

Chain of Custody Certification: Guidebook for BC Wood Product Manufacturers



April 5, 2002

Table of Contents:

1.	Introduction	Page 4
2.	The Chain of Custody Systems: How Do They Compare?	Page 5
3.	The Certifiers	Page 20
4.	Inventory Control Options	Page 21
5.	The Market	Page 22
6.	Conclusions and Recommendations	Page 28

Appendices:

1.	FPAC market share forecast for ISO, CSA, SFI, FSC in Canada	Page 30
2.	Global Trade Network Contact List	Page 31
3.	Internet and telephone survey	Page 36

Available from:

Canadian Mill Services Association
Suite 1115 – 555 Burrard Street
Vancouver, BC V7X 1M8
Tel: (604) 891-1200
Fax: (604) 891-1217

Download a copy from: www.canserve.org



Acknowledgements:

This project was funded by Forest Renewal BC. The project team includes Anita Grey, John Leahy, Rika Hatachi from Canadian Mill Services Association, with support from Mark Shepherd.

The team would like to thank the following organizations and individuals for their contributions:

Bill Downing, Dave Farley and Randi Walker, BC Wood
Ron Hinshaw and Robert Gunn, Forest Renewal BC
Peter Lishman, Ministry of Forests
Wayne Beatty
Richard McRae
Vancouver Public Library – InfoAction

“This is an evolution. Continuous improvement is on everyone’s mind.”
The Home Depot

“Certified forest products have moved from the boutique into the mainstream.”
Certified Forest Products Council

“The marketplace has certainly viewed having choice among certifications as being very positive.”
Major Wood Product Manufacturer in B.C.

“Customers will pay the premium when the benefits justify the price.”
Green-marketing consultant

“what we’re trying to do is allow B.C. producers to get their product into the expanding market.”
FSC-BC

“the demand [for FSC product] is huge and is growing at over 10 percent per year.”
FSC Standard Certifier

“Architects, specifiers and builders are sometimes resistant to changing practices”
Home Builder in California



1. Introduction

In the late 1980s, environmental marketing entered the mainstream. In one study, the number of new products in the United States making an environmental claim of some kind grew from 0.5% in 1985 to a high of 13% in 1992. At the same time, consumer confidence in these claims declined, with only 15% of consumers believing them.¹ In 1998 and 1999, activists picketed 150 Home Depot outlets.² In 2001, the *Wall Street Journal* reported that a “battle” was breaking out over rival labels for “green” wood, that environmentalists were squaring off over duelling seals, and that organizations such as Home Depot had studied the standards to sort through the confusion.³ According to a recent study, the 2001 market penetration for certified products is estimated at 5% in Western Europe and 1% in the U.S. (representing about \$500 million).⁴

To prove to consumers that the forest industry practices responsible sustainable forest management and to help the industry improve its practices, to help consumers of forest products make informed purchase decisions, and to relieve the pressure from activists, various stakeholder groups have introduced voluntary and often competing sustainable forest management (SFM) programs. The programs promote improved forest management, verify product claims, and reward change. The certifications of participant companies and the authorized use of their logos are intended to establish important facts in the market about the products.

In British Columbia, there are at least four sustainable forest management programs relevant to the wood products industry.

1. Canada's National Sustainable Forest Management Standard (CAN/CSA Z809). See the following Internet sites for more specific information about these programs:
 - a. www.csa.ca/products/
 - b. www.csa-international.org/certification/forestry/
2. Sustainable Forest Initiative (SFI)
 - a. www.afandpa.org
 - b. www.aboutsfb.org
3. Forest Stewardship Council (FSC) Principles and Criteria
 - a. www.fscoax.org
 - b. www.certified-forests.org/cocc.htm
4. Pan-European Forest Certification (PEFC)
 - a. www.pefc.org

There are two types of certification: forest management and chain of custody.

The goals of this guidebook are to help fill gaps in the popular understanding about chain of custody (CoC) programs by comparing the procedures associated with each. This

information is intended to encourage more wood product producers to investigate options and consider ways to further differentiate themselves. The guidebook also explores market opportunities for wood products certified as having been derived from sustainable managed forests.

There are many sources of information on SFM certification, and their respective chain of custody systems. One important source in this constantly evolving field is the B.C. Ministry of Forests. The Ministry has established a series of “Forest Management Certification” web pages (www.for.gov.bc.ca) that address the government’s roles and responsibilities, given that over 90% of the forest resource in B.C. is owned by the public. The site also provides periodic status reports on SFM certification programs. Natural Resources Canada and the Canadian Forest Service also have informative Internet sites (www.nrcan.gc.ca).

Other sources that should be consulted include:

- Sustainable Forestry and Certification Watch. This independent, non-profit organization does a good job to enhance the understanding of forest certification and its implications, specifically for SFM, international forest policy, trade in forest products and consumer information through its web site (www.sfcw.org), “Sustainable Forestry & Certification Watch” newsletter, conferences and other activities.
- Canadian Sustainable Forestry Certification Coalition. Contact information is available at <http://www.sfms.com/>. This site identifies Canadian companies that are certified to CSA, SFI, FSC as well as ISO standards.
- Certified Forest Products Council. Want to know more about promoting responsible forest products buying practices? See www.certifiedwood.com.
- Other sources include: the Meridian Institute report at www.merid.org, and the independent Certified Wood Products Market www.certwdmkt.com.

Check the *Logging and Sawmilling Journal* for an upcoming wall-chart on CSA, FSC, ISO, SFI and BC Forest Practices Code certification programs.

2. The Chain of Custody Systems

Canada’s National Sustainable Forest Standard: CAN/CSA Z809 and CSA Plus 1163

The Canadian Standards Association (CSA) is a national standards-writing organization that develops national standards and certification programs in a range of technical fields. CSA functions as an independent third party, providing a structure and a forum for developing standards.



The CSA, Canadian forest industry and other stakeholders developed and introduced the CSA Sustainable Forest Management Standards in 1996. The standards are consistent with the ISO 14001 management system-based approach. The standards require forest companies to establish a comprehensive SFM system and on-the-ground performance objectives. As a minimum, companies must address 21 critical elements set by the Canadian Council of Forest Ministers in the National Forest Strategy in 1992. Companies must also address local values identified in a public participation process. Companies seeking to certify a defined forest area (DFA) through the CSA must undergo an independent third-party audit of their management system and field inspections to confirm the attainment of performance objectives.

The CSA chain of custody document, **CSA Plus 1163**, outlines the minimum requirements for a CoC which recognizes forest products derived from a defined forest area (DFA) registered to CAN/CSA-Z809 and eligible to use one of three CSA marks or logos. In September 2001, Canadian Forest Products was the first to apply CSA's Sustainable Forest Management Mark.

The logo varies depending on the percentage of certified wood in the final product. See the specific guidelines for use at www.csa-international.org/certification/forestry/.

Sustainable Forestry Initiative Standard

The Sustainable Forestry Initiative (SFI) is an industry developed and operated program of the American Forest and Paper Association (AFPA), a national U.S. trade association that represents 205 companies and 44 associate members.



The AFPA developed the SFI program in 1995. The Board has evolved to include a wide range of non-industry stakeholders and third-party audits. The program has principles and performance measures to which all program participants must subscribe, a "rising tide that raises all boats" approach. Companies decide themselves whether to do self-verification, have another firm verify compliance, or select an independent third party. The specific practices, performance measures and indicators of the SFI standard integrate into the ISO framework and together provide a standard of environmental performance and sustainable forest management.

