



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

23 February 2022

Compare the revised draft (Version 5-0) with the current version of the Policy for Association (Version 2-0) and see in detail the changes that are being proposed.

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	● Clarification Title simplified.
Introduction	Introduction	● Clarification





Proposed change in the draft (Version 3)	Changed from (Version 2)	Summary of change
<p>Forests sustain life on earth and must be protected. That's why FSC exists: to provide a sustainable forest management solution that is trusted by NGOs, consumers, and businesses alike to protect healthy and resilient forests, for all, forever. We bring together experts from the environmental, economic and social spheres to promote the responsible management of the world's forests. The <i>FSC Policy for Association</i> is an expression of the values shared by individuals and organizations associated* with FSC. It defines five unacceptable activities that associated* individuals and organizations and their <i>corporate group*</i> 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 <i>associated*</i> with it. It applies to entire <i>corporate groups*</i> even if only a limited part of a group has an active relationship with FSC. The policy extends the reach of FSC core values to also those organizations within the corporate group* that are not themselves active within the certification system. This scope of the policy is a means to avoid any confusion or use of FSC's name in relation to activities that violate FSC's core principles and that could compromise FSC's ability to deliver on its mission. The policy allows for requiring improvements and remedy as well as the termination of all contractual ties with an individual or organization found to be in violation of the policy.</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 organizations associated with FSC through</p>	<p>Introduction adapted to reflect the changes in the policy.</p>



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<p>Policy implementation</p> <p>To protect FSC’s reputation and to remedy harm caused by unacceptable activities, FSC will assess multiple options, from mediation to investigation, sanctions and 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.</p> <p>Allegations* of violations of the FSC Policy for Association against associated* individuals and organizations are accepted and evaluated by FSC upon presentation of substantial information* that the associated* individual or organization or its corporate group* has violated the policy.</p> <p>To implement the <i>FSC Policy for Association</i>, two procedural documents are used</p> <ol style="list-style-type: none"> 1) An individual or organization seeking to associate with FSC must undergo a screening process and disclose information, in accordance with FSC-PRO-10-004 <i>Disclosure Requirements for Association with FSC</i>. 	<p>forest management, chain of custody and/or controlled wood FSC certification.</p>	



Proposed change in the draft (Version 3)	Changed from (Version 2)	Summary of change
<p>2) If a potential violation of the policy is brought to the attention of FSC, then FSC-PRO-01-009 <i>Processing FSC Policy for Association Complaints</i> is applied.</p>		
<p>Version history</p> <p>V1-0 The FSC Board of Directors approved the essential elements of the <i>FSC Policy for Association</i> 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 5-0 of V3-0 introduces a definition of <i>corporate group*</i> to define the scope of application of the policy, clarifications for the application of several unacceptable activities, alignment with an existing interpretation concerning research in genetic engineering and definitions reflecting the latest thinking in the development of the FSC Policy to Address Conversion (FSC-POL-01-007).</p>	<p>Version history</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 <i>corporate group*</i> to define the scope of application of the policy, alignment with FSC core labour requirements*, clarifications for the application of several</p>	<ul style="list-style-type: none"> ● Clarification



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	<p>unacceptable activities and definitions reflecting the latest thinking in the development of the FSC Policy on Conversion.</p>	
<p>A Objective</p> <p>The objective of the FSC Policy for Association is to address unacceptable activities that severely impact forests and people on-the-ground, as well as the subsequent reputational risks that affect FSC. The policy defines these unacceptable activities and determines which organizations and individuals can or cannot be <i>associated*</i> with FSC.</p> <p>B Scope</p> <p>The FSC Policy for Association applies to all associated* individuals, organizations, and their <i>c*</i> and to those seeking association* with FSC.</p> <p>The policy states five unacceptable activities (see Part I: Policy elements) that <i>associated*</i> individuals, organizations and their <i>corporate groups*</i> must commit to avoid and defines the consequences of a violation to this policy (see Part II: Policy implementation).</p>	<p>A - Scope</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>● Clarification</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>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 does not occur in the future.</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 an organization's conformance with its certification requirements should therefore first be addressed with the respective certification body through its established complaints procedure.</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 lingering harm ii) the scale and impact of the harm* done; iii) the level of action already taken to remedy past harm*; iv) whether there is a demonstrable systemic change to prevent the re-occurrence of the unacceptable activity.</p> <p>This policy version 3-0 will be applicable from its effective date. The previous version 2-0 of the policy remains effective for</p>		



