

Earthright request

23 October 2025

Subject: Request for comment- Upcoming publication concerning fraud in FSC supply chains

Fraudulent claims are widespread throughout FSC supply chains, affecting a broad range of products including plywood, charcoal, flooring, tissue, paper products furniture and pellets.

FSC response: Integrity is central to FSC's mission, and we take any allegation of fraudulent behaviour by certificate holders seriously.

When credible evidence of wrongdoing is presented, we investigate and act, which can include blocking the certificate holder, or disassociation from the entire corporate group of the certificate holder. We continue to invest in traceability, data analysis, and collaboration with partners to ensure that any misuse of our system is detected and dealt with.

We welcome stakeholders to share information and evidence of fraudulent activities with us or ASI so that action against any kind of integrity risk can be identified and addressed.

Confirmed cases involve some of the largest companies in their sectors – including China's largest plywood exporter, a major European sawmill, and the world's fifth largest pellet producer – and products have been sold at major global retailers, including IKEA.

FSC response: FSC's standards apply equally to all companies, regardless of their size or profile. When violations are identified and verified, FSC takes enforcement action.

Earthright analysis, based on FSC product sales and estimates of fraud made by former FSC employee Phil Guillery suggest between \$10 and \$30 billion worth of FSC

labelled goods sold annually may be fraudulent, representing a significant proportion of the total FSC trade.

FSC response: We have seen no credible evidence supporting the numbers quoted. FSC continuously invites anyone with **verifiable evidence** of false claims to share it through our established reporting channels. Broad estimates without substantiation do not contribute to constructive solutions.

Much of the fraud is uncovered by NGOs, journalists and whistleblowers – not FSC's own systems – indicating current monitoring fails to detect most cases.

FSC response: FSC actively identifies and addresses cases of wrongdoing through its own systems, taking action that includes suspending, blocking, or terminating certificates. In cases of policy for association violations, we completely disassociate from companies.

These enforcement actions are routinely published. Here are just a few recent examples:

1. [FSC blocks Chinese toilet paper company for making false claims](#)
2. [FSC Suspends Memorandum of Understanding with APRIL Following Reports of Alleged Violence](#)
3. [FSC suspends APP's remedy process](#)

Fraud persists across sectors and regions despite previous enforcement actions, with companies often regaining FSC certification shortly after being sanctioned or simply circumventing penalties.

FSC response: Re-entry into the FSC system is difficult.

Disassociated companies must go through a rigorous, multi-step process under our Remedy Framework before they can be considered for re-certification. Each case involves independent verification, stakeholder consultation and oversight by multiple layers of review.

A 2025 Guardian article revealed that isotopic testing on birch ply found a large share of such ply on sale in the UK carried false claims. A close examination of the evidence

by Earthsight allows us to estimate that a minimum of 36 per cent of birch plywood sold as FSC-certified in the UK carried false claims about its origin.

FSC response: FSC already addressed that report directly in a public statement: <https://fsc.org/en/newscentre/general-news/fsc-statement-on-world-forest-id-report>.

FSC was one of the founding members of World Forest ID and we continue to collaborate closely with them to strengthen the use of isotopic and genetic testing in verifying product origins. We are currently supporting the development of a new data platform that will allow reference data to integrate seamlessly with FSC's spatial information, such as boundary maps and forest risk analysis. False claims can occur in any large and complex supply chain, which is exactly why FSC invests in proactive investigations and new technologies.

FSC's current response to confirmed fraud has been inadequate, with weak sanctions and inconsistent enforcement allowing repeat offenders to re-enter the system, sometimes just by changing their name.

FSC response: Companies seeking to become eligible for certification are required to undergo a pre-certification evaluation by their certification body, following which they have to pass FSC's screening system called FSC Check. FSC Check flags companies who were blocked in the past as well as those belonging to disassociated corporate groups.

In a network of thousands of certificate holders, non-compliance can occur, but our enforcement mechanisms are designed to ensure accountability and continuous improvement.

FSC has promoted technological "solutions" such as blockchain and origin testing, but these are mostly voluntary, limited in scope, and do not address the core problem of untraceable wood volumes.

FSC response: FSC has multiple tools in place to verify that claims made by companies are valid. FSC Check screens all organizations seeking certification to prevent high-risk actors from entering the FSC system. Policy for Association, holds organizations within the corporate group of a certified company accountable for any unacceptable activities.

FSC will use FSC Trace in large-scale holistic investigations like the Eurasia Integrity Workplan. FSC is also using wood identification techniques such as isotope testing in this investigation. Working with World Forest ID, FSC has supported the collection of reference timber samples of high-risk species so that samples collected from certificate holders can be tested against the reference samples. This allows us to confirm the origin of the timber sample. Once the results of the ongoing wood ID tests are available, we will publish them.

