



Forest Stewardship Council®



FSC Directive on FSC Controlled Wood

FSC-DIR-40-005 EN

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The Forest Stewardship Council® (FSC) is an independent, not for profit, non-government organization established to support environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

FSC's vision is that the world's forests meet the social, ecological, and economic rights and needs of the present generation without compromising those of future generations.

Foreword

FSC received various comments from certification bodies and stakeholders requesting a reduction in the number of normative documents to make the documented certification system more comprehensible. FSC therefore combined all previous Advice Notes into single documents which are called “Directive”. A directive includes all advices issued in relation to a single standard. The relation to a standard is reflected in the document code. Where new advice is approved, these will be added to the directive and the revised document will be reissued.

The intention of this document is to standardize understanding and implementation of requirements by FSC accredited certification bodies and certificate holders.

This document will be revised as required. The content of a directive will be incorporated into the related standard in the revision process as feasible.

Changes and amendments to the directive will be announced to the FSC Network and FSC accredited certification bodies immediately.

Note on the use of this directive

All aspects of this document are considered to be normative, including the scope, effective date, references, terms and definitions, tables and annexes, unless otherwise stated.

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A Scope

This document provides FSC's errata and addenda of the requirements included in applicable versions of FSC-STD-40-005.

B Effective date

The effective date is specified for each advice separately.

C References

The following referenced documents are indispensable for the application of this document. For undated references, the latest edition of the referenced document (including any amendments) applies.

FSC-STD-40-005 V 2-1 Standard for Company Evaluation of FSC Controlled Wood
FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood

D FSC normative documents replaced by this Directive

FSC-ADV-40-016 V 2-0 EN Implementation of FSC Controlled Wood requirements in FSC STD-40-005 V2-1 and FSC-STD-20-011 V1-1

E Terms and definitions

Terms and definitions are provided in *FSC-STD-01-002* and in *FSC-STD-40-005*. Further advice-related definitions may be provided in the context of each advice.

Part 1 General Issues

- 1 The FSC Directive is providing FSC accredited certification bodies (certification bodies) and other stakeholders with clear advices on the implementation of FSC's international policies and standards. A directive is designed to provide formal advice in relation to a single specific issue or question raised with the FSC International Center. All advices on a series of issues related to a specific FSC international policy or standard are collected in one document to improve accessibility for certification bodies, certificate holders and interested parties.
- 2 If a certification body is in doubt about the correct implementation of an FSC policy or standard, the certification body shall request clarification from the FSC Performance and Standards Unit. If required, such clarification will be provided in the form of a new advice or interpretation.
- 3 Prior to the finalisation of an advice, a certification body may make its own decision in relation to a question for which clarification has been sought. In such a case, responsibility for the consequences of the decision shall rest exclusively with the certification body concerned. Formal advice subsequently provided by the FSC International Center will be applicable retrospectively.
- 4 The advices provided in this document represent the formal position of the FSC International Center unless and until it is superseded by the approval of a more recent policy, standard, or advice. In such cases the requirements specified in the more recent document shall take precedence.
- 5 Certification bodies are required to comply with the most recent formal advices, and ASI will base its assessments and issue of corrective actions on these.
- 6 Finalised advices are approved by the Performance and Standards Director or the FSC Director General. If a certification body wishes to contest the advice provided it may do so by requesting a formal review and decision by the FSC Policy and Standards Committee. Until and unless such a review and decision has been finalised, the certification body shall continue to comply with the position of the FSC International Center.
- 7 Advices are under continual review and may be revised or withdrawn in response to new information, experience or changing circumstances, for example by the development of new policies or standards approved by the FSC Board of Directors.

