



Forest Stewardship Council®



FAQs

REVISING THE FSC® POLICY FOR ASSOCIATION

October 2021

INTRODUCTION

FSC is revising the Policy for Association, a key policy that protects the reputation and integrity of the FSC system.

Find out more about this policy, the reasons for the revision and the main changes proposed.

QUESTIONS

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1. WHAT IS THE POLICY FOR ASSOCIATION?

The Policy for Association is one of the tools protecting the reputation of the FSC system. It sets out a commitment to avoid engaging in destructive activities, like deforestation or human rights violations, that go against FSC's mission and values.

Anyone who joins FSC makes this commitment for themselves and for other organizations in their corporate group, for operations that have FSC certification and operations that don't.

The policy helps FSC identify situations where there is serious inconsistency in performance: FSC-certified and performing well in some organizations or operations, involved in destructive activities in others.

In a world where companies frequently operate as part of larger groups, FSC's ability to take action against wrongdoing outside operations that have FSC certification is vital to protect the reputation and integrity of the FSC system.

2. WHY IS THE POLICY FOR ASSOCIATION BEING REVISED?

FSC wants to make sure that the Policy for Association is fit for purpose in the 2020s.

The policy has been in place for the last 10 years. In this time, expectations on issues like deforestation and the corporate responsibility to respect human rights have changed. New language is available to describe the topics that the policy covers.

The revision is aimed at ensuring that situations that threaten FSC's reputation are covered by the policy.

In implementing the policy, FSC has also identified opportunities to improve the clarity of requirements and align the policy with developments in the wider FSC system.

3. WHAT ARE THE 'DISCLOSURE REQUIREMENTS FOR ASSOCIATION WITH FSC'?

Alongside the policy, we are consulting a procedure for screening organizations that join FSC for compliance with the Policy for Association.

This procedure sets out FSC's objectives and the general approach proposed for screening organizations. This includes the kind of information organizations would need to share with FSC during their application for an FSC certificate or for FSC membership.

At this stage, the procedure does not provide a detailed methodology for how the screening process might look when implemented.

With some 500 organizations joining FSC each month, it is clear that screening will need to be risk-based and automated. This is a complex challenge that will take longer for FSC to implement than

a normal FSC operating procedure. Ensuring that a range of integrity issues are addressed through a screening process, not just related to the Policy for Association, will also be important.

But before getting into the details, we want to hear feedback on the general approach. That is why this procedure is being consulted now, without more detailed information on how the actual screening process might look.

4. WHAT ARE THE MAIN CHANGES PROPOSED?

Who the policy applies to

The Policy for Association applies to those taking part in the FSC system and anyone else in their corporate group. This is why the policy is so important for FSC. It protects FSC against association with organizations not committed to our values in all operations they are responsible for.

The existing policy says that a corporate group is defined as organizations connected by majority ownership.

The draft proposes a more comprehensive definition of corporate group, covering organizations connected by both ownership and control. This would include, for example, organizations controlled by the same family or the same ultimate beneficial owner. The definition has been taken from the Accountability Framework initiative (see the definition of 'corporate group' [here](#)).

This is an important proposal to ensure that the policy can respond to situations that threaten FSC's reputation: where FSC certificate holders or members are connected to organizations engaged in unacceptable activities, maybe not by the same majority owner but still as part of the same group.

The areas and sectors where unacceptable activities are prohibited

The Policy for Association sets out six unacceptable activities that organizations commit to avoid. The policy covers issues that threaten FSC's mission. So the areas and sectors where the policy applies also align with where FSC promotes its mission.

The existing policy focuses on unacceptable activities in forests and forestry operations.

But since the policy was last updated, FSC has introduced stronger requirements for operations outside forests. For example, requirements on workers' rights are now part of FSC Chain of Custody certification, bringing FSC's social requirements into the forest products sector.

The draft makes proposals to ensure that the Policy for Association continues to apply to areas and sectors most relevant to FSC's mission. In particular, there is an increased focus on the forest products sector, for issues like human rights and illegal trade.

Due diligence requirements for organizations

The proposed draft sets out clear expectations on due diligence related to avoiding unacceptable activities.

Organizations associated with FSC and their corporate groups should have policies and procedures in place to avoid unacceptable activities in the operations they control.

If unacceptable activities are found to have taken place, the due diligence systems will also be assessed as part of decision making on the case.

5. WHAT WOULD THE MAIN IMPACTS OF THE PROPOSED CHANGES BE?

For organizations associated with FSC

The Policy for Association may apply to more organizations in your corporate group: not only those connected by a majority owner but also other types of control.

