



FSC Argumentation against the proposal to launch ISO work on “Chain of Custody of Forest Based Products” requirements

Proponents of the proposal to ISO: ABNT (Brazil) and DIN (Germany) National Standardisation Bodies which are full members of ISO¹ can vote till 28th of August. Apparently each Body is required to seek input from stakeholders (industry, NGOs, whoever feels concerned).

FSC already expressed its opposition in a [joint letter](#) with PEFC.

With this we also explicitly counteracted on the misleading information in the proposal that FSC and PEFC were consulted FSC and PEFC and that neither of them oppose the proposal.

Why does FSC oppose the proposal for an ISO standard on forest products?

Argumentation Summary

- 1. The proposal is poorly written, confusing and possibly misleading:** it aims for sustainable forest management (FM), has concrete ambitions to promote that, while it also says it focuses on chain-of-custody (CoC) only. So it is doubtful whether the objective is for a CoC standard only. Voting for this proposal is voting for a confusing and potentially broader agenda.
- 2. The proposal will not lead to more sustainable forest management and could even have perverse impacts:** it is not clear whether an ISO CoC standard would only facilitate (FSC or PEFC) certified forest materials, or whether it would set its own FM standards. In that case it could undermine current efforts to further increase credibly certified forest area in the world.

If the proposal is indeed focussing on CoC only, it is likely to be based on the assumption that CoC currently is the bottleneck in promoting sustainable forest management. FSC does not share that view. Most efforts need to go to promoting sustainable forest management itself, which cannot be done through a global ISO standard.

- 3. The proposal is not necessary:** there are no “lots of initiatives” as indicated in the proposal: FSC and PEFC cover 98% of the market. Also, both FSC and PEFC have fully functioning and well recognised certification systems.
- 4. The proposal would add complexity and costs:** It says to focus on improvement of existing standards and cost savings for CoC users. This is not realistic. FSC and PEFC CoC

¹ full list of ISO members on http://www.iso.org/iso/home/about/iso_members.htm



are in the core of the matter: tracking materials and conditions for claims quite similar. An ISO standard would emerge next to the existing ones, adding complexity and costs (e.g. expensive ISO trainings, costs of buying ISO standards). Also, FSC CoC standards are not pure traceability standards since they are also designed to incentivise certification of forests and small CoC enterprises. If the FSC loses the ownership/ control over the standards we may lose opportunities to promote forest certification.

5. An ISO standard is not in the interest of industry and consumers seeking responsible behaviour

The ISO standard would not increase the recognition with consumers for sourcing from sustainably managed forests. FSC adopts ISEAL codes and has own procedures for standard development reflecting FSC's unique governance model. FSC sets standards with active participation of social and environmental stakeholders whereas ISO is mainly industry driven. There is a risk of decreasing stakeholder support to forest certification if ISO procedures do not ensure the same level of stakeholder engagement and participation in standard setting.

Arguments Explained:

1. The proposal is poorly written, confusing and possibly misleading

Is it really only about Chain of Custody (CoC)?

The argumentation from the Brazilian and German initiators at various places is clearly pointing at forest management:

- *„The purpose of this new committee would be to create standards in the field of management of forest in a sustainable way, providing an assurance mechanism for both enterprises and woodland owners to be able to demonstrate to consumers that wood used in their products comes from sustainable forests.“*
- *„This International Standard will help to deal with a wide variety of aspects, from native people rights to health and safety issues to contributions to local employment. Also, the proposal intends to host and protect sites and landscapes of high cultural, spiritual or recreational value. The theme thus includes aspects of land tenure, indigenous and community management systems, and traditional knowledge“.* This is then followed with a long list of specific environmental and social objectives.
- Also the references to „relevant documents“ are almost all relating to forest management.
- *„The proposal aims to deal with the entire forest supply chain to provide good practices in the forests and to ensure that timber and non-timber forest products are produced with respect for the highest ecological, social and ethical standards...“*

In other places the authors insist it is about CoC only. Even the clarifications from the ISO staff in the document do not help. On one place they say it is about CoC only. In another place they call it the „ISO FM“.

Also: if it was only meant to ensure traceability of a resource through a chain of custody and its conversion into products, why would it focus on forest products only and not to other types of products (e.g. agricultural products, minerals, etc)?



To be clear: both FSC and PEFC work with two (different sets of) standards:

- Forest Management standards: Sets the rules for the environmentally appropriate, socially beneficial and economically viable management of forests.
- Chain of Custody standards: Specifies the requirements for organizations manufacturing and trading forest products.

These standards are different in many respects. The FM standard is based on internationally agreed principles and criteria, but requires interpretation to specific natural and social circumstances in order to be applicable and relevant. And this is essentially a multi-stakeholder process, to ensure that the fundamental elements (environmentally appropriate, socially beneficial and economically viable) are properly dealt with. The CoC standard however, is global, to ensure that wherever the forest materials from certified forest go, they are treated in the same way, so that one can, being part of a CoC, a retailer or end consumer, trust the system independently of where one is based.

The ISO proposal is mixing the FM and COC concepts up. So while stakeholders may think it is about CoC only, it may lead to discussions in the newly formed ISO committee about an ISO standard that includes forest management indeed now or in the future. Which is many times more complex and critical for the stakeholders' interests than a discussion about traceability!

2. The proposal will not lead to more sustainable forest management and could even have perverse impacts

As mentioned above, the promoters are clearly motivated by the ambition to promote sustainable FM.

