Case Study Summary — Session 3, 29 June 2026

Case Study 3: Timber, Romania

• Country risk benchmarking • simplified due diligence • supply-chain complexity • national tracking systems • environmental legality • downstream operators and substantiated concerns

Disclaimer: This summary was prepared by the co-facilitators of the EUDR Community of Practice (CoP). It is intended to share the key points discussed in the core group with the wider community of practice to foster mutual understanding, readiness, and alignment among the different actors involved. They should not be interpreted as definitive positions of different stakeholder groups or as representing what may be deemed compliant by the participating Competent Authorities. Rather, many of the recommendations and observations captured in this report point to what could be considered examples of good practices for the early implementation of the EUDR.

1. Case setting

Company A, a large Romanian producer, harvests beech and oak timber from privately owned forests. Romania is one of the EU's largest producers of commercial hardwood and holds some of the most significant primary beech forests remaining in temperate Europe, including UNESCO World Heritage-listed primeval beech forests. It is also one of the most extensively documented cases of large-scale illegal logging in the EU, with EU auditors, the European Commission and numerous civil society organisations having identified systemic failures in the country's forest governance over the past decade. A national timber-tracking system was introduced to help address these failures, though questions remain about the completeness and integrity of the data it holds.
Company A sells logs to a second Romanian company (Company B), which processes them into plywood. Company B in turn supplies further downstream customers, including a larger company (Company C) with more demanding information requirements, and ultimately to manufacturers producing finished products for EU and non-EU markets.

Romania is classified as a low-risk country under the EUDR country benchmarking system. The discussion started from Company A's obligations as the primary operator and how far Romania's low-risk classification changes what it must do, then extended to how downstream actors (Company B, Company C and further downstream buyers) can rely on Company A's due diligence statement, how simplified due diligence works in practice for micro and small forest owners and logging companies within the wider supply chain, and how a substantiated concern would be identified and handled if raised.

2. Legality issues in play

The case was built around several legal and structural issues that recur across timber supply chains in the EU:

- Country risk classification versus governance risk: Romania is officially classified as low-risk yet is one of the most documented cases of large-scale illegal logging in the EU, raising the question of how much weight a benchmark classification should carry against other credible governance information for a specific commodity sector.

- Diversity of ownership and harvesting-rights models: who owns the forest, who holds the right to harvest, and which entity is legally "placing on the market" for the first time varies significantly across EU Member States and is not always the same entity as the forest owner.
- The national timber tracking system: introduced specifically to counter illegal logging, but its reliability and the extent to which it can be relied on as proof of legality (rather than proof of registered movement) was repeatedly questioned.
- Environmental legality beyond deforestation: legality obligations extend to compliance with protected-area designations (such as Natura 2000), environmental permits and habitat protection requirements, which are distinct from the deforestation-free criterion.
- Micro and small operator obligations: simplified due diligence rules for small forest owners, micro undertakings and small logging companies remain genuinely ambiguous, particularly around what counts as the operator itself having "produced" (grown, harvested, obtained from, or raised) the timber, and how often a simplified declaration must be updated.
- Downstream reliance and substantiated concerns: what a downstream operator receives (typically a due diligence statement reference number, without full underlying supply-chain or geolocation detail), and what it is expected to do if a concern is raised, several tiers removed from the original due diligence statement.

3. Key challenges and good practices by theme

3.1 Country risk classification versus governance risk

Key challenges:

- A country's official low-risk classification does not, on its own, reflect the full governance picture: Romania is officially low-risk yet has one of the most extensively documented histories of large-scale illegal logging in the EU.
- Corruption indices and other international frameworks have flagged sourcing-country risk for years, independently of the EUDR benchmark, creating two parallel risk pictures.
- Low-risk classification affects the level of procedural due diligence required, but several participants were firm that this must not be conflated with a conclusion about actual legality.

Good practices identified:

- Treat the EUDR country benchmark as one input among several and maintain an internal sourcing risk classification that can diverge from — and be more conservative than — the official benchmark where a company's own information (governance reports, media investigations, prior experience) warrants it.
- Keep two distinct questions separate within the due diligence system: what the country benchmark requires procedurally, and what the underlying evidence says about legality and deforestation risk, regardless of benchmark status.
- Companies with international sourcing footprints should apply consistent risk screening across markets rather than relying solely on the EU classification, since other jurisdictions' import regimes may classify the same origin differently.

3.2 Simplified due diligence and micro/small operators

Key challenges:

- Simplified due diligence removes certain procedural steps (such as formal risk assessment and mitigation) for operators in low-risk countries, but does not remove the underlying obligation to hold evidence of legality — participants were clear this is "simplified," not "none."
- The rules on what counts as a micro or small primary operator (MSPO) remain genuinely contested: whether the product must have been grown, harvested, obtained from, or raised specifically on land the operator itself holds is read differently by different participants, and this affects who must file a due diligence statement.
- There is real uncertainty about how often a simplified declaration must be updated by MSPOs, with conflicting signals between a "once in a lifetime" filing and a requirement to update whenever a new plot of land is harvested — a significant practical issue for small logging companies harvesting many small, changing plots each year.
- Small logging companies — often businesses with only a handful of staff focused entirely on physical harvesting — supply a very large share of raw material entering the wider supply chain, yet were described as the part of the chain furthest removed from EUDR awareness and administrative capacity.