While the SFI is the most prominent system in the U.S., most environmental organizations prefer the FSC system. Champion International was the first company to commit to independent third party audits to the SFI standard in the U.S.

Information on the **2002-2004 SFI Standard** can be found at www.aboutsfb.org.

Participating companies who wish to promote their independent third-party SFI certification need to work with the verifying organization to prepare an audit summary for public disclosure. The summary includes the following information:

1. Audit scope and process
2. Names and backgrounds of auditors
3. Indicators used
4. A summary of findings

The chain of custody system is not based on a formal and physical chain of custody certification like CSA or FSC but on a system of verifying product through random sample field checks or other means. SFI refers participating companies to the U.S. Federal Trade Commission (FTC), a government body with guidelines on product advertising and public communication (see www.ftc.gov). National accreditation bodies and consumer protection laws and regulations provide additional information and direction. Consistent with applicable requirements, companies participating in the SFI program who wish to promote their participation are required to make appropriate and supportable claims based upon verification of their SFI Program. The “tree and shield” version of the SFI logo will be available for use on products derived from forest management operations that have been third-party certified under the SFI program or other SFI recognized third-party programs, which include FSC.

Labelling Guidelines Recognize Other Schemes

Virtual Compliance, Inc. and American Forest & Paper Association simplify the application process for the Sustainable Forestry Initiative Labelling Program. Joint AF & PA and Virtual Compliance release. 1 June 2001. The website can be accessed at <http://sfi.vcompro.com>

SFI program participants are offered 4 different label statements under the new guidelines:

Primary producers (those who source more than 50% of material “*from roundwood (logs or pulpwood), field manufactured, primary- and mill-residual chips*”) can display an “*SFI Certified Participant*” label.

Secondary producers (those who source more than 50% of material from “*semi-finished solid wood, paper, market pulp, recovered wood fiber, or composite products obtained from a primary producer*” e.g. plywood, furniture, and magazine manufacturers) can display labels stating “*SFI Participating Manufacturer, SFI Participating Publisher or SFI Participating Retailer*. (2001 Edition. Sustainable Forestry Initiative SM Standard On-Product Label Use Requirements. June 1, 2001)

Primary producers can display the on-product label if all wood is from sources “*either certified to be in compliance with the SFI Standard, other acceptable standards or come from neutral or other credible sources.*”. Labels can be applied to products from Secondary producers, if 2/3 of wood or fibre (by weight) comes from sources “*certified to*

be in compliance with the SFI Standard or other acceptable standards. The guidelines include a caveat that both Primary and Secondary producers must source at least 1/3 of total wood fibre from sources “certified to be in compliance with the SFI Standard or American Tree Farm System”.

A number of certification schemes were declared “functionally equivalent” to the SFI program and defined as “other acceptable standards”. The guidelines state: “Standards capable of independent 3rd party certification and recognized by the SFI program as functionally equivalent, include: American Tree Farm System (ATFS), Canadian Standards Association (CSA), Finnish Standard (FS), Forest Stewardship Council (FSC), Swedish Standard (SS), United Kingdom Woodland Assurance Scheme (UKWAS) additional certification programs may apply for similar recognition or be recognized by the SFI Program in the future.”

Requirements for non-SFI sources to access the SFI label will continue to be reviewed as international efforts towards a mutual recognition framework are realized. At this point in time however, producers obtaining wood from CSA certified sources who wish to use the SFI on-product label will have to undergo additional audits against SFI requirements. The additional audits will occur either as a joint CSA/SFI audit of new certifications, or as a review of existing CSA certifications against SFI requirements. Complimentary audits are expected to be systematically required for all non –SFI certified sources.

Procedures for Obtaining the Label

Application for label use can be made through an on-line service developed by AF & PA in cooperation with Virtual Compliance, a company providing “digital compliance solutions”.

SFI program participants and label licensees are able to quickly and easily demonstrate they meet SFI program requirements of the on-product label by answering a series of questions regarding the source of raw materials used in manufacturing a wood or paper product ... In the end, once an independent third-party certification audit has been submitted, the program determines if their product earns the SFI program label. (see <http://sif.vcompro.com>)

It should be noted that at this point in time, the AF & PA only, and not the Sustainable Forestry Board, have approved the label-use guidelines. Label rules are based on “wood flow accounting – a more effective approach to COC. The SFI program approach to supply chain verification is based on 3rd party certification of SFI acceptable sources and of the required minimum percentages. Primary or secondary producers meeting these requirements instead of a chain of custody would be entitled to label all products originating from their facilities”.

Pan-European Forest Certification



The Pan European Forest Certification (PEFC) system is a framework established in Europe to accredit national and regional forestry certification programs and grant them the use of a common eco-label. This mark is available for licensing and application to certified PEFC outputs. Where a ISO 9000 or 14000 system includes the verification of CoC in accordance with PEFC rules, no separate PEFC CoC certificate is required.

PEFC was initiated by private forest land-owners in Europe who believe that participating countries already set significant forest policy, including monitoring and enforcement requirements that should be recognized within certification systems. PEFC works to enable these countries to develop programs that suit their unique ecological and ownership patterns, while meeting the pan-European SFM criteria.

Under the PEFC, a company would certify to a program recognized by PEFC. This process is referred to as mutual recognition. In October 2001, nine European national standards were endorsed by the PEFC Council through mutual recognition. The PEFC recognizes Canadian certification systems such as CSA Z809, making firms certified to CSA Z809 eligible to use the PEFC logo in Europe.

Based on the principle of continuous improvement, PEFC's aim is to improve the quality of forest management and to increase the area of certified forests. Chain of Custody and logo-usage rules promote these targets. PEFC CoC rules, which require independent third party certification, and the label application guidelines (e.g. on-product, off-product) are available at www.pefc.org.

The text that accompanies the PEFC label is specific to the type of verification used (e.g. input/output, minimum average percentage system, physical segregation).

Forest Stewardship Council



The Forest Stewardship Council (FSC) is an international non-profit, non-governmental organization (NGO) headquartered in Mexico. Founded in 1993, it is run by a board of environmental, business, and social interests. FSC's purpose is to establish global principles of environmentally appropriate forest management, and to accredit organizations that can certify that individual forests are managed according to their ten forest management principles. The program has a strong focus on environmental and social values of forest ecosystems.

In Canada there are a several FSC working groups, including one in BC, set up to develop regional standards. A company would certify to the relevant regional standard. In the absence of such a standard a company may be certified by complying with an

interim checklist developed according to the international FSC standard but adapted for the particular forest region. Like CSA, third party audits, mutually-stakeholder consultation, and performance standards are required.

To help generate demand for FSC certified products, the World Wildlife Fund for Nature (a founding FSC member) and others established buyers groups in the UK, Germany, the Netherlands, Belgium and the United States that are committed to progressively increasing their supply of products from certified sources (see list in appendix 2). In the UK, a large buyers' group has committed itself to buying, selling and manufacturing independently certified products. The group accounts for \$4.8 billion, or 15 percent of the UK's total wood consumption.

