

Status of Timber Legality Verification by Business Entities in China

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“Analysis of Timber Legality Assurance Systems
and Good Practices in China and Viet Nam for Sustainable Timber Trade”

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Abstract

In China, the verification of the legality of procured wood has mainly been voluntary, with businesses exporting wood products to Europe and the U.S. conducting their own checks. However, since the revision of the Forest Law in 2019, the procurement, processing, and transportation of clearly illegally harvested wood is now prohibited, and violators will face penalties. In this context, we conducted a survey of 72 timber-related businesses in China to understand the current status of legality verification.

Almost all businesses responded that they have established a due diligence system regarding the legality of their procured wood, maintained a standing book of the entry and exit of raw materials and products, and requested legality certification documents from their suppliers. While nearly half of the businesses obtained legality certification documents for all of their procurement volume, there was no significant difference between imported and domestic timber, or between businesses selling on domestic or overseas markets. Moreover, for both imported and domestic timber, the most common reason for obtaining legality certification documents from suppliers was to comply with domestic laws and regulations, such as the 2019 revision of the Forest Law. This suggests that as of 2022, China's domestic laws and regulations are the primary driver for businesses to confirm the legality of their wood.

Based on these findings, it is possible for businesses importing wood products from China to assume that their suppliers are obligated not to handle illegally logged wood, regardless of the type of wood or main sales destination. Moreover, it is possible to reduce additional costs and efficiently confirm legality by confirming how suppliers comply with the revised Forest Law's Article 65. On the other hand, the Chinese government and business may prioritize their own standards (e.g., stable supply of timber to China) in terms of what items and tree species they require to meet what legality standards (rather than those of their customers). Thus, it is necessary to check for any differences between their standards and those of their Chinese suppliers.

Furthermore, 60-70% of both imported and domestic timber businesses faced difficulties in obtaining legality certifications, and many were trying to secure legality by changing suppliers or investing upstream in the supply chain. Therefore, sustainable procurement of legally secured timber is possible by understanding the situation of Chinese suppliers and, if necessary, supporting their efforts to ensure legality when importing timber products from China.

1. Introduction.

In recent decades, there have been efforts to combat illegal logging in countries that consume timber in order to promote sustainable forest management. The United States amended the Lacey

Act in 2008, the EU introduced the EU Timber Regulation in 2010, and Australia enacted its Illegal Logging Prohibition Act in 2012. In 2016, Japan enacted the Clean Wood Act, and in 2017, the Republic of Korea amended its law on sustainable use of wood.

While China has become a central hub for global timber and wood products trade in recent years, there has been increased scrutiny in the United States and Europe to ensure that timber and timber products imported from China do not contain materials derived from illegal logging. An environmental NGO, EIA has published reports that illegal logging timber from Africa, Myanmar, Russia, and other countries is being imported into China (EIA 2013, 2015, 2022). In 2015, a building materials distributor in the USA that imported flooring materials from China was convicted of a felony violation of the Lacey Act for mislabelling oak illegally harvested in Russia as British oak.¹ The UK's National Measurement Agency conducted a species analysis of plywood imported from China and found that the species labels on plywood imported by nine out of 13 businesses were incorrect (Pillet & Sawyey 2015). In response, the Timber Trade Federation (TTF) of UK provided its members with examples of legality verification (due diligence) for timber and wood products imported from China (Timber Trade Federation 2020).

Chinese businesses that exported timber and timber products to Europe and the United States have responded to these changes in the market. Xu et al. (2014) conducted a survey of Chinese wood-related businesses and others (296 valid responses) with questionnaire and interview, and found that nearly half were aware of overseas environmentally friendly procurement policies such as the US Lacey Act and EU Timber Regulations. 31% believed that their companies would be affected by these policies, 83% were already required by some or many of their customers to provide proof of legality (67% with forest certification), and 63% were responding with forest certification. In addition, 29% had their own environmentally friendly procurement policies, and 27% had supply chain management systems in place. Meanwhile, Roe (2015) also questioned 262 businesses in China and 134 businesses in Vietnam at a trade fairs during 2013-2014 about their perception of and response to the Western regulations, and found that there were two types of businesses in China: those that made efforts to eliminate illegal materials and sold mainly in foreign markets, and those that did not make such efforts and sold in markets without regulations, including domestically. Lu et al. (2014) surveyed 225 timber-related businesses in China in 2013 and found that businesses that could not comply with the Lacey Act changed their sales destinations from the USA to locally in China, and that the number of businesses exporting to the USA using USA timber as raw material has increased.

The Chinese government and Chinese timber-related industry associations have also promoted legal verification efforts by domestic timber-related businesses. Since the 2010s, in cooperation

¹ <https://www.justice.gov/opa/pr/lumber-liquidators-inc-sentenced-illegal-importation-hardwood-and-related-environmental>

with foreign aid agencies, Chinese timber-related businesses in Africa have been encouraged to comply with the laws of logging countries (Cook et al. 2018), and Due Diligence guidelines for businesses have been developed. The Chinese government revised its Forest Law in 2019 (effective 7/1/2020) and, in the newly-added Article 65, banned the procurement, processing, and transportation of timber and timber products that are known to be illegally harvested. This applies to all timber, regardless of whether it is sold overseas or domestically.

Our survey aimed to investigate how, to what extent, timber-related businesses in China are verifying the legality of wood procured, as well as the incentives for doing so, two years after the revised Forest Law introduced. If requirements from Western customers are still the primary reason for Chinese timber-related businesses to obtain legality certification documents, those who sell to the foreign markets are more likely to obtain legality certification documents than those who sell mainly to the domestic market, as Roe (2015) suggested. Alternatively, if the revised Forest Law was the driving force behind business obtaining legality certification documents, there would be no significant difference between the two groups.

Furthermore, it is also unclear whether the handling of illegally harvested timber, which is prohibited by the revised Forest Law, applied solely to domestic timber or also to imported timber. Consequently, some NGOs have recommended that it should be clearer that imported timber is also covered.² By comparing the extent to which Chinese businesses actually verify the legality of imported and domestic timber, we also attempted to clarify how Chinese businesses themselves make decisions and take actions.

2. Materials and methods

With the cooperation of the China Timber & Wood Products Distribution Association (CTWPDA), interviews with 72 timber-related businesses were conducted from March to November 2022. Interviews were conducted in two phases: the first phase (March-April 2022, 35 companies) and the second phase (October-November 2022, 37 companies) (Table 1). In the first phase, interviews were conducted mostly with member companies of the CTWPDA. In the second phase, interviews were conducted with timber-related companies selected from 89 JAS (Japanese Agricultural Standards) certified companies in the list of JAS foreign certified companies of forest products in 2021³. As the fact that JAS certification is required for building materials in Japan indicates, most of the companies exported their products to Japan.

Questionnaires (see Appendix) were developed with the cooperation of the CTWPDA for interviews with the businesses. The questionnaires differed slightly between the first and second

² For example, EIA <<https://us.eia.org/blog/20200708-chinas-new-approach-in-updated-forest-law/>>

³ https://www.maff.go.jp/j/jas/jas_kikaku/

phases, due to the fact that some questions in the first phase were found to be difficult to understand by the business, so improvements were made. The interviews were conducted by the staffs of the CTWPDA, and the author of this report himself did not participate. Furthermore, due to COVID-19 restrictions, most interviews were conducted via SNS or telephone and not face-to-face. The CTWPDA staffs who conducted interviews in the first phase differed from those in the second phase.

Since participation was voluntary, it is assumed that businesses that accept the interview had more knowledge about legality verification and were more confident about their own implementations than businesses did not accept the interview. Therefore, it should be noted that the results presented in this study do not necessarily represent the average situation of wood-related businesses in China.

Table 1 Interview period and targeted businesses

Phase	Interview period	Number of Businesses	Method of selecting target companies	Method
1st phase	24 March – 29 April, 2022	35	Primarily selected from CWTPDA members	SNS only: 18 SNS + phone call: 8 Telephone only: 8
2nd phase	10 October -16 November, 2020	37	Mainly selected from JAS certified businesses	SNS only: 2 SNS + phone call: 23 Telephone only: 4 Direct visits: 9
Total		72		SNS only: 20 SNS + phone call: 31 Telephone only: 12 Direct visits: 9

3. Results

3.1. Business characteristics

3.1.1. Location of the business

The 72 businesses interviewed were located in 15 provincial administrative regions (Table 2). Thirty-five businesses in the first phase were located in 12 provincial administrative regions, and 37 businesses in the second phase were located in 8 provincial administrative regions.

The largest number of businesses was located in Jiangsu Province (26 businesses), which accounted for 57% of all businesses, especially in the second phase (21 businesses). In the first phase, many other businesses were located in Beijing, Shanghai, Shandong, and Guangdong

provinces, while in the second phase, many businesses were located in Liaoning, Zhejiang, and Shandong provinces.

