# Facts

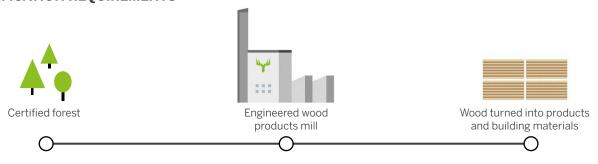
### about forest certification

#### - What you should know about certified forests and the products that come from them

Forest certification provides companies and consumers with an assurance that the wood raw material used to make engineered wood products like Kerto® LVL and plywood originate from forests that have been managed sustainably.

Forest certification schemes are voluntary third-party verification schemes that support the wellbeing and sustainability of forests and ensure the legality and traceability of wood's origin. They also focus on good conditions for people who work in forests, ensure that forests can be used for recreational purposes and safeguard the rights of indigenous people. Only about 10% of the world's forests are certified compared to around 90% in Finland and more than 60% in Sweden.

# ALL PARTIES IN THE VALUE CHAIN NEED TO COMPLY WITH THE CHAIN OF CUSTODY CERTIFICATION REQUIREMENTS



Unbroken certified chain of custody

#### WHAT IS A CHAIN OF CUSTODY?

The certification process has two main parts: forest certification and certification of the chain of custody. The chain of custody system makes it possible to trace and document the flow of wood raw material and the products made from it throughout the supply chain. With a chain of custody certificate, a producer can prove that the wood raw material used in its products comes from certified or controlled forests.

In order for a producer to be able to apply a forest certification label to their wood products, the products must be made from certified wood raw material and there must be an unbroken chain of custody from the forest to the end-use. Chain of custody certification for wood products requires that only certified or controlled wood is used; it is not permitted to use wood from unknown sources.

"There must be an unbroken chain of custody from the forest to the end-user."



# WHAT ARE THE LEADING FOREST CERTIFICATION SCHEMES?

The two most common forest certification systems are the Programme for the Endorsement of Forest Certification and the Forest Stewardship Council®; forest certification schemes ensure sustainable and responsible forest management and help conserve biodiversity and preserve the valuable habitats and biotopes. Globally, PEFC-certified forests cover 290 million hectares while FSC-certified forests cover 160 million hectares (H1/2023).

Forest certification target the implementation of sustainable and responsible forest management practices as well as safeguarding the habitats of plants and animals. Forest certifications also focus on respecting the rights of local communities and forestry workers. Forest certification schemes are committed to credible, independently verified standards of sustainable and responsible forest management.



PEFC is an international non-profit umbrella organisation that works by endorsing national forest certification systems developed through multi-stakeholder processes tailored to local priorities and conditions. PEFC has three decision-making bodies: the General Assembly, the Board of Directors and the Secretary General of which the General Assembly is the highest authority. The General Assembly is made up of all PEFC members, including for instance national certification systems, NGOs, labour unions, associations, organizations and companies.

FSC is an international, non-governmental organisation dedicated to promoting responsible management of the world's forests. FSC is governed by three chambers – environmental, social and economic. FSC members apply to join one of the three chambers. The General Assembly of members is FSC's highest decision-making body. Members can be among others, private enterprises, NGOs, international organisations, indigenous groups, and educational institutions.

## WHAT DOES IT MEAN WHEN WE TALK ABOUT WOOD FROM CONTROLLED ORIGIN?

Wood sourcing company ensures that the wood meets the minimum criteria of controlled origin, including all legal, ecological and social factors even if the forest is not certified. Forest management and sourcing practices are monitored by the wood sourcing company and verified by its external chain of custody auditor. FSC® controlled wood can only be sold to customers that hold FSC® chain of custody certification. The origin of wood is traceable when coming from controlled origin.

"Both FSC and PEFC certification ensure that the wood comes from sustainably and responsibly managed forests."

#### Forest certification in a nutshell

- Supports sustainable and responsible forest management
- Provides traceability and ensures the legality of the origin of the wood
- Helps conserve biodiversity
- Safeguards good conditions for people working in forests as well as the rights of indigenous peoples
- Ensures that forests can continue to be used for recreational purposes

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