



Timber Trade Federation

CE 03 07

NPPD 18 07

URGENT ACTION REQUIRED

TTF Guidance Note on FSC Plywood Products from China

Purpose and Scope

Following a meeting between TTF and the Accreditation Services International (ASI) on 17th July, the TTF is issuing the following guidance note on purchasing FSC Plywood products from China, particularly those with Tropical Hardwood face veneers.

Summary of TTF Advice

All members are advised to check the **forest** source of their FSC suppliers in China, and get copies of the relevant Forest Management Certificate for the FSC plywood products offered. If this information is not available then **the product should not be considered genuine FSC and should not be purchased**, and FSC should be informed immediately together with the supporting evidence.

More detailed background, justification and guidance follows below:

Background

The volume of FSC labelled products exported from China has been rising rapidly in the past few years. There are currently 318 Chain of Custody (CoC) certificates and 5 Forest Management/CoC certificates in China. Nine certification bodies are currently accredited by the FSC, with SGS, SA and GFA responsible for the lion's share of CoC certificates.

FSC created ASI in order to separate out the work of standard setting (FSC Standards) from the management and governance of the FSC scheme through its Certification Bodies. ASI is therefore responsible for accreditation of the certification bodies and for following up any complaints or comments on the scheme.

ASI has received a number of complaints and/or comments about misuse of the FSC label and misunderstanding/abuse of the FSC scheme. TTF invited ASI to discuss these concerns on 17th July resulting in this guidance note.

Summary of the Action planned by ASI

1. Surveillance audits in China in July 2007
2. Surveillance audits in UK/ Europe and in China August 2007
3. Follow-up with Certification Bodies (Corrective Action Requests, etc.)
4. Proposed long term strategy for China
5. Follow-up meeting with the TTF on 5th September 2007

ASI is also working on a proposal to develop a traceability system which can be used by the timber trade, and the certification bodies to check up on the volumes of FSC material entering and leaving mills.

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Depending on the findings of the ASI audits in China to take place in July and August a number of options are available to the FSC including:

1. Identification of the problem (e.g. Controlled Wood, FSC mixed, etc.)
2. Follow up with accredited Certification Bodies. This could lead to the suspension of FSC certificate if the FSC trademark has been misused.
3. Requirement for specific measures to be implemented, such as more frequent auditing and spot checks.
4. Limitation of the scope of certified product groups (e.g. plywood)
5. Limitation on the claims that can be made
6. Longer term collaboration with organisation such as the TTF
7. Publication of companies misusing the FSC trademark
8. Explore possibility of registering the FSC trademark with customs.

Detailed Guidance to TTF Members

The current abuse of FSC labelling of Chinese products has led the TTF to recommend that, pending the outcome of the ASI Audits in July and August 2007, all UK timber traders should take the following steps when purchasing or arranging the purchase of FSC products originating from China:

1. Check that the supplier has a current Chain of Custody Certificate by consulting the FSC website: <http://www.fsc-info.org/> and ensuring that the scope of the certificate includes "production of plywood".
2. Check that the Chain of Custody certificate covers the product groups you are being offered, e.g. if you are offered plywood check that the CoC certificate covers plywood.
3. Check that the product offered has come from FSC sources by asking for the relevant forest management certificates. Note that this is not normally required under FSC rules but under the current circumstances should be considered essential. Note that logs may have originated from a number of different forests.
 - a. If the product offered is 100% FSC then each forest source should have a forest management certificate.
 - b. If the product offered is FSC mixed, then only the FSC component needs to have a forest management certificate, **but the remaining non-FSC component** must meet the Controlled Wood standard (see http://www.fsc.org/en/about/documents/Docs_cent/2,37).

If this evidence is not available then the product should not be considered genuine FSC material and must not be purchased. Furthermore, details of such potentially fraudulent offers should be sent directly to FSC at the email address below, together with any supporting evidence.

Hubert de Bonafos: h.bonafos@accreditation-services.com.

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Members and their Chinese suppliers can also take advantage of two government funded schemes now operational for TTF members in China;

- a) the UK DEFRA-funded China Action Plan, and
- b) the recently approved second phase of the Timber Trade Action Plan (TTAP).

The DEFRA China Action Plan offers an 80% discount on an initial mill assessment whilst TTAP offers a 72% discount to help mills secure and deliver verified legal timber through Chain of Custody. Both schemes are managed on behalf of the TTF by the Tropical Forest Trust. Please contact Andy Roby (ajroby@tff.co.uk) or Liz Betser (lbetser@tff.co.uk) for more information.

Request for information on volumes of FSC

TTF requests that members and non-members supply them with information on volumes of FSC plywood from China which they are currently offering to the UK market, either as landed stock or imminent to arrive. This is in order to determine the scale of genuine FSC Plywood currently available and help identify possible abuses. Please email this information, including supporting evidence, to the TTF at nboulton@tff.co.uk

Audits at points of entry in the UK

TTF also requests that members provide permission to allow ASI inspectors entry to inspect their FSC Chinese timber imports at points of entry into the UK in an effort to better understand the nature of the problem.

Conclusion

It is crucial that these preliminary steps are undertaken to stamp out widespread misuse of the FSC label in the UK supply chain and to maintain the credibility of FSC certification in our market place.

TTF
20th July 2007

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