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<p>violations that occurred before the effective date of the version 3-0.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>FOR CONSULTATION: Stakeholders are invited to provide feedback regarding the application period.</p> </div>																				
<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> <table border="0" style="width: 100%;"> <tr> <td style="width: 20%;">FSC-PRO-01-009</td> <td>Processing FSC Policy for Association Complaints</td> </tr> <tr> <td>FSC-PRO-10-004</td> <td>Disclosure Requirements for Association with FSC</td> </tr> <tr> <td>FSC-POL-01-007</td> <td>FSC Policy to Address Conversion</td> </tr> <tr> <td>FSC-PRO-01-007</td> <td>FSC Remedy Framework</td> </tr> <tr> <td>FSC-STD-01-002</td> <td>FSC Glossary of Terms FSC Statutes</td> </tr> </table>	FSC-PRO-01-009	Processing FSC Policy for Association Complaints	FSC-PRO-10-004	Disclosure Requirements for Association with FSC	FSC-POL-01-007	FSC Policy to Address Conversion	FSC-PRO-01-007	FSC Remedy Framework	FSC-STD-01-002	FSC Glossary of Terms FSC Statutes	<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> <table border="0" style="width: 100%;"> <tr> <td style="width: 20%;">FSC-PRO-01-009</td> <td>Processing FSC Policy for Association Complaints</td> </tr> <tr> <td>FSC-PRO-10-004</td> <td>Disclosure Requirements for Association with FSC</td> </tr> <tr> <td>FSC-POL-01-007</td> <td>FSC Policy on Conversion</td> </tr> <tr> <td>FSC-PRO-01-007</td> <td>Conversion Remedy Procedure</td> </tr> </table>	FSC-PRO-01-009	Processing FSC Policy for Association Complaints	FSC-PRO-10-004	Disclosure Requirements for Association with FSC	FSC-POL-01-007	FSC Policy on Conversion	FSC-PRO-01-007	Conversion Remedy Procedure	<p>● Clarification</p> <p>One more reference included: FSC Statutes and the names of others were updated.</p>
FSC-PRO-01-009	Processing FSC Policy for Association Complaints																			
FSC-PRO-10-004	Disclosure Requirements for Association with FSC																			
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	FSC-STD-01-002 FSC Glossary of Terms	
<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 <i>association*</i> if the individual, organization or its <i>corporate group*</i> is or 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>	<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. Further details provided in Annexes 1 and 2.</p>
<p>a) <i>Illegal harvesting or illegal trade* in forest products*</i></p>	<p>Illegal logging or the trade in illegal wood or forest products</p>	<ul style="list-style-type: none"> Existing requirements expanded <p>Addition of 'illegal trade' to unacceptable activity. Not only trade in illegal forest products, but also illegal trade in legal forest products.</p>



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<p>b) Violation of <i>customary*</i> or <i>human rights*</i> within the forestry or <i>forest products sector*</i></p>	<p>Violation of traditional and human rights 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 forestry and forest products sector. Activity terminology aligned.</p>
<p>c) Violation of <i>workers' rights and principles**</i> defined in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work within the forestry or <i>forest products sector*</i></p>	<p>Violation of any of the ILO Core Conventions¹</p> <p>¹ As defined in the ILO Declaration on Fundamental Principles and Rights at Work.</p>	<ul style="list-style-type: none"> ● Existing requirements reduced <p>Reduction of sector / operation / area where unacceptable activity is 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</p>



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		Conventions and clarified wording.
	Destruction of high conservation values in forestry operations	<ul style="list-style-type: none"> ● Clarification Existing requirements moved and merged with the unacceptable activity of 'significant conversion' in line with Policy to Address Conversion
d) <i>Significant conversion* of natural forest* cover or of high conservation value areas*</i>	Significant conversion of forests to plantations or non-forest use	<ul style="list-style-type: none"> ● Existing requirements merged with the unacceptable activity of 'significant conversion' in line with Policy to Address Conversion ● Existing requirements expanded <p>Aspects of definition of significant conversion updated. Conversion of over 10% forest in management unit or 10.000</p>



