



WHAT ARE THE CHANGES TO THE DOCUMENT? FSC POLICY FOR ASSOCIATION REVISION - CROSSWALK

23 September 2021

Compare the revised draft (Version 4-0) with the current version of the Policy for Association (Version 2-0) and see in detail the changes that are being proposed. Changes between draft versions 3-0 and 4-0 are indicated in the first column by different text color.

Key:

- No change
- Clarification
- Existing requirements expanded
- Existing requirements reduced
- Requirement added
- Requirement removed

Proposed change in the draft (Version 3)	Changed from (Version 2)	Summary of change
FSC Policy for Association	Policy for the Association of Organizations with FSC	<ul style="list-style-type: none"> ● Clarification Title simplified.





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<p>Introduction</p> <p>FSC-POL-01-004 <i>FSC Policy for Association</i> is an expression of the values shared by organizations associated* with FSC. It defines six unacceptable activities that associated organizations* and their corporate group* commit to avoid in both certified and non-certified operations.</p> <p>The FSC Policy for Association serves as a risk management tool for FSC, protecting the credibility and reputation of the FSC brand and organizations associated* with it. <u>It applies to entire corporate groups even if only a limited part of a group has an active relationship with FSC. This is to avoid any confusion or use of FSC's name in relation to activities that violate FSC's core principles.</u> The policy allows for requiring improvements and remedy as well as the termination of all contractual ties with an organization found to be in violation of the policy.</p> <p>Allegations* of violations of the FSC Policy for Association against associated <u>individuals and</u> organizations* will be accepted and evaluated by FSC only upon presentation of substantial information* that the associated <u>individuals or</u> organization* or its corporate group* has violated the policy.</p> <p>In order to<u>To</u> protect FSC's reputation and to remedy harm caused by unacceptable activities, FSC will assess multiple options, from mediation to investigation, sanctions and</p>	<p>Introduction</p> <p>FSC's mission is to promote the environmentally appropriate, socially beneficial and economically viable management of the world's forests. It is increasingly recognized that association between FSC and organizations that are involved in unacceptable forest-related activities is harmful to FSC's reputation and ultimately to its ability to deliver on its mission. In order to address this concern, in March 2007 the FSC Board of Directors mandated the FSC International Center to develop criteria for the association of third parties with FSC.</p> <p>Through this policy FSC expects to be able to identify organizations not committed to the basic fundamentals of responsible forest management and prevent them from misusing their association with FSC.</p> <p>It is especially relevant, but not limited to, the granting and maintenance of FSC trademark licenses and FSC certificates to</p>	<ul style="list-style-type: none"> ● Clarification <p>Introduction adapted to reflect the changes in the policy.</p>



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<p>conditions-setting, to improve the performance of organizations associated* with FSC. The measures and consequences depend on the gravity of the violation. Stakeholders should engage in all reasonable efforts to address concerns before presenting an FSC Policy for Association complaint. The specific way allegations* and complaints* are addressed and decisions are made is elaborated in the Processing FSC Policy for Association Complaints (FSC-PRO-01-009) procedure. <u>For destitution of FSC member, FSC Statutes apply.</u></p> <p>Policy implementation</p> <p>To implement the FSC Policy for Association, two procedural documents are used <u>at different stages:</u></p> <ol style="list-style-type: none"> 1) Any organization seeking to associate with FSC must undergo a screening process and disclose information for it, in accordance with FSC-PRO-10-004 Disclosure Requirements for Association with FSC. 2) If a potential violation of the policy is brought to the attention of FSC, then FSC-PRO-01-009 Processing FSC Policy for Association Complaints is applied. 	<p>organizations associated with FSC through forest management, chain of custody and/or controlled wood FSC certification.</p>	
<p>Version history</p>	<p>Version history</p>	<p>● Clarification</p>



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<p>V1-0 The FSC Board of Directors approved the essential elements of the FSC Policy for Association in July 2009 – the six unacceptable activities in which organizations wishing to associate with FSC could not be directly or indirectly involved in (see Part I)– but recognized that further work was needed to describe the policy implementation process in more detail.</p> <p>V2-0 The FSC Board of Directors approved the policy implementation details (see Part II) in September 2011.</p> <p>V3-0 Draft 43-0 of V3-0 is presented for consultation introducing a definition of corporate group* to define the scope of application of the policy, alignment with FSC core labour requirements*, clarifications for the application of several unacceptable activities and definitions reflecting the latest thinking in the development of the FSC Policy on Conversion.</p>	<p>V1-0 The FSC Board of Directors approved the essential elements of the FSC Policy for Association in July 2009 – the six unacceptable activities in which organizations wishing to associate with FSC could not be directly or indirectly involved in (see Part I)– but recognized that further work was needed to describe the policy implementation process in more detail.</p> <p>V2-0 The FSC Board of Directors approved the policy implementation details (see Part II) in September 2011.</p> <p>V3-0 Draft 3-0 of V3-0 is presented for consultation introducing a definition of corporate group* to define the scope of application of the policy, alignment with FSC core labour requirements*, clarifications for the application of several unacceptable activities and definitions reflecting the latest thinking in the development of the FSC Policy on Conversion.</p>	
<p>A Objective</p>	<p>A - Scope</p>	<p>● Clarification</p>



