



UNDERSTANDING THE FSC ECOSYSTEM SERVICES PROCEDURE

This booklet will guide participants of the consultation phase through the draft 2-0 of the Ecosystem Services Procedure (FSC-PRO-30-006).

This booklet explains the intended usage Ecosystem Services Procedure, its main concepts, and key questions for the consultation process.

Content



How to properly navigate through the FSC Ecosystem Services Procedure Information Booklet

The target of this booklet is to provide a **comprehensive understanding of the FSC Ecosystem Services procedure**. This booklet refers to the **FSC-PRO-30-006** document. It will not describe and explain all details. This is an **additional document for the consultation phase** to better understand the **content and the connections**. Shown below is the structure of the booklet which follows the general structure of the document.

Introduction to the ES Procedure	p. 5-12
Part I: General Requirements	p. 13-15
Part II: Impact Demonstration	p. 16-24
Part III: Preparing for the use of verified ES impacts	p. 25-29
Part IV: Promotion of verified ES Impacts	p. 30-34
Part V: Requirements for Certification Bodies	p. 35-39
Appendix & Use Cases	p. 40-43

Key actors

Introduction of the most important actors in the Ecosystem Services Procedure



The Organization

which must fulfill with the applicable requirements of **Parts I, II, III, IV, Annex A, and B** to demonstrate the positive impact of their forest management activities on ES, register sponsorships, and make ES claims.

The Organization must **hold FSC forest management (FM) certification** to apply for ES verification. Users of the [Continuous Improvement Procedure](#) can use the ES PRO normally. Users of the [Controlled Forest Management](#) standard can use the ES PRO to validate ES impacts.



The Sponsor

which must fulfill with applicable requirements of **Part III and IV** to register their sponsorship in the specified FSC database and make ES claims. It can be a company or donor organization that provides financial support to The Organization, contributing to the activities leading to the validation or verification of ES. Sponsors shall sign a license agreement with FSC.



Company promoting products with verified ES Impacts

FSC also enables **CoC-certified organizations** and **Promotional License Holders** to [promote products](#) made with materials sourced from forests with verified ES impacts. **This is regulated in Part IV.**



The Certification Body

which shall conform with **Part V** when evaluating conformity with this procedure. It is the certification body who validates or verifies ES impacts. Certification bodies also verify and approve the ES claims that The Organization makes.



Notes:

CoC and the Trademark Service Provider participate in the promotion on ES products. For more information, please refer to **Part IV in FSC ES PRO.**

Abbreviations & Icons

Most used abbreviations and introduction of all used icons

Those are the actors who are important in this procedure. In the document you will find them in the graphics or on the right side of each page.



The Organization



The Sponsor



Company promoting products with verified ES Impacts



The Certification Body



All Actors

List of most common abbreviations, used in this document as well as in the FSC ES PRO document.

Abbreviation and explanation

CB	Certification Body
CoC	Chain of Custody
ES	Ecosystem Services
ESR	Ecosystem Services Report
FM	Forest Management
SLIMF	Small or Low-Intensity Managed Forests

INTRODUCTION

Overview of the procedure, the involved actors and the seven Ecosystem Services categories.

Introduction

Understanding the procedure and its uses

The **ES Procedure** provides a **voluntary framework** for demonstrating how **responsible management** of forests can positively affect forest ecosystem services. It offers a credible way of **verifying positive impacts, supporting sustainable forest management**, and **making credible claims** about such impact and support. All supported by the FSC system of third-party verification.

The procedure enables two approaches to demonstrate impact – the **storytelling** or the **performance approach** – which are explained in more detail on the next slide. The performance approach is highlighted in **orange**.

Verified ES impacts and ES claims may be used for:

- Data-driven storytelling by The Organization.
- Evidence a positive impact as a criterion to manage or benefit from a nature-related fund.
- Non-financial sustainability disclosures or tracking progress towards science-based nature targets.
- Value chain interventions to advance key sustainability targets.
- Beyond value chain contributions by a sponsor, when these are not used to compensate or neutralise negative impacts
- Supporting evidence for conditional payments for ecosystem services
- promoting FSC certified forest products made with materials sourced from forests with verified ES impacts



Storytelling vs. Performance Approach

Understanding the two approaches underlining the procedure

The storytelling approach:

This approach includes the minimum requirements for impact demonstration. To verify or validate an impact through the storytelling approach, The Organization must:

- Declare and describe the ES
- Develop a theory of change
- Select outcome indicators for the ES impact
- Choose a methodology to quantify the chosen indicators
- Measure the required indicators

This approach outlines a rigorous demonstration process.

