

# Simplifying Requirements for Finished Labelled Goods: Call for Pilot Project Participants

FSC<sup>®</sup> is seeking organizations to pilot test a new service to streamline the sales and promotion of finished and labeled FSC certified products.

FSC is committed to making the promotion of FSC certified products easier but also keeping the FSC system strong. One way to accomplish this goal is to simplify the process for organizations that seek to trade or promote FSC certified finished labeled goods. FSC is testing the viability of using the <u>Online Claims Platform (OCP)</u> for this purpose.

If you are a broker or trader, how would you feel about not needing to be certified in order to pass on FSC claims? And if you are a retailer, would there be advantages to no longer having to collect invoices or letters of intent from various buyers within the company before being able to promote a product as FSC certified?

#### Simplifying requirements

FSC Chain of Custody certification is a voluntary certification system available to supply chain companies who want to demonstrate their commitment to responsible forest management by having their company's planning, practices, and products independently evaluated against FSC's Chain of Custody standards. FSC Chain of Custody certification allows companies to label their FSC products, which in turn enables consumers to identify and choose products that support responsible forest management.

However, there are instances where finished and labeled products pass through traders and brokers, which do not make any physical changes to products, but simply pass along FSC claims. Often traders and brokers do not even see the product but only act as middlemen facilitating the distribution of products from producers to retailers. At the moment, these traders and brokers are required to become FSC-certified in order to keep the FSC Chain of Custody intact.

Furthermore, FSC also requires retailers and other companies selling to end-users to be approved trademark license holders. Retailers must verify that products are FSC-certified before being able to use the FSC trademarks for promotional uses.

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FSC is currently exploring whether the traceability of products that pass through traders and brokers and the verification process for retailers could be done in an efficient and economically feasible manner.

# Using the Online Claims Platform as a solution

To do this, FSC has been testing alternative means for verifying FSC claims in the last links of an FSC chain. With the Online Claims Platform (OCP), brokers and traders of finished labeled goods would need to sign up to the OCP and electronically pass on the claim from the FSC certified supplier to their customer. Similarly, retailers would only have to indicate which products they have or will buy from a given certified supplier or from a broker that subscribes to the OCP in order to be able to market their products as FSC certified. In other words, we would be removing the requirement for CoC certification for many brokers and traders and would dramatically simplify the means for retailers to verify the FSC status of their products before the products are promoted.

# The benefits of this new FSC approach would offer:

- Simplicity a low-cost solution for suppliers and buyers of finished labeled FSC certified products.
- Promotion an easier method to promote FSC certified products.
- Risk management an increased level of assurance that the FSC claims are accurate
- Compliance information for EUTR, Lacey Act, Australian Ban, etc. the possibility in the future to receive information on species and country of harvest.
- Market information volume summaries of products purchased across product groups.
- Opportunity to help simplify and strengthen the FSC system.

### **Pilot Projects and Testing**

FSC will be setting up a limited number of pilot projects around the world, to allow traders, brokers and retailers the opportunity to use the OCP to verify FSC claims as an alternative method for passing on claims for finished labelled goods and trademark use with connected approvals.

Pilot project participants will first need to establish an OCP account and then connect to their suppliers. Once connected, the user will receive a list of available finished and labeled certified products from the certified suppliers to which they are connected.

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When a sale is successfully completed, the certified supplier will pass on an FSC claim to the user in question for the identified products. The user then can check that the details and digitally confirm the claim. If the user is a broker, trader or supplier, he will have the option to pass the claim on to another trader/broker or a retailer.

This way both parties and FSC can be confident that the FSC claim on the product is accurate.

# Eligibility

- Retailers buying finished and labeled FSC certified products and selling it to consumers
- Brokers and traders buying finished and labeled FSC certified products from FSC certified manufacturers and sell to retailers or other consumer facing organizations.

# What will you need to do - expectations if you join the pilot

Introduce the pilot project and the OCP to your supply chain (FSC will help you complete this task but we will need your collaboration to inform your supply chain).

- Register on OCP and connect to your supplier a one-time event.
- Confirm name of the finished labeled product that will be included in the test.
- Provide FSC local officer access to your OCP account for verification of the claim.
- Provide feedback so we can improve the service.

If you are currently certified to the FSC CoC standard, we will work closely with your certification body to make sure that the pilot runs smoothly.

### Join the pilot

FSC will be pilot testing the use of the OCP for trademark approvals beginning mid-2015. We are looking for organizations interested in improving the efficiency and streamlining the trademark approval process to join the pilot. We look to work with organizations that have experience with trading or promoting FSC certified products and have close relations with their suppliers.

If your organization is interested in learning more or joining the pilot, please contact:

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