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<p>The objective of the FSC Policy for Association is to address unacceptable activities that severely impact forests and people on-the-ground and the reputational risks resulting for FSC.</p> <p>B Scope</p> <p>The FSC Policy for Association applies to all associated* individuals-, organizations, and their corporate groups*.</p> <p>The policy states six unacceptable activities (see Part I: Policy elements) that associated* individuals, organizations and their corporate groups* must commit to avoid and defines the consequences of a violation to this policy (see Part II: Policy implementation).</p> <p>This policy applies to situations where the unacceptable activity is occurring or has occurred. Intent to engage in an unacceptable activity is not sufficient grounds to trigger an investigation or complaint. However, intent to engage in an unacceptable activity may trigger other, proactive measures by FSC, including information-gathering and monitoring, to help ensure that the unacceptable activity will not occur.</p> <p>In the spirit of the FSC system, disputes should always be addressed at the lowest level possible and stakeholders are encouraged to follow this principle. Complaints related to a violation of the FSC Policy for Association that overlap with</p>	<p>This Policy provides FSC's position on unacceptable activities of organizations which are or would like to be associated with FSC and the mechanism for disassociation.</p>	<p>New information on: timeframe for how far back a violation is considered relevant, significance of intent to violate the policy, issues that overlap with an organization's certification requirements.</p>



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<p>conformance with an organization’s certification requirements should therefore first be addressed with the respective certification body through its established complaints procedure (or additionally to the certification body in cases where there are violations in both certified and uncertified operations).</p> <p>The timeframe for how far back a violation is considered relevant is handled on a case-by-case basis, unless specified in this policy, using conditions such as, but not limited to: i) whether there is a lingering dispute harm; ii) whether the issue is still current; iii) the scale and impact of the harm* done; iv) the level of action already taken to remedy past harm*; v) <u>whether there is a demonstrable systemic change to prevent the re-occurrence of the activity.</u></p> <p>This revised policy <u>version V3-0</u> will be applicable from its effective date. The previous version 2-0 of the policy remains effective for violations within its scope that occurred before the effective date of this revised the version V3-0 of the policy.</p>		
<p>D References</p> <p>The following referenced documents are essential for the application of this document. For undated references, the latest edition of the referenced document (including any amendments) applies.</p>	<p>D References</p> <p>The following referenced documents are essential for the application of this document. For undated references, the</p>	<p>● Clarification</p> <p>One more reference included: FSC Statutes</p>



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<p>FSC-PRO-01-009 Processing FSC Policy for Association Complaints</p> <p>FSC-PRO-10-004 Disclosure Requirements for Association with FSC</p> <p>FSC-POL-01-007 FSC Policy on Conversion</p> <p>FSC-PRO-01-007 Conversion Remedy Procedure</p> <p>FSC-STD-01-002 FSC Glossary of Terms</p> <p>FSC Statutes</p>	<p>latest edition of the referenced document (including any amendments) applies.</p> <p>FSC-PRO-01-009 Processing FSC Policy for Association Complaints</p> <p>FSC-PRO-10-004 Disclosure Requirements for Association with FSC</p> <p>FSC-POL-01-007 FSC Policy on Conversion</p> <p>FSC-PRO-01-007 Conversion Remedy Procedure</p> <p>FSC-STD-01-002 FSC Glossary of Terms</p>	
<p>Part I: Policy elements</p> <p>1. FSC aims to associate with individuals and organizations aligned with the FSC mission and values and will not allow an association* if the individual organization or its corporate group* has been engaged in the following unacceptable activities:</p>	<p>PART I - POLICY ELEMENTS</p> <p>Approved by the FSC Board of Directors at its 51st Meeting, July 2009</p> <p>1. FSC will only allow its association with organizations that are not directly or indirectly involved in the following unacceptable activities:</p>	<p>● Existing requirements expanded</p> <p>Who the policy applies to expanded to include organizations in a corporate group connected by ownership or control, not just majority ownership. Further details provided in Annexes 1 and 2.</p>