FSC is the program most widely recognized and endorsed by environmental organizations (Greenpeace, Sierra Club, World Wildlife Fund, Rainforest Action Network, Natural Resources Defence Council). In the UK, Friends of the Earth (www.foei.org) and Fauna and Flora International promote FSC as a program that assures wood product buyers they are not causing further damage to the world's forests.⁵ The Ministry of Forests identifies the five FSC certifications in B.C. at www.for.gov.bc.ca, including: Iissaak Forest Resources' 87,000 hectare tree farm license, Timfor Contracting's 6,716 hectares on Vancouver Island, the Krimmer's 638 hectare woodlot, Rod Blake's 660 hectare woodlot east of Williams Lake, and Allen Hopwood's 132 hectare Vancouver Island woodlot.

According to FSC there are over 2170 operations with current chain of custody certificates in the world (www.certified-forests.org/cocc.htm). One of the active accredited certifiers in B.C., Silva Forest Foundation, makes available their interpretation of the FSC Chain of Custody principles at www.silvafor.org.

Tembec was the first major company in North America to endorse the FSC program in January 2001. In the same year, International Forest Products Ltd. received chain of custody certificates for all nine of its B.C. processing facilities. Weyerhaeuser Canada received a chain of custody certificate for its North Island operations.

Chain of Custody Certification for Groups and Large Operations

FSC announced in February 2002 its new guidelines to facilitate CoC certification for small processors and retail operators, and in April 2002 its guidelines for large operations.

The purpose of Group certification is to facilitate greater access to the FSC system by reducing costs as a barrier to participation. The direct costs of certification are the fees paid to an accredited certifier for the assessment, annual audits, and licensing fees. Indirect costs may result from increased prices paid for certified supply and the need to identify and separate certified products. This policy is designed to help small businesses such as carpenters and woodworkers. It will be implemented on a one-year trial basis, followed by a review of eligibility criteria, impact on supply, and compliance.

Accredited certification bodies will be able to carry out risk analysis and sampling in order to reduce the demands of monitoring and evaluation. The objective is that this reduces costs to small enterprises.

FSC guidelines for CoC certification of single, large organizations, made up of multiple sites or production units will involve sampling of various branches or production units. The intention is that the evaluation provides adequate confidence in the conformity of the system in a practical and feasible manner. Administrative, management and reporting responsibilities are assigned to a "central office", effectively relieving the individual sites of such tasks.

How Do the Chain of Custody Systems Compare?



The matrix compares requirements for CAN/CSA Plus 1163 Chain of Custody with the requirements of three other certification programs: SFI, FSC and PEFC.

The desk audit comparison is based on the published requirements, not on the actual field experiences of companies that have implemented a CoC program.

Chain of Custody

Standards Comparison Matrix

Introduction

The chain of custody processes for the four certification systems are designed to cover forest products from their point of origin, throughout all stages (chains) in the manufacturing process, to the point at which they are delivered to the final customer as an end product. There may be one or several stages in this process from tree to final product. The ownership of the certified product may change several times throughout the manufacturing process.

Chain of custody standards are designed to be applicable to any "chain" in the manufacturing process. Examples of these chains may include: (1) certified forest areas, (2) modes of transportation which carry certified forest products, (3) manufacturing or remanufacturing facilities which use certified forest products in their manufacturing or remanufacturing process, (4) warehouses, stockyards and reload centres that repackage certified forest products; and (5) traders/brokers who never physically contact the products but obtain *ownership* for a period of time.

The scope of a chain of custody will be defined by an individual organization. Generally, the scope covers the forest product(s) from the point at which an organization takes ownership or control of the certified product to the point at which they deliver it to the next "link" in the chain or to the end customer. Each successive link (usually noted by a change of ownership or a new manufacturing process) is considered a link in the chain of custody.

Legend:

n/a - not addressed, **S** – Same, **E** - Equivalent (similar but not identical), **D** - Distinctly Different, **D minus** - less onerous, **D plus** - more onerous

General Requirements

The organization shall establish and maintain a forest product chain of custody, the specific requirements of which are described in each certification system's chain of custody documentation.

Principle or Clause	<u>CSA</u>	<u>FSC</u>	<u>PEFC</u>
---------------------	-------------------	-------------------	--------------------

Management Commitment

The organization's management shall be committed to the chain of custody and to assuring the continued integrity and validity of the chain of custody and the certified products the organization produces. Management shall provide resources essential to the implementation and control of the chain of custody. Resources include human, technological and financial.

✓ (4.2)	n/a or assumed	✓
------------	----------------------	---

Principle or Clause	CSA	FSC	PEFC
---------------------	-----	-----	------

Documented Control System

The organization shall establish and maintain a documented control system.	✓ (4.3)	S (1.1)	S (5.2)
The documented control system shall specify:			
➤ the personnel responsible for control of the chain of custody including their specific roles and responsibilities;	✓ (4.3 i)	D- (1.2.1)	D- (5.2)
➤ activities, process controls, information systems, management systems or their parts as they relate to the chain of custody including necessary forms, records and documentation;	✓ (4.3 ii)	D- (1.2.2)	S (5.2)
➤ requirements for controlling, managing or maintaining activities, process controls, information systems, management systems or their parts and the necessary forms, records and documentation	✓ (4.3 iii)	D- (1.2.3)	S (5.2)
The documented control system may be in paper or electronic form	✓ (4.2)	E assumed	E assumed
The organization shall operate a system for verifying the origin of the wood raw material and also procured wood products used in the scope of the chain of custody. The system shall include the requirements below.	✓ (4.4)	E (2.1)	
When the organization buys or procures wood raw materials or wood products, it shall ensure that one of the following conditions apply:	✓ (4.4 - 1)	E (2.2)	D- (5.1.1 a-c)
➤ the wood has come from a defined forest area certified to the required standard and the supplier has a valid certificate of registration, or	✓ (4.4 - 1a)	E (2.2.1)	
➤ the wood raw materials or wood products have come from a certified chain of custody and the supplier has a valid chain of custody certificate, or	✓ (4.4 - 1b)	E (2.2.2)	
➤ the origin of wood or wood raw materials or wood products can be readily verified otherwise.	✓ (4.4 - 1c)		E (5.1.1.c)
When the organization receives wood, wood raw materials or wood products, it shall confirm from the associated documentation that the origin is verifiable and legitimate. If the organization is in doubt about the validity and legitimacy, it shall check with the issuing body (or the supplier in question	✓ (4.4 - 2)	E (2.2.3)	

Principle or Clause

CSA

FSC

PEFC

Verification based on inventory control and accounting of wood flows includes keeping track of the share of certified wood in different operators' mill sites, warehouses and storage areas. Each delivery is monitored, until the point of feeding into the process, through detailed accounting of material flows. This approach enables the establishment of certified wood flows in the procurement system, including the share of certified wood in each intermediate storage or log yard at a given point of time. The same principles should be applied in each phase of the chain, i.e. wood procurement, primary and secondary processing and trade. Monitoring of wood flows provides transparent information about the share of certified wood used in different products.

