



# SECOND PUBLIC CONSULTATION MATERIAL

FSC-PRO-30-006 V2-0 D2-0 Ecosystem Services  
Procedure: Impact Demonstration and Market Tools

10/04/2024



## INTRODUCTION

### Welcome to the second public consultation for the revised FSC-PRO-30-006 Ecosystem Services Procedure: Impact Demonstration and Market Tools.

The second public **consultation is open between 10 April and 9 June 2024** and will be used to collect stakeholders' feedback on a series of questions regarding the proposed draft version of the revised procedure. FSC encourages all interested stakeholders to participate and provide their feedback during this period. In parallel with the public consultation, FSC is undertaking a desk test of the draft version of the revised procedure targeting key user groups.

You will find a set of supporting documents available for download. We advise you to please read through Draft 2-0 of the Ecosystem Services procedure, before answering the questions in the FSC consultation platform.

Please click [here](#) to submit your responses in the FSC Consultation Platform. Kindly note that it is not mandatory to respond to all questions. You may choose to respond to questions in sections that are most important to you. You can save current progress and edit your responses intermittently until you submit your final responses before the close of the consultation period. The estimated time to complete all questions is 45-60 minutes.

To facilitate participation in the public consultation, we will hold webinars in English with simultaneous translation to Spanish and French for different time zones. In these webinars, we will explain the proposals presented in the revised draft, the questions included in the public consultation, and we will address questions/comments from participants.

The webinars and registration information is provided below:

Web-inar	Target group	Language in the webinar	Date	Time	Registration info.
1	General audience	English	7 May 2024	9:00 – 10:00 CEST	Link <a href="#">here</a>
2	General audience	English with <a href="#">French</a> and <a href="#">Spanish</a> translation	7 May 2024	16:00 – 17:00 CEST	Link <a href="#">here</a>
3	FM certif. holders and CBs	English	17 May 2024	9:00 – 10:00 CEST	Link <a href="#">here</a>
4	FM certif. holders and CBs	English with <a href="#">French</a> and <a href="#">Spanish</a> translation	17 May 2024	16:00 – 17:00 CEST	Link <a href="#">here</a>

Web- inar	Target group	Language in the webinar	Date	Time	Registration info.
5	Sponsors and Trademark service providers	English	27 May 2024	9:00 – 10:00 CEST	Link <a href="#">here</a>
6	Sponsors and Trademark service providers	English with <a href="#">French</a> and <a href="#">Spanish</a> translation	27 May 2024	16:00 – 17:00 CEST	Link <a href="#">here</a>

Thank you in advance for your participation.

Please contact Francesco Patiño at [f.patino@fsc.org](mailto:f.patino@fsc.org) for comments or questions.

# CONTENTS

<b>Introduction</b>	<b>2</b>
<b>Background</b>	<b>5</b>
<b>Public Consultation Questions</b>	<b>9</b>
Background and interests	9
1) Overall assessment of the procedure	11
2) Section C. Terms and Definitions	11
3) Part I: General Requirements	12
4) Part II: Impact demonstration	14
5) Part III: Preparing for the use of verified ES Impacts	16
6) Part IV: Promotion of verified ecosystem services impacts	20
7) Part V: Requirements for certification bodies	25
8) Annex A. Content of the ecosystem services report (ESR)	27
9) Annex B. Impacts, indicators and measurements	28
10) Closing	30
<b>Annex: The Mitigation Hierarchy</b>	<b>31</b>
<b>Thank you</b>	<b>32</b>

## Background

### FSC Ecosystem Services Procedure

The Ecosystem Services Procedure offers a voluntary framework to demonstrate the positive impact of responsible forest management practices on ecosystem services, thereby generating verified ecosystem services impacts (ES impacts). It also allows certificate holders and sponsors to make ecosystem services claims (ES claims) to promote and communicate about verified ES impacts as part of their broader sustainability strategies.

This procedure can be used to demonstrate the positive impact on seven types of forest ecosystem services:

1. biodiversity conservation,
2. carbon sequestration and storage,
3. watershed services,
4. soil conservation,
5. recreational services,
6. cultural practices and values, and
7. air quality

Market research carried out by FSC and the use of this procedure to date confirms that forest managers are interested in communicating the site-level impacts of FSC certification, and that market actors are willing to pay for verified ES impacts that build on internationally trusted FSC certification.

### Who are the main actors that would use the revised procedure?

Actor	Role
1 FSC-certified forest managers and applicants ("The Organization")	<ul style="list-style-type: none"><li>• Demonstrates the positive impact of its management activities on ecosystem services.</li><li>• Makes ES claims.</li></ul>
2 Sponsors	<ul style="list-style-type: none"><li>• Support The Organization to protect ecosystem services by providing payment for validated or verified ES impacts.</li><li>• Make ES claims.</li></ul>
3 FSC-certified CoC organization	<ul style="list-style-type: none"><li>• Passes information about the verified ES impact through a supply chain.</li><li>• Promotes products that come from forests with a verified ES impact.</li></ul>
4 Certification bodies accredited for FSC FM or FSC CoC	<ul style="list-style-type: none"><li>• Verify or validates ES impacts.</li><li>• Approve the correct use of ES claims (which include FSC trademarks).</li></ul>
5 Promotional licence holders	<ul style="list-style-type: none"><li>• Promote products that come from forests with a verified ES category.</li></ul>

Actor	Role
6 Project developers	<ul style="list-style-type: none"> <li>May assist The Organization in demonstrating the positive impact of its management activities on ES.</li> </ul>
7 FSC Network Partners/Regional Offices	<ul style="list-style-type: none"> <li>May act as advisors, project developers or approve the correct use of ES claims (which include FSC trademarks).</li> </ul>

## Revision mandate & process

The revision of the procedure started in 2022 as a response to feedback collected from stakeholders to a draft review report (2022) and to the approved Motion 48/2021 ‘Streamline the Ecosystem Services procedure, include more services and maximize its potential’.

