How Can You Ensure Responsible Sourcing of Your Forest Products?

TRANSFORM COMPLIANCE WITH SGS FORESTRY SOLUTIONS

FORESTRY

SGS

State of the Industry

Globally, the forestry industry is of major economic importance. From logs to lumber, furniture to wood pulp to product packaging, to any other item made from wood, it is becoming more and more important to know exactly where your materials come from.

In today's globalized marketplace, disruptive technology and multinational trade agreements, have affected the industry in new ways. The main threats companies in this field face are related to compliance, sustainability and materials sourcing. Mandatory requirements are becoming more stringent and consumers, aware of environmental issues, are demanding wood and paper products from well-managed forests. Companies using wood fiber for their products must adapt legal, environmental and social policy changes to stay competitive.
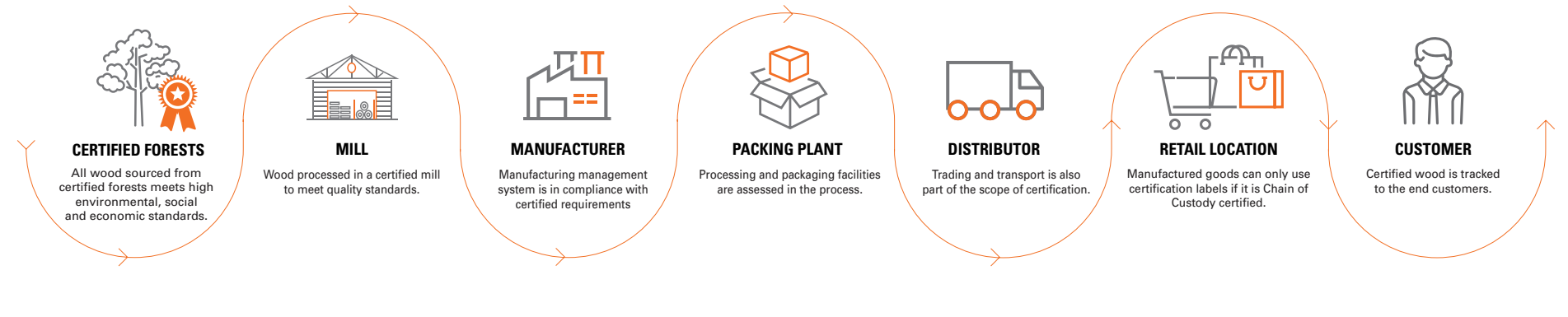
SGS offers a range of training and certification services for the forestry, timber and paper industries. These include forest products chain of custody certification, forest management certification, and timber due diligence services. By ensuring products are sourced ethically and responsibly, companies can continue to meet customer and regulatory requirements.

PREPARING FOR THE FUTURE

More than ever, consumers are becoming more concerned with the means in which their products are sourced. Some of these concerns include:

- Well-managed forests
- Protection of wildlife and plant habitats
- Goal of sustainability

ENSURE RESPONSIBLE WOOD SOURCING THROUGH THE SUPPLY CHAIN

CERTIFIED FORESTS
All wood sourced from certified forests meets high environmental, social and economic standards.

MILL
Wood processed in a certified mill to meet quality standards.

MANUFACTURER
Manufacturing management system is in compliance with certified requirements

PACKING PLANT
Processing and packaging facilities are assessed in the process.

DISTRIBUTOR
Trading and transport is also part of the scope of certification.

RETAIL LOCATION
Manufactured goods can only use certification labels if it is Chain of Custody certified.

