

FSC[®] and PEFC[™] Certification Info sheet



Global context

Global concerns related to the management of forests include deforestation (mainly due to conversion of forested land into agricultural land or for urban development), illegal logging, the logging of high conservation value areas and wood supply from controversial sources.

Therefore, credible forest certification is rapidly becoming a prerequisite for suppliers and producers in developed countries with Western Europe and the UK being the most demanding. The knock-on effect is forcing countries like Brazil, Russia, China and Indonesia to seek credible Chain-of-Custody certification for their products entering developed countries.

With investors, customers and NGOs seeking assurance that raw materials and products are not associated with deforestation or illegal logging, it is predicted that in most developed countries and BRIC¹ countries credible certification will become increasingly more important with the demand for certified products rapidly increasing.

Market situation

In order to secure an optimal and sustainable long-term wood supply it is necessary to procure wood with credible certification. This can be either PEFC or FSC depending on local availability.

¹ BRIC: Brazil, Russia, India and China

In the Czech Republic, Slovakia and Austria PEFC is the prevalent certification.

We consider both FSC and PEFC as credible certification schemes for wood supply in those European countries where good governance and forest regulation support sustainable forestry; this includes, the Czech Republic, Slovakia and Austria.

Mondi's position

- Mondi's operations are not party to deforestation or illegal logging.
- Mondi ensures that all wood, fibre and biomass sourced from Mondi owned or leased areas (in South Africa and Russia) are certified to FSC standards
- 67% of Mondi's total wood supply is certified to FSC or PEFC
- All of our uncertified wood supplies meet the requirements of the Controlled Wood Standard (FSC-STD-40-005) that ensures legal compliance and no deforestation.
- The alignment of FSC, FSC Controlled Wood and PEFC standards to the EU Timber Regulation (EUTR) and U.S. Lacey Act, together with Mondi's due diligence procedure, ensures that all Mondi's products address the requirements of the EUTR and U.S. Lacey Act.

Forest certification

With most of the world's forests uncertified, the supply of credibly certified raw material for all our operations remains a challenge.

Forest Management certification

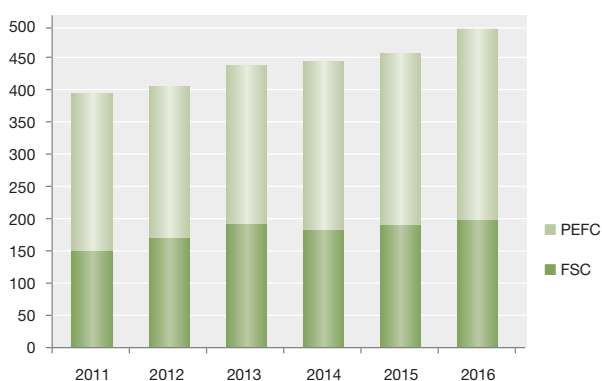
Forest Management certification ensures that the forest is managed to high standards covering social, environmental and economic issues. Certification provides the consumer with the assurance that forest products originate from responsibly managed forests.

Chain-of-Custody certification

Chain-of-Custody certification traces the wood from the forest to the consumer, including all successive stages of processing, transformation, manufacturing and distribution. It requires an information trail and systems to monitor the purchase, handling and sales of certified material.

Chain-of-Custody provides the link between the forest of origin and the claim about the forest on the final product.

Global forest area certified by major certification schemes (million hectares)



FSC

The Forest Stewardship Council was established in 1993 at the initiative of environmental organisations and is a global, not-for-profit organisation dedicated to the promotion of responsible forest management worldwide. FSC has more than 190 million ha of certified forests in over 80 countries and is supported by the key global NGOs and multinational companies, such as WWF¹.

Controlled Wood is defined as virgin wood or wood fibre which has been verified as having a low probability of including illegally harvested wood, wood harvested in violation of traditional and civil rights, wood harvested in forests in which high conservation values are threatened by management activities, wood from forests being converted from natural and semi natural forest to plantations or non-forest use or wood from forests in which genetically modified trees are planted.

PEFC

PEFC (Programme for the Endorsement of Forest Certification) is an independent, non-profit, non-governmental organisation, which promotes sustainably managed forests through Chain-of-Custody and independent third party certification. PEFC was founded in 1999 in response to the specific requirements of small- and family forest owners as an international umbrella organisation providing independent assessment, endorsement and recognition of national forest certification systems.

PEFC is the largest forest certification umbrella organisation covering national schemes from all over the world, with currently 300 million hectares certified². The certification of several small forest owners under one certificate for an entire region is enabled and consequently PEFC has proved to be more popular for large numbers of small forest owners under European conditions.

¹ Source: <https://ic.fsc.org/en>

² Source: www.PEFC.org, March 2017