



FSC ACTS ON POTENTIAL FRAUD IN PAULOWNIA WOOD SUPPLY CHAIN

December 6, 2019

The move comes after FSC uncovered systematic violations of FSC certification requirements by companies that were trading non-certified Paulownia products as certified.

Following an extensive investigation into Paulownia supply chains, FSC has taken initial action against a number of companies that were found to have traded non-certified Paulownia as FSC certified. These companies are subject to termination or suspension of their trademark licenses or further investigations.

Through this action, FSC demonstrates that its highest priority is the integrity of its brandmark distinguishing responsibly procured wood and wood-based products. By thoroughly investigating suspected violations, FSC acts to ensure that the companies found to misuse the FSC label cease doing so and are otherwise penalized.

An investigation involving Assurance Services International (ASI) into FSC chain of custody certified companies trading in Paulownia products revealed that four companies had sourced uncertified Paulownia and were selling it as FSC certified. Three of these certificates have now been suspended, and one has been terminated. Further investigations involving other companies are still ongoing and may lead to additional suspensions.

Suspended companies now must introduce specific actions to correct their wrongdoings by a given date or face immediate termination. Until suspended companies have been cleared of wrongdoing, they cannot use the FSC trademark or FSC license. Companies with certificates that have been or will be terminated as a result of this investigation are automatically expelled from the system and will no longer be allowed to trade with an FSC license.

Terminated certificate:

- Dongming Sanxin Wood Industry Co., Ltd: FSC-C126740.

Suspended certificates:

- Shandong Longsen Woods Co., Ltd. FM/CoC: FSC-C109378;
- Shandong Longsen Woods Co., Ltd. CoC: FSC-C151540;
- Dongming Jiuxin Trading Co., Ltd: FSC-C145704.

Transaction verification

Wood from the Paulownia tree had been identified as posing a high risk of false FSC claims following allegations in Paulownia supply chains. Consequently, in February 2019, FSC required certificate holders to apply its **transaction verification** mechanism in Paulownia supply chains.

Transaction verification is the process of comparing and verifying all transactions relating to a specific product type, group or region over a given time period. In this case, certificate holders that traded with Paulownia were required to submit to transaction verification for purchases and sales for calendar year 2018. ASI provided FSC an initial report of the analysis of the transaction verification in late September 2019 and continues to collect and analyse further data from certificate holders.

FSC will provide additional updates as its investigations continue.

About Paulownia

Paulownia is the collective name for a number of fast-growing species native to Eastern Asia. It is commonly cultivated in plantations in northern China for its light wood, which offers specific characteristics. Paulownia wood is used for a wide variety of purposes, such as housing components, sports equipment, furniture and musical instruments.

FSC Global Development GmbH · ic.fsc.org · FSC® F000100
Adenauerallee 134 · 53113 Bonn · Germany
T +49 (0) 228 367 66 0 · F +49 (0) 228 367 66 65
Geschäftsführer | Director: Kim Bering Becker Carstensen
Handelsregister | Commercial Register: Bonn HRB15990

FSC International Center gGmbH · ic.fsc.org · FSC® F000100
Adenauerallee 134 · 53113 Bonn · Germany
T +49 (0) 228 367 66 0 · F +49 (0) 228 367 66 30
Geschäftsführer | Director: Dr. Hans-Joachim Droste und/and Stefan Salvador
Handelsregister | Commercial Register: Bonn HRB12589

