



# De-mystifying Sustainable Forest Management Certification

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This paper aims to answer the most frequently asked questions on sustainable forest management, chain of custody certification and logo use.

## WHAT IS FOREST CERTIFICATION ALL ABOUT?

The process of forest certification is designed to provide independent verification that forests are managed sustainably, according to prescribed standards or criteria of sustainable forest management (SFM).

The basic objectives of Forest Certification are to ensure that buyers and users of forest-based products can be assured that the products they buy originate from trees which have been harvested legally and come from forests which have been independently assessed as meeting the most rigorous, practical standards of sustainable management.

What defines “Sustainable Forest Management”?

Forests which are certified as being managed sustainably have to meet clearly defined standards or criteria of sustainability based upon the so called “Three Pillars of Sustainability”, or the “triple bottom line” - environmental, social and economic.

Forest management practices must ensure for example that:

- No more wood is harvested than is re-grown
- Forests are managed in accordance with environmental laws and regulations
- Trees are replanted or naturally re-grown after harvesting
- Workers' rights and welfare are protected
- Indigenous peoples' and owners' rights i.e. those who earn their livelihoods from and/or live in the forest, are respected
- Forests are maintained as habitats for wild animals and plants
- Functions of forests for the protection of water, soil and climate are protected
- Biodiversity of forest eco-systems is conserved
- Pesticides and herbicides are avoided whenever possible
- The origin of the wood raw material is verified.

The management systems must ensure, for example, that the rights of indigenous peoples and forest-dependent communities are protected, that their voices are listened to and respected in the development of management schemes and that forest management makes a positive contribution to their lives and well being.

Finally, the management process must be economically viable, both to ensure that the forest management is sustainable over time and to provide economic benefit to the forest-dependent communities.

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### **IF FOREST CERTIFICATION IS A FOREST MANAGEMENT PROCESS, WHY DO CUSTOMERS ASK SUPPLIERS LIKE PAPER MILLS OR CORRUGATED BOX MANUFACTURERS TO GET CERTIFIED? THEY DON'T MANAGE ANY FORESTS.**

There are two separate certification processes. Firstly, the actual forest management standard which determines rules and guidelines for the management of the forests. However, its remit ends at the forest gate.

Then there is "Chain of Custody" certification. This is a separate process designed to prove that material which is verified as coming from certified forests is actually what it says it is.

The name of the process is essentially self explanatory. For the final customer to be assured that they are buying certified material which originated from properly and legally certified forests there has to be an unbroken Chain of Custody from the forest, through all the production and conversion processes, to the final user.

### **WHAT DO I HAVE TO DO TO GET A CHAIN OF CUSTODY CERTIFICATE?**

You have to put in place a robust and auditable system, which ensures that you have full control over your incoming raw materials through your manufacturing or conversion processes to delivery to your customers. This system will be checked and audited by an independent certifier, who is accredited by the relevant certification scheme. Your certificate will be valid for a number of years, but will be subject to annual audit, to ensure that you are actually doing what your system says you are required to do.

If you have existing management processes, such as ISO 9001, you will probably find Chain of Custody Certification relatively easy to implement and the certifier will almost certainly be able to guide you through at minimum cost. It is certainly recommended that you consider implementing ISO 9001 and/or ISO 14001 (the environmental standard), if you have not already done so, before moving to Chain of Custody. Clearly this may not always be practical and would not stop you from obtaining Chain of Custody Certification.

### **HOW MUCH MIGHT ALL THIS COST?**

The actual audit and certification process may well only cost a few thousand pounds, but the individual sustainable forest management certification scheme may also charge you a fee for the use of their Chain of Custody process. This fee may possibly be based upon the scope of your certificate and/or the size of your business.

Much will also depend on the complexity of your processes, how many sites will be covered, the scope of certification and how much help and consultation you may need to buy in from external sources to put your process in place. As with any commercial exercise, it is strongly recommended that you define exactly what you want to achieve and then get more than one quotation for implementing it. Each of the major forest certification schemes will have a number of accredited Certifiers to conduct the certification on its behalf.