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a) illegal harvesting or <u>illegal trade*</u> in forest products*	Illegal logging or the trade in illegal wood or forest products	<ul style="list-style-type: none"> ● Existing requirements expanded Addition of 'illegal trade' to unacceptable activity. Not only trade in illegal forest products, but also illegal trade in legal forest products.
b) violation of traditional or human rights* within the forestry or forest products sector*	Violation of traditional and human rights in forestry operations	<ul style="list-style-type: none"> ● Existing requirements expanded Expansion of sector / operation / area where unacceptable activity is prohibited from forestry operations to forestry and forest products sector.
c) violation of <u>principles and workers' rights * defined in the ILO Declaration on Principles and Rights at Work any of the FSC core labour requirements*</u> within the forestry or forest products sector*	Violation of any of the ILO Core Conventions ¹ ¹ As defined in the ILO Declaration on Fundamental Principles and Rights at Work.	<ul style="list-style-type: none"> ● Existing requirements reduced Reduction of sector / operation / area where unacceptable activity is



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		<p>prohibited from any operation to forestry and forest products sector to align with other unacceptable activities-</p> <ul style="list-style-type: none"> ● Clarification <p>Reference to ILO Declaration instead of Core Conventions and clarified wording.</p>
<p>d) significant damage* to high conservation values* in forests</p>	<p>Destruction of high conservation values in forestry operations</p>	<ul style="list-style-type: none"> ● Existing requirements expanded <p>Expansion of sector / operation / area where unacceptable activity is prohibited from forestry operations to forests.</p> <ul style="list-style-type: none"> ● Clarification <p>In version 2, destruction of high conservation values is defined as "significant"</p>



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		<p>damage of the attributes that constitute high conservation values". Wording clarified in version 3.</p>
<p>e) significant conversion* of <u>natural</u> forests* to plantations or non-forest use</p>	<p>Significant conversion of forests to plantations or non-forest use</p>	<ul style="list-style-type: none"> ● Existing requirements expanded <p>Aspects of definition of significant conversion updated. Conversion of over 10% forest in management unit or 10.000 ha of overall forest under group's control, is significant conversion. Conversion under these thresholds can also be 'significant' where there is high impact. See definition of 'Significant conversion', p. 21, for details.</p>



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<p>f) introduction or use of genetically modified* trees for purposes other than research (which can include field trials), such as for commercial purposes</p> <p><u>NOTE: See Annex 1 for criteria defining a corporate group and Annex 2 for further considerations on circumstances where an associated party has engaged in an unacceptable activity.</u></p>	<p>Introduction of genetically modified organisms in forestry operations</p>	<ul style="list-style-type: none"> ● Clarification <p>Additional details provided.</p>
<p>Part II: Policy implementation</p> <p>2. Due diligence* and disclosure</p> <p>2.1. An associated <u>individual or</u> organization* shall <u>ensure that they and their corporate group*</u> have policies and procedures in place to avoid any engagement in relevant unacceptable activities stipulated in Part I. <u>Existence of such policies is not verified by FSC prior to association. In a case of complaint, a</u> lack of sufficient due diligence* to avoid risk of violation of the FSC Policy for Association will be taken into consideration in assessing a complaint.</p> <p>2.2. FSC will only enter into, or maintain, an <u>individual or</u> association* with an organization that conforms to the</p>	<p>PART II - POLICY IMPLEMENTATION</p> <p>2. Due Diligence</p> <p>2.1. Before entering into an association with an organization or individual, FSC shall conduct a due diligence evaluation according to FSC-PRO-10-004 to evaluate the existence of objective evidence that an organization is directly or indirectly involved in any of the unacceptable activities as listed in Part I Clause 1.</p> <p>2.2. FSC shall only enter into an association with organizations or individuals that have passed the due diligence evaluation.</p>	<ul style="list-style-type: none"> ● Requirement added <p>New requirement that organizations associated with FSC have due diligence policies and procedures to avoid engaging in unacceptable activities.</p>