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		<p>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. 271, for details.</p>
<p>e) Introduction or use of genetically modified* trees for purposes other than research (which can include field trials), such as for commercial purposes</p> <p>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.</p>	<p>Introduction of genetically modified organisms in forestry operations</p>	<p>● Clarification</p> <p>Additional details provided.</p>
<p>Part II: Policy implementation</p> <p>2. Due diligence* and disclosure</p> <p>2.1. An associated* individual or organization* shall ensure that they and their corporate group* have policies and procedures in place to avoid any engagement in relevant</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</p>	<p>● Requirement added</p> <p>New requirement that organizations associated with FSC have due diligence policies and procedures to avoid</p>



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<p>unacceptable activities stipulated in Part I. Existence of such policies is not verified by FSC prior to <i>association</i>*. In a case of complaint, a lack of sufficient due diligence* to avoid risk of violation of the FSC Policy for Association will be taken into consideration.</p> <p>2.2. FSC will only enter into, or maintain, an individual or <i>association</i>* with an organization that conforms to the disclosure requirements of FSC-PRO-10-004 <i>Disclosure Requirements for Association with FSC</i>.</p>	<p>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>	<p>engaging in unacceptable activities.</p>
<p>3. Evaluating allegations</p> <p>3.1. Any stakeholder can submit a complaint if there is substantial information* that an <i>associated</i>* individual or organization or its <i>corporate group</i>* is suspected of a violation of this policy. Complaints are processed according to FSC-PRO-01-009 <i>Processing FSC Policy for Association Complaints</i>.</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>	<p>● Clarification</p> <p>Alignment with updated procedure, Processing FSC Policy for Association Complaints (FSC-PRO-01-009).</p>



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<p>4. Consequences of a violation of this policy</p> <p>4.1. An <i>associated*</i> individual or organization found to be in violation of this policy will, together with its <i>corporate group*</i>, face one of two consequences, as further elaborated in FSC-PRO-01-009:</p> <p>a. Maintaining <i>association*</i> with time-bound conditions that must be met r to remain <i>associated*</i> with FSC. The associated individual or organization must agree to meet these conditions. Failure to implement them within the agreed timelines will be grounds for <i>disassociation*</i>.</p> <p>b. <i>Disassociation*</i> from FSC, with main pre-conditions to be fulfilled before considering a process for ending <i>disassociation*</i>.</p> <p>NOTE: See FSC-PRO-01-009 for a list of the factors considered in determining the consequences of a violation, as well as the types of conditions that must be met for maintaining <i>association*</i> or ending <i>disassociation*</i>. See also the FSC Statutes for the process for destitution of a member.</p> <p>4.2 An organization or individual applying for <i>association*</i> that has been found to be in violation of this policy, shall not be granted <i>association*</i> with FSC.</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 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>● Clarification</p> <p>Alignment with updated procedure, Processing FSC Policy for Association Complaints (FSC-PRO-01-009).</p>



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<p>5. Ending disassociation and applying for association after confirmed violation</p> <p>5.1. A <i>disassociated*</i> or rejected <i>individual</i> or organization interested in <i>associating*</i> with FSC shall enter into a remedy process.</p> <p>5.2. Individual or organization-specific requirements shall be developed by an independent third-party based on general requirements defined in the FSC-PRO-01-007 <i>FSC Remedy Framework</i>. The requirements constitute a plan of how to remedy, correct and prevent reoccurrence of previously identified violations. They 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 <i>FSC Remedy Framework</i> and FSC-PRO-01-009 <i>Processing FSC Policy for Association Complaints</i> for more information on the process.</p> <p>5.3. Upon fulfilling the defined conditions, and FSC ending the disassociation, the individual or organization may apply to associate with FSC as a member and/or an FSC license/agreement holder.</p> <p>FOR CONSULTATION:</p>		<ul style="list-style-type: none"> ● Clarification <p>New information on the process for ending a disassociation.</p> <p>More details on this process are provided in the procedure Processing FSC Policy for Association Complaints (FSC-PRO-01-009), Annex 4.</p>



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<p>Stakeholders are invited to provide feedback to this proposal regarding the possibility to associate with FSC after unacceptable conversion*.</p>		
<p>ANNEX 1: Corporate group</p> <p>Example of managerial <i>control</i>* within a <i>corporate group</i>*</p> <p>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 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 violation of Policy for Association.</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. Example provided.</p>
<p>ANNEX 2: Engagement in unacceptable activities</p> <p>An <i>associated</i>* individual or organization and their <i>corporate group</i>* are in violation of the FSC Policy for Association if they are or have been engaged in any of the unacceptable activities defined in clause 1 of Policy elements. They are considered engaged in unacceptable activities if they have <i>control</i>* over these</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</p>	<ul style="list-style-type: none"> ● Existing requirements expanded <p>Organizations are considered to have engaged in an unacceptable activity</p>