The performance approach:

In addition to the requirements for the Storytelling approach, the **performance approach** includes requirements to assure:

- Usage of primary data
- Mitigation of secondary effects
- Mitigation of risks of reversibility
- Accounting of uncertainty in the calculations
- Conservativeness of numbers reported

This approach is designed for uses and claims that require a more robust quantification process.



ALL ACTORS

WHY TWO APPROACHES?

This revision process was partly triggered by Motion 48/2021, which requested streamlining the ES Procedure and making access to it easier. Concurrently, feedback from stakeholders indicated the need to make the process more robust, including more safeguards for the quantification and demonstration of impacts.

Hence, the Technical Working Group and the FSC Secretariat decided to enable two approaches to demonstrate positive impacts, to balance two competing needs: Easing the access to users and streamlining the process vs. adding requirements for a more robust process.



Notes:

For more detailed information on the approaches please refer to **Part II, section 2 and Part IV, section 14 in the FSC ES PRO.**

Explanation of the graphic

Understanding the meaning behind the colour coded boxes



Key Actors

Key Actors:

- There are **4 key actors involved** in the procedure
- Each actor has **different tasks, responsibilities and dependencies** on the other actors. The **bold light green arrows** show those correlations and relations

FSC ES PRO

Connections to the Parts of FSC ES PRO:

- To make the usability of this booklet as easy as possible, we connected the **content with all of the 5 Parts in the original document**, e.g. in **Part III and IV you will learn about making ES claims**
- More information on the requirements, definitions and explanations, can be found in the relevant part of the **FSC ES PRO document**

Add. Info

Responsibility and additional information:

- The background-colored boxes with the dark green dashed borders are **additional and relevant information** to become familiar with the intercorrelations and dependencies
- The sand-colored boxes describe the **responsibilities and tasks** of each actor

Responsibility

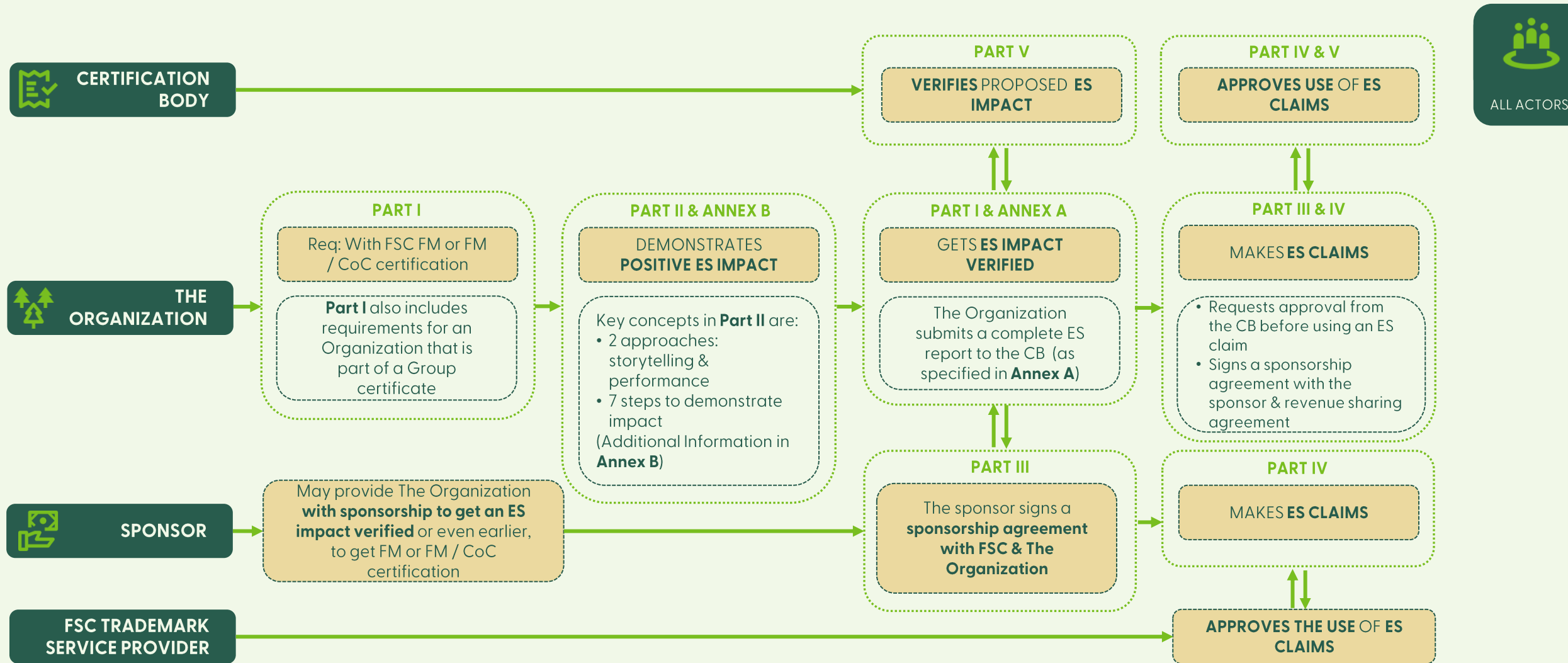
+ 2 Actors

Actors related to the promotion of products with ES impacts:

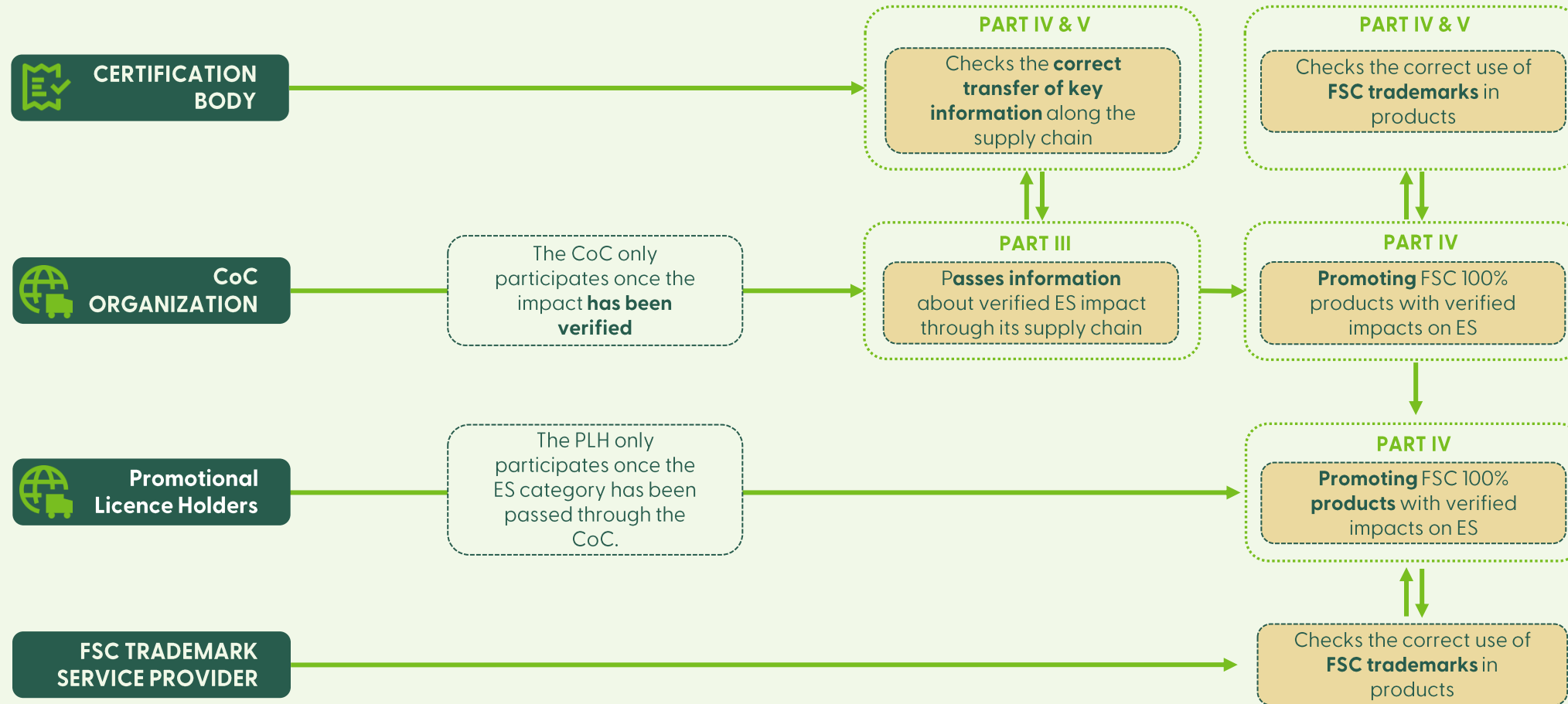
- The **CoC organization**: this is an organization certified under the FSC Chain of Custody certification
- The **Promotional License** holders such as retailers
- Both can **promote products** using FSC trademark. The use of trademarks are checked by trademark service providers

ES Process Graphic

Workflow & Interdependencies between the involved actors when following the ES Procedure