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<p>disclosure requirements of FSC-PRO-10-004 Disclosure Requirements for Association with FSC.</p>		
<p>3. Evaluating allegations</p> <p>3.1. Any stakeholder can submit a complaint if there is substantial information* that an associated organization* or its corporate group* is suspected of a violation of this policy. Complaints are processed according to FSC-PRO-01-009 Processing FSC Policy for Association Complaints.</p>	<p>3. Investigations of allegations</p> <p>3.1. Any stakeholder, including FSC, can file a formal complaint against an organization or individual that is suspected to be involved in any of the unacceptable activities as listed in Part I Clause 1.</p> <p>3.2. Complaints shall be filed and processed in line with the requirements and regulations of the FSC Dispute Resolution System.</p>	<ul style="list-style-type: none"> ● Clarification <p>Alignment with updated procedure, Processing FSC Policy for Association Complaints (FSC-PRO-01-009).</p>
<p>4. Consequences of a violation of this policy</p> <p>4.1. An associated individual or organizationassociated organization* found to be in violation of this policy will, together with its corporate group*, face one of two consequences, as further elaborated in FSC-PRO-01-009:</p>	<p>4. Disassociation</p> <p>4.1. A decision to disassociate from FSC shall only be taken by the FSC Board of Directors.</p> <p>4.2. Following the decision to disassociate, actions to terminate the contractual relationships with the organization or</p>	<ul style="list-style-type: none"> ● Clarification <p>Alignment with updated procedure, Processing FSC Policy for Association Complaints (FSC-PRO-01-009).</p>



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<p>a. Maintaining association with time-bound conditions that must be met in order to remain associated* with FSC. The associated <u>individual or</u> organization* must agree to meet these conditions, and failure<u>conditions. Failure</u> to implement them within the agreed timelines will be grounds for disassociation*.</p> <p>b. Disassociation* from FSC, with main pre-conditions to be fulfilled before considering a process for ending disassociation.</p> <p>NOTE: See FSC-PRO-01-009 for a list of the factors considered in determining the consequences of a violation, and also the types of conditions that must be met for maintaining association or ending disassociation. See also the FSC Statutes for the process for destitution of a member.</p>	<p>individual should be taken within a period of thirty (30) days.</p> <p>4.3. The decision to disassociate cannot be appealed.</p> <p>4.4. Together with the decision to disassociate, the FSC Board of Directors may specify a timeline and conditions for renewal of the association with FSC</p>	
<p>5. Ending disassociation</p> <p>5.1. A disassociated <u>individual or</u> organization interested in re-associating with FSC shall enter into a process for ending the disassociation.</p> <p>5.2. An <u>individual or</u> organization-specific roadmap towards ending disassociation <u>based on general requirements by</u></p>		<p>● Clarification</p> <p>New information on the process for ending a disassociation.</p> <p>More details on this process are provided in the</p>



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<p>FSC, shall be is developed by an independent third party in consultation with the disassociated organization and stakeholders and shall be based on general roadmap requirements set by FSC. A roadmap is a plan of how to remedy, correct and prevent reoccurrence of previously identified violations. It may also consider activities that were not included in the original complaint, if they might be in violation of the FSC Policy for Association and are considered necessary to include for trust-building reasons. See FSC-PRO-01-009 for more information on the process.</p> <p>5.3. Upon fulfilling the defined conditions, and FSC ending the disassociation, the <u>individual or</u> organization may apply to re-associate with FSC as a member and/or an FSC license/agreement holder.</p>		<p>procedure Processing FSC Policy for Association Complaints (FSC-PRO-01-009), Annex 4.</p>
<p>ANNEX 1: Corporate group</p> <p><u>Example of managerial control within a corporate group</u></p> <p><u>Company A holds multiple FSC certificates, and Company B does not have any FSC certificates. The owner of Company A sits on the board of Company B with voting power of 20%. The owner of Company A sets the performance benchmarks for the management of Company B. If Company B is found to have been engaged in an unacceptable activity, then an investigation</u></p>		<ul style="list-style-type: none"> ● Existing requirements expanded <p>Who the policy applies to expanded to include organizations in a corporate group connected by ownership or control, not just majority ownership. <u>Example provided.</u></p>



