

**DER-STD-20-007\_02**

**V1-1(Former code FSC-DER-2024-012) Alternative Data Source for FSC Sales Volume Records in Swedish FM Groups**

<b>Normative reference</b>	Clauses 1.2; 11.2, d, f; Annex 4, 38-39 of < <u>FSC-STD-20-007 V4.0, Forest Management Evaluations</u> >
<b>Scope</b>	<input checked="" type="checkbox"/> Generic (applicable by all certificate holders) <input type="checkbox"/> Specific (applicable only upon individual request and PSU confirmation)
<b>Approval</b>	22 January 2025
<b>Effective date</b>	22 January 2025
<b>Period of validity</b>	Until replacement or withdrawal.
<b>References</b>	Competition Act (Konkurrenslag 2008:579) Chapter 2, 7 § <u>Regeringskansliets rättsdatabaser (gov.se)</u>
<b>Certification Body</b>	Applicable to all Certification Bodies (CB).
<b>Request by CB</b>	Based on the risk of non-compliance with the Swedish legislation, the certification body requests that for the group certifications in Sweden, the records of actual annual FSC sales volumes can be verified from the independent third-party <u>Biometria</u> rather than the Group Entity.
<b>Rationale</b>	<p>FSC requires Group Entity to maintain centrally records of actual or estimated annual harvesting and FSC sales volumes of the group (Clause 10.1, f of &lt;<u>FSC-STD-30-005 V2.0, Forest Management Groups</u>&gt;).</p> <p>Swedish forest owners are not obligated to sell their wood to the Organization holding the FSC group certificate. Due to the existing Competition Act, Group Entities, often large forest companies, should not collect information from forest owners regarding FSC sales volumes. This leads to the risk that the Group Entity might inadvertently discover which other actors the forest owners have sold their wood to, along with other sensitive business-related information. If Group Entities request this information, it could enable them to identify the actions of individual competitors in the market and obtain an aggregated market picture that other competitors do not have access to. Consequently, gathering information about sales volumes could</p>

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give Group Entities a competitive advantage, thereby violating applicable legislation.

Given the numerous large wood procurement companies in Sweden, the large number of forest owners, and the high proportion of certified forest land, an impartial economic association Biometria has been established to measure and account for all wood sales on the Swedish market. This economic association operates independently from wood procurement companies and Group Entities and tracks sold FSC volumes for each forest owner. Both forest owners and wood procurement companies can track sold FSC volumes through the economic association.

These transactions are still verified as part of the annual FSC audits.

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**PSU Conclusion** PSU grants the derogation for group forest management certifications in Sweden that the records of actual annual FSC sales volumes can be verified from an independent third party rather than the Group Entity.

The certification body may verify the FSC sales volume using data collected by the independent and legally registered body Biometria.

The certification bodies shall inform its group forest management certification clients in Sweden about this derogation.

Note: FSC monitors the implementation of this derogation and will update or withdraw the derogation in full or part, as necessary.