

Caught on camera: €1.5bn illegal trade in Russian timber across the EU

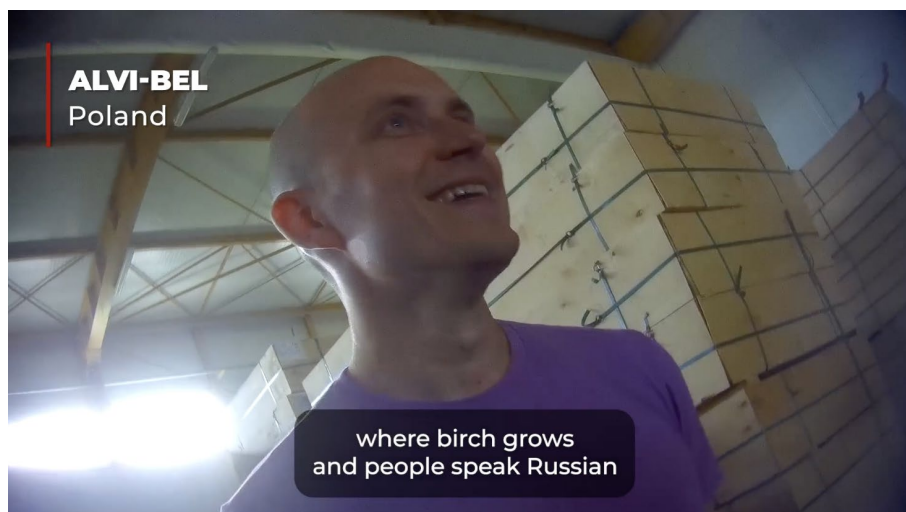
Caught on camera: Firms admit laundering Russian wood into the EU, in sanctions-busting trade worth over €1.5bn

- Investigation finds 20 lorry-loads of sanctions-busting birch plywood entering the EU daily, with all 27 member states implicated.
- Caught on camera in undercover voice calls and meetings and in leaked internal documents: overseas firms and EU traders admit to sanction-busting, in “gold mine” trade worth over €1.5 billion.
- European firms making toys, flooring and furniture, as well as the world’s largest maker of climbing walls, also identified as having bought birch ply from exporters who in turn admitted trading illegal wood, but deny wrongdoing.
- Authorities given ample evidence, but failed to stop the trade that is now at near record levels.
- Seven of the top ten Russian birch ply exporters are still supplying the EU, Earthsight finds. Profits flowing to oligarchs that met with Putin the same day Ukraine invaded. State owned forests are a major revenue source for Russian war machine.

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Investigators at UK-based non-profit, Earthsight, have uncovered a booming trade in illegal Russian timber stretching throughout Europe and breaching war sanctions.

The investigation ‘[Blood-stained birch: exposing the EU trade in Russian conflict ply](#),’ caught firms on camera, in voice calls and through internal documents arranging a steady flow of Russian plywood into the EU. These companies are selling their illegal wood across the continent, and their customers include important manufacturers of climbing walls, toys, flooring, furniture and other products.



Earthsight’s undercover investigators expose firms smuggling Russian plywood into Europe

Posing as buyers over a 9 month period, the investigative non-profit Earthsight recorded traders admitting the practice is illegal, calling it a “gold mine” and suggesting techniques to avoid detection.

The UK-based NGO estimates that more than 500,000 cubic metres of blood timber, with a retail value of over 1.5 billion Euros, has flowed from Russia through third countries and into the EU since [sanctions](#) were imposed in July 2022. The imports are now at some of the highest levels ever seen. Over 700 cubic metres are arriving at EU ports and borders every day, equivalent to 20 large lorries or shipping containers. [All 27](#) EU member states receive likely illegal ply, with the largest volumes shipped to Poland, followed by Germany, Spain, Portugal, Italy and Estonia.

Long valued in construction for its physical properties, in recent years consumption of birch plywood in the US and Europe has skyrocketed. It is used in an increasing number of everyday products and has taken the interior design world by storm, with multiple social media influencers and design blogs recommending its use in [kitchens](#) and [furniture](#).

Seven of the top ten Russian birch ply exporters are still supplying the EU, the investigation found. Two of these firms are linked to billionaire oligarchs who met with Putin on the day of the invasion of Ukraine. One, Alexei Mordashov, is on the EU's sanctions list while the other, Vladimir Yevtushenkov, is the main shareholder of Russia's largest logging firm. Belarusian state-owned firms are helping facilitate the trade and also selling banned wood products to the EU, Earthsight's investigation revealed.

Timber contributes significantly to Russian GDP and exports. All forests are state owned. The military even directly controls and profits from [forests](#) that cover more than one and a half times the size of Belgium. Earthsight did not investigate the precise origin of Russian timber entering Europe.