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<p><u>would be triggered to determine whether Company A had managerial control over the actions of Company B and whether they would be considered to be part of the same corporate group. If yes, the unacceptable activities of Company B constitute a Policy for Association violation.</u></p>		
<p>ANNEX 2: Engagement in unacceptable activities</p> <p>An associated <u>individual or</u> organization* and their corporate group* can bear are in violation of the Policy for Association if they have been engaged in any of the unacceptable activities <u>defined in clause 1 of Policy elements</u>. They are considered to have been engaged in unacceptable activities if they <u>have</u> had control* over these activities. <u>The unacceptable activities could have been performed by themselves, or by another organization they have control over.</u></p> <p><u>Thus, an individual, an</u> organization and its corporate group* can be in violation of the Policy for Association through <u>also</u> commercial relationships <u>This is determined by existence of -if the organization or its corporate group* had</u> control* over the unacceptable activities performed by another organization. For example, the unacceptable activities of <u>a</u> suppliers may or may not constitute a violation of the FSC Policy for Association <u>only if</u></p>	<p>ANNEX 2: Engagement in unacceptable activities</p> <p>An associated organization* and their corporate group* can bear in violation of the Policy for Association if they have been engaged in any of the unacceptable activities. They are considered to have been engaged in unacceptable activities if they had control* over these activities.</p> <p>An organization and its corporate group* can be in violation of the Policy for Association through commercial relationships if the organization or its corporate group* had control* over the unacceptable activities performed by another organization. For example, the unacceptable activities of suppliers may or</p>	<ul style="list-style-type: none"> ● Existing requirements expanded <p>Organizations are considered to have engaged in an unacceptable activity in any operations they control.</p>



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<p>the associated -, depending on whether the organization had control* over the actions of its supplier.</p> <p>Example of control* in a commercial relationship</p> <p>Company A has an FSC chain of custody certificate and buys timber from Company B, which is not FSC certified. Company B is a supplier to Company A, and both are separate corporate entities. Company A, however, is the sole buyer of Company B and the sales contract between both the companies gives Company A the right to veto Company B's management plan. If Company B were found to be engaged in an unacceptable activity, then an FSC Policy for Association evaluation would be triggered <u>to determine whether Company A had control over the actions of Company B. If yes, the unacceptable activities of Company B constitute a Policy for Association violation.</u></p>	<p>may not constitute a violation of the FSC Policy for Association, depending on whether the organization had control* over the actions of its supplier.</p> <p>Example of control* in a commercial relationship</p> <p>Company A has an FSC chain of custody certificate and buys timber from Company B, which is not FSC certified. Company B is a supplier to Company A, and both are separate corporate entities. Company A, however, is the sole buyer of Company B and the sales contract between both companies gives Company A the right to veto Company B's management plan. If Company B were found to be engaged in an unacceptable activity, then an FSC Policy for Association evaluation would be triggered.</p>	
<p>ANNEX 3: Terms and Definitions</p>		



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<p>For the purposes of this international document, the terms and definitions given in FSC-STD- 01-002 FSC Glossary of Terms and the following apply:</p>		
<p>Allegation: A statement of belief that some wrong or harm has occurred</p>		<ul style="list-style-type: none"> ● Clarification <p>Definition for 'Allegation' added.</p>
<p>Association (associated, associate, associated organization): An association with FSC is formally established through any of the following contractual relationships: FSC membership agreement; FSC certificate holder license agreement; FSC certification body license agreement; FSC partnership agreement.</p>	<p>Association</p> <p>An association with FSC is formally established through any of the following relationships:</p> <ul style="list-style-type: none"> - FSC membership - Contractual relationship through: <ul style="list-style-type: none"> ○ FSC accreditation agreement, ○ FSC license agreement, ○ FSC cooperation agreement, ○ FSC partnership agreement. 	<ul style="list-style-type: none"> ● Clarification <p>Definition simplified.</p>
<p>Control: The possession of power to direct, restrict, regulate, govern, or administer the performance of the other company through authority, rights, contract, or other means.</p>		<ul style="list-style-type: none"> ● Clarification <p>Definition for 'Control' added.</p>



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<p>Conversion: A <i>lasting change of natural forest cover*</i> induced by <i>human activity*</i>. This may be characterized by <i>significant loss of species diversity*</i>, habitat diversity, structural complexity, ecosystem functionality or livelihoods and cultural values. The definition of <i>conversion*</i> covers gradual forest degradation as well as rapid forest transformation.</p> <ul style="list-style-type: none"> • Induced by human activity: In contrast to drastic changes caused by natural calamities like hurricanes or volcanic eruptions. It also applies in cases of naturally ignited fires where human activities (e.g. draining of peatlands) have significantly increased the risk of fire. • Lasting change of natural forest cover: Permanent or <i>long-term*</i> change of <i>natural forest*</i> cover, precluded from reverting back towards pre-conversion conditions. Temporary changes of forest cover or structure (e.g. harvesting followed by regeneration in accordance with the FSC normative framework) is not considered <i>conversion*</i>. • Lasting change of High Conservation Value* areas: Permanent or long-term* change of any of the <i>High Conservation Values*</i>, precluded from naturally reverting back towards pre-conversion conditions. Temporary changes of HCV areas that do not negatively and permanently impact the values (e.g. harvesting followed 	<p>Forest Conversion</p> <p>Rapid or gradual removal of natural forest, semi-natural forest or other wooded ecosystems such as woodlands and savannahs to meet other land needs, such as plantations (e.g. pulp wood, oil palm or coffee), agriculture, pasture, urban settlements, industry or mining. This process is usually irreversible.</p>	<ul style="list-style-type: none"> ● Clarification <p>The definition of conversion is aligned with the latest draft of the FSC Policy on Conversion.</p>