Table 2 Number of businesses by province-level administrative district

Province	1st Phase	2nd Phase	Total
Beijing	4	0	4
Tianjin	1	0	1
Hebei	0	2	2
Shanxi	0	0	0
Inner Mongolia	0	0	0
Liaoning	0	3	3
Jilin	0	0	0
Heilongjiang	3	0	3
Shanghai	4	1	5
Jiangsu	5	21	26
Zhejiang	1	4	5
Anhui	0	0	0
Fujian	0	0	0
Jiangxi	0	0	0
Shandong	5	4	9
Henan	0	1	1
Hubei	1	0	1
Hunan	0	0	0
Guangdong	6	0	6
Guangxi	2	1	3
Hainan	0	0	0
Chongqing	2	0	2
Sichuan	0	0	0
Guizhou	0	0	0
Yunnan	0	0	0
Tibet	0	0	0
Shaanxi	0	0	0
Gansu	0	0	0

Qinghai	1	0	1
Ningxia	0	0	0
Xinjiang	0	0	0
Total	35	37	72

3.1.2. Type of business ownership

Of the 72 businesses interviewed, 55 were privately owned, 10 were state-owned, and 7 were sole proprietorships (Table 3). Among the private enterprises, three were joint ventures with foreign capital, two with USA capital, and 1 with Taiwan/Hong Kong/Macau capital. All state-owned enterprises were included in the first phase of interviews, while private proprietorships were more common in the second phase.

Table 3 Number of businesses by ownership

	State-run business	Private enterprises (joint ventures with foreign capital)	Sole proprietor	Total
1st Phase	10	24 (0)	1	35
2nd Phase	0	31 (3)	6	37
Total	10	55 (3)	7	72

3.1.3. Year established

The 72 businesses interviewed were founded between 1981 and 2021, and most in the late 1990s through the 2010s (Fig. 1). There were no major differences in year of establishment between the first and second phases.

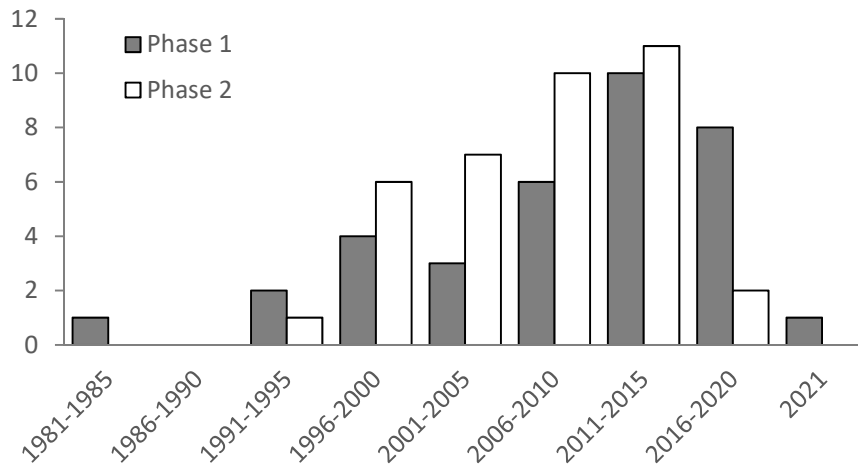


Fig. 1 Number of businesses by years of establishment

3.1.4. Number of employees

All 72 businesses disclosed their number of employees, which ranged from 6 to 4,158 (Fig 2). Most businesses had 101 to 500 employees, but the number of businesses with fewer employees was higher in the first phase than in the second phase, with the most businesses having 11 to 50 employees.

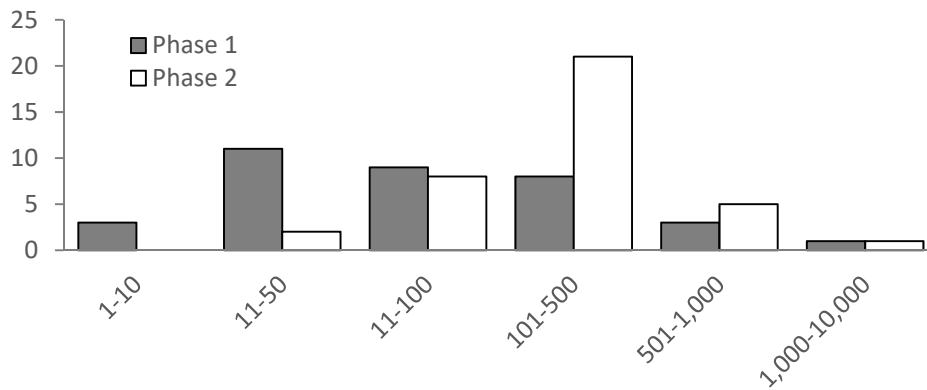


Figure 2 Number of businesses by number of employees

3.1.5. Amount of capital

Of the 72 businesses interviewed, 71 disclosed their capitalization, which ranged from RMB 300,000 to 121,049,000 (Fig. 3). Most businesses in both the first and second phases were between RMB 10 million and RMB 100 million, but in the second phase there were many small businesses between RMB 1 million and RMB 5 million.

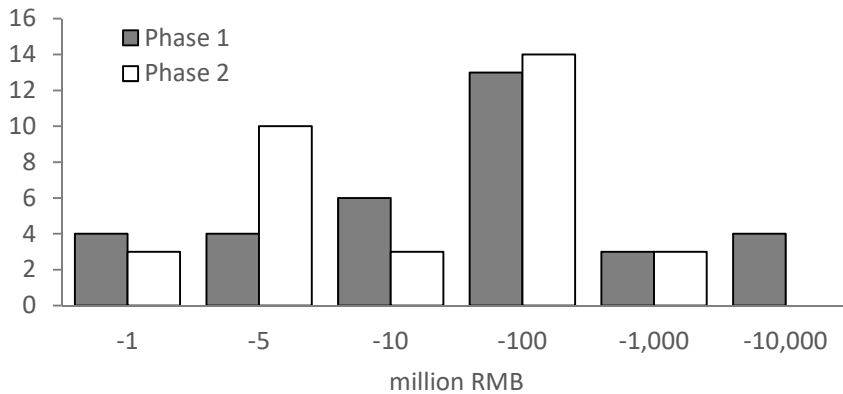


Figure 3 Number of businesses by amount of capital

3.1.6. Sales amount

All 72 businesses interviewed disclosed sales in 2021. In cases where the respondents disclosed sales of timber and timber products, in addition to overall sales, only the former amount was included in the analysis. Across businesses, sales ranged from RMB 20 million to 9.426 billion. Overall, most of the businesses had sales between RMB 100 and 500 million, but more businesses had larger sales in the first phase than in the second phase. In the first phase 12 businesses had sales of RMB 1-5 billion, while in the second phase 32 businesses had sales of RMB 500 million or less.

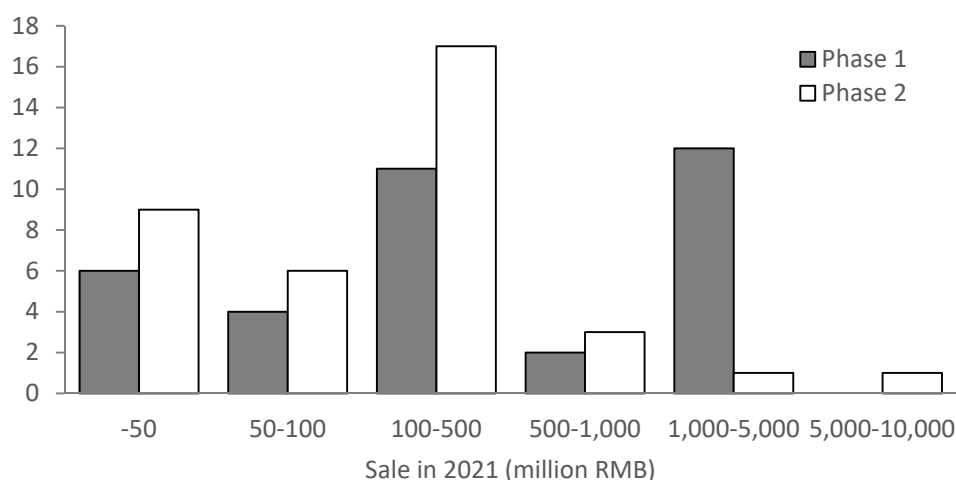


Figure 4 Number of businesses by sales value in 2021

3.1.7. Main businesses

The businesses in the first phase included a variety of businesses. Twenty-four businesses were involved in distribution, including international trade (some may also be involved in timber processing); 17 were involved in timber processing (including two in furniture manufacturing); and 8 were involved in both distribution and processing.

On the other hand, the majority of the businesses in the second phase, which mainly consisted of JAS-certified businesses, were in the business of manufacturing plywood (20 businesses), LVL⁴ (12), and flooring (10), with only one operator not manufacturing any of these three items. Other businesses were manufacturing laminated wood (2), doors (2), and furniture (1).

3.1.8. Industry association membership

We obtained responses from all 72 businesses regarding their industry association membership. All 35 businesses in the first phase were members of some kind of industry association, but only 16 of the 37 businesses in the second phase.

Thirty-three out of 35 businesses in the first phase and 6 out of 37 in the second phase were also members of the CTWPDA. Other national organizations included the China Forest Products Industry Association⁵ (three businesses), the Pallet Specialized Group of the China Federation of

⁴ Laminated Veneer Lumber

⁵ 中国林产工业协会

Logistics and Purchasing⁶ (3), the China Wood Protection Industry Association⁷ (2), the Wood Pallet Association⁸ (1), and the China National Federation of Industry and Commerce⁹ (1).

