
Supply Chain Management for Sustainable Forestry Products

Reinier de Man

Not in control ...

Wald: Hoechst-Tochter Clariant verköchelt kanadische Urwälder

Hamburg, 23.3.98. Vor dem Werksgelände der Clariant GmbH in Wiesbaden hat Greenpeace am Montag gegen die Verarbeitung von Zellstoff aus kanadischem Urwaldholz durch das Unternehmen der Hoechst-Gruppe protestiert. Clariant bezieht und verkocht Zellstoff des kanadischen Kahlschlag-Konzerns Doman/WFP.

Am Haupteingang des Werkes wurde ein Banner entrollt; eine sechs Meter große Grizzly-Figur diente als Symbol für die bedrohte Tierwelt in Kanada.

Als Vertreter der Ureinwohner der kanadischen Regenwälder nahm ein



(c) Matoff / Greenpeace

In control?

Still waiting for
NIKE
to do it



Nike's Labor Practices
in the three years since
CEO Phil Knight's speech
to the National Press Club

By Tim Connor

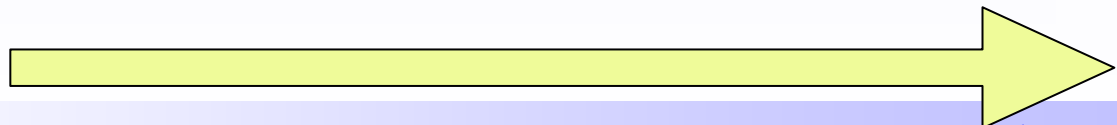
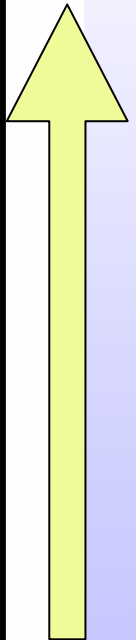
GLOBAL EXCHANGE

Supply Chain Management for Sustainable Forestry Products

Part I Sustainable Supply Chain Management

Two Developments

	<i>own operations</i>	<i>supply chain</i>
<i>sustainability</i>	management for sustainability	sustainable supply chain management
<i>environment</i>	environmental management	environmental supply chain management



Risks & Opportunities

■ Risks

- failing management of the supply chain creates reputation and market risks
 - Examples:
 - child labour issues in the textile business
 - forest destruction issues in the publication sector
 - social and environmental issues in the food sector

■ Opportunities

- supply chain management for sustainability strengthens corporate reputation and market position
 - creating value for consumers
 - creating value for investors
 - creating value for other stakeholders

Requirements for Effective Supply Chain Management

- Requirement 1: information flow
 - we know the entire production history (transparency)
 - technical aspects, quality
 - social aspects
 - environmental aspects
 - needed: other ways of communicating in the chain
- Requirement 2: control
 - we have an effective control system in place
 - for guaranteeing minimum standards (quality, environmental and social)
 - for realising a performance that is above minimum standards
 - for setting a competitive industry benchmark