The origin of certified wood, wood raw materials and wood products shall be verifiable (on the basis of documentation) before, during and after: (1) transporting, (2) handling and (3) processing	✓ (4.5)	E (3.2 & 6.1)	✓ (5.1.2)
The volumes of certified wood, wood raw materials and wood products coming from different supplies shall be verifiable	✓ (4.5)	E (3.1-3.3)	E (5.11)
If certified and non-certified wood, wood raw materials and wood products are mixed, reliable and current data shall be maintained by the organization to allow at any time an independent certifier to verify specific mixes during selected periods.	✓ (4.5)	E (3.3)	E (5.1.2)
The organization shall maintain a system in which information on the suppliers of certified wood, can be attached to certified wood, wood raw materials or wood products or associated documents	✓ (4.5)	E (Prin 2)	E (5.1.2)

There are three (3) approaches to chain of custody. Two are based on inventory control and accounting of wood flows, and the third is based on physical separation. An organization implementing a chain of custody will select the most suitable approach. The three approaches are:

Principle or Clause	CSA	FSC	PEFC
(1) Input / Output System (% in / % out) for Solid Wood	✓ (4.6.2.2)	n/a	E (5.1.2 / 7.1.1)
When a known percentage of certified raw material (input batch) enters into processing at a given facility, the same percentage (on an average) of the production (output batch) is considered to be certified.	✓ (4.6.2.2)	n/a	E (5.1.2 / 7.1.1)
The minimum threshold percentage is 70% by volume or by weight for all forest-based products (assembled goods, pulp and paper, chips and fibre).	✓ (4.6.2.2)	n/a	E (5.1.2 / 7.1.1)
Percentage calculations are based on a 3 month period, calculated over a 12 month rolling average	✓ (4.6.2.2)	n/a	E (5.1.2 / 7.1.1)
(2) Minimum Average Percentage System for Composite Products	✓ (4.6.2.3)	n/a	E (5.1.2 / 7.1.2)
A total batch of products can be qualified as certified when the amount of certified wood based raw material in the input batch at a given facility exceeds the set minimum average threshold.	✓ (4.6.2.3)	n/a	E (5.1.2 / 7.1.2)
The minimum threshold percentage is 70% by volume or by weight for all forest-based products (assembled goods, pulp and paper, chips and fibre).	✓ (4.6.2.3)	n/a	E (5.1.2 / 7.1.2)
Percentage calculations are based on a 3 month period, calculated over a 12 month rolling average	✓ (4.6.2.3)	n/a	E (5.1.2 / 7.1.2)
(3) Physical Separation	✓ (4.6.3)	E (Prin 3)	E (7.2)
The organization shall ensure that when certified raw materials are received they are clearly marked or otherwise identified as certified	✓ (4.6.2)	E (3.1)	S (5.1.3)
Certified inputs shall remain easily identifiable as certified throughout transportation, handling, processing, manufacturing or remanufacturing. This shall be achieved by:	✓ (4.6.2)	D- (3.2)	S (5.1.3)
- directing raw materials to separate mills or production lines which have been clearly designated for certified inputs;	✓ (4.6.3 a)	S (3.2.1)	S (5.1.3)
- using certified and non-certified raw materials at the same mill or production line but at different times;	✓ (4.6.3 b)	S (3.2.2)	S (5.1.3)

Principle or Clause	<u>CSA</u>	<u>FSC</u>	<u>PEFC</u>
Marking the certified inputs at the beginning of a process and assuring identification and traceability throughout all stages of the process including handling, packaging, storage, transportation and delivery as appropriate;	✓ (4.6.3 c)	E (3.1)	E (5.1.3)
Certified wood, wood raw materials and wood products shall be clearly marked or otherwise be identifiable and traceable in a manner that marking or identification does not become detached during handling, packaging, storage, transportation and delivery. In addition, information on the certification status shall be recorded in the associated documents and reports.	✓ (4.6.3)	E (Prin 3)	E (5.1.3)

Final Inspection

The organization shall carry out final inspection of certified product at the end of their chain to ensure that:	✓ (4.7)	n/a	n/a
- identification and traceability has been maintained throughout the chain;	✓ (4.7 i)	n/a	n/a
- necessary tracking and recording has been completed; and,	✓ (4.7 ii)	n/a	n/a
- the associated data, documentation and records are complete, authorized and retained.	✓ (4.7 iii)	n/a	n/a

Record Keeping

The organization shall establish and maintain procedures for the identification, maintenance and disposition of chain of custody records including suppliers and sales.	✓ (4.8)	D- (6.1)	D- (5.3)
Records shall allow independent traceability to and from certified input(s) to certified output(s). Records shall be maintained to demonstrate conformance to the requirements of the system standard.	✓ (4.8)	E (6.2)	D- (5.3)
Records shall be legible, identifiable and traceable to the appropriate part of the chain and the associated certified wood. Records shall be stored and maintained in such a way that they are readily retrievable and protected against damage for a minimum of 5 (five) years	✓ (4.8)	E (6.4)	✓ (5.3)
The records are sufficient to allow an independent assessor to determine the conversion rates for the manufacture of certified outputs and given certified inputs	n/a	✓ (6.3)	n/a

Principle or Clause	<u>CSA</u>	<u>FSC</u>	<u>PEFC</u>
---------------------	------------	------------	-------------

- Internal Checking

The organization shall establish, implement and maintain a program of periodic internal checking of the chain of custody. The objective of the internal checking shall be to determine whether or not the chain of custody;	✓ (4.9)	n/a	n/a
has been properly implemented and maintained and performs as planned and conforms to the requirements of the system standard.	✓ (4.9)	n/a	n/a
Internal checks shall be done on a frequency determined by the organization, taking into account the outcome of previous internal inspections	✓ (4.9)	n/a	n/a

- Environmental Management

The organization shall establish and maintain policies, procedures, processes, management systems or similar initiatives to assure and demonstrate that it is operating and managing its site, facilities, structures, activities, processes, raw materials, by-products, finished products and their associated environmental impacts in a proactive and responsible manner. This shall include the identification and adherence to all applicable legal requirements related to the environment	✓ (4.10)	n/a	n/a
The organization should apply environmental life cycle thinking when designing, implementing and operating their chain of custody. (For example, it would not be acceptable to truck wood beyond the normal transportation radius in order to meet threshold requirements or to increase the percentage of certified raw material. This practice defeats the spirit and intent of sustainability as fuel consumption and air emissions are traded for an increase in certified forest product.)	✓ (4.10)	n/a	n/a
Note: Although not required by any system standard the strongest and preferred demonstration of commitment to environmental management is the registration of an organization's environmental management system to ISO 14001-1996.	✓		

Principle or Clause	CSA	FSC	PEFC
---------------------	-----	-----	------

- Complaints to the Organization

The organization shall:			
keep a record of all complaints made known to the organization relating to a products conformance with requirements of the defined forestry area registration, or the chain of custody requirements and make these records available during audits or when requested by auditing organisations;	✓ (4.11 a)	n/a	n/a
- take appropriate corrective and preventative action with respect to such complaints and any deficiencies found in products or services that affect conformance with the requirements of the system standard;	✓ (4.11 a)	n/a	n/a
- document the actions taken	✓ (4.11 a)	n/a	n/a
The supplier shall operate a secure system for the production and application of product labels.	✗ (4.6.3)	✓ (4.1)	✓ (11.0)
The supplier shall accept legal responsibility for ensuring that the logo issued to the supplier is not used by any unauthorized users, or for unauthorized uses.	n/a	✓ (4.2)	n/a
The supplier shall operate a system which ensures that only its own certified products may be labelled with the certification system name, initials or Logo.	n/a	✓ (4.3)	n/a
Certified products shall be labelled or otherwise be identifiable in a manner that labels do not become detached during storage, handling or transport.	E (4.6.3)	✓ (5.1)	n/a
The supplier shall operate a system that allows any product sold by the supplier as certified to be linked to the specific sales invoice issued by the supplier	n/a	✓ (5.2)	n/a
The supplier shall operate a system to ensure that all sales invoices issued for certified products:	n/a	✓ (5.3)	n/a
➤ include a description of the product(s);	n/a	✓ (5.3.1)	n/a
➤ record the volume/quantity of the product(s);	n/a	✓ (5.3.2)	(11.0)
➤ quote the forest products supplier's correct chain of custody certificate registration code and expiry date	E (4.4)	✓ (5.3.3)	n/a

Other Standards

International Organization for Standardization

The mission of the International Organization for Standardization (ISO) is to promote the development of voluntary standards that will facilitate international trade. ISO standards are some of the most widely recognized in the world. ISO 14001 is a standard that permits the certification of an environmental management system (EMS). This standard is applicable to all industries and is not specific to forestry.

