

Each month TimberTrader News' editor Helen Hatty will take a look at one aspect of the Chain of Custody topic.

# FOREST STEWARDSHIP COUNCIL

**There is always a beginning - in the Chain of Custody the foundation is the forest.**

To ensure your timber comes from a renewable resource, one must firstly look at the various bodies that are authorised to determine if a particular forested area fits into the criteria for sustainable logging.

One of these is the Forest Stewardship Council.

It was established in October 1993 following a meeting in California (USA) of a group of timber users, traders and representatives of environmental and human-rights organisations, who had identified the need for an honest and credible system for identifying well-managed forests as acceptable sources of forest products.

FSC has had a presence in Australia since 2001 when a contact person was appointed.

The mission of FSC Australia is to promote environmentally appropriate, socially beneficial and economically viable management of forests in Australia and countries supplying the Australian forest products market.

We spoke with Michael Spencer, CEO of FSC Australia, about the organisation, and its aims and objectives.

Referring to its achievements overseas, Michael said, "I don't think people involved in those early days expected it would be as successful as it has been.

"A lot of the drivers behind it were the major retailers, such as B&Q in the UK and Home Depot in the USA.

"For them there was an issue around risk management. They didn't want to have timber in their stores that came from a high risk source."

He said the primary focus in Australia was the certification of plantations and native forests.

"It's not so much a marketing driven system but moreso about giving the customer the power to say 'I want wood that meets the standard' and our system delivers that to the customer."

Today there are 180 companies along the supply chain who participate in the FSC Chain of Custody system in Australia. Some are from the pulp, paper and printing

industry and the others are from the building supplies industry.

Michael added that for most companies it is a chance to maximise the value of their product.

"When I first got back from Europe a lot of people would say 'what's FSC?' now they're saying 'someone asked me about that - can you tell me about it?' - so there is a growing awareness."

Explaining FSC certification in more detail, there are two types involved - **Forest Management Certification and Chain of Custody Certification.**

**Forest Management Certification** is basically auditing and checking on the forest management standards from where a resource is being obtained, based on 10 principles and 56 criteria.

"That deals with legality, community and indigenous people's rights, protection of biodiversity and high conservation values, and having appropriate management plans in operating a forest.

"FSC is the owner of the principles and criteria, and FSC National initiatives, such as FSC Australia, will develop standards that are the indicators that an auditor would look for when they do an assessment of the forest.

"The auditors are independent of FSC. There are hence three levels involved - the standards, the accreditation and the auditing."

**Chain of Custody Certification** is about being able to give the customer what you're promising as a certified product. "So you're saying that you know that a particular piece of timber is from a responsibly managed forest."

Michael explained that normally Chain of Custody is a relatively simple thing; "it's just being able to justify the supply chain."

"An auditor will look at your inventory system, whether you can identify FSC or non-FSC certified material, looking at your physical stock control and that you can relate your physical stock back to your inventory system.

"It also looks at your understanding of the FSC system. It's built very much on an ISO system, and if someone already has ISO standards in place they have a walk up start.

"I guess you could say it's a relay race

and you're passing on the baton to make a claim about the product.

"As soon as someone in that supply chain does not have Chain of Custody certification, the baton falls to the ground and it can't be passed on.

"Anyone who takes legal ownership of a product - whether it be the sawmiller or the retailer - anyone who wants to make a claim about that product will need a Chain of Custody Certificate. Often its not very onerous to obtain.

"Once a log has been taken from an FSC Certified forest and passes through a certified sawmill, the wholesaler would then probably only require a transfer system, which is a simplified Chain of Custody audit.

"That is so long as they are not reprocessing or repackaging the timber.

"If a pack was to arrive at a wholesale outlet that was providing a breakdown service of packs, the audit process would be a little more complex but still easily obtained.

"When you get to the retailer end it's a little different.

"If you're not required to pass on the certification to anyone - that is if someone is not going to reprocess the timber and add a label, or you're not selling it to someone who wants to make a claim about the product, then the retailer doesn't necessarily need a Chain of Custody Certification."

Michael said that B&Q in the UK went for many years without holding Chain of Custody Certification but as the nature of the industry changed, they became more like wholesalers because they were selling to people who were re-fabricating as joiners or cabinet makers.

"These re-fabricators wanted to be able to make the certification claims - then B&Q found they needed to become certified."

We asked Michael how a merchant can tell if a product has been FSC certified when it is delivered?

"It should be identifiable by the paperwork accompany the product and the timber itself is marked.

"We have a number of people at that level who have been accredited, and who find it extremely beneficial to be FSC Certified."