Supply Chain Management for Sustainable Forestry Products

Part II The ASV Example

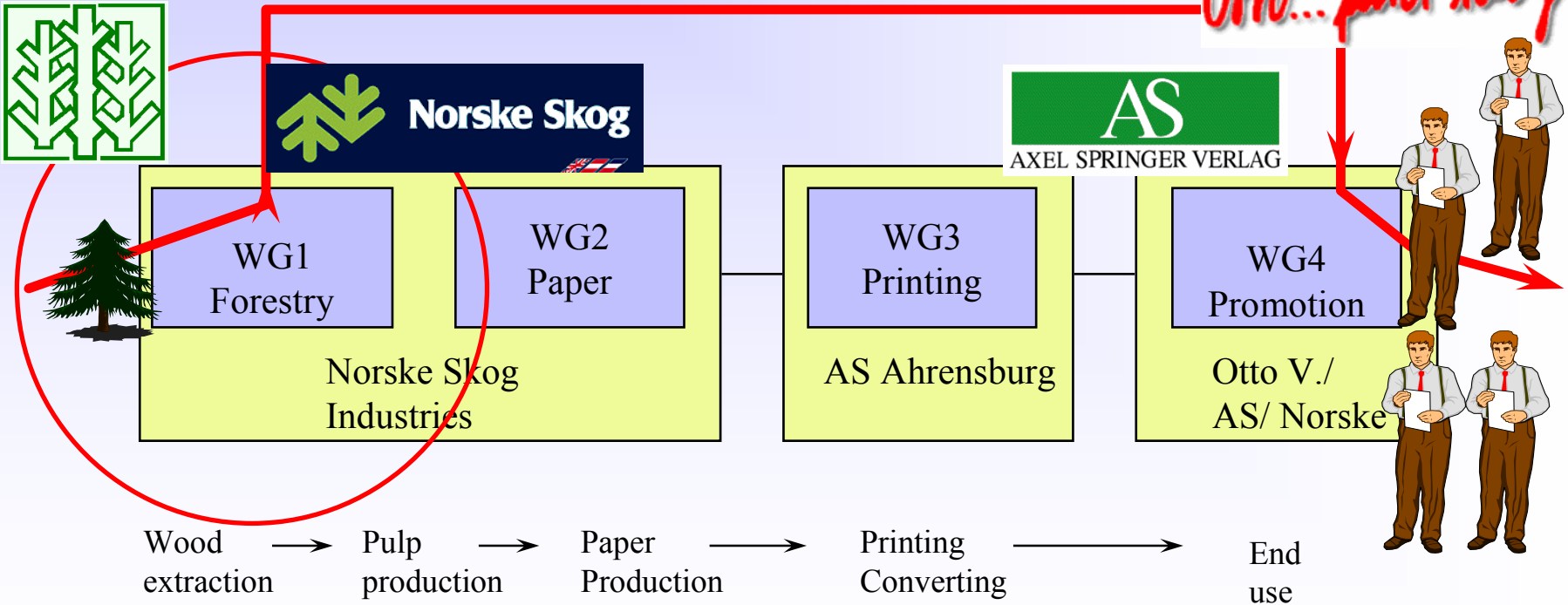
ASV takes the Lead in Creating Transparency

- Axel Springer has systematically developed transparency in close co-operation with its paper suppliers:
 - 1995: Axel Springer Forestry Standards
 - 1998-1999: Optimisation of the Paper Chain, a co-operation with Otto Versand, Norske Skog and 8900 Norwegian forest owners
 - 2001: ‘Tracing Russian Wood Imports’, with Otto Versand, UPM-Kymmene
 - 2002-3: ‘Transparency on Worker Safety’ for Russian wood, in planning...

ASV: the OPTI Project

information link

Otto... find'ich gut.