### **ONCE I HAVE CHAIN OF CUSTODY CERTIFICATION, CAN I CLAIM THAT EVERYTHING I MAKE IS CERTIFIED?**

The Chain of Custody Certificate applies only to those products which are covered by the scope of your certificate and which are based on raw materials or products which have come into your facility with their own Chain of Custody Certificate.

You will be required to provide evidence to the Certifier that you have absolute control over the goods in your possession and can demonstrate that what goes out as certified is based solely on materials that came in as certified.

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Depending on the type of logo that you may wish to use, this will mean either physical separation, or very tight measurement and reconciliation of your inventories and usage. Your Chain of Custody Certificate will be “scoped”, i.e. it will define exactly what it is that it covers. It certainly does not have to cover everything you make or sell.

You may indeed want to cover all your production, but, equally, if you buy a wide range of raw materials and/or supply a wide range of products, you may only want to cover a limited range of your production. There may be raw materials for some product lines that can not be supplied from certified sources.

If there is no customer demand for certified product and non-certified raw materials are cheaper, you may want to limit the scope of your certificate to just those product lines where certification adds value.

Although it is obviously easier to simply cover all your production under one Chain of Custody Certificate, you should find that once you have robust management processes in place, it is not that difficult to separate out your process flows to run both certified and non certified lines.

### **THERE IS MORE THAN ONE FOREST CERTIFICATION SCHEME. DO I REQUIRE A SEPARATE CHAIN OF CUSTODY CERTIFICATE FOR EACH?**

Unfortunately the answer is yes. If you want to use, for example, the PEFC and FSC schemes, you will need to have a certificate for each. PEFC recognises that this is far from ideal and that it adds to companies' costs and operating complexities.

For this reason, PEFC has started work to try and develop a single unitary Chain of Custody Certification process, which could be used to cover several certification schemes. However, until this is in place companies will have to have more than one certificate if they want to offer product certified to the different schemes.

There are two questions which any company needs to ask itself:

#### *1. Why am I seeking Certification?*

If it is to present my company as a sustainable supplier, which, as part of a broader corporate social responsibility policy, only uses certified raw materials, then I can opt for one scheme, offering the widest practical range of products. However, if I am under pressure from customers to deliver products which they require to be certified to a particular scheme, I may have no choice but to opt for more than one certificate.

#### *2. Can I be fairly certain that I will need to be certified to more than one scheme?*

If the answer to this question is yes, then I should choose dual certification from the outset. I don't want to do one and then the other as this will be more expensive.

The certification processes are virtually identical. After all the certifier is not measuring a forest management standard, only a control process. The certifier can achieve significant economies by certifying two or more schemes at the same time. The price for doing two schemes at once ought to be significantly less than certifying them separately.

### **ALL THIS SOUNDS VERY COMPLICATED. DO I REALLY NEED TO GET CHAIN OF CUSTODY CERTIFICATION? IF I SIMPLY SIGN A CONTRACT WITH MY CUSTOMER THAT I WILL ONLY USE MATERIAL FROM CERTIFIED SUPPLIER, WHY DO I NEED A COSTLY CERTIFICATE?**

Chain of custody certification is required because the world is neither a simple nor an honest place. Whilst you will undoubtedly operate with total integrity there are others who do not. In many places false declarations are common place and companies may not have in place management processes which can actually deliver what the company has signed up to.

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The credibility of Forest Certification is dependent on being able to assure users and society at large that certified processes deliver what they say they do and that by using them people are actually benefiting those who have invested in the cause of Global Sustainable Forest Management. Unfortunately, this means having in place a single, rigorous process for everyone.

### **IF MY CUSTOMER TELLS ME WHICH PRODUCT THAT I SHOULD USE AND THEY TAKE RESPONSIBILITY FOR THE CHOICE, DO I STILL NEED TO BE CERTIFIED?**

The obligation for certification passes with legal title to the ownership of the goods. So if you buy goods from a certified supplier, intending to sell them onto a customer as certified, you have to have a Chain of Custody Certificate. This applies whether you actually process the goods and make them into something else, perhaps a corrugated box, or if you sell them on untouched, acting as a dealer or Merchant.

It also applies within integrated companies, where one unit, for example the paper mill, sells certified goods to another unit within the same ownership group. If the goods are sold, from one legal entity to another, legal title passes to the other company who must then be certified. However, if legal title does not pass there is no obligation for separate certification.