Other businesses were members of provincial-level industry associations (Hubei Provincial Forestry Industry Promotion Association¹⁰, Guangdong Provincial Lumber Association¹¹, Hebei Provincial Wood Products Household Standardization Business Association¹², Tianjin Packaging Association¹³) and county-level associations (Linyi Timber Business Association¹⁴, Dongguan Meizhou Business Association¹⁵, Foshan Pingyuan Business Association¹⁶, Shunde Wood Products Association¹⁷, Dongguan Famous Furniture Association¹⁸, Suqian City Artificial Board Business Association¹⁹(4), Suqian City Wood Products Industry Association²⁰, Xinxiang City Artificial Board Association²¹, Huzhou Nansheng District Flooring Association²², and Shannan County Wood Processing Association²³).

3.2. Legality confirmation system

3.2.1. Due diligence system for timber legality and sustainability

Out of 72 businesses surveyed, 70 businesses, excluding two businesses in the first term, responded that they have a due diligence system for legality and sustainability of timber and provide related information to customers. Among them, 24 businesses responded that their purchasing department is responsible for this system, two businesses responded that their

⁶ 中国物流与采购联合会托盘专业委员会

⁷ 中国木材保护工业协会

⁸ 木托盘协会

⁹ 中华全国工商业联合会

¹⁰ 湖北省林业产业促进会

¹¹ 广东省木材协会

¹² 河北省木制品家居定制行业协会

¹³ 天津包装协会

¹⁴ 临沂木业协会

¹⁵ 东莞梅州商会

¹⁶ 佛山平远商会

¹⁷ 顺德木业商会

¹⁸ 东莞名家具协会

¹⁹ 宿迁市人造板行业协会

²⁰ 宿迁市木材行业协会

²¹ 新乡市人造板行业协会

²² 湖州南浔区地板协会

²³ 灌南县木材加工协会

president is responsible, and one business responded that their risk management department is responsible.

3.2.2. Standing book for entry and exit

The Forest Law, as revised in 2019, abolished the timber transportation and processing permit system, while requiring all timber distribution and processing businesses to establish an own standing book for entry and exit of timber and wood products. Of the 72 businesses, 70 also responded that they already have a standing book. 66 responded that their standing book included information related to the legality of timber.

3.3. Procurement and sales of timber and timber products

3.3.1. Timber and timber products procured

Of the 72 businesses that responded, 52 sourced imported timber and timber products, while 35 sourced domestic timber and timber products; 15 sourced both (Table 4). All 52 businesses responded the origin of the imported timbers, with the main sources being NZ, Russia, the US, Canada, and the EU (Table 5). Softwoods were imported from New Zealand, Russia, Canada, European Union, and South America, while hardwoods were imported from the USA and Africa. Seven companies imported cedar from Japan.

Thirty businesses responded the origin of domestic timber. Although many businesses interviewed responded with locations in Jiangsu and Shandong provinces where most of the businesses interviewed were located, some responded with procurement from provinces such as Jilin, Sichuan, Shaanxi, and Gansu, which differed from the location of the interviewed companies (Table 6). Poplar (6 provinces, mainly in North China) and Eucalyptus (5 provinces, mainly in Central and South China) were procured from many provinces.

The main sources of procurement differed between the first and second phases. Of the 35 businesses that responded in the first phase, 33 procured imported timber and two procured domestic timber. None of the businesses procured both. Imported timber came from a wide variety of sources, including Africa, South America, Papua New Guinea, and the Solomon Islands.

On the other hand, of the 37 businesses that responded in the second phase, 19 procured imported timber, 33 procured domestic timber, and 15 procured both imported and domestic timber. The main sources and tree species of imported timber were as below:

- New Zealand (12 businesses): Radiata pine sawn timber, veneer, logs
- Russia (4 businesses): larch sawn timber, logs, veneer

- African countries (Gabon, Cameroon, Mozambique) (4 businesses): okan (*Cylicodiscus gabunensis*), ayus (*Triplochiton scleroxylon*), saperi (*Entandrophragma cylindricum*), afzelia (*Afzelia bipindensis*, *A. pachyloba*), asamera (*Pericopsis elata*), merbau (*Intsia bijuga*)
- USA (3 providers): Black walnut, American cherry
- Thailand (two businesses) Rubber

Radiata pine from New Zealand was procured by the most business (63% of businesses procured imported timber). While Russian and African countries are often recognized as high-risk countries for illegal logging, it was the plywood and LVL (Laminated Veneer Lumber) manufacturing businesses that procured the Russian timber, and the flooring and laminated wood manufacturing businesses that procured the African timber.

Table 4 Number of businesses by type of wood procured (imported/domestic)

	Imported materials only	Imported and domestic timber	Domestic timber only	Total
1st phase	33	0	2	35
2nd phase	4	15	18	37
Total	37	15	20	72

Table 5 Number of businesses by country of origin of imported timber procured (multiple responses allowed)

Country of origin of imported wood	1st phase	2nd phase	Tree species
New Zealand	10	12	辐射松 (Radiata pine)
Russia	13	4	樟子松 (European Red Pine) 落叶松 (Russian Larch) 白松 ("white pine") 杨木 (Poplar) 桦木 (Birch) 柞木 (Oak)
USA	10	3	南方松 (Southern Yellow Pine: <i>Pinus palustris</i> , <i>P. elliottii</i> , <i>P. echinate</i> , <i>P. taeda</i>) 花旗松 (<i>Pseudotsuga menziesii</i>) 铁杉 (<i>Tsuga</i> spp.) 黑胡桃 (Black Walnut) 樱桃 (American Cherry) 红橡 (Red Oak) 白橡 (White Oak)

			黄杨 (<i>Liriodendron tulipifera</i>) 白蜡 (Maple?)
Canada	12		南方松 (Southern Yellow Pine) 花旗松 (<i>Pseudotsuga menziesii</i>) 铁杉 (<i>Tsuga</i> spp.) SPF (Spruce, Pine, Fir)
EU (Germany, France, Sweden, Finland, Croatia etc.)	9	1	云杉 (<i>Picea</i> spp.) 樟子松/赤松 (European Red Pine) 白橡 (White Oak) 榉木 (European Beech)
Africa (Cameroon, Gabon, Liberia, Mozambique, Madagascar etc.)*	5	4	奥坎 (<i>Cylicodiscus gabunensis</i>) 阿尤斯 (<i>Triplochiton scleroxylon</i>) 沙比利 (<i>Entandrophragma cylindricum</i>) 缅茄木 (<i>Afzelia bipindensis</i> , <i>A. pachyloba</i>) 绿柄桑 (<i>Piptadeniastrum africanum</i>) 非洲柚木 (<i>Pericopsis elata</i>) 菠萝格 (<i>Intsia bijuga</i>) 小斑马 (<i>Microberliniac brazzavillensis</i>) 奥古曼 (<i>Aucoumea klaineana</i>)
Japan	6	1	柳杉 (Japanese cedar)
Ukraine, Belarus	6		白松 ("white pine") 云杉 (<i>Picea</i> spp.) 赤松 (Red Pine) 樟子松 (European Red Pine) 落叶松 (Russian Larch)
Brazil	6		火炬松 (<i>Pinus taeda</i>) 湿地松 (<i>Pinus elliottii</i>)
Chile	6		湿地松/火炬松 (<i>Pinus elliottii</i> , <i>P. taeda</i>) 辐射松 (Radiata Pine)
Thailand	2	2	橡胶木 (Rubber tree)
Uruguay	2		火炬松 (<i>Pinus taeda</i>)
Colombia, Venezuela	2		松木 (<i>Pinus</i> spp.) 香柏木 (cedar) 肉豆蔻 (<i>Myristica fragrans</i>)
PNG, Solomon Is.	2		唐木 (<i>Pometia</i> spp.)

			桉木 (<i>Eucalyptus</i> spp.)
South Africa	1		松木 (Pine)
Philippines	1		奥古曼 (Okume)
Total	33	18	

*Except South Africa

Table 6 Number of businesses by source of domestic timber procured (multiple responses allowed)

Administrative region	Number of businesses	Tree species
Beijing	0	
Tianjin	0	
Hebei	1	桦木 (Birch), 杨木 (Poplar)
Shanxi	0	
Inner Mongolia	1	樟子松/赤松 (European red pine)
Liaoning	0	
Jilin	2	桦木、水曲柳 (Ash)、榆树 (Elm)、松木 (Pine)
Heilongjiang	1	云杉 (<i>Picea asperata</i>)
Shanghai	0	
Jiangsu	18	桐木 (<i>Paulownia tree</i>)、杨木、桉木、桦木、水曲柳、松木
Zhejiang	1	杨木、桉木
Anhui	0	
Fujian	0	
Jiangxi	1	杨木、桉木
Shandong	9	杨木、桦木、松木
Henan	2	杨木
Hubei	0	
Hunan	0	
Guangdong	0	
Guangxi	4	桉木
Hainan	0	
Chongqing	0	
Sichuan	2	桉木
Guizhou	0	
Yunnan	0	
Tibet	0	
Shaanxi	1	云杉
Gansu	1	云杉
Qinghai	0	
Ningxia	0	
Xinjiang	0	

Other tree species that did not specify their origin were 栎木 / 橡木 / 柞木 (oak), 柚木 (teak), 枫木 (maple), 竹木 (bamboo).