To hide the trade, Russian firms told Earthsight they launder the ply via third countries, often Kazakhstan or Turkey. Most flows through China, where firms recorded by Earthsight were the most brazen about sanctions busting. Trade statistics and customs records examined by Earthsight show the business is booming.

Several EU firms admitted buying illegal Russian plywood in covert recordings. Although these firms are traders, selling the ply on to others, the investigation also names several prominent EU customers of firms which admitted laundering Russian plywood.

One such customer is the world's largest manufacturer of artificial climbing walls and supplier for qualifying rounds for the 2024 Paris Olympics, Bulgarian firm Walltopia.

Another customer is Estonian firm Technomar and Adrem, which supplies flooring to the Radisson, Hilton and Marriott hotel chains. Others include Werxal in Poland, which supplies furniture retailer Black Red White, and a Bulgarian toy manufacturer Komfort, which claims to supply some of Europe's biggest wooden toy companies. Customers also include Spanish wholesaler Forest Traffic and Italian flooring firm Castellana Legnami. It is not known whether they have purchased Russian wood, and there is no evidence these firms have knowingly breached sanctions. But at a minimum, the findings suggest they should be being much more careful about who they do business with.

Walltopia, Werxal and Black Red White did not respond to requests for comment on Earthsight's findings. Technomar, Komfort, Forest Traffic and Castellana Legnami denied any wrongdoing. Further details about responses received from companies featured in our report are set out below.

Since early 2023, Earthsight has been sharing its findings with authorities across the EU, but has received little response. Enforcement has remained sporadic and is insufficient to deter illegal imports, with the trade now booming. Brussels shares the blame for having failed to

coordinate national enforcement, Earthsight said, calling for greater leadership from the European Commission. Earthsight is also calling for timber sanctions to be amended to include goods made with Russian timber in third countries, making enforcement easier.

Earthsight's timber and sanctions team lead Tara Ganesh said: *"Profit-hungry smugglers find it all too easy to launder plywood through third countries and into Europe via soft entry points. It's so easy that as much as a fifth of all the birch ply on sale in Europe today is thought to be illegal Russian blood timber. With the outlook for Ukraine looking bleak, Poland should use its current Presidency of the EU to end this blood-stained trade once and for all."*

Ends

Earthsight is a UK-based non-profit organisation that uses in-depth investigations to expose environmental and social crime, injustice and the links to global consumption.

Blood-stained Birch: exposing the EU trade in Russian conflict ply is published here: <https://www.earthsight.org.uk/blood-stained-birch>

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Notes:

- Earthsight's findings indicate that it is fair to assume that all additional plywood imports into the EU from laundering countries (Turkey, Kazakhstan, China and Georgia) since the sanctions took effect are of Russian-origin. That amounts to 525,522 cubic metres in the two years from July 2022 to October 2024. Using typical current retail prices per plywood sheet, converted into cubic metres, Earthsight estimates the imports were worth over €1.5 billion.
- Recognising the importance of the industry to [Russia](#) and its ally [Belarus](#) and related appeals by [civil society](#) after the invasion, the EU sanctioned wood imports from these countries. A separate appeal by the [Ukrainian Parliament](#) in 2023 also calls on other governments to ban the trade.
- Alexei Mordashov heads plywood giant Sveza, the world's leading manufacturer of birch ply, while Vladimir Yevtushenkov heads timber giant Segezha. Segezha's parent firm Sistema was sanctioned in the US last year. Mordashov and Yevtushenkov were among a group of industry leaders who met with Putin to discuss implications of sanctions for Russian businesses the day Ukraine was invaded. See [here](#) for a release about the Feb 24 2022 meeting and [here](#) for a participant list. According to a 2024 Forbes ranking, Mordashov is among the 100 [richest people in the world](#). He was sanctioned by the EU in the wake of the Ukraine invasion. Both men have sought to circumvent sanctions on them by shifting majority control of Sveza and Segezha or their parent companies to relatives or proxies. They remain the largest shareholders however. See report for more

details and references.

- Italian firm Castellana Legnami denied wrongdoing while Earthsight did not receive any response from Werxal, Black Red White or Walltopia. Spanish firm Forest Traffic stressed that its due diligence system for timber legality had been reviewed and endorsed by the competent Spanish authorities as well as international monitoring company Bureau Veritas. It told Earthsight that the information supplied by its Chinese supplier was “audited annually by organisations such as FSC” and that it was a victim of its Chinese supplier, and “in no way a collaborator”. Technomar and Adrem told Earthsight that independent audits, together with documents provided by its supplier showed that the birch plywood it purchased was produced in Kazakhstan and that the raw material came from Kazakhstani forests. The company also said that most of the birch plywood it uses is made in Ukraine. Company responses can be accessed in full [here](#).