The revision of this procedure is taking place in two phases. This Draft 2-0 is part of phase 1, and is informed by user experiences since the launch of the first version, and guided by approved motions, as specified hereafter:

Motion	In which phase is the Motion addressed?
48/2021 ‘Streamline the Ecosystem Services procedure, include more services and maximize its potential’	Fully addressed in phase 1
49/2021 ‘FSC Ecosystem Service Procedure as a mitigation mechanism to meet global market demand for net-zero and net-positive targets’	<p>Partly addressed in phase 1.</p> <p>Some parts such as the use of FSC verified ES impacts for compensation or neutralization of residual impacts beyond value chains, will be addressed in phase 2 of the revision.</p> <p>Find more about <a href="#">Phase 2 – Implementation of Motion 49/2021 on its FSC current processes’ webpage.</a></p>
53/2021 ‘Policy Motion to incorporate to ecosystem services the recognition of cultural services and practices to strengthen and endure over time the interconnection of Indigenous Peoples’	<p>Partly addressed in phase 1 through the incorporation of a sixth ecosystem services category, namely ‘ES6 Cultural Practices and Values’.</p> <p>Motion 53/2021 will be fully implemented in phase 2 of the revision, involving additional engagement with Indigenous Peoples’ representatives.</p> <p>Find more about <a href="#">Phase 2 – Implementation of Motion 53/2021 on its FSC current processes’ webpage.</a></p>

For Phase 1, FSC works with a technical working group<sup>1</sup> (TWG) established in July 2022. The TWG consists of six members: three members represent environmental, social and economic interests, and three members are technical experts, as presented hereafter:

Member	Organization	Type of working group member	Country of work
Alan Smith	Individual (FSC social member)	Social	Germany
Jens Holm Kanstrup	Forests of the World (FSC environmental member)	Environmental	Denmark
Wesley Snell	ETIFOR Srl (FSC economic member)	Economic	Italy
Ana Sofia Vaz	University of Porto	Technical	Portugal
Carlos Paixao	Individual	Technical	Canada
Rachele Perazzolo	FSC Italy	Technical	Italy

FSC has also established a Consultative Forum<sup>2</sup> to engage with interested parties throughout the revision process.

The first public consultation on draft 1 of the revised procedure took place between 16 January and 17 March 2023. The Consultation Report from the first public consultation ([see process page](#)) shows how feedback and comments have been used to develop draft 2 of the revised procedure.

The documents submitted for second public consultation are:

- FSC-PRO-30-006 V2-0 D2-0 (revised draft procedure).
- Consultation material (this document).

Documents shared for reference in this second public consultation to support understanding are:

- Booklet explaining Draft 2-0.
- First public consultation report.

You will find in the [process page of the revision of the procedure](#):

- Draft 1-0 (sent for first public consultation)

The revised procedure will be later complemented by a revised [<FSC-GUI-30-006 Guidance for Demonstrating Ecosystem Services Impacts>](#). The revision of the guidance document will start in Q4 of 2024.

<sup>1</sup> You can find the terms of reference of the technical working group [here](#).

<sup>2</sup> You can join the Consultative Forum [here](#).

**The second public consultation is open between 10 April and 9 June 2024.**

**Key next steps:**

- Preparation of final draft and request for approval by the Board of Directors in November 2024.
- Publication date: 1 January 2025.



# PUBLIC CONSULTATION QUESTIONS

This section presents topics and questions we would like your feedback on. You will also see these in the Consultation Platform.

## Background and interests

Please help us understand more about your background and interests by filling in the questions below:

### 1. Please select your region:

- Africa
- Asia Pacific
- Europe
- Latin America
- North America
- Oceania

### 2. Please select the option that best identifies yourself:

- Academia / research organization
- Assurance Services international (ASI)
- Broker (only broker activities)
- Certification body (CoC or FM)
- Company that is a (potential) sponsor
- Donor organization
- FSC CoC certificate holder
- FSC FM certificate holder
- FSC International
- FSC member
- FSC Network Partner
- FSC Promotional Licence Holder
- Governmental organization
- Non-Governmental Organization (NGO)
- Project developer (may also do broker activities)
- Other (please specify)

### 3. What is/would be your role regarding the procedure?

- Existing or potential sponsor;
- Existing or potential project developer;
- FM/CoC certificate holder (looking to use the procedure to demonstrate impacts);
- CoC certificate holder (looking to reference verified ES impacts on finished products);
- Certification body;
- No specific role envisioned ('I am generally interested in the procedure');
- Other (please specify):

### 4. If you are an FSC member, please specify your chamber:

- Economic South
- Social South
- Environmental South
- Economic North
- Social North
- Environmental North

**5. Please add your email address if you give your consent to be contacted by the process lead.**

Bear in mind information and comments received will be addressed in compliance with data protection requirements.