An example might be in the magazine publishing sector, where it is very common for the publisher to actually buy the paper directly from the paper mill and to then simply allocate stock to several independent printers. In this case the printers never own the paper and do not, therefore, need to have Chain of Custody Certification. The publisher owns the paper before, during and after the printing process. It is, therefore, just the mill and the publisher, as being the only legal owners of the paper in this section of the chain, who need to have Chain of Custody Certification. The same logic applies within a group, where goods are, for instance, simply transferred between units for processing but where the legal ownership remains the same.

### **IF I HAVE A CHAIN OF CUSTODY CERTIFICATE, CAN I PUT THE SCHEME LOGO ON MY PRODUCT?**

Yes, but only if you have a separate logo license from the scheme owner. This is normally done as part of the Chain of Custody Certification process and, bearing in mind you will probably have anyway paid a fee to the scheme for the issuance of the Chain of Custody Certificate, this is not usually expensive and may even be free of charge. The logo can only be used with your unique license number and with wording that describes the type of certification that you have.

The logo's are registered trademarks and to use them without a license or to use them with the incorrect wording, would be a trademark infringement and dealt with accordingly.

Some companies choose not to use a logo. They regard Chain of Custody Certification as sufficient evidence of delivery of an element of their CSR or sustainability policy and do not wish to confuse consumers with a logo, which may not relate directly to what they themselves are actually selling.

In the case of a box maker, you would not need to print your own logo unless you were making a generic statement that the box was made by a certified producer. It is much more likely that you would be asked to print the logo on behalf of your customer, who would be using it to make the statement that the packaging belonging to the brand owner came from certified sources. In this case you would obviously print the customer's logo with their license number and claim.

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### **WHAT HAPPENS IF I BUY GOODS WHICH ARE SOLD TO ME AS CERTIFIED, BUT THEN TURN OUT NOT SO TO BE? AM I LIABLE?**

As in any commercial process you have a responsibility and a duty of care to check that what you are buying has been supplied legally and is what it says it is. In the case of goods which are Chain of Custody Certified to a Forest Certification scheme you should check three things:

1. That your supplier has a current and valid certificate. You must ask him to show you a copy of his certificate and you should ensure that relevant details are put on all his 5 documents, for instance order confirmations and invoices, even if this is done via EDI (Electronic Data Interchange) links.
2. That the scope of the certificate actually covers what you are buying. There are plenty of examples of companies who say that they are certified, but this may not apply to the particular product that you are purchasing.
3. That the supplier has not had his certificate withdrawn for a breach of the rules. Suppliers may not volunteer this information so you may need to check with the scheme itself (certification details should be available on the scheme website) or with your certifier, that the supplier is still certified. If a certificate has been withdrawn the supplier may still have an apparently valid document in his possession.

If you can show that you have acted in good faith and have taken all reasonable measures to check your sources, you would not be held responsible. However, if you were held to have been negligent you would lose your Chain of Custody Certificate and this would be made public on the certification scheme's website. You clearly can not be held responsible for what happens after you in the supply chain, or further up the chain before your actual supplier. However, it is always in your best interests to check if you are at all suspicious.

### **WOULDN'T IT BE MUCH EASIER IF EVERYONE JUST WENT FOR ISO 14001 CERTIFICATION AND FORGOT ABOUT FOREST CERTIFICATION?**

ISO 14001 and Forest Certification are fulfilling different purposes. The ISO 14001 Environmental standard defines a management process for a business to implement environmental standards. As with any ISO standard, it defines robust and rigorous processes which a company has to use to achieve specified goals. What it does not state is exactly what those goals have to be. Thus, it will set out very clear processes for target setting, implementation, measurement, reporting and corrective action etc., against which a company will be audited. But, it will not say what the actual targets have to be.

Forest Certification schemes actually set out clearly defined standards or criteria which have to be met. In this context, they are less concerned how management achieve them, than that it can be shown that they have been met. The two processes are, in fact, complementary and many companies will argue that ISO standards, for example 9001 and 14001, are essential prerequisites to the implementation of Forest Certification.