If that means a fully-fledged FM standard covering all phases of the supply chain, including the management of the forest itself, ISO would set up a competing structure with FSC and PEFC. But in other parts of the proposal, and also in explanations from some standardisation bodies, this is clearly not the objective.

The assumption that it is possible to promote sustainable FM through easing the standards for sustainably produced forest materials in the supply chain presumes that the CoC is really the bottle neck at the moment. The big picture is that the number of (FSC) CoC certified companies is growing very fast, but that the supply from the forests is not growing at the same rate. So the supply is more of a problem than the demand. An ISO COC standard would not produce the expected impact on the certification of forests, as indicated in the ISO proposal.

On the other hand, if an ISO CoC would include its own requirements for the forest materials, which would not necessarily imply FSC or PEFC certification, it could create the perverse impact that materials that are currently not accepted in the FSC and PEFC system are used in certified products. Also, the current FSC and PEFC CoC standards are designed to incentivize the certification of forests and small enterprises and losing the ownership over their CoC standards could potentially affect their ability in promoting and making certification credible and accessible. This would create a perverse impact on our efforts to keep the sustainable FM concept delivering real environmental and social benefits.



3. The proposal is not necessary

There are no “lots of initiatives”

The essence of promoting sustainable FM is to work with the foresters. If the promoters indeed do not want to touch this, but focus entirely on facilitation of a credible CoC that gives consumers trust that the labelled products they buy are really from sustainably managed forests, one would expect an explanation why the currently existing CoC systems form a bottleneck.

The only argumentation one can find is: *“the need for that document has been determined by the observation of the proliferation of lots of similar initiatives in the forest field. Based on that, having an international document that would allow the communication between these initiatives, and foster the use from those who do not yet follow those practices”*.

Where are the “lots of initiatives”? There are only two global schemes, FSC and PEFC, which currently cover 98% of the market of sustainably produced forest products. In some countries government driven initiatives have come up indeed, but in case they aim for the international market, they usually seek incorporation into PEFC. Also in other places of the ISO proposal one sees clearly that only FSC and PEFC are targeted.

4. The proposal would add complexity and costs

“The proposal is not to reinvent the wheel but to considering existing standards in the development of a global CoC standard. The main challenge is to have the systems agreeing into one standard, but the challenges of CoC systems are already being addressed by the systems directly. The idea here is to improve those standards and to reduce the amount of \$\$ spent annually on similar COC audits and fees.”

So the focus is both on improvement of existing standards and on cost savings for the CoC users.

What kind of “improvement” is mentioned here? The proposal does not mention any weakness of the existing standards. This argument should include at least an indication of what the added value in terms of efficiency or impact on uptake of products derived from sustainably managed forests should be.

Also the argument of cost savings is not further explained. It implicitly seems to refer to the parallel existence of the FSC and PEFC standards and the fact that quite a few companies use both. This is in fact the returning motive in supporting responses from business actors. These are not looking for “improvement”, but for simplification and merger.

Furthermore, what is precisely the solution aimed for? A standard to replace the PEFC and FSC CoC standards? Or a standard that would be lead to harmonisation of these two standards? This remains unclear.

Could an ISO standard replace the current FSC and PEFC standards?



Keeping control over the supply chain is an essential part of our credibility. Because in the end there is an FSC logo connected with the product for the consumers. And even where the label is not used in communication to consumers, the companies involved count on the performance of FSC.

We understand that companies that work with both FSC and PEFC materials may dislike the fact that both systems have slightly different requirements for using the materials. The big picture on how to handle materials and ensure claims however is that the systems are quite comparable, and working with one certification body for both and combining audits are already practices that facilitate and reduce certification costs. It is unclear whether a unique standard would improve the current scenario.

However, FSC's members felt it is important to avoid the use of the FSC brand for the greenwashing of companies that practice socially unacceptable behaviour, such as violation of core ILO convention, absence of health and safety policies, violation of customs and trade laws, deforestation. That means that FSC's CoC requirements are not purely focussing on the tracking of material flows. Also PEFC has, based on its own decisionmaking procedures, added certain requirements for the same purpose.

We seriously question whether CoC can be done much simpler and cheaper without compromising on the objectives FSC (and PEFC) have set for not only the claims on the products but also the performance of the certified company.

So the end result of this process could be an ISO standard that comes on the market next to the existing ones from PEFC and FSC. Its existence will create doubts, with some of the customers, such as public procurers, that the PEFC or FSC schemes are not credible enough, and in the end create pressure upon companies to add the ISO standard to the ones they already use. So it may bring extra costs and extra complexity instead of the opposite.

5. An ISO standard is not in the interest of industry and consumers seeking responsible behaviour

Thanks to the support from civil society organisations around the world, in combination with its performance on the ground, FSC has an increasingly high profile with consumers, be it companies, public authorities or individuals. They trust not only that the forests are responsibly managed, but that the people active throughout the supply chain are fairly treated, and that the companies working with FSC are serious about sustainable development and responsible behaviour.

FSC adopts ISEAL codes and has own procedures for standard development reflecting FSC's unique governance model. FSC sets standards with active participation of social and environmental stakeholders whereas ISO is mainly industry driven. There is a risk of decreasing stakeholder support to forest certification if ISO procedures do not ensure the same level of stakeholder engagement and participation in standard setting.

The ISO standard exercise can undermine the role FSC is playing. It may lead to an easier system in practical terms, but create doubts about the environmental and social added value



of the production process and therewith the end product. Continued support from the side of consumers will be at stake.