3.3.2. Sourcing methods for imported timber

Fifty-one businesses responded how they procured imported timber (Table 7). Thirty-seven businesses directly imported from overseas suppliers by themselves, while 15 businesses procured imported materials from other companies in China. One business directly imported radiata pine from overseas and procured rubber materials from other companies in China. Four of the 37 direct importers imported from their own overseas subsidiaries. On the other hand, eight of the 15 companies that procured imported materials from other companies in China did not know who imported the timber into China, giving the following reasons:

- Insufficient information (4 businesses)
- Suppliers reluctant to share sources of supply for fear of bypassing their own company (2 businesses)
- Because the supply chain is too long (1 business)

Table 7 Sourcing methods for imported materials (multiple responses allowed)

	Direct Import		Procurement from other companies in China		Total
	From overseas subsidiaries	From other companies overseas	Knowing importers	Not knowing importers	
1st phase	3	23	4	2	32
2nd phase	1	10	3	6	19
Total	4	33	7	8	51

*One business in the second phase is procured both from other companies overseas and other companies in China.

3.3.3. Sales destinations of timber and timber products

Of the 72 businesses that responded, 30 were selling only to the domestic market, 13 were selling only to overseas markets, and 29 were selling to both (Table 8). While most of the businesses in the first phase sold only to the domestic market, most of the businesses in the second phase exported to overseas markets, especially the Japanese market.

Of the 35 businesses in the first phase, 28 were selling only to the domestic market. Only seven businesses were selling to overseas markets. None exported to Japan. On the other hand, of the 37 businesses interviewed in the second phase, which were mainly JAS-certified businesses,

only two were selling only in the domestic market, while 35 were exporting overseas. All of those 35 exported only to Japan or to Japan and other overseas countries.

Of the total 42 businesses that exported, 41 responded the destination. The most common destinations was Japan (35 businesses) followed by USA (18), Europe including the U.K. (14), and Australia (13). Other export destinations included the Republic of Korea (7), Southeast Asia (5), Middle East (2), Canada (2), New Zealand (1), and Taiwan (1).

Table 8 Sellers of wood and wood products

	Domestic market only	Domestic and Overseas Markets	Overseas markets only
1st phase	28	4	3
2nd phase	2	25	10
Total	30	29	13

3.3.4. Summary of patterns of procurement and sale of timber and timber products

In the first phase, 26 out of 35 businesses procured only imported timber and sold only in the domestic market (Table 9), while in the second phase, 32 out of 37 businesses procured domestic timber (some also imported timber) and sold to both domestic and overseas markets (some only to overseas markets) (Table 10), showing a contrasting pattern between the two.

Table 9 Number of businesses by types of timber procured and markets in the first phase (total number of businesses 35)

	Domestic market only	Domestic and Overseas Markets	Overseas markets only
Imported materials only	26	4	3
Imported and domestic timber			
Domestic timber only	2		

Table 10 Number of businesses by types of timber procured and markets in the second phase (total number of businesses 37)

	Domestic market only	Domestic and Overseas Markets	Overseas markets only
Imported materials only	1	2	1
Imported and domestic timber	1	10	4
Domestic timber only		13	5

3.4. Confirmation of legality

3.4.1. Requirement of suppliers to provide proof of legality

During the second phase, respondents were asked whether they require their suppliers to provide documentation on legality and sustainability. Of the 18 businesses that procure imported timber and the 31 businesses that procure domestic timber, all responded requiring such documentation.

Conversely, during the first phase of the study, a comparable inquiry was not posed. However, a single business, having obtained proof of legality for only a portion of their procurement volume (see Section 3.3.2), explained the reason that they perceived the risk of illegal logging to be negligible even in the absence of formal documentation.

3.4.2. Proportion of legality certifications obtained

Fifty-one businesses responded to the question about the proportion of imported timber for which legality certification was obtained (Table 11). Twenty-eight businesses (55%) responded that they obtained legality certification for all of their procurement volume, while 23 businesses responded that they obtained legality certification for only a portion of their procurement volume. There was no operator responded that they could not obtain any at all.

Regarding the proportion of domestic timber with legality certification, 32 companies responded (Table 12). Sixteen companies responded that they obtained legality certification for all of their procurement volume, and the other 16 companies said that they obtained legality certification for only a portion of their procurement volume.

Table 11 Proportion of imported timber procured for which legality certification was obtained

	All	Some	Total
1st phase	14	19	33
2nd phase	14	4	18
Total	28	23	51

Table 12 Proportion of domestic timber procured for which legality certification was obtained

	All	Some	Total
1st phase	0	2	2
2nd phase	16	14	30
Total	16	16	32

A slightly higher percentage of businesses that sell to overseas markets, obtained legality certification for all imported timber (Table 13, 14). However, the difference between the market types was not significant (chi-square test, $p < 0.05$).

Table 13 Number of businesses by proportion of imported timber procured for which legality certification was obtained, by business destination

Sale destination	All	Some	Total
Domestic market only	12	15	29
Domestic and overseas markets	12	5	17
Overseas market only	4	3	7
Total	28	25	53

Table 14 Number of businesses by proportion of domestic timber procured for which legality certification was obtained (by business destination)

Sale destination	All	Some	Total
Domestic market only	0	2	2
Domestic and overseas markets	12	9	21
Overseas market only	4	5	9
Total	16	16	32

3.4.3. Reasons to obtain proof of legality

Reasons for obtaining legality certification for imported timber was responded by 51 businesses (Table 15). The most frequently cited reason was domestic laws and regulations in China, such as the revised Forest Law, which was mentioned by 20 businesses. Other reasons included marketing in overseas markets (16), requests from domestic and overseas customers (15), management reasons, and the fact that it is a necessary procedure for procurement. Ten businesses reported obtaining proof of legality due to a request from their suppliers, with five citing domestic suppliers and five citing foreign suppliers.

Similarly, 33 businesses responded regarding the reasons for obtaining legality certification of domestic timber (Table 16). The largest number of businesses (15) cited the revised Forest Law and other domestic laws and regulations in China, followed by requests from customers (12). Among the businesses that received requests from their suppliers, almost all (11) were from overseas suppliers.

Table 15 Reasons for obtaining legality certification for imported timber (multiple responses allowed)

	Forest Law and other laws and regulations in China	Customer requests (domestic, overseas)	Marketing in overseas markets	Other reasons	Number of responding businesses
1st phase	15	10 (5,1)	8	2	33
2nd phase	5	5 (0,4)	8	0	18
Total	20	15(5,5)	16	2	51

Table 16 Reasons for obtaining legality certification for domestic timber (multiple responses allowed)

	Forest Law and other laws and regulations in China	Customer requests (domestic, overseas)	Marketing in overseas markets	Other reasons	Number of responding businesses
1st phase	1	1 (1,0)	0	0	2
2nd phase	14	11 (0,11)	6	0	31
Total	15	12 (1,11)	6	0	33

Many businesses that solely sold to the domestic market cited the revised Forest Act and other domestic laws and regulations as the reason for obtaining legality certification of imported timber. Conversely, many businesses selling overseas cited marketing in overseas markets as the reason, especially for imported timber (Table 17). However, the number of businesses was not significantly different between the market types ($p < 0.05$, chi-square test). Some businesses that sold only in the domestic market also cited customer requests, while some businesses that sold only in overseas markets also cited domestic laws and regulations as a reason (Table 18).

Table 17 Reasons for obtaining legality certification of imported timber (multiple responses allowed), by destination of business

	Forest Law and other laws and regulations in China	Customer requests (domestic, overseas)	Marketing in overseas markets	Other reasons
Domestic market only	16	8	3	1
Domestic and Overseas Markets	6	5	10	1
Overseas market only	3	2	3	0

Table 18 Reasons for obtaining certification of legality of domestic timber (multiple responses allowed) by business sales destination.

	Forest Law and other laws and regulations in China	Customer requests (domestic, overseas)	Marketing in overseas markets	Other reasons
Domestic market only	2	1	0	0
Domestic and Overseas Markets	9	8	5	0
Overseas market only	4	3	1	0

3.4.4. Documents requested from suppliers as proof of legality

Forty-nine businesses responded to the question about the types of documents they required from their suppliers as proof of the legality of imported timber (Table 19). However, it is likely that some of these businesses responded not what they required, but what was actually provided by suppliers. In both the first and second phases, third-party certification such as forest certification was the most commonly responded document (36 businesses in total), followed by official government documents from the countries of harvest, such as harvesting permits (21 businesses), and certifications from suppliers, such as contracts and invoices (14 businesses).

As for the types of documents required as proof of the legality of domestic timber, twenty-six businesses responded to the question (Table 20). The most commonly responded document was official documents from local governments in China, such as harvesting permits (20 businesses), followed by certificates from suppliers, such as contracts and invoices (8 businesses), and third-party certifications, such as forest certification (7 businesses).

