



FSC CONDUCTS INVESTIGATIONS ON CHARCOAL PRODUCERS

July 2, 2018

The Forest Stewardship Council (FSC) has been carrying out exhaustive investigations of European charcoal producers and traders.

Following allegations that some companies could be sourcing from non-FSC certified forests and mixing non-certified material in FSC labelled bags.

To ensure the integrity of these supply chains, FSC and Accreditation Services International (ASI), have been conducting mandatory transaction verification of all FSC-certified companies that trade or produce charcoal with additional fiber tests on samples from major retailers to determine accurate species identification.

FSC is currently analyzing the results obtained from the trade reported by certificate holders and will decide on the actions to take if the current allegations confirm intended wrongdoing by charcoal traders and producers or if adequate control measures are not put in place to prevent this in the future.

To reinforce its investigation, FSC's Supply Chain Integrity Project team has been carrying out fiber testing of charcoal samples from brands sold on the European market in the spring and summer of 2018. This is done in collaboration with the Forest Products Lab of the U.S. Forest Service, with some bags also sent to the Thuenen Institute in Hamburg (Germany) for analysis. These tests will continue throughout 2018 and 2019.

Initial results from 2018 have indicated that some bags of charcoal products contained tropical or sub-tropical species.

ASI is now determining whether these were sourced from FSC-certified producers from tropical regions such as Namibia, Mozambique or Paraguay or originate from non-certified sources. It is also confirming if these samples belong to sub-tropical families that can grow in the Mediterranean region of Europe.

However, if proven that these products contained non FSC-certified tropical species, our organization will apply strict punitive measures to these companies.

As a result of our 2017 analysis, a total of 21 FSC-certified companies had their certificates immediately terminated or suspended after transaction verification demonstrated that these companies did not have the control measures in place in their FSC chain of custody supply chain to prevent non-certified material being sold as certified.

This means that these companies can no longer trade FSC-certified products nor can they make a claim of FSC-certified material.

FSC has further reinforced transaction verification by requesting volume data on a quarterly basis throughout 2018.

FSC's enhanced Chain of Custody Standard (FSC-STD-40-004 V3-0), launched in April 2017 and fully implemented globally in March 2018, introduced transaction verification as an important element to prevent fraud from occurring in high risk supply chains, such as charcoal.

The intention of this criterion has been to ensure that FSC systematically investigates high-risk product types, species and regions, and limits the amount of inaccurate transactions.

Transaction verification requires certificate holders to report sales and purchase volumes by trading partner to the certification bodies auditing them to FSC standards. It enables to accurately verify that the volumes reported as purchased by a given company match the volumes sold by its supplier.

If these numbers do not coincide, there is a high probability that the company with the mismatch has added products that do not conform to FSC certification with its claimed product. If the non-conformity is confirmed, the certified company will face strict disciplinary measures which can lead to suspension or termination of its certified status.

Additionally, through ASI, FSC will be closely following-up with certification bodies to ensure that any current non-conformities are diligently addressed.

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