## 1) Overall assessment of the procedure

### Background:

- One of the overall objectives for the revision is to improve language, structure and overall flow of the procedure.

**Question 1.** To what extent do you agree that Draft 2-0 improves the clarity and flow of the document?

1 (strongly disagree) – 5 (strongly agree)

**Question 2.** To what extent do you agree that Draft 2-0 introduces clear and understandable language and requirements?

1 (strongly disagree) – 5 (strongly agree)

**Question 3.** To what extent do you agree that it is clear to which actor different requirements apply? (e.g., The Organization, sponsor, certification body)?

1 (strongly disagree) – 5 (strongly agree)

**Question 4.** Please include any additional related feedback such suggestions to improve the language, structure and overall flow of the draft version of the revised procedure.

## 2) Section C. Terms and Definitions

### Background:

- Terms and definitions are improved, updated, and simplified. See for example: 'additionality test', 'baseline value' and 'present value', 'compensation or neutralisation beyond value chain', 'contribution', 'enhancement' and 'maintenance', 'footprint', 'primary data', 'revenue', 'verified ecosystem services impact'.

**Question 5.** To what extent do you agree that terms and definitions in Section C are clear?

1 (strongly disagree) – 5 (strongly agree)

**Question 6.** Do you have suggestions for improvements of certain terms and definitions? are there any other terms for which definitions are needed?

### 3) Part I: General Requirements

**Background for questions about requirements for forest management (FM) groups using the procedure:**

- In Draft 2-0, FSC Forest Management Certification is required as a solid foundation for generating verified ecosystem services impacts. This includes managers of small and low intensity managed forests (SLIMF) and community forests implementing the <FSC-PRO-30-011 Continuous Improvement Procedure> and those participating in group certification.
- Clauses 1.9 – 1.12, under the subtitle ‘Requirements for forest management groups’ regulate how FM groups may use the procedure.

**Question 7. To what extent do you agree that requirements for FM groups are clear? (see clauses under subsection ‘Requirements for forest management groups’)**

1 (strongly disagree) – 5 (strongly agree)

**Question 8. Please provide a brief justification and additional related feedback such as any suggestions to improve this subsection ‘Requirements for forest management groups’.**

**Background for questions about revalidation:**

- The validation option assists The Organization in looking for financial support for future impact verification.
- In the current procedure (version 1-2) the validation option is only available for enhancement impacts and no revalidation is possible. The draft in consultation (Draft 2-0) now includes validation to use for both enhancement and maintenance impacts. There is also a possibility to revalidate impacts that take longer to materialize.
- In Draft 2-0, a validated impact is valid for five years from the date of validation. Also, Draft 2-0 does not regulate how many times a validated ES impact can be revalidated (for another 5 years).
- In principle, a validated ES impact can be revalidated an unlimited number of times. It is for The Organization and any potential sponsor to agree on how many revalidations a validated ES impact can have before it is verified. Please note that only verified ES impacts can be used to make ES claims.
- Three options to regulate how many times a validated ES impact can be revalidated are put for consultation:
  - a) Option 1: Once
  - b) Option 2: Twice
  - c) Option 3: Unlimited

Option	Pro's	Con's
1		Some ES impacts may take longer than 10 years to materialize.
2	The Organization has a range from 10 to indefinite years to demonstrate an impact and request its verification.	Some ES impacts may take longer than 15 years to materialize.
3	This is beneficial to secure funding over longer periods of time.	There is no requirement to move towards verification of the ES impact over time, while The Organization and a sponsor can still use promotional statements about the impacts they are working towards.

**Question 9. Would you support the possibility to revalidate an impact:**

- a) Option 1: Once
- b) Option 2: Twice
- c) Option 3: Unlimited

**Question 10. Please provide a brief justification and any additional related feedback.**

**Question 11. To what extent do you agree that the requirements for the validation option are clear?**

1 (strongly disagree) – 5 (strongly agree)

**Question 12. Please provide a brief justification and any additional related feedback.**

**Question 13. To what extent do you agree with Part I: General Requirements?**

1 (strongly disagree) – 5 (strongly agree)

**Question 14. Please provide a brief justification and any additional related feedback to improve Part I.**

## 4) Part II: Impact demonstration

### Background:

- This part contains **seven steps to demonstrate a positive impact** as well as requirements for the validation option. Improvements include integrity and data quality, in line with international climate and ecosystem services related standards and frameworks (e.g., Greenhouse Gas Protocol, Science Based Targets initiative).
- There are two approaches: the storytelling and the performance approach. The choice for the approach depends on the intended use of the verified ES impact and the ES claim.
  - **The storytelling approach** includes the minimum requirements for credible impact demonstration and ensures impact demonstration is not more complex than necessary.
  - **The performance approach** has additional requirements, that align with climate and ecosystem services (CES) market demand and best practice. The performance approach is required for certain use cases specified in Clause 14.5.