Promotion of forest products with ES impacts



The Ecosystem Services

The seven Ecosystem Services and their 31 Impacts



1

Biodiversity
conservation



12

Impacts

2

Carbon
sequestration
& storage



2

3

Watershed
services



4

4

Soil
conservation



3

5

Recreational
services



4

6

Cultural
Practices &
values



4

7

Air
quality



2

You can find the complete list of impacts in slides 37 and 38

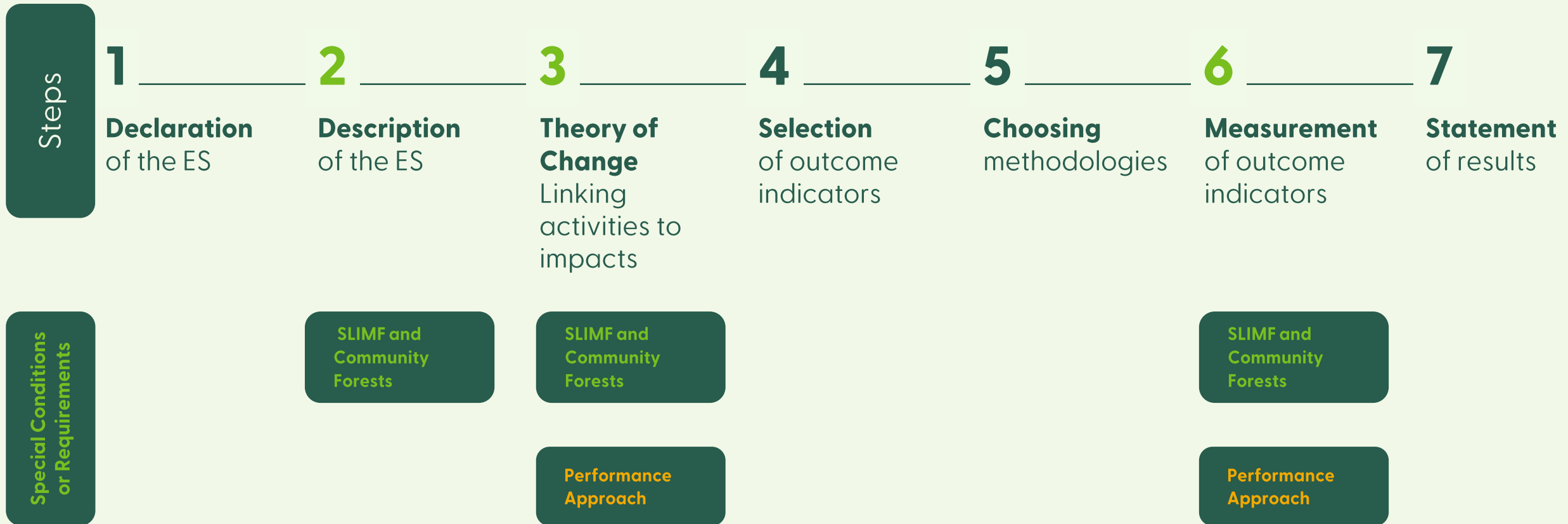


Notes:

For more detailed information and every impact of each ES, refer to **Annex B of the ES PRO.**

Impact Demonstration

Overview of the seven steps of the procedure and the special conditions



PART I: GENERAL REQUIREMENTS

Part I presents the general requirements for the use of the procedure and shows why validating an impact can be important to The Organization.

Introduction Part I

General Requirements for The Organization

Part I of the document sets out general requirements that must be followed to verify and validate an ES Impact. It consists of eligibility and process requirements.