CUSTOMER
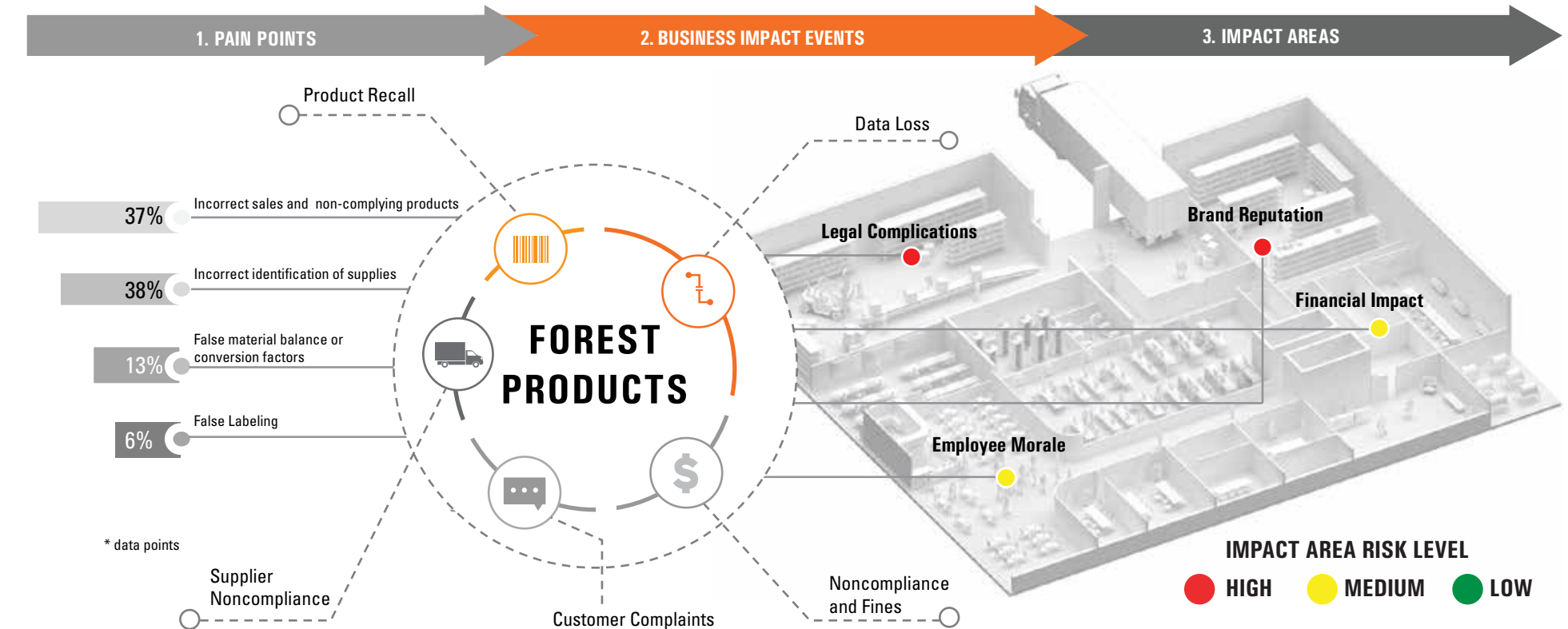Certified wood is tracked to the end customers.

What are the Most Common Industry Pain Points?

With our Forest Products analysis, SGS is able to find trends in our client's data points and detect threats and areas of improvement. Each standard clause and their corresponding data points were reviewed, allowing us to discover the top pain point areas for the standard. Our methodology identifies the top five industry pain points based on the number of occurrences within our data set. Our technical and industry experts then map each pain point to the most likely event that can negatively affect operations, which we refer to as impact events. These events allow us to identify the risk level of the four main impact areas of an organization. The graphic below showcases this process for Forest Products data and identifies Brand Reputation and Legal Complications as the highest risk factors.

DATA SPECIFICATIONS

>> 9,000 DATA POINTS

>> 11,000 CERTIFICATES ISSUED

1. PAIN POINTS → **2. BUSINESS IMPACT EVENTS** → **3. IMPACT AREAS**

- Product Recall
- 37% Incorrect sales and non-complying products
- 38% Incorrect identification of supplies
- 13% False material balance or conversion factors
- 6% False Labeling
- * data points
- Supplier Noncompliance
- Customer Complaints
- Noncompliance and Fines
- Data Loss
- Legal Complications
- Brand Reputation
- Financial Impact
- Employee Morale

FOREST PRODUCTS

IMPACT AREA RISK LEVEL
● HIGH ● MEDIUM ● LOW

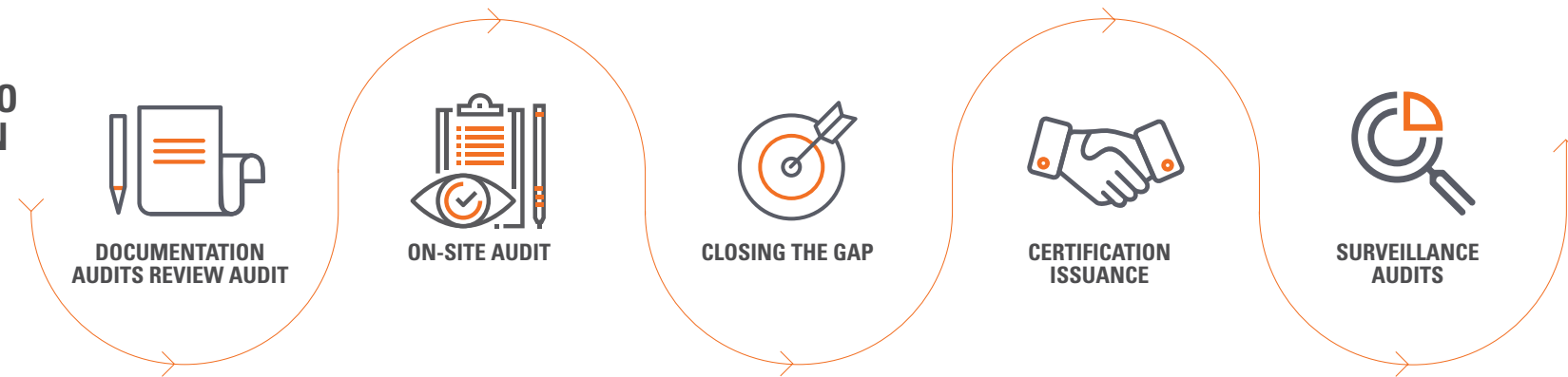# Certifications for the Forestry Industry