The ISO 14001 EMS standard provides a framework for a company to identify areas where its activities, products and services have an environmental impact. The company uses this information to measure and improve its environmental performance. ISO 14001 requires a company to make a commitment to comply with relevant legislation and to continually improve in its environmental performance, however it does not dictate actual performance measures.

ISO 14001 can be used with other more sector-specific requirements. For example, CAN/CSA Z809 is one program that has been developed to fit with ISO 14001 requirements.

Green Cross Program



This green marketing program was developed by Scientific Certification System, and has been adopted by companies such as Georgia-Pacific, Collins Products, Louisiana-Pacific and Plum Creek.

Netherlands Hallmark System

In 1996 the business community together with labour unions established the Stichting Keurhout - Netherlands Hallmark System organization, which operates a hallmark system for wood originating from sustainably managed forests to provide consumers with information about the origin of wood. Keurhout does not certify forest management and chain of custody itself, but determines whether certificates of origin and sustainable production satisfy its requirements. More information on this process is available from the Stichting Keurhout website:

<http://www.stichtingkeurhout.nl/index.htm>

3. The Certifiers of SFM Programs

Certifiers are independent organizations that have been accredited by the SFM program bodies like CSA or FSC to conduct forestland management and chain of custody audits. Wholesalers, manufacturers, distributors and retailers that meet these standards are awarded certification certificates and may label their products with the appropriate trademark logo.

QMI is one of several accredited certifiers of the CAN/CSA-Z809 Standard. See www.qmi.com

FSC accredited certifiers include the following organizations:

- FSC Canada at http://fscCanada.org/certify/cert_bodies.shtml
- FSC USA at http://fscus.org/html/certification/certifiers/certifier_list.html

For a list of SFI certifiers please consult: www.afandpa.org and www.aboutsfb.org

Should you wish to pursue CoC consultation Canadian Mill Services Association can help (www.canserve.org).

4. Inventory Control Options

All chain of custody systems require accurate and verifiable tracking of inputs and outputs in order to assure the integrity of the certified materials through all stages of manufacturing, including transportation and handling. In some instances, complete physical separation of certified raw materials and products may be required, while in others, accurate tracking of certified inputs (volumes) and outputs may suffice.

There are several inventory management software packages available that will facilitate the management of certified raw materials, processing, storage, and shipping. It is also possible to maintain a manual inventory control system, providing raw materials and products are well-marked, tracked, and documented.

In all cases, the type of inventory control system employed must be verifiable, and demonstrate to the system auditors that it conforms with program requirements. The following is a brief overview of the inventory management requirements of the various certification schemes.

CSA Plus 1163

The inventory management criteria are designed to ensure that the origins of certified raw materials and finished products are verifiable and documented, before, during, and after manufacturing, storage, and shipping.

The system allows for three different methods of inventory control. There are two options for tracking the percent contribution of certified raw materials to a certified product (used when product is made from less than 100% certified raw material). The third option is designed for products that are produced from 100% certified raw material, requiring physical separation of certified raw materials and products.

The inventory control system used must maintain accurate and legible records, allow independent traceability to and from certified inputs to certified outputs, and clearly identify certified raw materials, work-in-progress, and finished products.

Forest Stewardship Council

As with other systems, the FSC inventory management criteria are designed to ensure that the origins of certified raw materials and finished products are verifiable and documented, before, during, and after manufacturing, storage, and shipping.

The FSC system differs in that its certified wood product logo usage is restricted to products that originate from 100% certified raw materials.

The FSC provides two options for maintaining certified product integrity throughout the manufacturing process. Certified products must be run separately from non-certified products. This may be achieved by physical separation of certified and non-certified

production facilities or lines, or by running certified and non-certified products at different times, through the same facilities or lines.

The inventory control system used must maintain accurate and legible records, allow independent traceability to and from certified inputs to certified outputs via sales invoices, and clearly identify certified raw materials, work-in-progress, and finished products. In addition, the product labeling system must be secure, and label application must be sufficient to ensure that labels do not become detached during storage, handling, or transportation.

Pan-European Forest Certification

The PEFC uses the same options as the CSA Plus 1163. An inventory management system which satisfies the requirements of the CSA standard will comply with the PEFC standard.

Inventory Management Systems

None of the chain of custody certification systems specifically requires an electronic inventory management system, however there are several products available which greatly facilitate inventory control, labeling, and record keeping.

Two products that have been specifically tailored to the wood products industry include:

- TradeTec – Tallyworks Suite
- Lisa Technologies system

For more information on these systems visit www.tradetec.com and www.lisalumber.com



Mills using manual inventory systems must ensure that their methods conform to the chain of custody requirements. This generally means that procedures are well documented, accurate, up-to-date, and traceable by an independent auditor. The labeling and/or marking of certified raw materials, work-in-progress, and finished products is legible, and attached adequately that it does not become detached during handling, storage, or transport.

5. The Market

Will buyers reward suppliers of eco-certified products? Will suppliers achieve an acceptable return on their investment in certification? Has it become a cost of doing business?

European markets for FSC-certified wood are firmly established, and ... the demand for certified wood now represents 25 percent of the total solid wood demand in the U.S. ...the most exciting market development is the opportunity

for small and medium-sized operations to access a higher-value market niche by offering an eco-certified wood product.⁶

A wide range of certified products are available and can be sourced quickly through the Internet sites of various certifiers, buyers groups, and companies. For example:

- Certified Forest Products Council – over 500 companies listed
- Scientific Certification System – 69 pages of company listings
- Smartwood – 114 page directory of suppliers
- FSC U.S. – listed 438 companies as of December 2001
- there are more than 10,000 FSC labeled products available in Europe, which represent the response of manufacturers and retailers to consumer demands that they take a more proactive approach to improving the environmental performance of their companies⁷

Two examples of organizations that promote the use of certified wood products are the 95 Group in the U.K and Certified Forest Products Council in the U.S.

The 95 Group grew into international trade networks,” or alliances of forest owners, primary and secondary manufacturers, architects, and a range of large and small retailers.



There are at least 14 member groups or networks in the Global Forest & Trade Network, supporting the interests of 700 companies representing 18 countries on five continents, including Austria, Belgium, Brazil, France, Germany, Ireland, Nordic Countries, Netherlands, North America, Russia, Spain, Switzerland, UK and eventually East Asia, Japan, and Italy. The members of these networks include forest owners, processors, retailers and an increasing number of specifiers such as architects, local authorities and construction companies.

