAN LIANG MU INTERNATIONAL TRADING DEVELOPMENT CO., LIMITED

购货合同
PURCHASE CONTRACT

Contract no. 2014-BJ-004
合同编号: 2014-BJ-004

Buyer: Wen'an Long Ou Furniture Co., Ltd.
买方: 文安县龙欧家具有限公司
Seller: DALIAN LIANG MU INTERNATIONAL TRADING DEVELOPMENT CO., LIMITED
卖方: (香港) 大连良木国际贸易发展有限公司

The Buyer agrees to buy and the Seller agrees to sell the under mentioned commodities according to the terms and conditions stipulated below:

双方同意按下列条款购买/卖下述商品:

1. 品名 Names of Commodities	2. 规格 Specifications	3. 数量 Quantity	4. 价格 (CIF) Tianjin, CHINA	5. 金额 Amount
Baltia white birch logs: 2.6m, 3.0m and 3.2m on invoice (actual size 2.7m, 3.1m, 3.3m);	Diameter: 14cm up	1500m³	EUR100.00/m3	EUR150,000.00
6. 允许溢短 10% 装运数量 Shipment Quantity 10% more or less allowed	7. 总数量: 1500 立方米 Total amount: 1500 m3	8. 合同总值/Total Contract Value: EUR 150,000.00(+/- 10%)		

9. QUALITY: Baltia white birch logs
- 1) Grade C: 100% fresh cut logs(not over 2 week after cut, not allowed stain before loading container).
 - 2) Free of rot, free from wormy pieces.
 - 3) Curvature < 3% per meter.
 - 4) Known or red heart: not exceed 50% of diameter at the measured log end.
 - 5) Diameter: 14cm up; Length: 10cm free.



EUTR statement from Bosnia and Herzegovina

Predmet: Informacija o porijeklu trupaca

Broj _____

Vezano za vaš upit, od 07.01.2013.god. a koji se odnosi na proizvode koje vam isporučujemo, dajemo vam slijedeće podatke:

a. Opis proizvoda

- profil blanjan sa sve četiri strane, poprečne dimenzije 20x50 mm, 20x25 mm, 20x25 mm, 20x45 mm, u dužinama od 400 do 1500 mm, trgovački naziv; bukovi blanjeni elementi za krevete-poprečni komad.

- proizvode se iz suhe bukove daske, odnosno iz trupaca bukve (*Fagus sylvatica*).

b. Država porijekla trupaca je Bosna i Hercegovina, regija Srednjo Bosanski kanton, (SBK), općine Busovača, Fojnica, Novi Travnik, Jajce, Vitez.

Firma koja vrši eksploataciju šume i isporuku trupaca je poduzeće koje je formirano od strane Vlade SBK-a, a nosi naziv; ŠPD „Srednjobosanske šume/ŠGD „Šume središnje Bosne d.o.o. sa sjedištem u Donjem Vakufu.

c. Isporuka trupaca se odvija na osnovu iskazane godišnje potrebe kupca, a u skladu sa zaključenim Kupoprodajnim ugovorom sa pomenutim poduzećem. Svaku pojedinačnu isporuku prate dokumenti u skladu sa Zakonom o prometu drvnih sortimenata (otpremnici iskazi za trupce i dr.). Godišnje količine su iskazane kroz Ugovor.

Prilog: Kopija ugovora za 2012 god.

U Busovači; 10.01.2013.



HA EUTR statement for our customers

HILDING ANDERS d.o.o.

Kralja Zvonimira 38

40 325 PRELOG

WIFOR SAS FRANCE

Rue Principale 81

68480 ROPPEZVILLER

Dear Sirs,

we confirm that we have taken all necessary measures in order that we check with our suppliers that delivered wood products to Hilding Anders d.o.o. Prelog are according to EUTR European Timber Regulation and fully legal.

Also we confirm that we have checked with our suppliers that all their products will not derive from a source, were:

- Timber was illegal logged
- Export regulation of the country of origin have been infringed
- An international trade embargo has been restricted
- The wood concerned is a protected species (i.e. CITES)
- The wood derives from not certified, serious threatened forests

Also we confirm that our suppliers are ready for due diligence process in order that 100% traceability of their wood products is checked. We agree that due diligence process can be performed at our suppliers but cost to be charged to customer.



HA EUTR statement for our customers

Below is an overview of suppliers and wood components from which SOMIKT III is consisted.
In attachment are their EUTR statements and FSC certificates.

SOMKIT III Bed component	Bed frame sides and head and foot part
Supplier name	Serreria Iregua, S.A
Product type	Plywood from Pine Veneer + MDF + paper foil
Volumes per year	600 m3
Name/Botanic Name	Maritime pine
Source	Spain
Documents	PEFC Serreria Iregua, S.A
Risk designation	low risk

SOMKIT III Bed component	Crossbars
Supplier name	GRAND d.o.o. Busovača
Product type	Beech solid wood
Volumes per year	200 m3
Name/Botanic Name	Beech / Fagus sylvatica
Source	Bosnia and Herzegovina
Documents	agreement Šume središnje Bosne d.o.o. / EUTR statement
Risk designation	low risk