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<p>by regeneration in accordance with the FSC normative framework) is not considered a lasting change.</p> <ul style="list-style-type: none"> • Significant loss of species diversity: Loss of species is considered significant where <i>rare species*</i> and <i>threatened species*</i> or other locally important, keystone and/or flagship species are lost, whether in terms of numbers of individuals or in terms of number of species. This refers to both displacement and extinction. <p>NOTE: For the purposes of this pPolicy, the establishment of ancillary infrastructure necessary to implement the objectives of responsible forest management (e.g. forest roads, skid trails, log landings, fire protection, etc.) is not considered <i>conversion*</i>.</p>		
<p>Corporate group</p> <p>The totality of legal entities to which an associated organization* is affiliated in a corporate relationship in which either party controls* the performance of the other (e.g. parent or sister company, subsidiary, joint venture, etc.). See also Annex 1.</p>	<p>Involvement</p> <p>Direct involvement: Situations in which the associated organization or individual is firsthand responsible for the unacceptable activities.</p> <p>Indirect involvement: Situations in which the associated organization or individual, with a minimum ownership or voting power</p>	<ul style="list-style-type: none"> ● Clarification <p>Definition updated to reflect the changes in the policy.</p>



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	<p>of 51%, is involved as a parent or sister company, subsidiary, shareholder or Board of Directors to an organization directly involved in unacceptable activities. Indirect involvement also includes activities performed by subcontractors when acting on behalf of the associated organization or individual.</p>	
<p>Degradation: Changes within a <i>natural forest</i>* cover that significantly and negatively affect its species composition, structure and/or function, and reduces the ecosystem’s capacity to supply products, support biodiversity and/or deliver ecosystem services.</p>		<ul style="list-style-type: none"> ● Clarification <p>The definition of degradation is aligned with the latest draft of the FSC Policy on Conversion.</p>
<p>Disassociation: The termination of all existing contractual relationships (member and license) between FSC and the associated organization* and corporate group*. Disassociation also prevents entry into any new contractual relationships with FSC.</p>		<ul style="list-style-type: none"> ● Clarification <p>Definition for ‘Disassociation’ added.</p>
<p>Due diligence: A risk management process implemented by a <u>company</u>an organization to identify, prevent, mitigate, and account for how it addresses environmental and social risks and impacts in its operations, supply chains and investments.</p>		<ul style="list-style-type: none"> ● Clarification <p>Definition for ‘Due diligence’ added.</p>



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<p>FSC core labour requirements: International Labour Organization (ILO) generic criteria and indicators that are underlined in the FSC report covering fundamental principles and rights at work: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.</p>	<p>ILO Declaration on Fundamental Principles and Rights at Work Adopted in 1998, the Declaration commits Member States to respect and promote principles and rights in four categories, whether or not they have ratified the relevant Conventions</p> <p>These categories are: freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labor, the abolition of child labour and the elimination of discrimination in respect of employment and occupation. For more information, please access: http://www.ilo.org/declaration</p>	<ul style="list-style-type: none"> ● Clarification <p>Definition for ‘Worker’s rights’ aligned with ILO added below.</p>
<p>Forest products sector: <u>Includes all entities that trade or manufacture products from forest-based organic materials, including timber and non-timber forest products.</u> <u>Adapted from definition of forest based in FSC-STD-40-004 V3-1 Chain of Custody Certification.</u></p>		<ul style="list-style-type: none"> ● Clarification <p>Definition for ‘Forest products sector’ added.</p>
<p>Genetically modified (trees): An organism in which the genetic material has been altered in a way that does not occur naturally</p>		<ul style="list-style-type: none"> ● Clarification