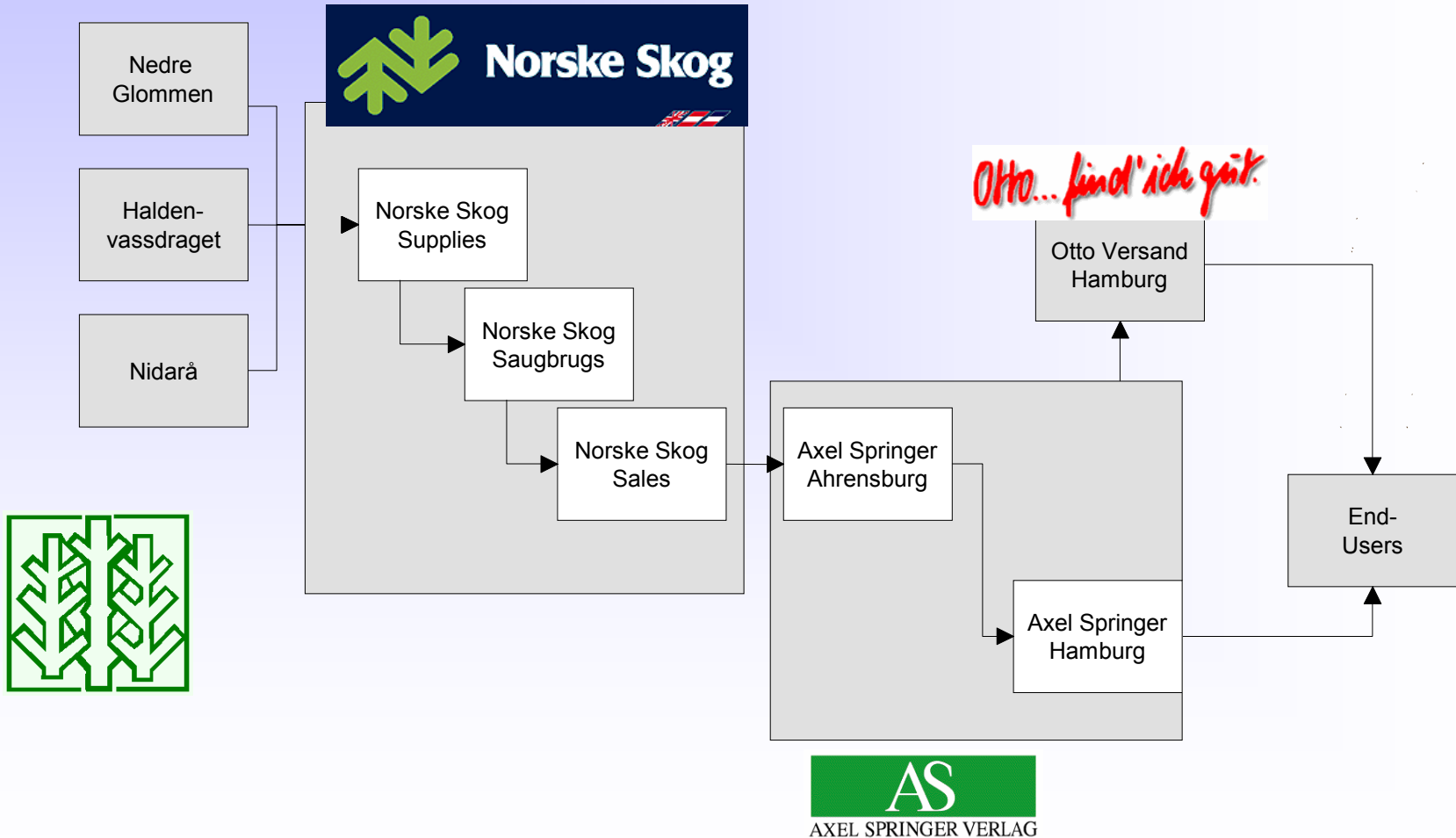
ASV: the OPTI Co-operation

FORESTRY

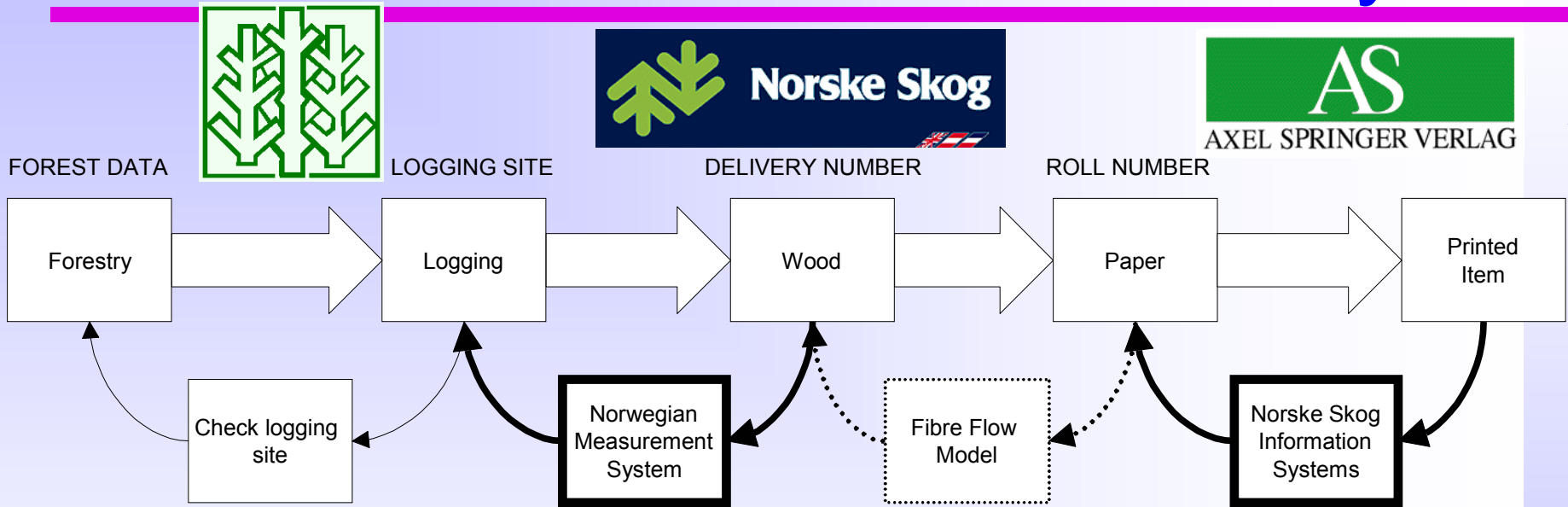
PAPER MAKING

PRINTING

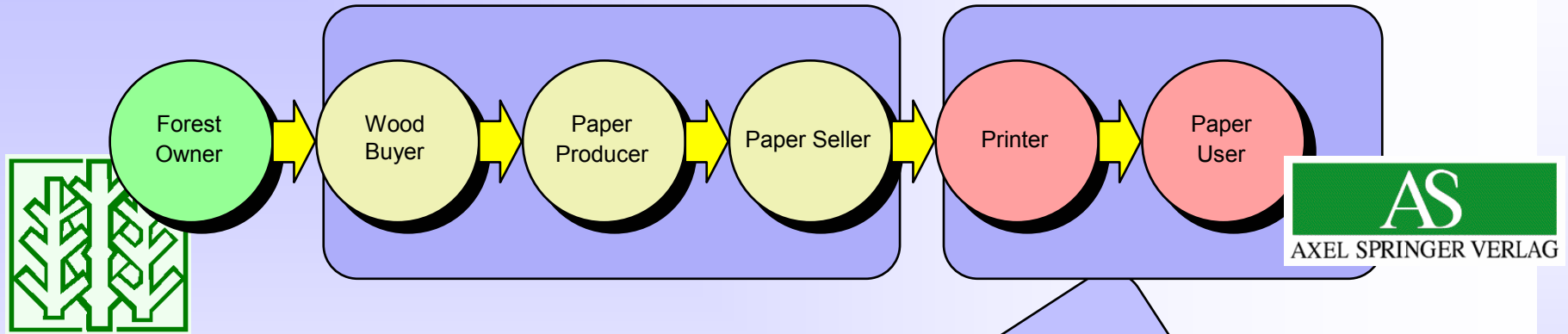
PUBLISHING



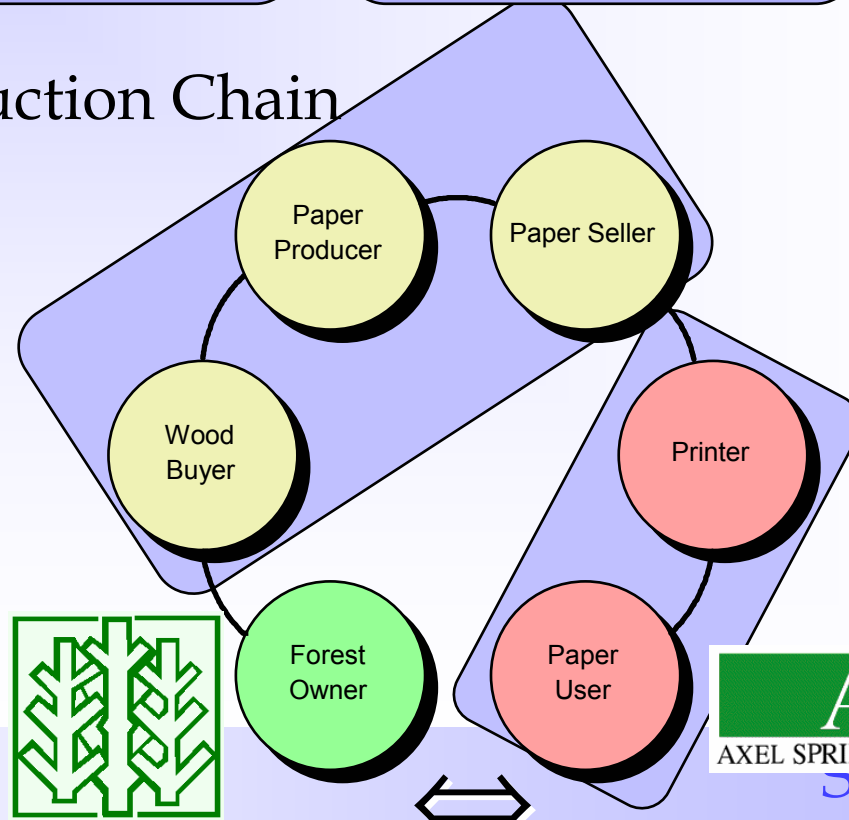
ASV: a Closed Chain of Custody



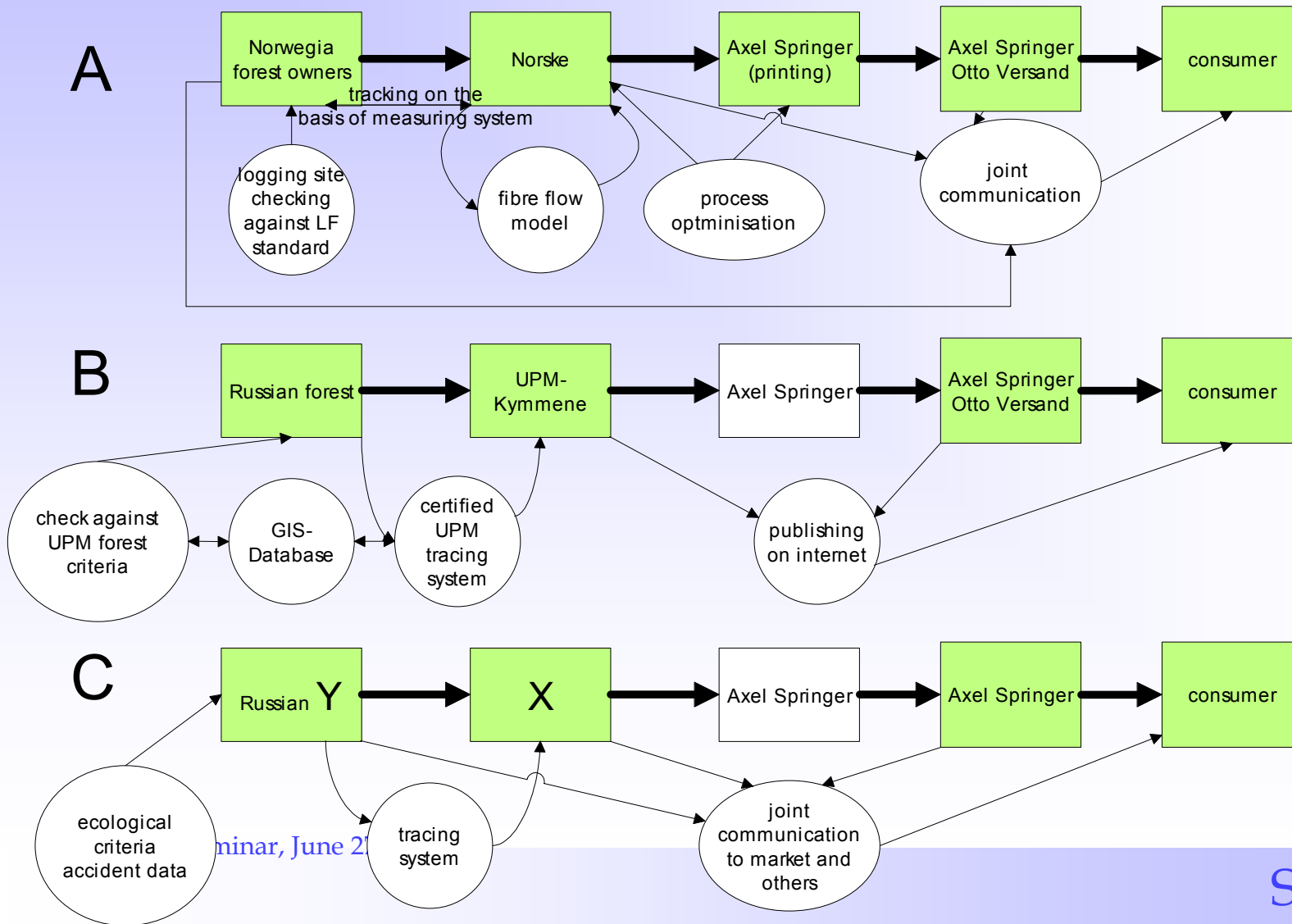
ASV: the Communication Circle



Paper Production Chain



ASV: Three Projects



More information

- UPM-Kymmene

- <http://w3.tracingimports.upm-kymmene.com/>

- Norske Skog

- <http://www.norske-skog.com>

- Axel Springer Verlag

- <http://www.asv.de/inhalte/umwelt/frame.htm>

- Otto Versand