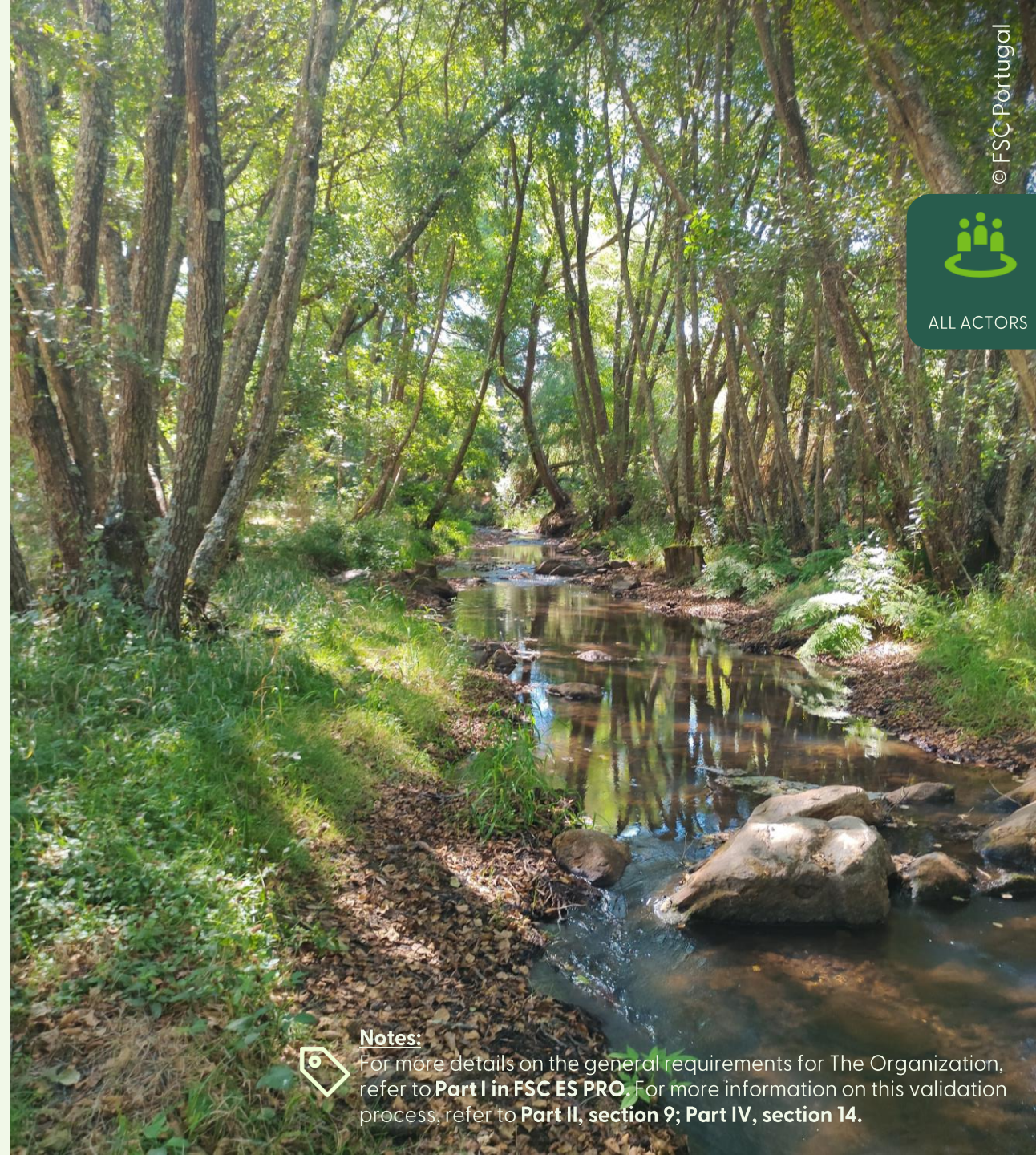
The Organization **shall be an applicant for or holding FM certification** when requesting its CB for the verification or validation of a proposed ES impact.

Part I introduces two different concepts called **verification** and **validation**. While they might sound interchangeable, there is a key difference between the two in the context of this procedure.

- **Verification** is the evaluation and ex-post determination (by a CB) that a proposed **ecosystem services impact has occurred**.
- **Validation** is the evaluation and ex-ante determination (by a CB) that a proposed **ecosystem services impact is expected to happen in the future**.

Finally, Part I also outlines requirements for FSC Forest Management Groups. **These include:**

- The division of **responsibilities** between **group members** and the **group entity**
- How to handle **new group members** willing to use the ES PRO
- Proper **documentation** and **ESR**



Notes:

For more details on the general requirements for The Organization, refer to **Part I in FSC ES PRO**. For more information on this validation process, refer to **Part II, section 9; Part IV, section 14**.

The Validation Option

General Requirements for The Organization to validate ES impacts

Part I of the document also sets out general requirements that must be followed to validate an ES Impact.

To validate an ES impact the Organization...

- ...needs to have a **valid FM certification**
 - Or **Controlled Forest Management certification**
- ...can obtain **FM certification at the same time**
- ...needs to complete the **ES Report and submit it to the CB**
- ...needs to **reverify an impact every five years**
 - This is subject to a question in this public consultation.

The **validation option allows The Organization to demonstrate to any potential sponsor or any relevant stakeholders its credible plan** to eventually use the procedure to demonstrate a verified positive impact in the future.

WHY A VALIDATION OPTION?

Implementing management activities and demonstrating a positive impact on ES **often requires time and funding**. The validation option can be useful in **securing financial sponsorship** for future impact verification.

Without financial help, The Organization **would bear all costs** to implement the management activities itself upfront. Also, it may be beneficial for a sponsor to be part of the project in an early stage.

In operational terms, using the validation option means The Organization measures **the present value of an outcome indicator and follows all steps to demonstrate an impact** but has no baseline for comparison to be able to demonstrate a positive impact on ES. The seven steps on demonstrating an impact can be found on the following pages.

Organization using the Validation option and Sponsors supporting these efforts parties may promote their commitments in accordance with the guidelines that can be found in section 18 of the document.



ALL ACTORS



Notes:

For more information on this validation process, refer to **Part II, section 9; Part IV, section 18.**

PART II: IMPACT DEMONSTRATION

Part II shows how The Organization demonstrates an ES Impact.