Clause 14.5: “A verified ES impact generated by following the performance approach may be used for making ES claims to:

- a) demonstrate progress toward net-zero, net-positive, or other quantifiable science-based or mitigation hierarchy aligned sustainability targets representing within value chain abatement; or
- b) demonstrate progress toward sustainability targets in extra-financial environmental social and governance (ESG) reporting or disclosure standards or frameworks; or
- c) issue, or satisfy the requirements, of Green Bonds or Sustainability-Linked Bonds; or
- d) report on a company’s ES footprint in reporting or disclosure standards or frameworks.”

- The footprint approach (present in Draft 1-0) which aimed to allow a sponsor to report on its footprint in reporting standards, has been integrated into the performance approach in D2-0 (see Section 7 (Step 6)). In D2-0, ES impacts verified following the performance approach, allow a sponsor to report on their company’s footprint in reporting or disclosure standards or frameworks.

**Question 15. To what extent do you agree that the differences between the performance and the storytelling approach are clear?**

1 (strongly disagree) – 5 (strongly agree)

**Question 16. Please provide a brief justification and any additional related feedback.**

**Question 17. To what extent do you agree that verified ES impacts generated using this procedure are robust?**

1 (strongly disagree) – 5 (strongly agree)

**Question 18. Please provide a brief justification and any additional related feedback.**

**Question 19. To what extent do you agree with Part II: Impact demonstration?**

1 (strongly disagree) – 5 (strongly agree)

**Question 20. Please provide a brief justification and any additional related feedback to improve Part II.**

## 5) Part III: Preparing for the use of verified ES Impacts

### Background:

- Draft 2-0 includes a revenue-sharing agreement which is an important integrity element in the climate and ecosystem services markets to make sure revenue from sponsorships is fairly distributed among project partners. This public consultation includes 3 options for which we are consulting your preferences and views.
- Draft 2-0 also includes requirements for sponsors of verified or validated ES impacts to strengthen integrity and transparency of those making ES claims.
- Finally, Draft 2-0 includes the requirements for CoC organizations to pass information about verified ES impacts along the supply chain.

### Background for questions about the revenue sharing agreement

- Section 11 includes requirements to establish a revenue sharing agreement between The Organization and identified parties. This section only applies if The Organization pursues and/or obtains payment(s) for validated or verified ES impacts.
- Three options are proposed to regulate the distribution of revenue in a revenue sharing agreement:
  - a) Option 1:
    - The procedure regulates how The Organization fairly distributes the revenue received.
    - Proposed Clauses 11.5 to 11.7 are kept in the procedure.
  - b) Option 2:
    - It is up to The Organization to decide how to fairly distribute the received revenue. The certification body will verify if there is an agreement and if all identified parties are receiving the shared revenue as specified in the agreement.
    - Proposed Clauses 11.5 to 11.7 are not included in the procedure.
  - c) Option 3:
    - The procedure regulates how The Organization fairly distributes the revenue received.
    - Proposed Clauses 11.5 to 11.7 are kept in the revised procedure.
    - In addition, a cap is included on the maximum percentage of revenue received by brokers of ES impacts, as specified in the proposed Clause 11.8.

Option	Pro's	Con's
1	Regulating the distribution will ensure that all parties will be properly considered in the revenue sharing agreement.	<p>The existence of other revenue sharing agreements with Indigenous Peoples, traditional peoples and local communities may be used as a reference point for the revenue sharing under the implementation of the procedure.</p> <p>If the existence of such agreements are unfavourable for Indigenous Peoples,</p>



Option	Pro's	Con's
		traditional peoples and local communities, this would not result in fair revenue sharing.
2	This option ensures maximum flexibility to adapt revenue sharing to the specific project context and roles. Guidance (to be created) can help reach a fair distribution of revenue.	Content in a guidance document is not normative.
3	<p>A cap for brokers aims to prevent intermediaries from capturing most of the revenue accruing from ES projects, and disparities in the access to information among identified parties.</p> <p>Note: As ES impacts are non-transferable and non-tradable, the risk of intermediaries capturing most of the revenue is considered lower than with carbon credits.</p>	<p>A fixed cap could disincentive project developers (acting also as brokers) that are willing to invest in the demonstration of an ES impact, and that wish to recover their investments quickly.</p> <p>A fixed cap might not work well in all ES related projects.</p>

**Question 21. Three options are proposed to regulate the distribution of revenue in a revenue sharing agreement. Which option would you prefer?**

- a) **Option 1:** The procedure determines how The Organization must fairly distribute the revenue received.
- b) **Option 2:** The Organization determines how to fairly distribute revenue.
- c) **Option 3:** As in option 1, the procedure determines how The Organization must fairly distribute the revenue received. In addition, a cap is included on the maximum percentage of revenue received by brokers of ES impacts.

**Question 22. Please provide a brief justification.**

**Background for questions about a sponsorship agreement between a sponsor and FSC**

- Clause 12.7 requires a sponsor to sign a sponsorship agreement with FSC to make an ES claim. The note of this clause clarifies that **FSC reserves the right to not sign a sponsorship agreement** with sponsor applicants that do not align with FSC's mission and may threaten the reputation and/or integrity of FSC.
- In the process to sign a sponsorship agreement, a **risk assessment** will be conducted by FSC to determine if the sponsor applicant is aligned with FSC's mission. Conformity with requirements for sponsors will be monitored by the FSC Trademark Service Provider.
- Draft 2-0 does not regulate how to conduct such risk assessment. This will be done outside of the procedure. However, we would like to obtain feedback on this important point.