Table 19 Number of businesses by documents required from suppliers as proof of legality of imported timber (multiple responses allowed)

	Official government documents from the countries of harvest	Third-party certification	Certificates from suppliers	Declaration of legality from suppliers	Not provided	No need to require documents	Total
1st phase	15	24	7	8	1	1	32
2nd phase	6	12	7	1	0		17
Total	21	36	14	9	1	1	49

Table 20 Number of businesses by documents required from suppliers as proof of legality of domestic timber (multiple responses allowed)

	Official documents from the local government	Third-party certification	Certificates from suppliers	Declaration of legality from suppliers	Total
1st phase	1	2	0	1	2
2nd phase	19	5	8	1	25
Total	20	7	8	2	26

3.4.5. Challenges in obtaining proof of legality

Forty-five businesses responded to the question regarding challenges encountered in obtaining legality certification for imported timber (Table 21). Of these, 17 reported having encountered no particular challenges. Among the businesses that did not report challenges, many indicated that the country of harvest did not have a legality verification system, or that they were not aware of such system (10 businesses), or that their suppliers were not logging companies (8 businesses). When considering the type of procurement methods for imported timber (Section 3.3.2), a slightly higher proportion of businesses that directly import timber reported no challenges (35%) than those that procure imported timber from other business in China (27%)(Table 22). More specifically, the following responses were given:

- It takes time to issue documents in New Zealand.
- In Gabon, government enforcement capacity is low and procedures are inefficient.
- In Russia, the government generally issues certificates on a factory-by-factory basis, rather than lot-by-lot.
- Regarding Brazil, Chile, and Uruguay, the new supplier had no previous export experience and therefore did not have the required set of documents. Some of the documents were not available until after the transaction.
- Some countries demand bribes to obtain necessary documents.
- Distribution companies in China, such as Canadian, New Zealand, and German timber suppliers, do not have legality certification documents.
- New Zealand timber is sourced from importers in China, but it is difficult to find importers who can certify the legality of all timber and a price premium is required.

Twenty-two businesses responded to the question regarding challenges encountered in obtaining legality certification for domestic timber (Table 23). Of these, eight businesses (36%) reported no particular challenges. On the other hand, six businesses indicated that the complexity of the supply chain or the procedures for obtaining legality certifications were challenging. Specifically, they explained that timber collection was conducted by intermediaries, making it difficult for

processing businesses to directly contact loggers. Additionally, 6 businesses cited that some of their procurement sources did not have legality certification, stating that harvesting in forests around farmers' homes was not subject to harvesting permits.

Table 21 Number of businesses by challenges in obtaining legality certification for imported timber (multiple responses allowed)

	No particular challenges	Absence or unawareness of legality certification system in countries of harvest	Supplier is not a logging business	Lack of capacity, documents not disclosed, etc. in harvesting countries	Other	Total
1st phase	11	9	8	2	3	33
2nd phase	6	1	0	3	3	12
Total	17	10	8	5	6	45

Table 22 Number of businesses by challenges in obtaining legality certification for imported timber by procurement method (multiple responses allowed).

	No particular challenges	Absence or unawareness of legality certification system in countries of harvest	Supplier is not a logging business	Lack of capacity, documents not disclosed, etc. in harvesting countries	Other	Total
Direct Import	13	7	4	5	3	37
Procurement from other businesses in China	4	3	4	0	3	15
Total	17	10	8	5	6	51

Table 23 Difficulties in obtaining certification of legality of domestic timber (multiple responses allowed)

	No particular challenges.	Complex supply chain, complicated procedures for acquisition	Some suppliers do not have legality certificates	Documents provided by suppliers differ from those requested by the customers	Total
1st phase	0	1			2
2nd phase	8	5	6	1	20
Total	8	6	6	1	22

3.4.6. Measures taken to ensure legality or sustainability at the time of harvest

Forty-five businesses responded to the question about measures they are taking to ensure the legality or sustainability of imported timber at the time of harvest (Table 24). The most frequent response was to change suppliers (businesses and countries) with traceable supply chains (28 businesses), followed by the establishment of their own upstream suppliers or investment in existing suppliers to strengthen traceability (18 businesses), and support for the acquisition of forest certification or legality certification by their suppliers (14 businesses). More specifically, the following responses were given:

- For Russian, Uruguayan, and Gabonese timber, additional documentary screening such as with proof of financial transactions requested the suppliers, background checks on suppliers by third-party organizations, and investigations through factory inspections and trial transactions when necessary, will be conducted, and transactions will be terminated if problems are found.
- When selecting suppliers, the size of the business should also be taken into consideration. Relatively large foreign companies have appropriate management systems for legally harvested timber.
- In Cameroon and Gabon, it is difficult to obtain legality certification documents, so businesses invested in their own forest management.
- The business can pay an additional cost to their suppliers of New Zealand radiata pine (importers in China) to obtain FSC certification.

Twenty-one businesses responded to the question about measures they take to ensure the legality or sustainability of domestic timber at the time of harvesting (Table 25). The most frequent response was to select suppliers with traceable supply chains (8 businesses).

Table24 Number of businesses with measures taken to ensure legality or sustainability of imported timber at the time of harvest (multiple responses allowed)

	Selecting suppliers (businesses and countries) with traceable supply chains	Strengthen traceability by establishing upstream suppliers in-house or investing in existing suppliers	Strengthen traceability by introducing blockchain technology, etc.	Supporting suppliers to obtain forest certification, legality certification, etc.	Negotiate with government and industry associations to obtain legal documentation	Require assurance from suppliers that the wood is not from illegally harvested	Exchange of information with specialized organizations	Other	Total
1st phase	21	17	2	10	7	4	12	1	32
2nd phase	7	1	0	4	0	1	0	0	13
Total	28	18	2	14	7	5	12	1	45

Other: Gathering further information on suppliers

Table25 Number of businesses with measures taken to ensure legality or sustainability when harvesting domestic timber (multiple responses allowed)

	Selecting supplier with traceable supply chains	Strengthen traceability by establishing upstream suppliers in-house or investing in existing suppliers	Strengthen traceability by introducing blockchain technology, etc.	Support for acquisition of forest certification, legality certification, etc. by suppliers	Negotiate with government and industry associations to obtain legal documentation	Require assurance from suppliers that the wood does not come from illegally harvested	Exchange of information with professional organizations	Other	Total
1st phase	2	0	0	1	0	0	1		2
2nd phase	5	4	0	2	0	5	0	4	19
Total	8	4	0	3	0	5	1	4	21

Other: Selling only timber with legality certification to overseas market.

3.5. Provision of legality proof at time of sale

In the first phase, all 35 businesses responded to the question regarding whether or not there is a request from their customers to provide legality-related documents. Twenty-two businesses said that there had been a request and 13 businesses said that there had not. However, the latter includes businesses that provided such documents to their sales partners even though there was no requirement to do so. Of the 22 businesses that said they were required to provide legality-related documents, eight said that they were required to provide FSC certification. Of the 13 businesses that said there was no request, three said that they provide FSC certification. Thus, at least 11 businesses provided information on FSC certification to their customers.

On the other hand, in the second phase, the respondents were asked what kind of legality certification documents they would provide to their customers (whether requested or not) (Table 26). Twenty-two businesses responded, with 10 businesses indicating legality certification from the country of harvest and 9 businesses indicating third-party certification such as forest certification by the supplier or their own company.

Table 26 Documents proving legality to be provided to customers

	Official government documents from the countries of harvest	Third-party certification provided by the procurement source	In-house third-party certification	Procurement records of the company, etc.	Other	Total
2nd phase	10	6	3	3	1	22

3.6. Other

3.6.1. Future outlook

During the first phase, 35 businesses responded to the question whether they thought that more documentation and procedures would be required in the future to prove the legality and sustainability of their timber. Of these, 28 businesses responded that it would not be necessary, while 7 businesses indicated that more documentation and procedures would be needed.

In the second phase, 37 businesses responded to the question whether they thought that they would be required to provide more documentation to prove that their timber was legally and sustainably sourced when selling to buyers in the future. Among these, 34 businesses responded that they thought they would be required to do so, while 3 businesses were uncertain or believed that such a requirement would not be imposed.

3.6.2. Opinions on customer requests for legality and sustainability

Sixty-nine businesses provided their opinions on customer inquiries regarding the legality and sustainability of harvesting. All businesses responded that they "understand," "will respond," or "have no particular opinion" on the customer's request. More specifically, the following were expressed:

- Sourced from certified suppliers.
- We're checking back to the logging site.
- Within China, there is a particularly strong focus on whether the species is prohibited from trading under CITES.
- The requests are also useful in managing our own business operations.

Other comments included the following:

- Such inquiries from customers are rare.
- Simplification and unification of processes is desirable.
- Advocate for China-led legality and sustainability standards.
- It is meaningless under current business environment in overseas markets, including frequent strikes and demands for bribes.

4. Discussion

This study provided insight into the current status of legality verification by timber-related businesses in China. As indicated in the survey methodology, the interview survey was not conducted by random sampling, and it was up to the businesses to decide whether or not to be interviewed. Therefore, the business that accepted to be interviewed may have been more knowledgeable about legality verification and more confident about their own implementations than businesses that did not accept. Furthermore, the author did not directly conduct the interviews but rather entrusted a timber industry association (CTWPDA), and did not collect document evidence of legality. As a result, there is a possibility that the responses may have been partly biased rather than reflecting the actual situation. Nevertheless, 70 out of 72 businesses indicated that they have a due diligence system for timber legality and sustainability and provide relevant information to their customers, 66 businesses responded that they have a standing book for entry and exit of timber and timber products containing legality information, and in the second phase of the survey, all businesses, procuring both imported and domestic timber, responded that they require suppliers to provide legality documentation. These results indicate that most of timber-related businesses in China are aware that they must verify legality, regardless of the origins of timber and their markets. This is a significant progress compared to the result of Xu et al. (2014) conducted about 10 years ago, in which only 29% of businesses reported having their

own environmentally friendly procurement policies and 27% reported having a supply chain management system in place.