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<p>activities. The unacceptable activities could have been performed by themselves, or by another organization they have <i>control*</i> over.</p> <p>Thus, an individual, organization and its corporate group* can be in violation of the <i>FSC Policy for Association</i> through also commercial relationships This is determined by existence of - <i>control*</i> over the unacceptable activities. For example, the unacceptable activities of a supplier constitute a violation of the FSC Policy for Association only if the <i>associated*</i> individual or organization and its <i>corporate group*</i> had <i>control*</i> over the actions of its supplier.</p> <p>Example of <i>control*</i> 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`s products and the sales contract between 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 <i>FSC Policy for Association</i> evaluation would be triggered to determine whether Company A had <i>control*</i> over the actions of</p>	<p>activities. They are considered to have been engaged in unacceptable activities if they had <i>control*</i> 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 <i>control*</i> over the unacceptable activities performed by another organization. For example, the unacceptable activities of suppliers may or may not constitute a violation of the FSC Policy for Association, depending on whether the organization had <i>control*</i> over the actions of its supplier.</p> <p>Example of <i>control*</i> 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</p>	<p>in any operations they control.</p>



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<p>Company B. If yes, the unacceptable activities of Company B constitute a violation of the <i>FSC Policy for Association</i>.</p>	<p>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> <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</p>	<p>Association</p>	<ul style="list-style-type: none"> ● Clarification <p>Definition simplified.</p>



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<p>agreement; FSC certification body license agreement; FSC partnership agreement.</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"> o FSC accreditation agreement, o FSC license agreement, o FSC cooperation agreement, o FSC partnership agreement. 	
<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>
<p>Conversion: A <i>lasting change of natural forest cover* induced by 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 	<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 to address Conversion.</p>



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<p>ignited fires where human activities (e.g. draining of peatlands) have significantly increased the risk of fire.</p> <ul style="list-style-type: none"> • Lasting change of <i>natural forest</i>* cover: Permanent or <i>long-term</i>* change of <i>natural forest</i>* cover. 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 <i>High Conservation Value</i>* areas: Permanent or long-term* change of any of the <i>High Conservation Values</i>*. Temporary changes 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 lasting change. • 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 policy, the establishment of ancillary infrastructure necessary to implement the objectives of responsible forest management (e.g. forest roads, skid trails, log</p>		



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<p>landings, fire protection, etc.) is not considered <i>conversion</i>*. (Source: FSC-POL-01-007 V1-0 Policy to Address Conversion)</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 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>	<ul style="list-style-type: none"> ● Clarification <p>Definition updated to reflect the changes in the policy.</p>
<p>Customary 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</p>	<p>Traditional rights</p> <p>Rights which result from a long series of habitual or customary actions, constantly</p>	<ul style="list-style-type: none"> ● Clarification



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<p>the force of a law within a geographical or sociological unit. (Source: FSC-STD-01-001 V5-2 FSC Principles and Criteria for Forest Stewardship V5-2)</p>	<p>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>	<p>Definition aligned with the requirements to uphold the rights of Indigenous Peoples in the FSC Principles and Criteria. Renamed into 'customary'.</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. (Source: FSC-POL-01-007 V1-0 Policy to Address Conversion)</p>		<ul style="list-style-type: none"> ● Clarification <p>The definition of degradation is aligned with the latest draft of the FSC Policy to address Conversion.</p>
<p>Disassociation (disassociated): The termination of all existing contractual relationships (member and license) between FSC and the <i>associated</i>* individual, organization and <i>corporate group</i>*. 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 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>



Proposed change in the draft (Version 3)	Changed from (Version 2)	Summary of change
<p>Forest product: Forest-based organic materials and products produced within a forest matrix, including wood and non-timber forest products. (Source: Adapted from definition of forest based in FSC-STD-40-004 V3-1 Chain of Custody Certification.)</p>		<ul style="list-style-type: none"> ● Clarification <p>Definition for 'Forest product' added.</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: Includes all entities that trade or manufacture products from forest-based organic materials, including timber and non-timber forest products.</p>		<ul style="list-style-type: none"> ● Clarification <p>Definition for 'Forest products sector' added.</p>