These networks promote the increased purchase, use and sale of independently certified forest products and attempt to deliver competitive advantage to their members by keeping them on the leading edge in what most participants and observers of certification call a *growing* market. Some expect the market for certified wood to grow between 100% and 150% per year. Even with continued growth, it is likely to remain a relatively small, niche market over the next few years.⁸ Yet there are many benefits to participation, including increasing market share, receiving a “green” premium, improving communication with suppliers, buyers and improving publicity and corporate image.

As a Network member, companies have the advantage of access to information about certification and certified product and market developments worldwide, policy statements about improving forest management and to help in implementing certification.

Certified Forest Products Council

www.certifiedwood.org



This Oregon based, independent, non-profit initiative is committed to promoting responsible forest products buying practices throughout North America to improve forest management practices worldwide. The membership includes businesses, institutions and organizations that buy, sell, specify or manufacture third-party independently certified forest products. CFPC works to:

- Build market interest and guide demand using public relations opportunities, trade advertising, informational literature, and its online product showcase
- Target promotion of products to architects, construction specifiers, builders, and manufacturers
- Connect supply and demand to improve distribution channels. Consistent supply appears to be the biggest problem, followed by delivery, quality, and price
- Promote guidelines for specifying FSC products in construction and procurement
- Help develop corporate and government purchasing policies that give preference to certified products (e.g. Home Depot, Wickes, Andersen Windows & Doors, Nike, Lowe's, Starbucks, Cities of Seattle, New York, Los Angeles, San Francisco, Portland, the world's largest architectural firm HOK, and the largest construction company in the US Turner Construction).

Who is Using Certified Wood?

Large buyers of wood products such as Home Depot, Lowes, Ikea, Kaufman and Broad, Centex Homes and Pulte set the industry standard. These companies can use their buying power to stimulate supplier participation and consumer demand.

Most of us have heard about high-value low-volume niche market opportunities. Major instrument manufacturer, Gibson Guitar Corporation, produced the first cost-effective high quality certified wood guitar in 1996 called the Smartwood Les Paul.⁹ Today Gibson offers a line of six certified wood guitars. Fender, Martin, Modulus, Santa Cruz Guitar, Taylor join Gibson into this niche market.

But what about higher volume applications? In April 2001, a research firm based in Chicago surveyed 450 educated, middle class home owners.¹⁰ The firm's conclusion?

“Home centers and lumber yards that can stock wood products bearing a label which convincingly validates sustainable forestry are going to get more sales from wood-purchasing customers.”

Here are some of the findings:

- 45% had purchased lumber in the past year
- 63% of those people are interested in knowing whether logging of the wood they purchase is conducted in a way that promotes environmentally conscientious forestry
- certified wood is perceived to be more valuable –60% would be willing to pay more for certified products with over 30% paying more than 1 percent extra, and 20% paying a 5 percent premium
- more than 50% feel strongly about the need for some kind of sustainable forest management certification
- 44% are interested in knowing what country that wood came from
- 40% personally made attempts to reduce consumption of wood to protect the environment (the most common solution is to purchase substitutes).

The largest retailer of wood in the world, Home Depot (www.homedepot.com), first announced in August 1999 that it would phase out wood products coming from endangered forests by 2002. One of the largest home builders in the U.S., Kaufman and Broad, builds about 20,000 homes per year and gives preference to certified wood. With annual revenues of \$4.3 billion, Centex Homes builds about 20,000 homes per year, operates in 23 states and gives preference to wood derived from certified forests. FSC, SFI or CSA are currently acceptable and a management system such as ISO 14001 is considered an appropriate vehicle to help manage the process (www.centex.com).

Pardee Homes, a Los Angeles based homebuilder, chooses materials, methods and options that local subcontractors were capable of installing. Pardee uses both engineered and certified wood in its construction. Its 97 home project in Santa Barbara, in the \$600,000 to \$850,000 range, will be centered around a village core with 300,000 square feet of retail and office space and 500 multifamily units, library, high school, community park.¹¹

Here in B.C., Shawood Lumber was contacted two years ago by a consortium in the UK representing companies with annual sales of \$7.7 billion and committed to using eco-certified wood, preferably from the FSC system.¹² A customer of Shawood's from Holland paid a 5 percent premium for 300,000 board feet of red cedar from the Knight Inlet.

The major window and door manufacturers in western red cedar and in white woods are demanding FSC wood to stay ahead of the game because they recognize that in two, three, five years this is not going to be something that is a luxury – it's going to be a necessity.¹³

Andy Shaw

Based on the limited number of responses (less than 10%) to a recent Internet-based survey that was supported by telephone follow up (see appendix three) of over 300 B.C.

manufacturers in the millwork and remanufacturing sectors, the following generalizations can be offered:

- The advantages of supplying a differentiated, certified wood product are recognized and appreciated; however, certification is regularly regarded as a mid to long-term business strategy
- Most manufacturers are not interested in pursuing two or three different CoC systems – harmonization or mutual recognition are considered necessary
- The cost to supply certified wood is considered to be a “cost of doing business” (e.g. a sales tool for agents in export markets)
- FSC is the most common system requested; however, customers accept other sustainable forest management system certifications, particularly since the B.C. regional standard is not complete
- Some manufacturers do not expect to receive a premium but have had success in selling products faster, primarily in North America and Europe/U.K.
- Barriers encountered by manufacturers include a lack of time to research, develop, implement and manage a CoC system; a lack of supply of a particular species; a lack of interest and demand among existing customer base, and a poor financial return on the investment

The U.S. Green Building Council’s LEED (Leadership in Energy and Environment Design) building rating system encourages the development of the FSC certified wood product market by specifying FSC wood. The LEED system is used in both the public and private sectors. The program awards 1 of a possible 69 points by specifying FSC certified wood (see www.usgbc.org):

Credit 7.0 (1 point) Use a minimum of 50% of wood-based materials certified in accordance with the Forest Stewardship Council Guidelines for wood building components including but not limited to structural framing and general dimensional framing, flooring, finishes, furnishings, and non-rented temporary construction applications such as bracing, concrete form work and pedestrian barriers.

Technologies & Strategies

Establish a project goal for FSC-certified wood products and identify products and suppliers that can achieve this goal. During construction, ensure that the FSC-certified wood products are installed and quantify the total percentage of FSC-certified wood products installed.

In 1995 and 1998 respondents to a study on certification¹⁴ paid more for certified than non-certified wood products. The study also outlines the following findings:

- In 1998, more merchants expected their certified product sales to increase compared to 1995
- Market premiums are rare, with “little evidence of a ‘green’ premium being applied to final products by most distributors – the indirect benefits are often the most important reason offering certified products¹⁵

- No premium was paid by 63% of consumers in 1995 and 71% in 1998
- For those merchants that did receive a premium, the averages were 2.1 and 2.7 percent respectively
- 20% of the respondents received a premium between 1 and 5 percent
- The average premium paid by merchants to suppliers in 1995 was 8.2% and 9.1% in 1998
- Only 22% of product sales were softwood products
- The lack of a premium is attributed to market immaturity, environmentally conscious and committed early entrants, desire to expand market share without necessarily adding a premium, desire to increase sales volume, and to diversity products

Examples of Projects Certified Wood Products

The Certified Forest Products Council provides detailed certified wood project summaries.