Good practices identified:

- Even where simplified due diligence applies, maintain coherent and credible documentation sufficient to demonstrate — not just assert — that legality requirements were met, including evidence that the land or harvesting right was properly held.
- Use authorised representatives or cooperative structures to support micro and small forest owners with filing obligations, while recognising the challenge on how much operational information (such as precise harvesting locations) can be shared with a representative that may also be a market competitor.
- Build a mechanism to track when a small operator's circumstances change (new plots, new harvesting activity) so declarations can be updated promptly, rather than assuming a single filing is always sufficient.
- Seek clarification collectively, through industry bodies and competent authorities, on genuinely ambiguous points of interpretation, rather than each company adopting a different reading independently.

3.3 Supply-chain complexity and identifying "the operator"

Key challenges:

- Real-world timber supply chains involve a wide range of actors — forest owners, harvesting contractors, logging companies, cooperatives, associations, traders and processors — and the same scenario can look very different depending on whether the harvesting entity is also the landowner or a separate legal entity.
- Business models for how timber changes hands differ significantly by country: in some regions forest owners sell already-felled logs at auction; in others only the right to harvest standing timber is sold, and the entity exercising that right effectively becomes the first operator; in others still, forest owners sell standing timber directly.
- These structural differences make it genuinely difficult, in some scenarios, to identify with confidence which entity is legally "placing on the market" for the first time and therefore carries full due diligence

obligations, versus which entity is a downstream buyer relying on someone else's due diligence statement.

Good practices identified:

- Map the specific ownership and harvesting-rights structure for each sourcing relationship individually, rather than assuming a single model applies across an entire supplier base.
- Where by-products or partial volumes are sold onward from a forestry operation — a very common occurrence — assess separately whether this constitutes a distinct first placement on the market, rather than assuming the whole harvested volume follows the same due diligence pathway as the primary product.
- Where the operator role is ambiguous, document the reasoning used to determine who is treated as the operator for due diligence purposes, so the determination can be explained and defended to a competent authority.

3.4 National tracking systems and traceability

Key challenges:

- Romania's national timber tracking system was introduced specifically to counter illegal logging, but participants raised persistent questions about the integrity and completeness of the data it holds, given the country's documented governance history.
- A tracking system can confirm that a declared volume and its movement were recorded, but this is a different question from whether the underlying harvest was actually lawful; participants gave examples of illegally sourced timber being blended with legally sourced material after entering a formal tracking chain.
- Access to the more granular parts of a national system (for example, detailed volume and operator-level data) is often not available to operators further down the supply chain, limiting what a downstream buyer can independently verify.

Good practices identified:

- Treat a national tracking system as a valuable and largely credible transparency tool — it allows operators to check their own numbers and transport documentation — but combine it with other verification (site-level checks, third-party reports, satellite monitoring) rather than treating registration in the system as proof of legality on its own.
- Where a company holds additional certification or otherwise goes beyond the national system's baseline, use that as a complementary layer of assurance, while recognising that the national system reflects a legal floor rather than a sustainability ceiling.
- Continue to develop and share sampling and laboratory verification techniques (such as species or isotope testing) as a way of cross-checking documented origin claims against physical evidence.

3.5 Evidence quality and environmental legality beyond deforestation

Key challenges:

- Confidence in legality depends on whether documentation is credible and internally consistent, not merely on whether the right categories of documents exist; permits, harvesting plans and transport records need to plausibly reflect what actually happened on the ground.

- Legality obligations extend beyond the deforestation-free criterion to other environmental requirements, including protected-area designations such as Natura 2000, environmental permits and habitat protection rules, which vary significantly between countries and landscapes and are not always captured by deforestation-focused monitoring.
- Satellite and remote-sensing tools were seen as useful but limited: different providers can apply different methodologies and reach different conclusions for the same area, and no single tool discussed was considered sufficient on its own to confirm ground-level legality.

Good practices identified:

- Combine documentary evidence with external, independent sources — NGO reports, governance assessments, media investigations, satellite monitoring — to test whether the documentation presents a credible and coherent account, rather than relying on internal paperwork alone.
- Build an explicit environmental-legality check into the due diligence system, separate from but coordinated with the deforestation-free assessment, covering protected areas, permits and habitat requirements relevant to the specific sourcing landscape.
- Where remote-sensing or satellite tools are used, document their known limitations and the reasoning applied when outputs conflict with other evidence, since this reasoning is itself part of a defensible due diligence file.