Proposed change in the draft (Version 3)	Changed from (Version 2)	Summary of change
(Source: Adapted from definition of forest based in FSC-STD-40-004 V3-1 <i>Chain of Custody Certification</i>).		
<p>Genetically modified (trees): An organism in which the genetic material has been altered in a way that does not occur naturally by mating and/or natural recombination. This policy is specific to organisms that are trees. (Based on FSC-POL-30-602 FSC Interpretation on GMO (Genetically Modified Organisms)). (Source: FSC-STD-01-001 V5-2 FSC Principles and Criteria for Forest Stewardship V5-2)</p>		<ul style="list-style-type: none"> ● Clarification <p>Definition for ‘Genetically modified (trees)’ added and aligned with the Interpretation on GMO.</p>
<p>High Conservation Value Areas: Zones and physical spaces which possess and/or are needed for the existence and maintenance of identified High Conservation Values* (Source: FSC-STD-60-004 V2-0 International Generic Indicators)</p>		<ul style="list-style-type: none"> ● Clarification <p>Definition for ‘High Conservation Value Areas’ added.</p>
<p>High Conservation Values (HCVs): As defined in FSC-STD-01-001 V5-2 FSC Principles and Criteria for Forest Stewardship, 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.</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</p>	<p>Human rights</p>	<ul style="list-style-type: none"> ● Clarification



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<p>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, organizations may need to consider additional standards and instruments.</p>	<p>Rights as established by the Universal Declaration of Human Rights of the United Nations. http://www.un.org/en/documents/udhr/</p>	<p>More detailed definition of human rights added.</p>
<p>Illegal harvesting and/or illegal trade in forest products*: 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 'illegal trade' refers to both 'illegal trade in forest products' and 'legal trade in illegal forest products' and includes for example fraud, bribery and purchase or resale of illegally harvested timber'. (Source: Adapted from FSC-STD-40-005 V3-1 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>



Proposed change in the draft (Version 3)	Changed from (Version 2)	Summary of change
<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 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. • 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. 		<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
<ul style="list-style-type: none"> The definition of 'natural forest' may include areas described as wooded ecosystems, woodland and savanna. (Source: FSC-POL-01-007 V1-0 Policy to Address Conversion) 		
<p>Significant conversion: Conversion* is normally considered significant in any case of:</p> <ol style="list-style-type: none"> <i>Conversion* of high conservation value* (HCV) area*</i>, if the attributes that constitute these values no longer exist, <i>Conversion* of more than 10 per cent of natural forest* cover by the associated* individual or organization and/or corporate group* within a forest management unit over the past five years, or</i> <i>Conversion of more than 10,000 ha of natural forest* cover by the associated individual or organization* and/or corporate group*.</i> <p>Explanatory Notes:</p> <ul style="list-style-type: none"> Exclusively for the purposes of this policy, temporary changes in HCVs* (e.g. selective harvesting followed by regeneration in accordance with reduced impact technics) may not be considered significant. 	<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> <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</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>



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<ul style="list-style-type: none"> The 10,000 ha represents the accumulated total area of <i>natural forest</i>* converted by the <i>associated</i>* individual or organization and their <i>corporate group</i>*. These thresholds are intended as triggers for determining whether forest <i>conversion</i>* is considered to be significant. Exceeding these thresholds will usually be considered a violation of the policy; further, <i>conversion</i>* 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 <i>conversion</i>*; repeated <i>conversion</i>*; past <i>conversion</i>* (beyond the past five years); and restoration efforts. For the purposes of this policy, it is not expected that the <i>associated</i>* individual or organization or its <i>corporate group</i>* 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 and have mitigation strategies in place for situations where potential risk to HCVs* exist. 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). 	<p>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>	



Proposed change in the draft (Version 3)	Changed from (Version 2)	Summary of change
<p>FOR CONSULTATION: Stakeholders are invited to provide feedback regarding the proposal for threshold for significant conversion.</p>		
	<p>Destruction of high conservation values 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 ● Requirement removed
<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>



Proposed change in the draft (Version 3)	Changed from (Version 2)	Summary of change
<p>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 The ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy and for verification purposes in FSC Core Labour Requirements.</p>		<ul style="list-style-type: none"> ● Clarification <p>Definition for 'Workers' rights' added.</p>