Part 2 FSC Advices

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| ADVICE-40-005-01 | The concept of “<i>district</i>” in risk assessments |
| Status | Withdrawn |
| ADVICE-40-005-02 | Complaints about controversial activities within suppliers’ FMUs |
| Status | Withdrawn |
| ADVICE-40-005-03 | Can a manufacturing or trading site be defined as “<i>district</i>” for the purpose of conducting a risk assessment? |
| Status | Withdrawn |
| ADVICE-40-005-04 | What kind of documentation and control is required to verify the geographical district of origin? |
| Status | Withdrawn |
| ADVICE-40-005-05 | Inclusion of manufacturing/ trading sites in the company’s Controlled Wood verification program |
| Status | Withdrawn |
| ADVICE-40-005-06 | Public availability of risk assessments |
| Status | Withdrawn |
| ADVICE-40-005-07 | Minimum content and revision of publicly available risk assessment results |
| Status | Withdrawn |
| ADVICE-40-005-08 | What to do in cases where two companies reach contradicting results in their risk assessments of a district? |
| Status | Withdrawn |
| ADVICE-40-005-09 | Use of guidance and risk designations developed by FSC accredited National Initiatives |
| Status | Withdrawn |
| ADVICE-40-005-10 | When shall an FSC Controlled Wood code be issued by the certification body? |
| Status | Withdrawn |
| ADVICE-40-005-11 | Do other parts of the standard need to be implemented or evaluated for sales activities of ‘FSC Controlled Wood’? |
| Status | Withdrawn |
| ADVICE-40-005-12 | Use of the Transparency International <i>Corruption Perception Index (CPI)</i> in risk assessments |
| Status | Withdrawn |
| ADVICE-40-005-13 | Is there any difference in the interpretation of High Conservation Value Forests (HCVF) between the FSC Controlled Wood standard and the FSC Principles and Criteria? |
| Status | Withdrawn |

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| ADVICE-40-005-14 | How can low risk be confirmed for Category 'C' of FSC-STD-40-005 V2-1 Clause 1.1? |
| Status | Withdrawn |
| ADVICE-40-005-15 | Field verification audits, results, decision making and required actions |
| Status | Withdrawn |
| ADVICE-40-005-16 | What is the sampling rate and pool that certification bodies shall use for field evaluations of supplies from sources with unspecified risk? |
| Status | Withdrawn |
| ADVICE-40-005-17 | Documentation and procedural requirements to demonstrate the geographical district of origin for co-products |
| Status | Withdrawn |
| ADVICE-40-005-18 | Independence of the company verification program |
| Status | Withdrawn |
| ADVICE-40-005-19 Revised | Applicable National and Local Laws and Regulations for Controlled Wood risk assessments and verification programs |
| Status | Withdrawn |
| ADVICE-40-005-20 | Sourcing of co-products under the EU Timber Regulation |
| Status | Withdrawn |
| ADVICE-40-005-21 | Using 'old NRAs' in the due diligence system |
| Normative reference | FSC-STD-40-005 V3-1, Clause 3.1. |
| Effective date | 1 January 2018 |
| Approval | 30 June 2017 by the FSC Policy and Standards Director Based on the decision by the FSC Board of Directors at their 56 th meeting in USA on 01 April 2011 to ensure alignment of CW standard with legality legislation around the world, including the EUTR and the US Lacey Act. |
| Terms & definitions | Old NRA: National risk assessment developed according to Version 2-0 of FSC-PRO-60-002. |
| Background | In early 2012, FSC started updating its standards to ensure harmonization with the EU Timber Regulation (EUTR) and other timber legality legislations such as the US Lacey Act, FLEGT, and the Australian Illegal Logging Prohibition Act. Harmonization ensures that the scope of the list of laws required by FSC is consistent with the definition of "applicable legislation" in timber legality legislation. This harmonization is lacking in 'old NRAs' as they had been developed before harmonization began. |

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| Advice | <p>1 Organizations using 'old NRAs'¹ in their due diligence system shall replace controlled wood category 1 (illegally harvested wood) from the 'old NRAs' with controlled wood category 1 from the available, applicable FSC risk assessment developed according to Version 3-0 of FSC-PRO-60-002, including:</p> <ul style="list-style-type: none"> a) Draft national risk assessments when agreed upon by national consensus, or, where not available, b) Approved centralized national risk assessments, or, where not available, c) Draft national risk assessments not agreed upon by national consensus, or, where not available, d) Draft centralized national risk assessments. <p>NOTE: Available FSC risk assessments are provided on the FSC website: (https://ic.fsc.org/en/document-center).</p> |
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| ADVICE-40-005-22 | Using 'old NRAs' in the due diligence system after 31 December 2018 |
| Normative reference | FSC-STD-40-005 V3-1, definition of risk assessment |
| Effective date | 31 December 2018 |
| Approval | 30 August 2018 by the FSC Performance and Standards Unit Director |
| Terms & definitions | Old NRA: National risk assessment developed according to FSC-PRO-60-002 V2-0. |
| Background | <p>According to the definition, 'old NRAs' remain valid until 31 December 2018. After this date, the areas covered by these assessments become "unassessed areas", which means that they will be the subject of the risk assessment by the organization, unless they are replaced by revised FSC risk assessments.</p> <p>The revision of the old NRAs for certain countries has been delayed and re-scheduled based on various factors. Due to these delays, the approval of revised FSC risk assessments is expected to be completed only by 30 June 2019. This advice aims to avoid additional complexity in the system, which would result from the otherwise required introduction of organizations' risk assessments for a short period of time between 01 January 2019 and the approval of revised FSC risk assessments. At the same time, this advice is consistent with Motion 56 from the 2017 FSC General Assembly, and the decision of the FSC Board of Directors at their 78th meeting in August 2018.</p> |
| Advice | <ol style="list-style-type: none"> 1. An NRA approved according to FSC-PRO-60-002 V2-0 ('old NRA') remains valid until replaced by an FSC risk assessment approved according to FSC-PRO-60-002 V3-0, but no longer than until 30 June 2019. 2. If an 'old NRA' is not replaced by the FSC risk assessment approved according to FSC-PRO-60-002 V3-0 by 30 June 2019, the area covered in the 'old NRA' becomes unassessed area. Organizations sourcing material from this area will be required to develop extended company risk assessments (ECRA) instead. |