In China, it is considered that the legality verification of procured timber and the collection of legality certification documents began mainly in response to the EU Timber Regulation and the USA Lacey Act, i.e., in response to requests from Western customers and to expand sales channels in Western markets. From this, as suggested by Roe (2015), it was expected that the extent to which legality verification was conducted differed between businesses selling in the domestic market and those selling overseas. However, the results of this study show the largest number of businesses (39% of those who procure imported timber and 45% of those who procure domestic timber) cited the revised Forest Law and other laws and regulations as the reason for requiring legality certification documents of timber procured. There was also no significant difference in the proportion of businesses that fully obtained legality certification documents between those who procure imported timber (53%) and those who procure domestic timber (50%), suggesting that the revised Forest Law and other laws and regulations in China are the biggest factors in prompting Chinese businesses to confirm legality as of 2022, when this study was conducted.

Furthermore, it was not clear whether the prohibition of illegal logging under Article 65 of the Forest Law only applies to illegal logging in China or also to illegal logging overseas. It is expected that the degree of legality verification would differ between domestic and imported timber. However, as mentioned above, there was no significant difference in the proportion of businesses fully procuring timber with legality certification documents between imported and domestic timber and the largest number of businesses cited the revised Forest Law and other domestic laws and regulations in China as the reason why legality verification must be conducted for both imported and domestic timber. These results indicate that timber-related businesses in China recognize that the legality of imported timber must be verified in the same way as the legality of domestic timber.

As for the legality certification documents requested or obtained from suppliers, the largest proportion of businesses cited third-party certification such as forest certification for imported timber, while the largest proportion of businesses cited official documents issued by local governments, such as harvesting permits, for domestic timber. The majority of businesses encountered some challenges in obtaining legality certification documents for both imported and domestic timber. Regarding imported timber, the absence of timber legality assurance systems or lack of knowledge of such systems in the country of harvest and the fact that the suppliers themselves are not logging companies were the most commonly cited reason for these difficulties. To mitigate these challenges, businesses selected suppliers (businesses and countries) with traceable supply chains, invested in their upstream supply chain to strengthen traceability, and supported their suppliers in obtaining forest certification and legality certification.

Regarding to domestic timber, many businesses cited the complexity of the supply chain or the procedures for obtaining legality certifications and the fact that some suppliers do not have legality certifications, as their challenges. To mitigate these challenges, businesses also selected suppliers with traceable supply chains.

The results of this study have several implications for the legality verification of foreign businesses importing timber and timber products from China. First, many Chinese timber-related businesses are recognizing themselves to have responsibility for verifying the legality of both imported and domestic timber or obtaining legality certification documents in accordance with Chinese domestic regulations such as Article 65 of the revised Forest Law, regardless of whether or not their customers require such verification, and regardless of the advantages (marketing and profits) of doing so. Therefore, regardless of procurement volume or price, and regardless of whether the raw material is imported from overseas or domestically produced in China, importers from China can expect that their suppliers in China are required to verify the legality of their procured timber and may obtain legality certification documents. Also, by confirming how their suppliers are verifying legality in compliance with Article 65 of the revised Forest Law in China, it is expected that additional costs can be reduced and legality verification can be conducted more efficiently.

On the other hand, at this time, it cannot be expected that Chinese timber-related businesses have been able to confirm the legality of/obtain legality certification documents for all of the timber they handle. Only about half of the businesses responded that they have obtained legality certification documents for all of the timber they procured, both imported and domestic, and less than 40% of the businesses responded that they do not experience any difficulty in obtaining legality certification documents. Majority of timber-related businesses in China encountered difficulties in obtaining legality certification for both imported timber, especially when procured from other companies in China, and domestic timber. And they were making efforts to overcome the challenges, such as changing suppliers and investing upstream in the supply chain. By understanding the status of their suppliers in China and supporting their efforts to ensure legality if necessary, it is possible that businesses importing timber and timber products from China may be able to sustainably procure legally certified timber.

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Appendix

Appendix 1 Questionnaire for Phase 1

中国木材产业合法性调研

本次调研是国际热带木材组织(ITTO)“中国、缅甸和越南可持续木材贸易合法性认定及最佳实践分析”项目下执行的子项目。该项目的目标是为确保日本和其他国家从中国进口木材和木制品具备合法性和可持续性依据。

本次调研旨在收集中国行业木材企业的良好实践，获取并提供相关产品符合合法性和可持续性的依据，将其与客户进行分享。本调研并不是为了评估在中国的特定公司是否遵守任何行为、法规和指导。本调研将严格保密，在未经特殊要求的情况下，本次调研的结果报告不会公布受访公司的具体名称。

本次调研得到了中国木材与木制品流通协会（CTWPDA）的支持。

基本信息（截止到 2021 年）

1. 单位所在地，具体到城市（总部及主要的采购加工点）
2. 公司类别
3. 成立时间
4. 注册资本
5. 员工人数
6. 涉及行业
7. 全年销售额（所有业务）为：
木材与木制品销售额为：
8. 加入的协会或其他社会团体是
9. 贵公司是否有木材合法性和持续性相关的尽职调查系统，并向客户提供相关信息？有专人/部门负责此事吗？

注：尽职系统包括以下内容：信息(资料、文件等)收集、风险评估和缓解措施。

10. 贵公司从哪些国家采购何种类型的木材、木制品和种类，采购量是多少？每个国家相对应的供应商数量为？

原料来源地		产品类别 (原木、锯材、胶合板、面板、木片、家具等)	采购量
Domestic Wood 国 产材	Which province? 来源省/ 直辖市/自治区		
	<input type="checkbox"/> Natural tree 天然林 <input type="checkbox"/> Planted tree 人工林		
Imported wood 进口木材	EU, UK 欧盟, 英国		
	USA, 美国		
	Canada 加拿大		
	Australia 澳大利亚		
	New Zealand 新西兰		
	Russia 俄罗斯		
	Ukraine, Belarus etc. 乌克兰, 白俄罗斯		
	Japan 日本		
	Thailand 泰国		
	VietNam 越南		
	Myanmar, Lao PDR, Cambodia 缅甸、老挝、柬埔寨		
	Indonesia, Malaysia 印 度尼西亚, 马来西亚		
PNG, Solomon Islands			

	巴布亚新几内亚、所罗门群岛		
	Brazil 巴西		
	Chile 智利		
	Other South American countries 其他南美国家		
	Nigeria, Gabon and other African countries 尼日利亚、加蓬和其他非洲国家		
	Other foreign countries 其他国家		
	Imported wood, but the harvested country is unknown 进口木材，但原产地未知		
	Unknown origin 来源不确定		

11. 贵公司木材和木制品的主要市场在哪里？产品类别是什么，对应的销售量是多少？

产品销售市场	产品类别	销量
EU, UK 欧盟，英国		
USA 美国		
Australia 澳大利亚		
Japan 日本		
Republic of Korea 韩国		
Philippine, VietNam, Malaysia, Thailand and other ASEAN countries		

菲律宾、越南、马来西亚、泰国等 东盟国家		
Middle East 中东		
Other countries 其它国家		
Domestic 本土 →The final products will be 最终产品销售地为 ◆ Consume in China 在中国消费 ◆ Partly or totally exported 部分或全部出口 ◆ Do not know 不知道		

采购木材与木制品时

如果贵公司采购进口木材和木制品→【转 12 题~19 题】

12. (接上题) 贵公司通过何种方式采购原材料? 根据产品来源和种类作答。

- ◆ 从贵公司海外子公司进口(特许权人、加工商等)
- ◆ 从海外公司进口(包含与其他国内公司的联合采购)
- ◆ 从中国其他公司采购【转 13 题】

13. 如贵司通过其他中国公司采购原料, 您是否了解该原料的进口商? 根据产品来源和种类作答。

- ◆ 是的, 我们了解进口商。
- ◆ 我们无法确认进口商的身份。【转 13a 题】

13a. 无法识别进口商的原因是什么？

- ◆ 供应商不愿意分享资源
- ◆ 供应链过长，供应环节太多
- ◆ 事务性因素导致信息不畅
- ◆ 其他原因

14. 您的供应商会向您提供证明木材与木制品原料采伐和加工的合法性/可持续性证明吗？根据产品来源和种类作答。

- ◆ 不，您的供应商没有【转到 15 题】。
- ◆ 是的，您的供应商有【转到 16 题】。

14a→所有木材或木制品

→部分木材与木制品

15. 您为何没有向供应商要求提供木材合法性/可持续性证明文件呢？

- ◆ 您的下游采购方不要求您提供木材与木制品的合法性/可持续性证明文件
- ◆ 您的下游采购方要求提供木材与木制品的合法性/可持续性证明文件，但认为即使没有相关文件，从业务涉及非法采伐的风险也极其微小。
- ◆ 其他原因

16. 您要求供应商取得木材与木制品合法性/可持续性证明文件的原因是什么？

- ◆ 客户的要求。客户来自于国内/国外（请标注）？【转到 27 题】
- ◆ 《森林法》的规定等
- ◆ 中国林业行业相关指南

- ◆ 海外市场营销，如欧盟，美国，澳大利亚等，这些国家需要提供采伐时的合法性文件
- ◆ 其他原因

17. (接上题) 在下列选项中，贵公司向供应商索取何种证明文件来证明采伐时的合法性/可持续性（未参杂来源非法或不明的木材）？您如何核查相关文件？根据产品来源和种类作答。