- As part of such risk assessment, an option is to ask the sponsor to declare it is not engaged in any of the six unacceptable activities defined in the <FSC-POL-01-004 V3-0 Policy for Association> (PfA)
- The PfA defines six unacceptable activities that individuals, organizations and their corporate group associated with FSC commit to avoid in both certified and non-certified operations. These are:
  - 1) Illegal harvesting or illegal trade in forest products,
  - 2) Violation of customary or human rights within the forestry or forest products sector,
  - 3) Violation of workers' rights and principles defined in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work within the forestry or forest products sector,
  - 4) Destruction of High Conservation Values (HCVs) in forests or HCV areas,
  - 5) Conversion of natural forest cover,
  - 6) Use of genetically modified organisms in forestry operations for any other purposes than research.
- You can find more about the PfA here <https://fsc.org/en/system-integrity>.

**Question 23. As part of the risk assessment needed to sign a sponsorship agreement, should a sponsor declare not to be involved in:**

- a) Any of the six activities listed as unacceptable in the PfA?; or
- b) the unacceptable activities listed within the PfA but applied beyond the forest sector (e.g., agricultural sector, any sector); or
- c) Other (please specify)

**Question 24. Please provide a brief justification.**

**Background for questions about sponsors with a clear dependence on forest materials**

- Sponsors might have a clear material dependence on forest materials (e.g., sponsors producing forest and paper products) without being FSC CoC certified.
- Two options are proposed to promote integrity by those sponsoring ES impacts and making ES claims. They are presented in the proposed Clause 12.9:
  - **Option 1:** This option recommends or requires such a sponsor to adopt and make public an FSC Procurement Policy:
    - Option 1a uses “should” (recommendation).
    - Option 1b uses “shall” (obligation).
  - **Option 2:** This option recommends or requires such a sponsor to obtain FSC CoC certification within 12 months of becoming a sponsor:
    - Option 2a uses “should” (recommendation).
    - Option 2b uses “shall” (obligation).

Option	Pro's	Con's
1	It is expected that a Procurement Policy generates a higher demand of FSC materials/products in the market, incentivizing	<ul style="list-style-type: none"> <li>- 'Should' is voluntary, sponsors may not implement it.</li> <li>- 'Shall' may deter sponsors.</li> </ul>

---

responsible forestry practices among suppliers and forest managers.

---

- 2** Higher number of FSC CoC certificate holders, contributing to increase the demand for certified products and therefore responsible forest practices.
- This option does not address companies that may source forest products but are not eligible for FSC-CoC certification (e.g., retailers).
  - Some companies may need more time to become CoC certified.
  - FSC-CoC certification might not imply that a company will increase efforts to source FSC certified material.
  - 'Should' is voluntary, sponsors may not implement it.
  - 'Shall' may deter sponsors.
- 

**Question 25. Which of the provided options would you agree with?**

- a) 1a
- b) 1b
- c) 2a
- d) 2b
- e) None of the above

**Question 26. Please provide a brief justification and any suggestions.**

**Question 27. To what extent is it clear how a CoC organization would pass information on verified ES impacts through the supply chain (Section 13)?**

1 (strongly disagree) – 5 (strongly agree)

**Question 28. Please provide a brief justification and any additional related feedback.**

**Question 29. To what extent do you agree with Part III: Preparing for the use of verified ES Impacts?**

1 (strongly disagree) – 5 (strongly agree)

**Question 30. Please provide a brief justification and any additional related feedback to improve Part III.**

## 6) Part IV: Promotion of verified ecosystem services impacts

### Background:

- Part IV covers requirements for trademark use and promotion of ES claims and forest products sourced from management units (MU) with a verified ES impact.
- An important objective of this revision is to strengthen the integrity of the use of ES claims and to avoid greenwashing.
- Key Clauses are 14.2 and 14.3:

Clause 14.2: “The elements of an ES claim shall include:

- a) FSC registered trademarks (as defined in <[FSC-STD-50-001 Requirements for Use of the FSC Trademarks by Certificate Holders](#)>)

NOTE: The Forest Stewardship Council IC (FSC) owns the following registered trademarks:

- the name ‘Forest Stewardship Council’
- the initials ‘FSC’
- the FSC Logo
- the ‘Forests For All Forever’ – logo with text mark

- b) the licence code of The Organization or the sponsor making the ES claim

NOTE 1: The licence code is specified in the Trademark Licence agreement with FSC.

NOTE 2: The [FSC Trademark Portal](#) allows FSC trademarks and high-resolution artwork files to be downloaded.

- c) a link to the specified FSC database with the information on the verified ES impact

- d) an impact statement that includes:

- the ES category (e.g., biodiversity conservation) or specific ES impact (e.g., conservation of species diversity);
- the year of verification; and
- the name of the forest or the MU of The Organization.”

Clause 14.3 “The impact statement of an ES claim may contain:

- a) any other elements that are included in the latest version of the ESR (e.g. key features of the forest highlighted in the description of the current condition of the ecosystem service, beneficiaries of the ecosystem service);
- b) The goal or target of the sustainable development goal(s) and/or global biodiversity framework to which the ES impact contributes;
- c) updated quantitative values for outputs that are already included in the theory of change of the verified ES impact.”