¹ 'Old NRAs' that include risk assessment for category 1 were developed for: Australia, Argentina, , Belgium (replaced by the centralized national risk assessment in May 2017), Brazil, Bulgaria, Czech Republic, Chile, Denmark (replaced by the centralized national risk assessment in May 2017), Germany, Italy, Japan, New Zealand, Poland, Portugal, Romania, Russia, Spain, Ukraine, United Kingdom.

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| | NOTE: As per Clause 3.2 of FSC-STD-40-005 V3-1, organizations shall have a 6-month transition period to adapt their DDS to the NRA approved according to FSC-PRO-60-002 V3-0 and replacing the 'old NRA', unless an extension of 2 months is justified and approved by the certification body. |
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| ADVICE-40-005-23 | Using company risk assessments in the due diligence system after 30 June 2019. |
| Normative reference | FSC-STD-40-005 V3-1, definition of risk assessment |
| Effective date | 30 June 2019 |
| Approval | 18 February 2019 |
| Terms & definitions | <p>National risk assessment (NRA): An assessment of the risk of sourcing from unacceptable sources in a given country/region, developed according to FSC-PRO-60-002 <i>The Development and Approval of FSC National Risk Assessments</i>.</p> <p>Centralized national risk assessment (CNRA): National risk assessment or part thereof developed by FSC International Center.</p> <p>Company risk assessment (CRA): An organization's assessment of the risk of sourcing from unacceptable sources in unassessed areas, developed according to Annex A of FSC-STD-40-005 V3-1 <i>Requirements for Sourcing FSC Controlled Wood</i>. This risk assessment can only be used for a country or part thereof where an FSC risk assessment for all five controlled wood categories had been scheduled by 31 December 2017.</p> <p>Extended company risk assessment (ECRA): An organization's assessment of the risk of sourcing from unacceptable sources in unassessed areas, developed according to FSC-PRO-60-002a <i>FSC National Risk Assessment Framework</i>.</p> |
| Background | <p>As per FSC-STD-40-005 V3-1, in countries where an FSC risk assessment (NRA or CNRA) had been scheduled by 31 December 2017, organizations can use a company risk assessment in their due diligence system (DDS) till the delivery of an FSC risk assessment. However, the standard does not provide a 'cut-off' date beyond which company risk assessments shall not be used.</p> <p>As per ADVICE-40-005-22, in countries having an NRA approved according to FSC-PRO-60-002 V2-0 ('old NRA'), organizations can continue to use the 'old NRAs' until replaced by an FSC risk assessment approved according to FSC-PRO-60-002 V3-0, but no longer than until 30 June 2019.</p> <p>So, for countries where an FSC risk assessment had been scheduled by 31 December 2017, if those countries had 'old NRAs', there is a 'cut-off' date for the 'old NRAs' but for other countries there is no similar 'cut-off' date for company risk assessments.</p> <p>The initial expectation was for FSC risk assessments to be completed by 31 December 2018. However, the development of FSC risk assessments for certain countries has been delayed and re-scheduled based on various factors. Due to these delays, the approval of revised FSC risk assessments is expected to be completed only by 30 June 2019. This advice aims to avoid additional complexity in the system, which might arise if some countries do not complete the approval of the FSC risk assessments by 30 June 2019 and continue to use company risk assessments, whereas other countries with 'old NRAs' will no longer be permitted to use them after that date. This advice is based on Motion 56</p> |