Coffee Creek, Indiana

www.coffeecreekcenter.com

This 1500 residential unit, 640 acre development opened in spring 2000. Certified wood was used in community buildings, 6000 square foot pavilion, pre-fabricated bridges, and exterior installations like boardwalks. The project used Douglas Fir tongue and groove roof decking. The companies involved include the Lake Erie Land Company (www.lelcompany.com), William McDonough + Partners (www.mcdonough.com), Big Creek Lumber Company (www.big-creek.com) and Harwood Products (www.harwoodp.com).

San Francisco International Airport

Master Plan Information (650) 794-5000

In November 1999, this 1.7 million square foot terminal incorporated a 700 foot long cherry panel wall. 20,000 square feet of high quality architectural-grade panelling was used to manufacture 956 panels of 10 feet by 30 inches. It took time to accumulate the volume and did not increase the cost of the installation. The companies involved include Joint Venture Architects – Keith Boswell, associate partner at Skidmore, Owings & Merrill (www.som.com), Del Campo & Maru, Michael Willis & Associates, Architectural Forest Enterprises, Collins Pennsylvania Forest (www.collinswood.com), Kane Hardwood, Freeman Corporation (www.freemancorp.com).

Environmental Protection Agency

Seattle, WA

www.epa.gov/r10earth/innovation.htm

This office renovation was one of the first to use certified wood materials in the U.S. SMED International (www.smednet.com) used certified for trim on moveable walls. Steelcase Furniture used certified veneers for desks and other office furniture. A small

premium was paid for the furniture because of higher cost veneer. Freeman Corp. supplied the veneers and Kane Hardwood supplied the trim for the wall mouldings.

City Hall

Bainbridge Island, WA

This project received the American Institute of Architects' Committee of the Environment award for environmental design in fall 1999. The 24,000 square foot building used 34,500 board feet of certified hem-fir framing lumber, along with 24,000 board feet of certified tongue and groove subroofing. Certified material costs added \$2800 on \$4.2 million project. The supplier of wood products was Collins Companies.

This list is long and growing. Other participants in the certified market include: Honda Motor Co., Packard Foundation, Disney's Great California Adventure, City of Long Beach, Lion's Stadium in Detroit, the San Francisco offices of the Gap (FSC certified maple flooring, plywood, and trim), Andersen Windows, Premdor, Potlach Corp., and Boise Cascade.

6. Conclusions and Recommendations

The emergence of a large number of often competing systems, each claiming to certify sustainable wood products, has led to confusion among consumers:

- Organizations that control the education process and the type of information that is disseminated determine the direction the issue takes
- Consumer attitudes manifest themselves in the materials builders are being asked to use in their projects
- Effective environmental marketing can offer a competitive advantage – eco-labels could become as common as grade stamps
- Certification could raise the demand for wood products in general by slowing or reversing the public's effort to stop using wood as a conservation measure – focus on promotion of wood as a renewable resource

By all accounts, the demand for certified wood is small but growing:

- Polling data identifies an expanding number of consumers who favour actions to protect the environment

Wood product manufacturers can no longer afford not to offer certified wood:

- There are opportunities for small and medium sized remanufacturers who can produce batches of product
- But do not enter the certified market with expectations to increase profits
- Enter the market to demonstrate your commitment to environmental issues, to promote your external image

- Anticipate higher management costs, higher prices paid to suppliers, increased promotion costs, more time to educate people about certification
- But also anticipate increased company morale, improved networking with the certified community, improved cooperative marketing, company growth and free publicity
- Retailers can expect to pay a small premium to suppliers for certified raw material but should not expect to receive a premium from customers

APPENDIX 1

“Membership has its Responsibilities”

According to a September 2001 survey of Forest Products Association of Canada members, Canada’s forest industry is committed to seeking third party certification.

By 2005, the FPAC survey projects approximately:

- 105 million hectares certified to ISO
- 33 million hectares to CSA
- 16 million to SFI; and
- 15 million to FSC (90 per cent of these FSC intentions are attributed to Tembec Inc.).

The key findings from this survey are available from the Coalition (<http://www.sfms.com/status.htm>).

In January 2001, Tembec and WWF agree to co-operate on harnessing market demand that supports both conservation and economic aims, using the increase in sales of Tembec's FSC-certified products as a measure of success. As regional standards are approved by FSC and evaluated by Tembec, the company will seek FSC-certification of all its woodlands (www.tembec.ca).

In January 2002, FPAC announced that all member companies, which produce boxboard, kraft papers, market pulp, newsprint, sanitary and specialty papers, and value added by-products, will be required to submit their forest management practices to the scrutiny of independent, 3rd party audits. Successful certification - to one of three internationally-recognized standards - will be a condition of membership in the future. The three standards are CSA Z809, FSC, and SFI. See www.fpac.ca.

APPENDIX 2

THE GLOBAL FOREST AND TRADE NETWORK

The Global Forest and Trade Network is co-ordinated by WWF.

WWF's Global Forest and Trade Initiative

Dr. Steve Howard, Director
Dr. Justin Stead, Policy Director
Naig Cozannet, Programme Officer
Mike Gaudern, Information Officer
Branksome House, Filmer Grove
Godalming Surrey GU7 3AB
Telephone + 44 1483 419 266
Fax + 44 1483 427 965
Ncozannet@wwfnet.org

Australia

WWF's Oceania Buyers' Group
Michael Rae
WWF Melbourne Office
1st Fl, 9 Church Street
Hawthorn VIC 3122
Telephone + 61 3 9853 7244
Fax + 61 3 9853 4156
mrae@wwf.org.au

Austria

[**WWF Gruppe '98**](#)
Thomas Katjejowsky
WWF-Austria
Ottakringer Str. 114-116
Postfach 1, 1162 Vienna Austria
Telephone + 43 1 48817 226
Fax + 43 1 48817 277
thomas.katjejowsky@wwf.at

Belgium

Club 97
Lode Devos
WWF-Belgium
608 Chaussee de Waterloo
1050 Brussels Belgium
Telephone + 32 2 340 0999
Fax + 32 2 340 0933
Lode.devos@wwf.be



Brazil

Compradores de Madeira Certificada

Roberto Smeraldi

Av. Brigadeiro Luis Antonio, 4442

01 402-002 Sao Paulo – SP Brazil

Telephone + 55 11 887 9369

Fax + 55 11 884 2795

Foeamaz@attglobal.net

Lode.devos@wwf.be

France

Club PROFORETS

Philippe Deletain

WWF-France

188 rue de la Roquette

75 011 Paris France

Telephone + 33 1 55 25 84 84

Fax + 33 1 55 25 84 74

pdeletain@wwfnet.org

Germany

Gruppe '98

Bernard Bauske

WWF-Germany

Rebstocker Str. 55

60326 Frankfurt/Main

Telephone + 49 69 791 44 172

Fax + 49 69791 44 231

bauske@wwf.de

Hong Kong (network being developed)

Alex Yau

WWF-Hong Kong

No 1 Tramway Path Central

GPO Box 12721

Hong-Kong

Telephone + 852 2526 1011

Fax + 852 2845 2734

ayau@wwf.org.hk

Ireland

Just Forests

Tom Roche
Irish Sustainable Timber & Forests Initiative
Bury Quay Tullamore
Co-Offaly Ireland
Telephone + 353 506 23557
Fax + 353 506 23557
fsc-info-irl@justforests.org

Italy (network being developed)

Paolo Lombardi

WWF-Italy

Via Po 25/c 00198 Rome Italy
Telephone + 39 06 844 971 or + 39 06 853 00 612
Fax + 39 06 855 44 10
mc2236@mclink.it

Japan (network being developed)

Eishi Maezawa

WWF-Japan

Nihonseimei Akabanebashi Bldg.
3-1-14 Shiba Minato-Ku
Tokyo 105-0014 Japan
Telephone + 81 3 3769 1711
Fax + 81 3 3769 1717
emaezawa@wwf.or.jp

The Netherlands

Stichting Goed Hout!

