

RESPONSE FORM - TPAC Stakeholder Forum



STIP

Respondent	
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Chain of Custody (CoC)	
Chain of Custody system	P 1. A Chain of Custody (CoC) must be in place from the forest unit of origin to the final point of sale, which provides a link between the certified material in the product or product line and certified forest units.
<p>Following the decision of the Board of Appeal, SHR amended the STIP regulation on this principle. It is now stated under §4.1.2 that there must be a stock register to guarantee administrative traceability. The STIP regulation should also require this for products that are not traded through a stock record. Various comments submitted by STIP-certified companies during this consultation (in general “STIP = less administrative burden”) show that they are not fully aware of the need to keep records in order to safeguard the Chain of Custody.</p>	
Chain of Custody group certification	P 2. If Group certification of the CoC is allowed, the standard must require that the group as whole must comply with the same requirements which are posed on individual companies.
Logos and labels	P 3. Logos and labels that belong to the certification system and occur on products and documents shall have an unambiguous meaning and shall be applied in accordance with the rules established by the certification system.
<p>Unfortunately, this form does not show any underlying criteria that the STIP scheme should meet. One of these criteria is: an “unambiguous description of the claim that the logos and labels represent, including the requirement to communicate the actual or minimum percentages of SFM (editorial: Sustainable Forest Management) certified- and postconsumer recycled material included in the product or product line” (criterion C3.1.b). The claim is prescribed in the STIP regulation under §4.3 as “STIP 100% uit verantwoord beheerde bossen / STIP 100%” and in §4.4 as “STIP” (which one is the real claim?). This does not include an actual or minimum percentage of sustainable wood. The claim “STIP” stands for “Sustainable Timber in Place” and is absolutely not a product claim. At most, it could be a purchase claim at company level if only the claims FSC 100% and 100% PEFC were allowed, after all: the wood in products with these claims is fully sustainably produced. STIP, on the other hand, also allows claims with a lower percentage of sustainably produced wood (e.g. FSC Mix 70% or 70% PEFC), where not all the wood is sustainably produced, but only partly controlled (at least legally). In other words, a product the claim STIP is not guaranteed 100% sustainable. It can contain at minimum 70% sustainable wood and maximum 30% controlled wood. Controlled wood is not sustainable, but only meets (at minimum) the criteria’s about the legality of its origin. The STIP website provides an (apparently necessary) additional explanation about the meaning of the claim, demonstrating that the above is not in line with the requirement that the claim is “unambiguous” (Van Dale: subject to only one explanation; = clear).</p>	

A second criterion of the TPAC User manual is C3.3: "There is a clearly defined mechanism for controlling all claims made about the certified nature of products, which ensures that claims are **clear** and **accurate** and that action is taken to prevent any **false** or **misleading** claims". The term STIP stands for "Sustainable Timber in Place". In section 4.3 of the STIP regulation this is used in combination with the term "100% from responsibly managed forests". The TPAC Board of Appeal has made it clear in its ruling (article 22.6) that the word "responsible" should be read as "legal". The combination of the terms "sustainable", "100%" and "responsible (=legal)" is incorrect or at least misleading.

Development, Application and Management of certification systems (DAM)

Standard development	P 1. The process of standard development and the standard itself shall fulfil the requirements as established by international umbrella organisations (such as ISO and ISEAL).
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One underlying criterion is: "C 1.2. The standard development body comprises the relevant interested groups that serve the economic, social and environmental interests without undue dominance of one interest". SHR B.V. (owner of STIP) is a company with the legal form "private company" and is an abbreviation of "Stichting Houtresearch". It is not, as the word "stichting" (= foundation) suggests, an idealistic institution, but a for-profit company. When the standards were drawn up, there was insufficient or no consultation with the relevant groups with ecological or social interests. Therefore, there is an obvious dominance in the economic field. The above also applies to criteria C1.4. Another underlying criterion is: "C 1.5. The standard development procedure provides for public input during a reasonable period of time.". There was no public input at all; the standard was developed without the knowledge of the most important stakeholders FSC and PEFC. Even after the decision of the Board of Appeal, SHR rewrote the standard to version 3 on its own without any input from main stakeholders (such as FSC and PEFC).

System manager	P 2. The certification system shall be managed by a legal entity (system manager). The tasks and responsibilities shall be clearly distributed among the organisations, which form an organisational and/or functional part of the system.
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Decision-making bodies and objection procedures	P 3. Decision-making bodies shall reflect the interests of stakeholders and shall provide for adequate procedures for objection and appeal regarding the decisions made and the functioning of the decision-making bodies.
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Certification bodies and procedures	P 4. Certification bodies shall be independent and shall be competent to assess sustainable forest management and the chain of custody system.
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The main principle states that certification bodies shall be **independent**. Currently, 99% of all STIP-certified companies are certified by certification body SKH. Anyone who is somewhat familiar with the Dutch wood industry knows that SKH and SHR are closely linked. This is reflected in the joint location, the shared personnel and the same (sole) director. In addition, the two organisations are linked in a financial holding SKH/SHR Holding B.V. (<https://www.kvk.nl/orderstraat/product-kiezen/?kvknummer=592329270000>), which means that for the tax authorities it is one fiscal entity. The Board of Appeal also writes in its decision that it "has serious doubts about the independence of SKH and SHR in relation to each other" (Article 21.5). Unfortunately, they have adopted an incorrect argument of TPAC that an accreditation with the Council of Accreditation (RvA) sufficiently guarantees the independence of SKH. SKH's accreditation concerns, among other things, the relationship between **SKH** and their **certificate holders** and not the relationship between **SKH** and **SHR**. It is therefore impossible to argue that SKH and SHR are independent of each other.

Concerning criterion C4.2: In the case of STIP, a sample of purchase invoices is used by the certification body to check whether only FSC or PEFC-certified timber has been purchased. A STIP-certified company could easily omit purchase invoices from its order records, without the auditor being able to find out. That is why a correct audit of a Chain of Custody system should always start with the sales invoices, after which a material balance and a traceability system at the administrative and physical level should make it possible to identify the related purchase invoices.

Furthermore, the STIP regulation states that in the event of a shortcoming in, for example, chapters 1 to 4 (including the implementation of a Chain of Custody system), only a minor nonconformity will be written, with a follow-up period of one year. Even if this period is exceeded, there are no criteria described whereby the organisation should fix the nonconformity within the foreseeable future without being suspended (according to the scheme this is only possible in case of nonconformities within the sample of purchase invoices). In addition, repeated errors have no consequences for the certified status of a company.

Accreditation **P 5. The accreditation agencies that grant the accreditations for certification of sustainable forest management and/or the chain of custody shall be competent and independent, national or international organisations that are preferably member of the IAF.**

General comments

Although DuraCert welcomes the idea that companies are committed to purchasing only FSC® and PEFC certified wood, it is incomprehensible that these companies knowingly and deliberately damage the FSC and PEFC organisations at the same time. STIP does not require their certificate holders to be FSC and PEFC certified. If SHR were serious about sustainable forest management, STIP would have developed the scheme in close consultation with both labels FSC and PEFC and other relevant stakeholders rather than secretly behind their backs. We therefore call on STIP certificate holders to require SHR to ensure that the development of sustainable forest management worldwide is not damaged by their actions.