- ◆ 采伐国政府颁发的合法性文件/或上游供应商提供的相关证明：出口许可证，伐木许可证，合法性认证等；
- ◆ 第三方认证或上游供应商提供的相关证明：森林认证（FM, CoC; FSC, PEFC, CFCC, 等），合法性认证，CTWPDA 的木材合法性清单，尽职调查证明等；
- ◆ 采购流程文件纪要或上游公司提供的相关证明：供应商清单等；
- ◆ 您的供应商出具的木材来源合法性声明；
- ◆ 我们向供应商要求提供证明文件，但供应商无法提供；
- ◆ 我们无法收集到一级供应商提供的任何合法性/可持续性证明文件, 即使通过中间的二三级采购商向一级供应商要求也是如此；
- ◆ 其它

18. 在获取上述证明文件中，您所面临的挑战和困难是？根据产品来源和种类作答。

- ◆ 采伐国尚未建立相应的制度或体系证明采伐合法性/我不了解是否存在这样的体系。
- ◆ 我所合作的出口公司不是种植和采伐公司，没有相关文件。
- ◆ 采伐国执行能力薄弱，文件发放无据可查，索求资金用途不明等。
- ◆ 其他原因

19. 当前，您采取了哪些措施确保进口木材与木制品的采伐时的合法性/可持续性？根据产品来源和种类作答。请尽可能详尽地回答本问题。

- ◆ 选择更容易追溯供应链的供应商或进口来源国（如源头供应商或采购渠道、方式多样化的供应商）
- ◆ 通过建立自己的上游供应商或投资现有供应商来加强可追溯性
- ◆ 通过引入区块链技术等技术加强可追溯性。
- ◆ 支持您的供应商获得森林认证，合法性认证等
- ◆ 与供应商所在国政府和行业协会协商，以获得合法性文件(如支持体系建设、能力建设等)。
- ◆ 要求您的供应商保证他们供应的木材和木材产品不是来自非法采伐。
- ◆ 加强与专业机构的交流:中国林科院科技信息所, 中国木材与木制品流通协会，中国林产工业协会，中国负责任林产品贸易与投资联盟等
- ◆ 其它

如果贵公司从中国采伐木材【转 20 题~25 题】

20. 在中国采伐木材时，您是否需要取得木材与木制品合法性/可持续性证明？根据产品来源和种类作答。

- ◆ 不，我们没有【转 21 题】。
- ◆ 是的，我们有【转 22 题】。

20a →所有的木材和木制品

→部分木材和木制品

21. 您未能获取合法性/可持续性证明文件的原因是？

- ◆ 您的下游采购方没有要求证明文件证明木材与木制品的采伐时的合法性/可持续性
- ◆ 您的下游采购方有要求资料（文件等）证明木材与木制品的合法性/可持续性，但认为即使没有相关文件，从事业务涉及非法采伐的风险也极其微小。

◆ 其他原因

22. 为什么要求木材合法性/可持续性证明文件？

◆ 需求来自客户。客户来自于国内/国外（请标注） 【转到 27 题】

◆ 《森林法》的规定等。

◆ 来自中国政府和行业团体的指南。

◆ 用于海外市场的销售，如欧盟、美国、澳大利亚等，这些国家需要合法性证明文件。

◆ 其它原因

23. （接上题）您认为下列选项中，哪些可以证明木材采伐的合法性/可持续性？您怎样检核这些资料？

◆ 政府颁发的伐木许可证

◆ 政府颁发的合法性认证。如有，您向县级或市级以上政府申请文件吗？合法性认证是针对产品还是工厂进行颁发？

◆ 供应商出入库台账

◆ 第三方森林认证(FSC、PEFC)或合法性验证(木材合法性验证等)

◆ 供应商提供的木材来源合法性声明

◆ 其它

24. （接上题）在证明文件获取及检核采伐时的合法性/可持续性中，您所面临的挑战和困难是？

如供应链过于复杂，由于交易类型不同导致信息中断等。

25. （接上题）当前，您采取了哪些措施确保中国国产材的来源合法性/可持续性？

我们理解有时很难从所有种植和收获常用木材或桉树的农民那里收集伐木许可证，因为它们太多了。因此，我们有兴趣了解中国的木材加工企业是如何解决这些挑战的。

- ◆ 我们不认为确保木材与木制品的合法性/可持续性是不必要的。
- ◆ 选择更容易追溯供应链的供应商（如源头供应商或采购渠道、方式多样化的供应商）
- ◆ 通过建立自己的上游供应商或投资现有供应商来加强可追溯性
- ◆ 通过引入区块链技术加强可追溯性。
- ◆ 支持您的供应商获得森林认证，合法性认证等
- ◆ 要求您的供应商保证他们供应的木材和木材产品不是来自非法采伐。
- ◆ 与外部专家进行信息交换，外部专家:中国林科院科技信息所, 中国木材与木制品流通协会，中国林产工业协会，中国负责任林产品贸易与投资联盟等
- ◆ 其它

在销售木材与木制品时

26. （接上题）在下列选项中，贵公司提供何种文件来证明木材来源合法性/可持续性（未参杂来源非法或不明的木材）？根据产品来源和种类作答。

- ◆ 采伐国政府颁发的合法性文件/或上游供应商提供的相关证明： 出口许可证，伐木许可证，合法性认证等；
- ◆ 第三方认证或上游供应商提供的相关证明：如森林认证（FM，CoC；FSC，PEFC，CFCS，等），合法性认证，尽职调查证明等；
- ◆ 贵公司自有森林认证 (CoC 认证)、中国木材合法性认定，中国木材与木制品流通协会的木材合法性清单、尽职调查证书等。
- ◆ 贵公司出具的木材来源合法性声明。
- ◆ 贵公司的采购流程文件纪要、供应商清单等。
- ◆ 其它

27. (接 16, 22 题) 在要求合法性/可持续性证明证明文件时, 您的客户会指定所需资料的类型吗? 如客户无具体要求, 您会建议提供何种类型的资料吗? 针对相关资料的诉求, 您的客户是支持态度吗? 如是, 采取的是什么行动呢(如财务支持、价格溢价等)?

其它

28. 中华人民共和国森林法(2019 年修订)要求木材行业建立出入库台账系统, 但目前森林法实施条例还未正式公布。请问贵公司是否建立了出入库台账? 它是否包括关于木材合法性的相关信息?

29. 您认为未来为了证明木材来源合法/可持续, 是否需要更多的证明文件或程序? 如果是, 原因是什么?

30. 对于客户针对采伐过程中对合法性和可持续性的询问, 您有什么看法?

31. 您是否同意对外公开受访信息及姓名? 或者, 您希望匿名, 只接受部分信息公开?

Appendix 2 Questionnaire for Phase 2

中国木材产业合法性调研

本次调研是国际热带木材组织(ITTO)“中国、缅甸和越南可持续木材贸易合法性认定及最佳实践分析”项目下执行的子项目。该项目的目标是为确保日本和其他国家从中国进口木材和木制品具备合法性和可持续性依据。

本次调研旨在收集中国行业木材企业的良好实践,获取并提供相关产品符合合法性和可持续性的依据,将其与客户进行分享。本调研并不是为了评估在中国的特定公司是否遵守任何行为、法规和指导。本调研将严格保密,本次调研的结果报告不会公布受访公司的具体名称。

本次调研得到了中国木材与木制品流通协会(CTWPDA)的支持。

基本信息(截止到2021年)

1. 单位所在地,具体到城市(总部及主要的采购加工点)
2. 公司类别:国营企业/私营企业/个人独资、外国/国内资本
3. 成立时间
4. 注册资本
5. 员工人数
6. 涉及行业
7. 全年销售额(所有业务)为:
木材与木制品销售额为:
8. 加入的协会或其他社会团体是
9. 贵公司是否有木材合法性和持续性相关的尽职调查系统,并向客户提供相关信息?有专人/部门负责此事吗?

注:尽职系统包括以下内容:信息(资料、文件等)收集、风险评估和缓解措施。

10. 贵公司从哪些国家采购何种类型的木材、木制品和种类,采购量是多少?每个国家相对应的供应商数量为?