- Some uses of verified ES impacts (see Clause 14.5 and the introductory box at the beginning of Part IV) require the performance approach to be used for the demonstration of impact at the forest level.

**Question 31. To what extent do you agree with the elements of an ES claim? (See Clause 14.2)**

1 (strongly disagree) – 5 (strongly agree)

**Question 32. Please provide a brief justification and any additional related feedback.**

**Background for questions about how to regulate promotional statements that add context to an ES claim**

- An ES claim is often part of a broader communication piece by a sponsor or The Organization. This broader communication piece provides further information that goes beyond the elements of an ES claim (see Clauses 14.2 – 14.3). Bear in mind the FSC system only endorses elements of a verified ES claim.
- As part of this additional information (not verified by a certification body), The Organization or a sponsor might wish to include in a communication piece in which an ES claim is used, statements about being a sustainable company, reaching carbon-neutral or net-positive targets, etc.
- Clause 14.4 of the procedure asks to keep the ES claim clearly separated from other promotional statements that are not verified under the FSC system. And, that The Organization and a sponsor shall avoid misrepresentation of the verified ES impact.

**Question 33. To what extent do you agree with how Clause 14.4 regulates other promotional statements that provide additional information to an ES claim?**

1 (strongly disagree) – 5 (strongly agree)

**Question 34. Please provide a brief justification and any additional related feedback.**

## Background for questions about how to regulate the uses of a verified ES impact

- Part II of the procedure has five mandatory additional requirements that only apply if The Organization chooses to follow the 'performance approach' to get an ES impact verified. These requirements are:

Where	Requirement
<b>Step 3: Development of a theory of change and risk management</b>	
<b>Clause 4.6</b>	The Organization shall have a risk management plan to monitor and mitigate any potential negative effect of activities beyond the control of The Organization on each proposed ES impact that may compromise or reverse the outcomes and ES impact(s) specified in the theory of change.
<b>Clause 4.7</b>	The risk management plan shall: <ul style="list-style-type: none"><li>a) specify the likelihood that the threat will materialize (e.g. indicated as low, medium, high) for each identified threat (see Clause 3.1d);</li><li>b) specify the proposed mitigation measures for each identified threat;</li><li>c) describe how The Organization will monitor the threats;</li><li>d) cover a period of at least five years into the future from the date of the validation or verification of the ES impact;</li><li>e) be publicly available, unless the risk management plan solely covers SLIMF and community forests.</li></ul>
<b>Step 6: Measurement of the Value of Outcome Indicator(s)</b>	
<b>Clause 7.3</b>	The Organization shall use primary data as a basis for measuring the present value of each outcome indicator. <ul style="list-style-type: none"><li>7.3.1. The primary data should be as recent as possible.</li><li>7.3.2. The Organization shall provide a justification if data older than five years is used.</li></ul>
<b>Clause 7.8</b>	For any measured value, The Organization shall identify sources of uncertainty and explain how they are mitigated.
<b>Clause 7.9</b>	The Organization shall ensure measured values are presented conservatively by: <ul style="list-style-type: none"><li>a) calculating and reporting the uncertainty range based on a specified confidence interval;</li><li>b) justifying how the reported values do not overestimate the result(s) of the comparison between the present value and the baseline value.</li></ul>

- The requirements for the performance approach have been designed after an assessment of current best practices (e.g., Greenhouse Gas Protocol, Science Based Targets initiative) to ensure that the necessary robustness and integrity pieces are in place to use verified ES impacts for certain purposes.
- The procedure regulates the uses of verified ES claims in Clause 14.5.

Clause 14.5: “A verified ES impact generated by following the performance approach may be used for making ES claims to:

- a) demonstrate progress toward net-zero, net-positive, or other quantifiable science-based or mitigation hierarchy aligned sustainability targets representing within value chain abatement; or
- b) demonstrate progress toward sustainability targets in extra-financial environmental social and governance (ESG) reporting or disclosure standards or frameworks; or
- c) issue, or satisfy the requirements, of Green Bonds or Sustainability-Linked Bonds; or report on a company’s ES footprint in reporting or disclosure standards or frameworks.”

**Question 35. To what extent do you agree that the uses of verified ES impacts, as presented in Clause 14.5, require that the additional requirements in the performance approach have been implemented to verify such ES impacts?**

1 (strongly disagree) – 5 (strongly agree)

**Question 36. Please provide a brief justification and any additional related feedback.**

**Background for questions about promoting products from materials sourced from forests with verified FSC ES impacts:**

- The current procedure and Draft 1-0 allow CoC organizations to make ES claims accompanying FSC 100% certified products made from materials sourced from forests with verified ES impacts.
- Clauses in Section 16 in **Draft 2-0** have a similar purpose. Section 16 allows **the ES category to be included in the promotion of FSC 100% certified forest products** (ES products) made from materials sourced from management units (MU) with verified ES impacts.
- Thus, the promotion of such ‘ES products’ means that the ES impacts were valid in the MU of The Organization (FM/CoC) when The Organization sold the materials for the first time, initiating the supply chain.
- Note that the promotion of such ‘ES products’ follows the current system in place for promoting forest products as FSC certified. It may take time for the material to pass through the supply chain. This means that at the time of promotion of the final forest product, the forest from which the materials were sourced may or may not have a valid FSC FM certification and/or a valid verified ES impact.
- Section 13 regulates how information regarding a verified ES impact needs to be passed along the supply chain.