Impact Demonstration

Introducing the seven steps of the procedure

Part II describes **the seven steps** that The Organization must follow to demonstrate the impact(s) of its management activities on ES.

There are two approaches for demonstrating a positive impact on ES:

- **Storytelling approach**
- **Performance approach**

The **selection of the approach** depends on the **intended use of the verified ES impact** which is explained later in this booklet. **The two approaches follow the same seven steps** to demonstrate an ES impact that can be seen on the right of this page. Unless explicitly stated, **the requirements in Part II apply to both the performance and the storytelling approach**. If only the performance approach is meant, the font colour changes to **orange**.

Part II also includes **simplified requirements for Organizations** managing small or low-intensity managed forests (SLIMF) and/or community forests which are also clearly explained.

Annex A of the FSC ES PRO indicates how the seven steps must be documented, including what data must be reported, and which of it will be shown publicly.

- 1 Declaration of the ES**
- 2 Description of the ES**
- 3 Developing a theory of change**
- 4 Selection of outcome indicators**
- 5 Choosing methodologies**
- 6 Measurement of outcome indicators**
- 7 Statement of results**

Notes:
Specific guidance for SLIMF users & community forests are described in detail in **Part II of the FSC ES PRO**.



Step 1 – Declaration of the ES

Deciding which ES and positive outcome shall be analysed and verified

Step 1 outlines which impacts for each ES should be demonstrated in the report using the outlined procedure. It's The **Organization's responsibility to check** that areas in the demonstration **don't overlap with other projects** that claim similar environmental benefits. This means that, if another project is **seeking recognition elsewhere**, that should be included in the report.

Depending on **how the impact will be measured**, one of the two, either the performance or storytelling approach, may be selected. The two approaches are:

- **The Storytelling Approach**
- **The Performance Approach**

The Organization **sets management goals** for the areas that contribute to the positive impact on the ES. This means that certain achievements in the impacts outlined for each ES must be reached.

The final part to complete Step 1 is describing **the legal right to receive payments** for demonstrating positive impacts on the declared ES. These payments may come from sponsors or similar actors.

1 Declaration of the ES

2 Description of the ES

3 Developing a theory of change

4 Selection of outcome indicators

5 Choosing methodologies

6 Measurement of outcomes

7 Statement of results



© FSC Canada

Notes:

For more details, refer to Part II, section 2 in FSC ES PRO. If you want to understand the different actors better, please refer to the graphic on page 8 – 10 in this booklet



Step 2 – Description of the ES

Describing the current and past condition of the ES

Step 2 entails **describing the ES in detail** to gain a reliable understanding of the managed area. This report includes:

- The **current and previous condition of the ES**
- An explanation on **the past condition** of the ES
- **Past recognitions as well as major natural events or human activities** that impacted it
- **Relevant threats** to the ES can both be in the managed area or directly influencing it. Natural causes and human activities can be counted as threats.

An ES might have **beneficiaries**, e.g. local communities using the water from the watershed. These **must be included in the report** and accounted for in every step undertaken. Some basic facts must also be disclosed such as the **location** as well as the **size of the managed area**.

A **summary of culturally appropriate engagement** with any stakeholders of the ES shall be given. These may include indigenous & traditional people and local communities.

- 1 Declaration of the ES
- 2 Description of the ES**
- 3 Developing a theory of change
- 4 Selection of outcome indicators
- 5 Choosing methodologies
- 6 Measurement of outcomes
- 7 Statement of results



Notes:

For more details, refer to Part II, section 2 in FSC ES PRO. If you want to understand the different actors better, please refer to the graphic on page 8–10 in this booklet

Step 3 – Developing a Theory of Change

Describing the current and past condition of the ES

The focus of Step 3 is the **Theory of Change**. This is a plan that links any management activities to the proposed impacts and consists of four main aspects.

- **Impacts** for each ES that can be picked from Annex B
- **Management activities** that contribute to the proposed impacts including risk mitigation
- **Outputs** that result from the management activities
- **Outcomes** that result from the outputs
- **Impacts** on ES influenced by those outcomes

The **performance approach must include a risk management plan**. This plan shall include likelihood of manifestation, required actions if risk occurs and methods for monitoring the risks. This plan is **valid for five years** and must be **publicly available**.

Organizations managing **SLIMF and community forests are exempted** from making the risk management plan publicly available.

Additionality: If needed, an additional test can be conducted to identify which activities go beyond legal requirements or wouldn't happen without financial support.