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<p>by mating and/or natural recombination. This policy is specific to organisms that are trees.</p>		<p>Definition for 'Genetically modified (trees)' added.</p>
<p>High Conservation Values (HCVs): <u>As defined in FSC-STD-01-001, including HCV1 species diversity, HCV2 landscape level ecosystems and mosaics, HCV3 ecosystems and habitats, HCV4 critical ecosystem services, HCV5 community needs and HCV6 cultural values.</u></p>		<ul style="list-style-type: none"> ● Clarification <p>Definition for 'High Conservation Values (HCVs)' added.</p>
<p>Human rights: Human rights are rights that every human being has by virtue of his or her human dignity and are the sum of individual and collective rights laid down in State constitutions and international law. Human rights are manifold. Human rights include, at a minimum, rights expressed in the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights and the main instruments through which it has been codified: the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights), the United Nations Declaration on the Rights of Indigenous Peoples, the ILO Indigenous and Tribal Peoples Convention No. 169 and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Depending on the circumstances, <u>organizations</u> companies may need to consider additional standards and instruments.</p>	<p>Human rights Rights as established by the Universal Declaration of Human Rights of the United Nations. http://www.un.org/en/documents/udhr/</p>	<ul style="list-style-type: none"> ● Clarification <p>More detailed definition of human rights added.</p>



Proposed change in the draft (Version 3)	Changed from (Version 2)	Summary of change
<p>Illegal harvesting <u>and illegal</u> or trade in forest products (adapted from FSC-STD-40-005 V3-0): Harvesting of timber and non-timber forest products in violation of any and all laws applicable in that location or jurisdiction including, but not limited to, laws related to the acquisition of harvesting rights from the rightful owner, the harvesting methods used, and the payment of all relevant fees and royalties. The term '<u>illegal</u> trade' refers to both 'illegal trade in forest products' and 'legal trade in illegal forest products' <u>and includes for example fraud and bribery.</u> Adapted from. These are aligned with the indicators in FSC-STD-40-005 V3-0 Requirements for Sourcing FSC Controlled Wood.</p>	<p>Illegal Logging Harvesting of timber in violation of any laws applicable in that location or jurisdiction including, but not limited to, laws related to the acquisition of harvesting rights from the rightful owner, the harvesting methods used and the payment of all relevant fees and royalties.</p>	<ul style="list-style-type: none"> ● Clarification <p>Definition updated to reflect the changes in the policy.</p>
<p>Natural Forest: A forest area with many of the principal characteristics and key elements of native ecosystems, such as complexity, structure and biological diversity, including soil characteristics, flora and fauna, in which all or almost all the trees are native species, not classified as plantations.</p> <p>'Natural forest' includes the following categories:</p> <ul style="list-style-type: none"> • Forest affected by harvesting or other disturbances, in which trees are being or have been regenerated by a combination of natural and artificial regeneration with species typical of natural forests in that site, and where many of the above-ground and below- ground characteristics of the natural forest are still present. In 		<ul style="list-style-type: none"> ● Clarification <p>The definition of natural forest is aligned with the FSC Principles and Criteria for Forest Stewardship.</p>



Proposed change in the draft (Version 3)	Changed from (Version 2)	Summary of change
<p>boreal and north temperate forests which are naturally composed of only one or few tree species, a combination of natural and artificial regeneration to regenerate forest of the same native species, with most of the principal characteristics and key elements of native ecosystems of that site, is not by itself considered as <i>conversion</i>* to plantations.</p> <ul style="list-style-type: none"> Natural forests which are maintained by traditional silvicultural practices including natural or assisted natural regeneration. Well-developed secondary or colonizing forest of native species which has regenerated in non-forest areas. The definition of 'natural forest' may include areas described as wooded ecosystems, woodland and savanna. 		
<p>Significant conversion: Conversion* is normally considered significant in any case of:</p> <ol style="list-style-type: none"> conversion of high conservation value* (HCV) forest, or conversion of more than 105 per cent of natural forests* by the associated organization and/or affiliated group within a forest management unit <u>national jurisdiction</u> in<u>over</u> the past five years, or conversion of more than 10,000 ha of natural forests* by the associated organization* and/or affiliated group* within a national jurisdiction <u>in</u><u>over</u> the past five years. 	<p>Significant conversion</p> <p>Conversion is considered significant in any case of:</p> <p>Conversion of High Conservation Value Forests</p> <p>Conversion of more than 10% of the forest areas under the organization's responsibility in the past 5 years</p>	<ul style="list-style-type: none"> Existing requirements expanded <p>The definition of significant conversion threshold of 10% refers to management unit instead of all forests under group's control.</p>