**Question 37. To what extent do you agree with the option of promoting FSC 100% certified forest products made from materials sourced from MUs with verified ES impacts?**

1 (strongly disagree) – 5 (strongly agree)

**Question 38. Please provide a brief justification and any additional related feedback.**

**Question 39. To what extent do you agree with Part IV: Promotion of verified ecosystem services impacts?**

1 (strongly disagree) – 5 (strongly agree)

**Question 40. Please provide a brief justification and any additional related feedback to improve Part IV.**



## 7) Part V: Requirements for certification bodies

### Background:

- The evaluation of ES impacts is built on the existing standards for certification bodies <FSC-20-001 General Requirements for FSC Accredited Certification Bodies>, <FSC-STD-20-007 Forest Management Evaluations> and <FSC-STD-20-011 Chain of Custody Evaluations>
- Once every 5 years an ES evaluation shall be audited on site. This should be combined with the FM audit.
- Specific requirements need more frequent auditing (see Clauses 19.2, 19.3, and 19.4).
- The headings have changed to improve clarity and user-friendliness.

---

Clause 19.2: “The certification body shall conduct an on-site evaluation to assess conformity of The Organization with Section 11 at least twice per certification cycle”.

---

---

Clause 19.3: “The certification body shall evaluate conformity of The Organization with the requirements in the clauses/sections specified below at least once per year within the period of validity of the ES impact:

- a) Clause 2.2, related to double claiming;
  - b) only for the performance approach: Clauses 4.6 and 4.7, identifying whether an event has occurred that calls for the implementation of the risk management plan; and
  - c) Section 11 and requirements applicable to The Organization in Section 12 when new sponsorships have been concluded based on verified or validated ES impacts.”
- 

---

Clause 19.4: “In addition, the certification body shall carry out an evaluation in any of the following cases:

- a) to assess the correction of non-conformities identified in previous evaluations;
  - b) to assess significant changes in part I of the ESR, which include:
    - i) the addition of a new ES impact;
    - ii) significant changes to the theory of change, e.g. a change in management practices;
    - iii) changes to the selected outcome indicator(s); or
    - iv) changes to the methodologies used to measure the outcome indicator(s);
  - c) to assess a change of scope in the MU(s) for which the ES impact is demonstrated (e.g., in case the ES impact is expanded to other MUs);
  - d) to assess complaints received related to the verified or validated ES impact;
  - e) to assess the implementation of the risk management plan, when a disturbance event has happened that affected the verified/ validated ES impact.”
-

**Question 41. To what extent do you agree that the balance is right between ensuring integrity of verified ES impacts and the costs of the verification?**

1 (strongly disagree) – 5 (strongly agree)

**Question 42. Please provide a brief justification and any additional related feedback to improve Part V.**

## 8) Annex A. Content of the ecosystem services report (ESR)

### Background

- Annex A includes the content of The Ecosystem Services Report (ESR). All content in Annex A will be made publicly available in the specific FSC database, unless otherwise indicated.
- The ESR is replacing the Ecosystem Services Certification Document ('ESCD' as presented in the current procedure).
- The following are the parts of the ESR:
  - **Summary page** is a summary of the verified or validated ES impact(s). The certification body completes this part.
  - **Part 1** contains the information related to the seven steps to demonstrate an ES impact. The Organization completes this part.
  - **Part 2** contains additional information on The Organization and the ES project. The Organization completes this part.
  - **Part 3** contains information about the sponsor and the sponsorship. The Organization completes this part.
  - **Part 4** contains information about the ES audit. The certification body completes this part.

**Question 43. To what extent do you agree with the content of the ESR as presented in Annex A?**

1 (strongly disagree) – 5 (strongly agree)

**Question 44. Please provide a brief justification and any additional related feedback to improve this Annex.**

**Question 45. To what extent do you agree with the information that is to be made publicly available, as defined in Annex A?**

1 (strongly disagree) – 5 (strongly agree)

**Question 46. Please provide a brief justification.**

## 9) Annex B. Impacts, indicators and measurements

### Background

- Cultural Practices and Values was added as the sixth ES in Draft 1-0.
- In Draft 2-0, Air Quality has been added as the seventh ES.
- Further, a number of additional impacts have been added under biodiversity conservation. The total number of impacts is 35 (compared to 20 impacts in the current procedure) and numbering has returned to ES1.1, ES1.2, etc.
- The need for ES and impact-specific safeguards has been critically evaluated and reduced based on coverage by the latest IGI version and the general need for it.
- The list of examples of outcome indicators has been revised. The baseline of natural reference area has been removed for most impacts.