The sectors and types of operations where the policy applies are also expanded for some of the unacceptable activities. For example, the responsibility to avoid human rights violations applies in the forestry and forest products sector, not only in forestry operations.

There is a new requirement that corporate groups have due diligence procedures in place to avoid engaging in unacceptable activities.

And there may be additional disclosure requirements for organizations joining FSC, with risk factors defining the amount of information to be disclosed.

All of these changes are expected to strengthen the reputation not only of the FSC system, but also of the vast majority of associated organizations who are committed to the mission and values of FSC.

For FSC

With the Policy for Association applying to new types of corporate structures and new types of operations, FSC will need to engage additional expertise to support evaluation of breaches of the policy.

The procedure for disclosure requirements requires a detailed system to gather, analyse and act on information gathered during screening.

The changes are expected to strengthen FSC's ability to protect the reputation and integrity of the FSC system.

6. HOW IS THE POLICY FOR ASSOCIATION BEING REVISED

and what is your role?

The draft has been created by a 5-person technical working group with expertise in areas relevant to the Policy for Association. You can read more about the process and members of the group [here](#). This work has built on an unfinished revision process [that ran from 2014 - 2017](#).

The first consultation for a draft developed by the technical working group was open for 60 days in May-July 2021. The group reviewed all comments from 68 respondents. This second draft was developed based on these comments and discussions had during 4 webinars arranged during the consultation period. Your feedback to this second public consultation will give us an insight into the views of members and other stakeholders on the challenging topics in this revision, help us think of things we haven't thought of and let us know where to go next. The technical working group will evaluate all comments when the consultation closes in early December and create a final draft based on your feedback.

7. WHAT ARE THE MAIN CHANGES TO THE PREVIOUS DRAFT?

The consultation showed high level of support for many proposals in the draft. For more details, see consultation report published together with the consultation. However, the second draft introduces several clarifications and improvements to the policy based on the consultation feedback. For example, the unacceptable activity concerning workers' rights was changed to have a more befitting reference to ILO Declaration. The definitions for significant conversion and significant damage for High Conservation Values were reviewed and partly redrafted for clarity.

The feedback for disclosure procedure resulted in presenting a high-level process description for screening process introducing two level screening process – rapid or extended screening. The core risk factors that could trigger a more detailed screening by FSC are also now included.

8. HOW IS THE POLICY FOR ASSOCIATION CONNECTED to other FSC policies and procedures?

Policy on Conversion and Conversion Remedy Procedure

The FSC Policy on Conversion (under development) clarifies FSC's position on conversion of natural forests and High Conservation Value areas and provides a mechanism for the remedy of social and environmental harm of past conversion. The Conversion Remedy Procedure is developed to operationalize the Policy on Conversion and it defines equitable and effective measures required for social and environmental remedy.

The Policy for Association is one of the FSC documents that prohibits significant conversion and requires remedy for destruction of forests.

The draft Policy for Association uses the definitions of conversion from the Policy on Conversion. And where organizations are found to be involved in significant conversion through investigation of breaches of the Policy for Association, the same principles for remedy defined in the Policy on Conversion and the related

Conversion Remedy Procedure will be used (see 'Generic Roadmap' below). This ensures that the Policy for Association responds to conversion in a way that is consistent with other FSC policies and procedures.

The Conversion Remedy Procedure will be consulted separately.

Policy for Association remediation framework

When organizations are found to be in breach of the Policy for Association, they can be excluded from participation in the FSC system. This is known as disassociation.

Ending disassociation requires remedy and organizational improvement, and FSC is developing a framework that sets out the general requirements organizations will need to fulfil.

The remediation framework covers remedial action for the unacceptable activities included in the Policy for Association. For issues related to conversion, the requirements will align with the FSC Conversion Remedy Procedure.

The PfA remediation framework is consulted separately.

Processing FSC Policy for Association Complaints

The procedure for responding to breaches of the Policy for Association was updated last year and has been effective since 5 January 2021.

The procedure won't need to be changed based on changes to the Policy for Association: the procedure just sets out what happens if someone is in breach of the policy. But FSC will make any technical changes, for example aligning definitions that are updated in the Policy for Association revision, as needed.

9. WHAT IS THE PLANNED TIMELINE FOR THE REVISION?

This consultation is open until 2 December 2021. The completion of the revision process is planned for March 2022.

For updates on the process, sign up to the [mailing list](#) or check out the [process page](#) on the FSC website.



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