- <http://www.otto.com/umwelt/index.html>

Supply Chain Management for Sustainable Forestry Products

Part III Today's Issues and Risks

Forestry Industry and Sustainability: the issues

- Destruction of forests
 - especially tropical rainforests
 - but also making other forests, forestry products an issue: clear-cutting, old growth
- Linking forestry products to forestry issues
 - focus on short-lived products: paper, hygiene products
 - “Rainforest destruction for paper towels”
 - “Old growth for journals”

“Old Growth Toilet Paper”

Title: Intolerable: Old Growth Toilet Paper

Source: Rainforest Action Network

Status: Distribute freely for non-commercial use & with accreditation

Date: Thu, 13 Nov 1997

RAINFOREST ACTION NETWORK

Action Alert #132

Intolerable: Old Growth Toilet Paper

IN THE TWENTIETH CENTURY we no longer rely on whales as a source of oil. We no longer feast on buffalo tongue, and find it reprehensible to kill elephants for ivory. But with a new millennium dawning, old growth forests worldwide are still being cut down and processed into a wide array of consumer products. Pulped old growth forests go into toilet paper and cellulose products, including rayon, camera film and cigarette filters. Building products include 2x4's and decorative molding. The companies that profit from these products will only change their ways when the public makes it clear that destroying old growth forests is no longer acceptable.

Kimberly-Clark, for instance, sells Kleenex, Huggies, Viva towels and Scott tissue. Their advertising campaigns are soft and cuddly; a key point of their public relations happy talk is their claim that they are not involved in rainforest destruction anywhere. However, to make its disposable paper products, Kimberly-Clark buys raw materials that were ripped from old growth forests around the world.