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| | from the 2017 FSC General Assembly, and the decision of the FSC Board of Directors at their 78 th meeting in August 2018. |
| Advice | <ol style="list-style-type: none"> 1. For all countries and regions where an FSC risk assessment was scheduled by 30 December 2017, organizations sourcing material from these areas can continue to use company risk assessments in their DDS, but not beyond 30 June 2019 (unless as per Clause 3.2 of FSC-STD-40-005 V3-1). 2. If an FSC risk assessment according to FSC-PRO-60-002 V3-0 is not approved for these countries and regions by 30 June 2019, these areas shall subsequently become 'unassessed areas'. Organizations continuing sourcing material from these areas after this date are required to have extended company risk assessments (ECRA) in place for their DDS. <p>NOTE: As per Clause 3.2 of FSC-STD-40-005 V3-1, the organization shall adapt its DDS to use FSC risk assessments within six (6) months of the date of FSC risk assessment approval by FSC, unless an extension is justified and approved by the certification body.</p> |

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| ADVICE-40-005-24 | Landscape approach to implementation of the National Risk Assessment of the United States |
| Normative reference | FSC-STD-20-011 V4-0 Clauses 6.2 and 6.17 FSC-STD-40-005 V3-1, Clause 4.14 |
| Effective date | 05 April 2019 |
| Approval | 05 April 2019 |
| Scope | This Advice Note applies to all certification bodies (CBs) with CoC/CW in their accreditation scope when auditing a certificate holder's mitigation measures for sourcing controlled material from the United States. This Advice Note is intended to facilitate innovative approaches to address specified risks in the FSC National Risk Assessment for the Coterminous United States of America (FSC-NRA-US). These approaches aim to reduce the occurrence of undesirable activities at a landscape scale. |
| Background | <p>FSC US has implemented several innovations in its NRA, which consists of the following:</p> <ul style="list-style-type: none"> • Landscape approach to risk designation: Fine-scale risk designations are considered impractical, due to the United States' large land area and ecological diversity, as well as the availability of pertinent data on e.g., species range and individual occurrences. As such, roughly 80% of the 'specified risk' designations for threats to HCVs (Controlled Wood category 3) and for forest conversion (Controlled Wood category 4) in the NRA are at a landscape scale. These range in size from individual counties to portions of multiple states, to entire ecological regions. • Landscape approach to risk mitigation: Information on origin of forest materials is confined to a landscape level for the US certificate holders due to legal constraints on information sharing and the complexity of supply chains. As such, it is impractical for companies to attempt risk mitigation at specific sites of origin. This led to development of landscape-level risk mitigation measures. The mandatory control measures in the NRA require that certificate holders implement one or more of a limited set of mitigation options within each specified risk area from which they source material. The |

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| | <p>overall approach is based on the premise that concentrated effort by numerous certificate holders on a limited range of activities is more likely to result in positive change on the ground than certificate holders implementing disparate actions. A limited set of options also reduces conformance variability and uncertainty, so that certificate holders are better able to manage financial risk, and it creates a more level playing field.</p> <ul style="list-style-type: none"> • Landscape approach to effectiveness verification: Since it is infeasible for individual certificate holders to verify the effectiveness of their mitigation actions within a framework of landscape-level risk mitigation, FSC US will undertake the verification of mitigation effectiveness in lieu of individual verification. FSC US will monitor changes on the ground within the areas of specified risk, primarily through information sharing with expert stakeholder organizations active within these landscapes, and data collection from various sources. <p>Intended benefits:</p> <ul style="list-style-type: none"> • The landscape approach provides certificate holders with greater clarity and certainty of the requirements by: 1) providing a limited set of mitigation options for each specified risk, 2) creating a framework for determining what level of mitigation is required, and 3) developing a baseline of expectations for each kind of mitigation action allowed. • The approach focuses mitigation efforts by certificate holders on a finite set of actions that will concentrate investment in accepted and centrally monitored conservation efforts, directly creating change on the ground. • An opportunity to significantly influence forest conservation well beyond the boundaries of certified forests, while increasing the credibility of the controlled wood system. |
| Advice | <p>1. Certification bodies shall verify the implementation of the mandatory control measures specified in the US NRA for controlled wood categories 3 (Wood from forests in which HCVs are threatened by management activities) and 4 (Wood from forests being converted to plantations or non-forest use). However, they are not required to verify the effectiveness of the actions identified as part of the mandatory control measures.</p> <p>NOTE: Certification bodies are required to fully conform to the Advice Note and will not receive any corrective action request (CAR) from Assurance Services International (ASI) for not verifying the effectiveness of the mitigation measures for Controlled Wood categories 3 and 4. However, if they do identify critical gaps in risk mitigation arising out of the landscape approach, they should report this to PSU and FSC-US.</p> |