- 1 Declaration of the ES
- 2 Description of the ES
- 3 **Developing a theory of change**
- 4 Selection of outcome indicators
- 5 Choosing methodologies
- 6 Measurement of outcomes
- 7 Statement of results

Notes:

For more details, refer to Part II, section 2 in FSC ES PRO. If you want to understand the different actors better, please refer to the graphic on page 8 – 10 in this booklet



Step 4 – Selecting outcome indicators

Finding fitting outcome indicators that verify an impact

For each of the proposed impacts The Organization must select **one or more outcome indicators** from **Annex B**. The theory of change provides desired outcomes, which selected **outcome indicators must be consistent** with.

Requirements for outcome indicators can be found in **Annex B** of the document. There could be a scenario where **none of the outcome indicators** match. If that's the case an alternative could be selected through these methods:

- **Research**
- **Past success**
- **Expert recommendations**

Example for an outcome indicator:

The Organization wants to verify **Impact ES1.1 Enhancement of natural forest cover**. The accommodating outcome indicator could be a **measurement of the restored forest area as a proportion of the total forest area**.

- 1 Declaration of the ES
- 2 Description of the ES
- 3 Developing a theory of change
- 4 Selection of outcome indicators**
- 5 Choosing methodologies
- 6 Measurement of outcomes
- 7 Statement of results

Notes:

For more details, refer to Part II, section 2 in FSC ES PRO. If you want to understand the different actors better, please refer to the graphic on page 8 – 10 in this booklet



Step 5 – Choosing methodologies

Selecting measurement methodologies

Step 5 is selecting measurement methodologies as each **outcome indicator** should be **measured appropriately**. Guidance on **selecting a methodology** can be found in the **FSC ES PRO** document. There might a scenario where an **alternative methodology** must be used. If that's the case its **relevancy must be ensured**. This means that it gives both **reliable and consistent results**.

In the final report The Organization **must describe each methodology** that was used. If **alternative methodologies** are used, further **explanation on the divergency** is necessary. Furthermore, every aspect of data collection and analysis must be described such as:

- **Sources**
- **Sampling methods**
- **Equipment**
- **Summary of the data analysis**

Lastly is must be ensured that **baseline measurements are consistent**, guidance on that can be found in **Annex B**.

- 1 Declaration of the ES
- 2 Description of the ES
- 3 Developing a theory of change
- 4 Selection of outcome indicators
- 5 Choosing methodologies**
- 6 Measurement of outcome indicators
- 7 Statement of results

Notes:

For more details, refer to Part II, section 2 in FSC ES PRO. If you want to understand the different actors better, please refer to the graphic on page 8 – 10 in this booklet

Step 6 – Measurement of outcome indicators

Measuring outcome indicators

Step 6 is measuring the outcome indicators, requirements for that can be found in **Annex B** that The Organization must adhere to. Each **measurement must be taken every 5 years** at a minimum, some methodologies might require **more frequent measurement**. When measuring the baseline figure the **measurement shouldn't be older than ten years**, otherwise an explanation and all previous measurements must be given.

For the **performance approach two** additional requirements apply:

- The Organization should use **primary data** for measuring each outcome indicator. This data should be as recent as possible, **if its older than 5 years, a justification is needed**
- Any uncertainty of data measurement must be identified and mitigated.

- 1 Declaration of the ES
- 2 Description of the ES
- 3 Developing a theory of change
- 4 Selection of outcome indicators
- 5 Choosing methodologies
- 6 Measurement of outcome indicators**
- 7 Statement of results

Notes:

For more details, refer to Part II, section 2 in FSC ES PRO. If you want to understand the different actors better, please refer to the graphic on page 8 – 10 in this booklet



Step 7 – Statement of results

Comparing values and providing evidence

Step 7 is the statement of results. This means that The Organization shall present and **compare the outcome indicator values of requirements**. These are presented in column 3 ‘Measurement required’ of **Annex B** with the **outcome indicator values** of requirements presented in column 4 ‘Baseline requirement, also in **Annex B**.

For **each proposed impact**, The Organization **shall provide evidence** that shows conformance with the requirements presented in the column 5 ‘Results required’ in impact tables of **Annex B**.

- 1 Declaration of the ES
- 2 Description of the ES
- 3 Developing a theory of change
- 4 Selection of outcome indicators
- 5 Choosing methodologies
- 6 Measurement of outcomes
- 7 Statement of results**



Notes:

For more details, refer to **Part II, section 8 in FSC ES PRO**. Furthermore, ample substitutional information can be found in **Annex B**.



PART III: PREPARING FOR THE USE OF VERIFIED ES IMPACTS

Part III will explain the general requirements when doing claims, special requirements for The Organization and the sponsor and the use of ES claims.