原料来源地 #: 受访者应明确指出原料来源地		产品类别 (原木、锯材、胶合板、面板、木片、家具等)	采购量
国产材	来源省/直辖市/自治区 天然林/人工林		
进口木材	欧盟/英国#		
	美国		
	加拿大		
	澳大利亚		
	新西兰		
	俄罗斯		
	乌克兰/白俄罗斯等#		
	日本		
	泰国		
	越南		
	缅甸/老挝/柬埔寨#		
	印度尼西亚/马来西亚#		
	巴布亚新几内亚/所罗门群岛#		
	巴西		
	智利		
	其他南美国家#		
	尼日利亚、加蓬和其他非洲国家#		
	其他国家#		
进口木材, 来源地未知			
来源不确定			

11. 贵公司木材和木制品的主要市场在哪里？ 产品类别是什么，对应的销售量是多少？

产品销售市场	产品类别	销量
#: 受访者应明确指出出口目的地		
欧盟/英国#		
美国		
澳大利亚		
日本		
韩国		
菲律宾/越南/马来西亚/泰国/其它 东盟国家#		
中东#		
其它国家#		
本土 →最终产品销售地为 ◆ 在中国消费 ◆ 部分或全部出口 ◆ 不知道		

采购木材与木制品时

如果贵公司采购进口木材和木制品→【转 12 题~19 题】

12. (接上题) 贵公司通过何种方式采购原材料？请针对原材料的来源和树种分别回答

- ◆ 从贵公司海外子公司进口(特许权人、加工商等)
- ◆ 从海外公司进口 (包含与其他国内公司的联合采购)
- ◆ 从中国其他公司采购【转 13 题】

13. 如贵司通过其他中国公司采购原料，您是否了解该原料的进口商？请针对原材料的来源和树种分别回答

- ◆ 是的，我们了解进口商。
- ◆ 我们无法确认进口商的身份。【转 13a 题】

13a. 无法识别进口商的原因是什么？

- ◆ 供应商不愿意分享资源
- ◆ 供应链过长，供应环节太多
- ◆ 事务性因素导致信息不畅
- ◆ 其他原因

14. 您是否要求您的供应商提供木材合法性/可持续性证明文件？

- ◆ 不，我们没有要求【转到 15 题】。
- ◆ 是，我们有要求，但我们的供应商没有提供【转到 16 题】。
- ◆ 是，我们有要求，我们的供应商有提供【转到 14a, 16 题】。

14a.

您的供应商能提供的是

- ◆ 提供所有木材或木制品的木材合法性证明
- ◆ 部分木材与木制品的合法性证明

15. 您为何没有向供应商要求提供木材合法性/可持续性证明文件呢？

- ◆ 您的下游采购方不要求您提供木材与木制品的合法性/可持续性证明文件
- ◆ 您的下游采购方要求提供木材与木制品的合法性/可持续性证明文件，但认为即使没有相关文件，从事业务涉及非法采伐的风险也极其微小。
- ◆ 其他原因

16. 您要求供应商取得木材与木制品合法性/可持续性证明文件的原因是什么？

- ◆ 客户的要求。客户来自于国内/国外（请标注）【转到 27 题】
- ◆ 《森林法》的规定等
- ◆ 中国林业行业相关指南
- ◆ 海外市场营销，如欧盟，美国，澳大利亚等，这些国家需要提供采伐时的合法性文件
- ◆ 其他原因

17. （接上题）在下列选项中，贵公司向供应商索取何种证明文件来证明采伐时的合法性/可持续性（未参杂来源非法或不明的木材）？您如何核查相关文件？针对相关资料的诉求，您的客户是支持态度吗？如是，采取的是什么行动呢(如财务支持、价格溢价等)？请针对原材料的来源和树种分别回答

- ◆ 采伐国政府颁发的合法性文件/或上游供应商提供的相关证明：出口许可证，伐木许可证，合法性认证等；
- ◆ 第三方认证或上游供应商提供的相关证明：森林认证（FM, CoC; FSC, PEFC, CFCC, 等），合法性认证，CTWPDA 的木材合法性清单，尽职调查证明等；
- ◆ 采购流程文件纪要或上游公司提供的相关证明：供应商清单等；
- ◆ 您的供应商出具的木材来源合法性声明；
- ◆ 我们向供应商要求提供证明文件，但供应商无法提供；
- ◆ 我们无法收集到一级供应商提供的任何合法性/可持续性证明文件,即使通过中间的二三级采购商向一级供应商要求也是如此；
- ◆ 其它

18. 在获取上述证明文件中，您所面临的挑战和困难是？请针对原材料的来源和树种分别回答

- ◆ 采伐国尚未建立相应的制度或体系证明采伐合法性/我不了解是否存在这样的体系。

- ◆ 我所合作的出口公司不是种植和采伐公司，没有相关文件。
- ◆ 采伐国执行能力薄弱，文件发放无据可查，索求资金用途不明等。
- ◆ 其他原因

19. 当前，您采取了哪些措施确保进口木材与木制品的采伐时的合法性/可持续性？请针对原材料的来源和树种尽可能详细地分别回答。

- ◆ 选择更容易追溯供应链的供应商或进口来源国（如源头供应商或采购渠道、方式多样化的供应商）
- ◆ 通过建立自己的上游供应商或投资现有供应商来加强可追溯性
- ◆ 通过引入区块链技术加强可追溯性。
- ◆ 支持您的供应商获得森林认证，合法性认证等
- ◆ 与供应商所在国政府和行业协会协商，以获得合法性文件(如支持体系建设、能力建设等)。
- ◆ 要求您的供应商保证他们供应的木材和木材产品不是来自非法采伐。
- ◆ 加强与专业机构的交流:中国林科院科技信息所, 中国木材与木制品流通协会，中国林产工业协会，中国负责任林产品贸易与投资联盟等
- ◆ 其它

如果贵公司从中国采伐木材【转 20 题~25 题】

20. 在中国采伐木材时，您是否要求取得木材与木制品合法性/可持续性证明？请针对原材料的来源和树种分别回答

- ◆ 不，我们没有要求【转 21 题】。
- ◆ 是的，我们有要求，但我们的供应商没有提供【转 22 题】。
- ◆ 是的，我们有要求，我们的供应商有提供【转 20a, 22 题】。

20a 您的供应商能提供的是

- ◆ 提供所有木材或木制品的木材合法性证明
- ◆ 部分木材与木制品的合法性证明

21. 您为何没有向供应商要求提供木材合法性/可持续性证明文件呢？

- ◆ 您的下游采购方没有要求证明文件证明木材与木制品的采伐时的合法性/可持续性
- ◆ 您的下游采购方有要求资料（文件等）证明木材与木制品的合法性/可持续性，但认为即使没有相关文件，从事业务涉及非法采伐的风险也极其微小。
- ◆ 其他原因

22. 为什么要求木材合法性/可持续性证明文件？

- ◆ 需求来自客户。客户来自于国内/国外（请标注）【转到 27 题】
- ◆ 《森林法》的规定等。
- ◆ 来自中国政府和行业团体的指南。
- ◆ 用于海外市场的销售，如欧盟、美国、澳大利亚等，这些国家需要合法性证明文件。
- ◆ 其它原因

23. （接上题）您认为下列选项中，贵公司向供应商索取何种证明文件来证明采伐时的合法性/可持续性？您怎样检核这些资料？针对相关资料的诉求，您的客户是支持态度吗？如是，采取的是什么行动呢(如财务支持、价格溢价等)？

- ◆ 政府颁发的伐木许可证
- ◆ 政府颁发的合法性认证。如有，您向县级或市级以上政府申请文件吗？合法性认证是针对产品还是工厂进行颁发？
- ◆ 供应商出入库台账

- ◆ 第三方森林认证(FSC、PEFC)或合法性验证(木材合法性验证等)
- ◆ 供应商提供的木材来源合法性声明
- ◆ 其它

24. (接上题) 在获取中国国产木材的合法性认证文件和及检核采伐时的合法性/可持续性中, 您所面临的挑战和困难是? 如供应链过于复杂, 由于交易类型不同导致信息中断等。

25. (接上题) 当前, 您采取了哪些措施确保中国国产材的来源合法性/可持续性? 我们理解许多木材加工公司从大量的农民那里采购中国国产材, 并意识到从所有农民那里收集采伐许可证可能很困难。因此, 我们有兴趣了解中国的木材加工企业是如何解决这些挑战的。

- ◆ 我们不认为确保木材与木制品的合法性/可持续性是不必要的。
- ◆ 选择更容易追溯供应链的供应商(如源头供应商或采购渠道、方式多样化的供应商)
- ◆ 通过建立自己的上游供应商或投资现有供应商来加强可追溯性
- ◆ 通过引入区块链技术加强可追溯性。
- ◆ 支持您的供应商获得森林认证, 合法性认证等
- ◆ 要求您的供应商保证他们供应的木材和木材产品不是来自非法采伐。
- ◆ 与外部专家进行信息交换, 外部专家:中国林科院科技信息所, 中国木材与木制品流通协会, 中国林产工业协会, 中国负责任林产品贸易与投资联盟等
- ◆ 其它

在销售木材与木制品时

26. (接上题) 在下列选项中, 贵公司向客户提供何种文件来证明木材来源合法性/可持续性(未参杂来源非法或不明的木材)? 请针对原材料的来源和树种分别回答

- ◆ 采伐国政府颁发的合法性文件/或上游供应商提供的相关证明： 出口许可证， 伐木许可证， 合法性认证等；
- ◆ 第三方认证或上游供应商提供的相关证明： 如森林认证 (FM, CoC; FSC, PEFC, CFCS, 等), 合法性认证, 尽职调查证明等；
- ◆ 贵公司自有森林认证 (CoC 认证)、 中国木材合法性认定, 中国木材与木制品流通协会的木材合法性清单、 尽职调查证书等。
- ◆ 贵公司出具的木材来源合法性声明。
- ◆ 贵公司的采购流程文件纪要、 供应商清单等。
- ◆ 其它

其它

27. 中华人民共和国森林法 (2019 年修订) 要求木材行业建立出入库台账系统, 但目前森林法实施条例还未正式公布。请问贵公司是否建立了出入库台账? 它是否包括关于木材合法性的相关信息?

28. 您认为客户在未来会不会要求更多的文件来证明木材来源合法/可持续? 如果是, 原因是什么?

29. 对于客户针对采伐过程中对合法性和可持续性的询问, 您有什么看法?

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