There are two available standards for the forestry industry. Mandatory requirements are becoming more stringent and consumers, aware of environmental issues, are demanding products from reliable sources.

The standards for the industry are:

* **Forest Stewardship Council™ (FSC™) Chain-Of-Custody(COC) Certification**

  FSC™ is a global certification system that helps companies identify and purchase wood from well-managed forests. It defines principles of responsible forest management (FM) and for the transfer to finished timber and paper products (COC). FSC™ is supported by leading environment NGOs.

* **Programme for the Endorsement of Forest Certification (PEFC™) Chain-Of-Custody (COC) Standard**

  PEFC™ standard is a standard promoting sustainable forest management (SFM) through independent third-party certification. With the Chain of Custody Certification the processing of timber and wooodfiber is controlled from the forestry to the finished products. PEFC™ has been founded and is supported by timber industries in Europe and North America.

Details about the FSC and PEFC accreditation and licenses of SGS are available on our website:
www.sgs.com/forestryaccreditations

BENEFITS OF CERTIFICATION:

PROCESS IMPROVEMENT	BRAND IMAGE	EMPLOYEE MOTIVATION

By implementing certification, you will demonstrate that your organization is able to appropriately track the material flow of timber and paper products, and is enabled to advertise products form well managed forests. You will gain customer trust for mitigating your risk of using wood form illegal harvesting and through your contribution to the protection of forests globally.

YOUR STEPS TO CERTIFICATION

DOCUMENTATION AUDITS REVIEW AUDIT — ON-SITE AUDIT — CLOSING THE GAP — CERTIFICATION ISSUANCE — SURVEILLANCE AUDITS

HOW SGS CAN HELP

TRAINING — PRE AUDIT — CERTIFICATION AUDIT — REFERENCE MATERIALS

SGS Academy Training Courses

SGS has the capabilities in place to deliver consistent, effective and high-quality training for the Forestry industry.

PEFC ™ Chain of Custody

Learn how to record and track certified forest product materials from the forest to final product with the PEFC™ Chain of Custody standard, as well as the scheme's logo usage rules.

COURSE DETAILS / Duration: 1 day

ISO 14001 – Environmental Management Systems – Awareness Training

This training provides industries with a model for managing and improving their environmental impacts.

COURSE DETAILS / Duration: 2 days

FSC ™ Chain of Custody Basic Systems

Learn about the FSC™ chain of custody (CoC) standard and certification, and how to apply it to your organization.

COURSE DETAILS / Duration: 1 day

FSC ™ Chain of Custody Advanced Systems

Looking beyond certified timber, advanced chain of custody (CoC) training draws together the FSC™ standards for controlled wood, reclaimed material and multisite operations.

COURSE DETAILS / Duration: 1 day

LEARNING MANAGEMENT SYSTEM

SGS Academy has a customized Learning Management System (LMS), fully integrated with our global training schedule. It provides management and employees with direct online access to relevant training programs and continuous professional development. SGS Academy LMS makes learning easier to organize, record and undertake. It has several advantages for learners and management

FOR LEARNERS

* **Intuitive:** uses recognizable online methods to enhance the training experience
* **Effective:** uses client data to target relevant courses, promoting continuous professional development
* **Transparency:** all training is recorded and can be accessed at any time

FOR MANAGERS

* **Reports:** has a relevant number of reports available. Managers can access the data they need in a suitable format
* **Invoicing:** complete control over invoicing, allowing budget supervision
* **Resource management:** provides complete command over all aspects of staff training

PLEASE VIEW THE WORLDWIDE COURSE SCHEDULE AT WWW.SGS.COM/TRAINING

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