Sustainable Forestry: the forest industry's reaction

■ Forestry

- ▶ Forestry standards (FSC, PEFC, CSA, ...)
- ▶ Stakeholder processes
- ▶ Independent Certification

■ Forestry Products

- ▶ traceability, chain of custody systems
- ▶ independent certification

Sustainable Forestry: Real Issues and Real Risks

- Forests in developed countries are
 - generally well-managed
 - increasingly certified (FSC, PEFC, CSA, etc.)
- For the forestry industry, real risks come from
 1. insufficient control of the supply chain (even minor inputs can present big risks)
 2. financial participation in non-sustainable companies/activities

WWF website



Forests for Life Programme



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Tesso Nilo Forest



On the Frontline

In the News:

20 June, 2002

[13 percent of G-8 and China's timber and wood products imports could be illegal](#)

WWF today announced that 13 percent of the timber and wood products purchased by the G8 countries and China may be sourced or traded illegally.

17 May, 2002

[WWF asks governments to say 'no' to dubious timber](#)

WWF urges EU ministers to include environmental and

Living Planet ▶



Protect Forests!



Manage Forests!



Restore Forests!



Gifts to the Earth

FoE website

tuesday 16th april 2002

historic inter-governmental agreement to tackle illegal timber trade

On Friday 19th April the Indonesian and UK Governments are expected to announce a historic agreement to combat the trade in illegal timber products between the two countries. The UK Department for International Development is expected to hold a press conference on Friday in London with Indonesia's forests minister. Forest campaigner Farah Sofa Friends of the Earth Indonesia (known as WALHI) will be in the UK on 18th and 19th April and available for interview and comment.

This will be the first ever bi-lateral agreement on illegal timber and the first the UK's Labour government has signed on an environmental matter. Other governments are known to have shown an interest in devising similar bilateral agreements.

[1] Supply Chain Management for Sustainable Forestry Products

■ Real Risks

- insufficient control on supply
- especially for
 - wood from Russia, Baltics, ...
 - commodity pulp from uncertain/uncontrolled sources (e.g. Indonesia)

■ Needed

- clear criteria for all suppliers
- advanced traceability systems with third party verification
- no ‘anonymous’ commodity supplies
- close partnerships with suppliers

[2] Sustainable Investment / Participation/ Acquisition Management

- Financial participation in non-sustainable forest companies/operations presents a major reputation risk.
- Globalisation and concentration tendencies in the forest industry enhance the risk.
- Example: UPM – April case:
 - alliance 1997-2000
 - Changsu paper mill ownership: April/Riau pulp contract

Maan Ystävät website

MAAN YSTÄVÄT

Friends of the Earth Finland

What's new? | Press room | Take action | Contact information
Why this campaign? | Links | FoE Finland | FoE International

UPM-KYMMENE | APRIL-CAMPAIGN



Rainforest destruction

APRIL's logging sites are the natural habitat of numerous endangered species. The conversion of these rainforests into tree plantations inevitably leads to the reduction of the area available to these species, thus making extinction increasingly likely. So far APRIL's operations had lead to the destruction of 220 000 hectares of rainforest. It will clear additional 147 000 hectares.

Campaign started in 1997 by Friends of the Earth and criticises an alliance between Finnish UPM-Kymmene and Southeast Asian

purpose of the UPM-Kymmene campaign is to get UPM-Kymmene operation with APRIL unless APRIL is forced to make rules and using less

Forestry Industry and NGOs: co-operation and conflict

- Issue No. 1 = Forest Destruction
 - this is the central issues
 - a strong coalition between sustainable forest industry and NGOs is needed against industry that destroys the forest
- Issue No. 2 = Alternative standards and systems
 - the conflict between FSC and PEFC should not be in the centre of the debate
 - both systems should improve through learning from each other

Supply Chain Management for Sustainable Forestry Products

Part IV

What should buyers of cellulose expect of his supplier?

The Cellulose Supplier

- should guarantee 100% traceability of the wood
 - indigenous wood
 - wood inputs
 - market pulp
- should apply high sustainability standards to all inputs
 - apply agreed standards
 - develop new standards as new issues come up
- should be aware of new issues and their relevance to the end consumer

More Information

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