Gemma Boetekees
Postbus 118
3970 AC Driebergen
The Netherlands
Telephone + 31 30 69 26 398
Fax + 31 30 692 29 78
gemma.boetekees@goedhout.nl

Nordic Countries: Sweden, Finland, Denmark and Norway

WWF Skog 2000

Margaret Rainey
WWF-Sweden
Ulriksdals Slott
170 81 Solna Sweden
Telephone + 46 8624 7000
Fax + 46 885 1329
margaret.rainey@wwf.se

North America

Certified Forest Products Council (CFPC)

David Ford
14780 SW Osprey Dr
Suite 285 Beaverton, OR
97007-8424 USA
Telephone + 1 503 590 6600
Fax + 1 503 590 6655
dford@certifiedwood.org

Russia

Association of Responsible Producers for Russia
Anisia Shepeleva
WWF-RPO
Post office Box 55
125319 Moscow, Russia
Telephone + 7 095 490 58 18
Fax + 7 095 190 46 55
AShepeleva@wwf.ru

Spain

WWF- Grupo 2000
Ana Elisa Rodriguez
WWF ADENA
Santa Engracia 6-2o Izd
28010 Madrid Spain
Telephone + 34 91 772 47 84
Fax + 34 91 371 28 28
Anaeli@teleline.es



Switzerland

WWF Woodgroup

Dominique Leuba
Am Wasser 55
postfach 61
CH-8037 Zurich Switzerland
Telephone + 41 1 342 2074
Fax + 41 1 342 2083
leuba@treehouse.ch

United Kingdom

WWF 95+ Group
Catherine Graham
Branksome House, Filmer Grove
Godalming GU7 3 AB Surrey
United Kingdom
Telephone + 44 1 483 419 278
Fax + 44 1 483 427 965
cgraham@wwfnet.org

APPENDIX 3

Internet and telephone survey

Dear British Columbia Wood Products Sales Manager,

Is the demand for eco-certified wood products limited to low volume, niche markets? Is demand growing?

The purpose of this survey is to identify the current demand for wood products that have been verified or certified – through a chain of custody monitoring system – to have originated from a sustainably managed forest. We also wish to understand what services might be of value to those of you interested in selling products into markets that require and/or reward chain of custody certification.

This information will be summarized in a guidebook on *Chain of Custody Systems - Opportunities for the B.C. Wood Product Manufacturer* by April 2002. Also included will be information on the various chain of custody and inventory control systems (e.g. CSA, FSC, Lisa, Woodstock). The print and electronic guide will be available from Canadian Mill Services Association (www.canserve.com) and BC Wood (www.bcwood.com).

Your experience and time are necessary to make the results of this survey as meaningful as possible.
Thank you for **faxing your response to (604) 891-1217** by February 28, 2002.

You

1. What product segment do you fit into?
2. What is your most significant channel to market?
3. How many employees at your facility?

Your Markets

1. How many enquiries has your company received for wood products with chain of custody verification or certification in the last 12 months? Is the number increasing over time? Yes / No
 0 1 to 10 11 to 20 More than 20
2. What per cent of the product is the customer requesting be verified or certified (e.g. 100%, 70%)?
 0 – 30% 31 – 50% 51 – 70% 70 – 100%
3. Was a specific certification scheme or program specified? Which one(s)?
 CSA FSC SFI PEFC Other (name):
4. What kinds of product were you requested to supply?
What volume?
What frequency?
5. Was your customer willing to pay a premium? Yes / No
Do you feel there is room to add a premium? How much?

0 - 1% 2 - 3% 4 - 5% 6 - 10%

6. Do you see eco-certified products as a growth area for your business?

Your Business

1. Do you have a chain of custody system in place? If yes, which system?
2. What is your greatest barrier to entering a green market you are targeting? (e.g. supply, margins, market access).
3. If you do not have a chain of custody system in place, are you considering implementing one in the next 12 months? Yes / No. Why?
4. What kinds of services would you be looking for from an industry specific, independent third party?

Please check the service(s) of interest:

- Develop and/or implement a generic or system specific chain of custody system for my business.
 - Advise – tell me more about the market opportunities and/or chain of custody programs (e.g. record keeping, documentation control, separation and demarcation of certified vs. non certified products).
5. Would you require a chain of custody system with a label that is recognized in your market(s)? Yes / No.
 6. Please provide comments on any of these issues. Thank you.

END NOTES

¹ See “Certification of Environmental Claims” section at www.scs1.com.

² Murphy, Dan. “Good wood labelling.” *Christian Science Monitor*. 8/23/2001. 93(189): 1.

³ Kim, Queena Sook and Jim Carlton. “Battle breaks out over rival seals for “green” wood.” *Wall Street Journal*. 5/23/2001. 237(101): B1.

⁴ Vlosky, Richard, Shoana Humphries and Douglas Carter. “Certified wood products merchants in the U.S.: A comparison between 1995 and 1998.” *Forest Products Journal*. June 2001. 51(6): 32.

⁵ “Friends of good wood.” *Forestry & British Timber*. 2/1/2002.

⁶ Wendy Vasbinder and Brewer, Cam. “The Promise of Forest Certification.” *Encompass Magazine*. Feb/March 2001.

⁷ Taggart, Jim. “Program certified responsible care.” *Journal of Commerce*, 90(25): 4. April 2, 2001.

⁸ Vlosky, Richard, Shoana Humphries and Douglas Carter. “Certified wood products merchants in the U.S.: A comparison between 1995 and 1998.” *Forest Products Journal*. June 2001. 51(6): 32.

⁹ Hayhurst, Chris. “A sound idea.” *E Magazine*. Mar/Apr 2001. 12(2): 54-57.

¹⁰ John Caulfield. *National Home Center News*. August 6, 2001. p 19. The original research report by Leo J. Shapiro and Associates in Chicago is available from the National Home Center News.

¹¹ Jackson, Mandy. “New Homes All Buyers Chance to Be Living Smart.” *San Diego Business Journal*. 1/21/2001 p 9.

¹² Gordon Hamilton. “Europeans open their wallets for eco-certified rainforest cedar.” *Vancouver Sun*. Dec. 4/2000.

¹³ Crosby, Rick. “Ready Market.” *Logging and Sawmilling Journal*. December 2001/January 2002. 32(10): 25.

¹⁴ Vlosky, Richard, Shoana Humphries and Douglas Carter. “Certified wood products merchants in the U.S.: A comparison between 1995 and 1998.” *Forest Products Journal*. June 2001. 51(6): 32.

¹⁵ Carter, D.R. and F.D. Merry. “The nature and status of certification in the United States.” *Forest Products Journal*. 48(2): 23-28.

Hayward, J. and I. Vertinsky. 1999. “High expectations, unexpected benefits: what managers and owners think of certification.” *Journal of Forestry*. 97(2): 13-17.

Stevens, J., M. Ahmad and S. Ruddell. 1998. “Forest products certification: a survey of manufacturers.” *Forest Products Journal*. 48(6): 24-49.