### **Question 47. To what extent do you agree with the content of ES1: Biodiversity conservation?**

1 (strongly disagree) – 5 (strongly agree)

### **Question 48. Please provide a brief justification and any additional related feedback to improve this ES category.**

### **Question 49. To what extent do you agree with the content of ES2: Carbon sequestration & storage?**

1 (strongly disagree) – 5 (strongly agree)

### **Question 50. Please provide a brief justification and any additional related feedback to improve this ES category.**

### **Question 51. To what extent do you agree with the content of ES3: Watershed services?**

1 (strongly disagree) – 5 (strongly agree)

### **Question 52. Please provide a brief justification and any additional related feedback to improve this ES category.**

### **Question 53. To what extent do you agree with the content of ES4: Soil conservation?**

1 (lowest) – 5 (highest)

### **Question 54. Please provide a brief justification and any additional related feedback to improve this ES category.**

### **Question 55. Are you in favour of a) separating ES5: Recreational services into two ES categories (one for Recreational Services and the other one for Ecotourism/Nature-based tourism) or b) keeping them in one category?**

- a) Separating ES5 into two ES categories
- b) Keeping ES5 as it is
- c) None of the above

**Question 56. Please provide a brief justification.**

**Question 57. To what extent do you agree with the content of ES5: Recreational services?**

1 (strongly disagree) – 5 (strongly agree)

**Question 58. Please provide a brief justification and any additional related feedback to improve this ES category.**

### **Background for questions about ES6: Cultural practices and values**

- ES6 is targeted to Indigenous Peoples and traditional peoples.
- Indigenous Peoples and traditional peoples oftentimes have a strong connection between the forest and/or landscape of their territory/ies and their culture and identity. In this sense, the forest provides the space for maintaining and enhancing these cultural practices and values. For ES impacts on cultural practices and values, it is particularly important that FPIC processes as referred to in Principle 3 and 4 of <FSC-STD-01-001 FSC Principles and Criteria for Forest Stewardship> are fully implemented.
- ES6 is a first step in addressing Motion 53/2021 'Policy Motion to incorporate to ecosystem services the recognition of cultural services and practices to strengthen and endure over time the interconnection of Indigenous Peoples'. Motion 53/2021 will be fully implemented in phase 2 of the revision of this procedure, involving additional engagement with Indigenous Peoples' representatives.

**Question 59. To what extent do you agree to extend 'ES6: Cultural practices and values' to local communities different from traditional peoples?**

1 (strongly disagree) – 5 (strongly agree)

**Question 60. Please provide a brief justification**

**Question 61. To what extent do you agree with the content of ES6: Cultural practices and values?**

1 (strongly disagree) – 5 (strongly agree)

**Question 62. Please provide a brief justification and any additional related feedback to improve this ES category.**

**Question 63. To what extent do you agree with the content of ES7: Air quality?**

1 (strongly disagree) – 5 (strongly agree)

**Question 64. Please provide a brief justification and any additional related feedback to improve this ES category.**

**Question 65. Do you have any other comments or suggestions on Annex B (impact categories, impacts, required outcome indicators to be measured, baselines, ES-specific safeguard requirements)?**

## **10) Closing**

**Question 66. Can you please tell us the top three uses you would directly have for the procedure? (consider the use of ES claims or the promotion of ES products, market uses presented in Part IV, and expected benefits for the Organization or the Sponsor)**

**Question 67. Please share any additional comments on the Draft 2-0. If possible, please refer to the clause(s) in the document your comments relate to.**

## ANNEX A: THE MITIGATION HIERARCHY

### The mitigation hierarchy: the key to responsible nature action

The urgency of the global climate and biodiversity crisis has created the need for mobilising resources to mitigate the crisis and adapt to its effects. The corporate sector has spearheaded this effort, driving investment towards solutions for this crisis.

However, with these global efforts, there is a risk of driving resources without considering the societal goals we must achieve to prevent the worst effects of the crisis. Hence, it is fundamental that these committed actors understand these global challenges and reflect on how they can best contribute to achieving them.

Several initiatives have sprung to help companies along the process of structuring their efforts, such as the *Science Based Targets initiative*, *Exponential Roadmap*, or *SME Climate Hub*. They all require use of the **mitigation hierarchy**.

The basic principle of the mitigation hierarchy is that companies should first understand the actual negative impact they have (i.e. their footprint), set a target for reduction and mitigation of the impacts they generate (including upstream and downstream in their value chains) aligned with best available science, and implement actions to achieve such targets and contribute to positive impacts both within and beyond their value chains.

The 5 steps of the mitigation hierarchy are:

1. understand the negative impact ('footprint')
2. avoid the impact
3. minimise the impact
4. restore (or rehabilitate) the impact
5. offset the residual impact

FSC considers that sponsors of verified ES impacts are instrumental to drive positive nature action through their support of sustainable forest management, but those efforts must be based on a clear, verifiable commitment to achieve global targets (e.g., Paris Agreement, Global Biodiversity Framework).

FSC will add to the revised <FSC-GUI-30-006 Guidance for Demonstrating Ecosystem Services Impacts> specific guidance for sponsors on how to correctly use the mitigation hierarchy in connection to the procedure.

## THANK YOU

On behalf of the FSC-PRO-30-006 technical working group, the FSC Climate and Ecosystem Services, and the FSC Forest Management programmes, thank you very much for providing your feedback in this consultation!

As a reminder, it is possible to make changes in your responses while the consultation is open (until through 9 June 2024). Even if you have submitted your responses, you can return and edit it.

For further information about this revision process, please visit [our current processes](#) webpage on the FSC website.





**FSC International – Performance and Standards Unit**

Adenauerallee 134

53113 Bonn

Germany

**Phone:** +49 -(0)228 -36766 -0

**Fax:** +49 -(0)228 -36766 -65

**Email :** [psu@fsc.org](mailto:psu@fsc.org)