Proposed change in the draft (Version 3)	Changed from (Version 2)	Summary of change
<p>Explanatory Notes:</p> <ul style="list-style-type: none"> The 10,000 ha and 5 percent thresholds represents the total area or the total percentage of forest managed by the associated organization and the affiliated group. These thresholds are intended as triggers for determining whether forest conversion is considered to be significant. Exceeding these thresholds will usually be considered a violation of the policy; further, conversion that is below these thresholds could also be considered significant if it is determined to have high impact. In judging cases, other factors will be taken into account, including but not limited to: regional ecological and social impacts; plans for continued conversion; repeated conversion in other national jurisdictions; past conversion (beyond the past five years); and restoration efforts. 	<p>Conversion of more than 10,000 ha of forests under the organization's responsibility in the past 5 years</p> <p>NOTE: Failure of the 10,000 ha threshold does not lead to disassociation <i>per se</i>, but will lead to a case by case investigation by an independent Complaints Panel. In judging the case, the Panel will take into account the local circumstances, the scale of the operation and plans for continued conversion.</p> <p>NOTE: For the purposes of this policy, the establishment of ancillary infrastructure necessary to implement the objectives of responsible forest management (forest roads, skid trails, log landings, etc) is not considered conversion.</p>	
<p>Significant damage to high conservation values (HCVs) in forests</p> <p>Damage to HCVs is considered significant if the attributes that constitute these values no longer exist, or they cannot be repaired, or their survival is immediately threatened. Operations that cause temporary change are not considered significant. This could be characterized for example by lasting change in high</p>	<p>Destruction of high conservation values</p> <p>Significant damage of the attributes that constitute high conservation values in a way that they no longer exist or cannot be repaired.</p>	<ul style="list-style-type: none"> ● Clarification <p>More detailed definition and guidance for significant damage to HCVs added.</p>



Proposed change in the draft (Version 3)	Changed from (Version 2)	Summary of change
<p>conversation values* or significant loss of species as defined in conversation*</p> <p>Explanatory Notes:</p> <ul style="list-style-type: none"> • The term “HCVs” refers to those defined in the FSC system and those assessed following FSC requirements and guidance. • Temporary changes of HCV areas that do not negatively and permanently impact the values (e.g. harvesting followed by regeneration in accordance with the FSC normative framework) are not considered a significant damage. • For the purposes of this policy, it is not expected that the associated organization or affiliated group will systematically conduct HCV assessments to determine the existence of HCVs and the threats to them; rather, it is expected that they make use of available tools such as FSC national or centralized risk assessments, and have mitigation strategies in place in situations where potential risk to HCVs exist. <u>For tools, see for example FSC Risk Assessment Platform, HCV Guide for Forest Managers (FSC-GUI-30-009) and FSC Guidelines for the Implementation of the Right to Free, Prior and Informed Consent (FPIC) (FSC-GUI-30.003).</u> <p>See FSC-STD-01-001 for the definition of the six HCVs.</p>		<p>HCV definition is included instead of referring to another document.</p>



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<p>Substantial information: Credible information provided by third parties and/ or gathered through independent research obtained from reliable/reowned sources which constitutes a solid piece of evidence to be considered in an investigation. Substantial information may include any of the following forms so long as the evidence meets the criteria required in this definition: scientific reports, technical analysis, certification reports, corroborated news articles, official reports and/ or announcements by governmental authorities, legal analysis, Geographic Information System information (boundary coordinates, satellite change mapping), videos or footage, images, independent interviews, affidavits and declarations, meeting minutes, and corporate/organizational information.</p>		<ul style="list-style-type: none"> ● Clarification <p>Definition for substantial information aligned with the procedure Processing FSC Policy for Association Complaints (FSC-PRO-01-009)</p>
<p>Traditional rights: Rights which result from a long series of habitual or customary actions, constantly repeated, which have, by such repetition and by uninterrupted acquiescence, acquired the force of a law within a geographical or sociological unit.</p>	<p>Traditional rights Rights which result from a long series of habitual or customary actions, constantly repeated, which have, by such repetition and by uninterrupted acquiescence, acquired the force of a law within a geographical or sociological unit. Also known as customary rights (FSC Principles and Criteria). It also encompasses the rights of Indigenous and Tribal Peoples as established by the ILO Convention 169.</p>	<ul style="list-style-type: none"> ● Clarification <p>Definition aligned with the requirements to uphold the rights of Indigenous Peoples in the FSC Principles and Criteria.</p>



Proposed change in the draft (Version 3)	Changed from (Version 2)	Summary of change
<p><u>Workers' rights: Rights defined in International Labour Organization (ILO) Declaration of Fundamental Principles and Rights at Work and ILO Core Conventions. The fundamental principles and rights at work include freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation. These fundamental rights and their implementation have been further examined for example in ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy and for verification purposes in FSC Core Labour Requirements.</u></p>		<ul style="list-style-type: none">● Clarification <p>Definition for 'Workers' rights' added.</p>