3.6 Downstream operators and substantiated concerns

Key challenges:

- Downstream operators generally receive only a due diligence statement reference number rather than the full underlying supply-chain and geolocation information, and cannot always access even basic location-verification data.
- How far a downstream operator's obligation to investigate extends when a substantiated concern is raised is not fully settled: participants agreed a large downstream operator has a duty to inform the competent authority and should generally not place further product on the market while it verifies the concern, but views differed on the practical depth of investigation expected several tiers removed from the original operator.
- The further down the supply chain an actor sits, the harder it becomes to trace a concern back to its source, particularly once an intermediate product has been mixed or processed (for example, fibre entering a continuous production process from many different sources), making it practically difficult to isolate and withhold only the affected volume.
- There is an important legal distinction, as in other commodity cases, between general public information (a media report) and a formally lodged, evidence-backed substantiated concern; only the latter creates a clear duty to act and a defined assessment process.

Good practices identified:

- Retain, at minimum, the upstream due diligence statement reference and supplier identity for every purchase, so a downstream operator can demonstrate a documented link back through the supply chain if a concern is raised.
- Build a proportionate, risk-based supplier verification approach — full re-verification of every supplier may be unrealistic, but operators can prioritise higher-volume or higher-risk suppliers for closer scrutiny and periodic sampling.

- When a concern is credible and confirmed, engage suppliers directly to understand what happened and how their due diligence system operates, using the dialogue both to resolve the immediate issue and to strengthen the due diligence relationship going forward.
- Treat contractual requests for additional information (such as species or precise origin detail) as a channel separate from regulatory obligations: a buyer can request more than the EUDR strictly requires through its own contracts, without this becoming a universal downstream mandate that overwhelms the traceability system.

3.7 Country tools, information volume and coordination across competent authorities

Key challenges:

- Very large volumes of information are potentially available to operators and competent authorities (tracking-system data, satellite imagery analysis, certification records, NGO and governance reports), but no single source was seen as sufficient on its own, and using them consistently and proportionately across a large supplier base is a major practical challenge.
- Some information exists within systems but is not equally accessible to all actors: a competent authority may see far more detail in a national tracking system than a downstream operator or certification body can access, or the contrary in other cases.
- A country's benchmark classification does not necessarily reflect the resources or scrutiny actually available: even where a country is officially low-risk, trade volumes and limited authority resources make comprehensive, document-by-document checking practically impossible, so authorities inevitably rely on volume-based sampling and targeted signals rather than exhaustive review.

Good practices identified:

- Support the development of a shared, cross-authority reference point for country-level legal frameworks (supporting the implementation of a Commission-level national legislation repository), so that competent authorities are not each independently re-researching the same origin-country legal frameworks.
- Encourage competent authorities to share practical experience and interpretation with one another, including through structured mechanisms such as dry runs and pilot checks, to build a more consistent, cross-border approach to how similar risk signals are treated.
- Operators should proactively explain their information sources, sampling methodology and reasoning to a competent authority rather than waiting to be asked, since transparency in how due diligence conclusions were reached was repeatedly identified as something competent authorities value highly.
- Where a national tracking or benchmark tool has known limitations, treat this as a standing input to be monitored and documented over time within the due diligence system, rather than a one-off consideration addressed only at onboarding.

4. Cross-Cutting Learning Points

- Simplified due diligence is not the same as no due diligence. Procedural steps may be reduced for low-risk-country operators, but the underlying obligation to hold credible evidence of legality remains.
- Country benchmarking is a starting point for due diligence, not a substitute for judgement — a low-risk classification may say something about supply-chain impacts on forests, not about whether a specific consignment is legal.

- Traceability and registration in a national tracking system confirm that a declared volume and its movement were recorded; they do not, by themselves, confirm that the underlying harvest was lawful.
- Timber supply chains are structurally more varied than a simple two-operator model assumes: who counts as "the operator" depends on country-specific ownership and harvesting-rights arrangements, and this materially changes where due diligence obligations sit.
- The scope of a downstream operator's duty to investigate, and how much information it can access, changes with company size, supply-chain position and the nature of any concern received — and becomes harder to exercise the further downstream an actor sits.
- As timber moves into an unusually wide range of downstream products and markets, information generated for EUDR purposes routinely should serve additional commercial and regulatory purposes beyond the minimum legal requirement.
- Effective implementation depends as much on how information is verified, shared and acted upon as on how much of it is generated in the first place.

5. Summary

This case illustrated that legality due diligence for timber cannot rely on a country's benchmark classification, a national tracking system, or document collection in isolation. Effective practice combines an internal risk view that can be more conservative than the official benchmark, a clear-eyed mapping of who actually holds the operator role in a given supply-chain structure, layered verification that goes beyond a single tracking or satellite tool, an explicit check on environmental legality requirements beyond deforestation, and a well-defined internal process for handling substantiated concerns as they arise several tiers down the chain. As with the cocoa case, participants converged on the same underlying principle: legality due diligence under the EUDR is judged on the reasonableness, proportionality and documentation of the process an operator follows, including how it explains and defends that process to a competent authority.