FSC is a standard setting body of a voluntary certification scheme. Any changes to the standards or policies (referred to as the normative framework) need to be incorporated in the normative framework.

The scale of the problem is underscored by the mismatch between the 30% decline in FSC forest area since 2022 and a 37% increase in chain-of-custody certificates over the same period.

FSC response: In 2022, when the war in Ukraine started, FSC terminated all forest management certificates in Russia. This resulted in 36 million hectares of forest losing certification. Since then, there has been an increase of nearly 6% in certified forests in various parts of the world and currently more than 167 million hectares of forest are FSC certified.

Chain of custody certification has grown due to increased market demands and a growing acknowledgement of the rigour of FSC certification. FSC accredited certification bodies are required to audit all certificate holders, including data on volumes of timber harvested and sold in certified forests. These audit reports are available in FSC search.

Any indication of volume mismatches – either by a certification body, ASI or FSC – investigations are conducted to assess the veracity of these volume mismatches.

FSC has repeatedly failed to implement effective mandatory volume tracking, despite having the capacity to do so since at least 2013, which has caused many of these problems to continue.

FSC response: FSC continually strengthens its ability to monitor and verify supply chain integrity.

Since 2017, FSC has been implementing Transaction Verification (TV) loops, which allow retroactive volume tracking in high-risk supply chains. These mechanisms have significantly improved our capacity to detect and address inconsistencies in reported FSC material volumes.

Strengthening system integrity remains a central priority for FSC and its members.

At the 2025 General Assembly, four motions are being discussed that directly focus on enhancing the robustness and accountability of the FSC system:

- **Motion 25:** *Ensuring & Strengthening Integrity in FSC Certification*
- **Motion 26:** *Strengthening FSC Auditor Expertise, Oversight and Accountability*
- **Motion 28:** *Strengthen System Integrity by Improving Processing FSC Policy for Association Complaint (FSC-PRO-01-009 V4-0 Procedure)*
- **Motion 30:** *A Roadmap for a Digital Information and Volume Control System to Improve the Integrity of FSC Claims*

Motion 30, to be considered at the upcoming General Assembly, is seen by leading auditing body Preferred by Nature as a ‘last chance’ to address systemic fraud through compulsory traceability.

FSC response: Opinions at the General Assembly are diverse, and that’s what makes it valuable. Members decide on motions through an open, democratic process, which is how FSC operates. FSC is prepared to move towards full traceability and supports

stronger transparency in supply chains. We look forward to members' discussions and decisions on this motion.

Even if passed, Motion 30's delayed timeline and the requirement for a second vote inc2028 mean meaningful reform could be postponed for years, leaving systemic fraud unaddressed in the interim.

FSC response: FSC's ongoing initiatives to protect and strengthen the integrity of the system are evolving and they are increasingly leveraging the power of technology to improve efficiency and scope. Some examples are FSC Trace (soon to be launched), wood ID, GIS mapping of certified forests, and other mechanisms to help certificate holders strengthen their due diligence methods. Other investigative methods and risk detection mechanisms are also being used to identify companies to violate the FSC system, such as transaction verification, GIS based fraud detection, onsite assessments, etc.

Therefore, FSC will not stop working in this regard. In fact, FSC will be improving its ability to detect and address integrity risks in supply chains, and well as social issues affecting indigenous peoples and workers.

Fraud at source – including verifiable systems for tracking inflated harvest volumes and laundering inside FSC-certified concessions – remains outside the scope of FSC's current anti-fraud measures and the scope of Motion 30.

FSC response: Strict action is taken against companies who engage in such fraudulent activities. In 2022, FSC and ASI conducted an investigation using GIS to detect and confirm inventory fraud in Brazil. There are ongoing investigations on alleged illegal timber harvesting as well.

Misrepresentation of chain-of-custody certification is widespread, with many certificate holders not handling any certified wood but using their certificates to claim green credentials.

FSC response: FSC launched a focused consultation in July–August 2025 for Advice Note ADV-20-011_15_V1-0: Public disclosure of ‘no FSC sales’, which was approved and will take effect in January 2026.

This Advice Note strengthens the monitoring and control of false claims by requiring information on FSC sales activity to be publicly visible on FSC’s certificate search website (info.fsc.org). It also clarifies what the status of “no FSC sales” means for users of the public search: certification bodies will indicate the specific time period this status covers – from the previous evaluation to the most recent one – in the FSC certification database.

Additionally, certification bodies will record information on organizations that have reported “no FSC sales” since their previous evaluation in the FSC certification database (Salesforce) as non-public information. This provision supports more effective monitoring and control of false claims within the FSC system.

However, it is important note that there are different reasons for certification, such as meeting a “one off” request by a trader for FSC certification or simply following market trends which indicate that FSC certification is beneficial. Therefore, “no FSC sales” is not a definite indicator of fraudulent behaviour.