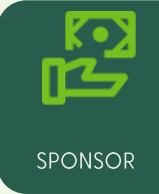
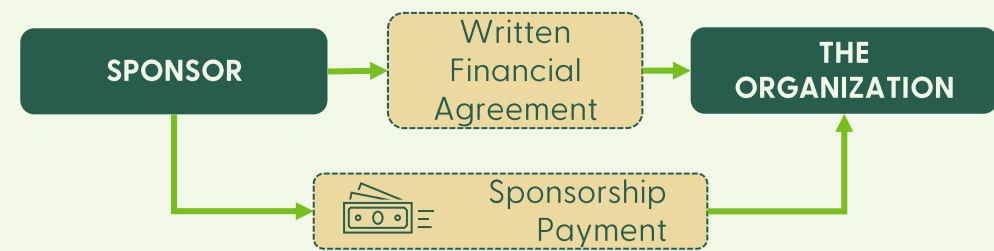
Introduction

Preparing for the use of verified ES impacts

FSC enables the option for The Organization to obtain **financial support for the ES impacts they demonstrate** through the usage of this procedure. The following two pages outline the requirements for the **formalization of a sponsorship between The Organization and a sponsor**; as well as requirement to pass key information of the verified ES impact through a supply chain.

The described requirements in Part III, section 11, **only apply if The Organization pursues or obtains payment(s)** for validated or verified ES impacts.

In addition, if The Organization **receives sponsorships**, they are required to have a **revenue sharing agreement**. With this, FSC aims to ensure a **fair distribution** of revenue between relevant entities from the sponsorship of verified or validated ES impacts.



Notes:

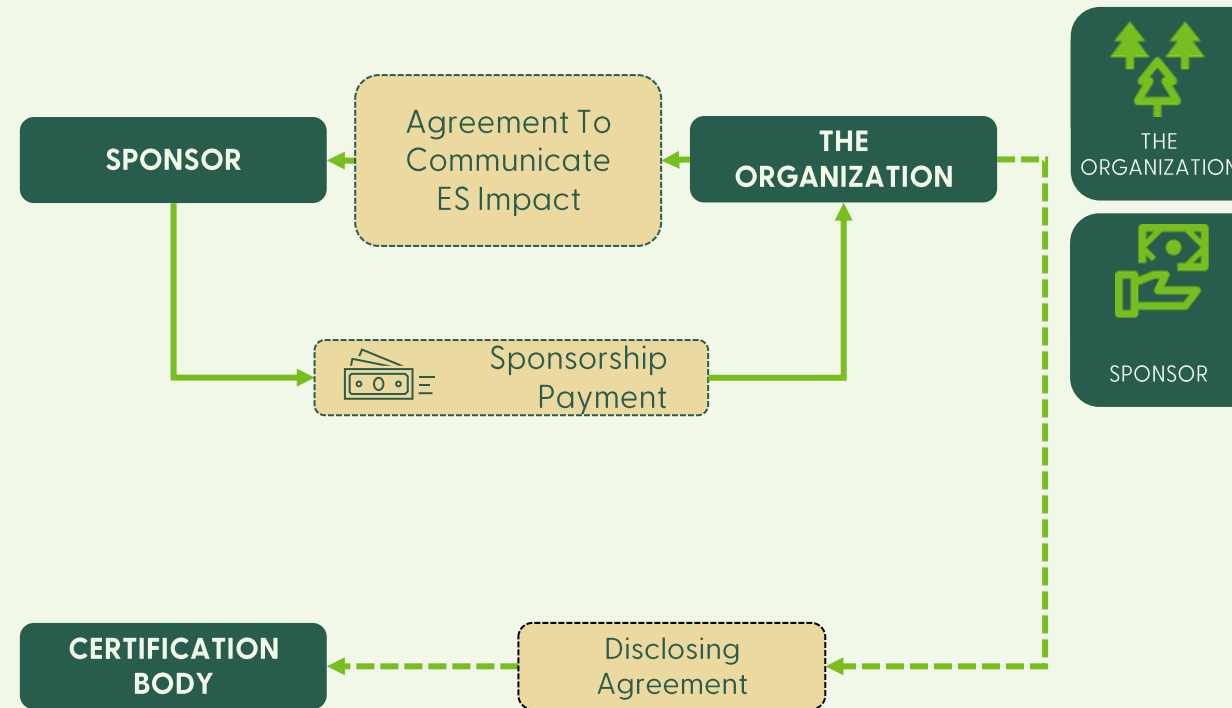
Please refer to **Part III in FSC ES PRO** for more details.

Requirements for The Organization

Obtaining financial support for demonstrated impacts

Requirements for The Organization are:

- The Organization **shall have a written agreement with the sponsors** outlining the scope and financial conditions of the sponsorship
- The Organization **shall disclose to their CB that it has received financial sponsorship**
- The Organization **provides a revenue sharing agreement in a transparent manner** to Indigenous People, traditional people and local communities
- If The Organization agreed with its sponsors to **communicate about the full ES impact** collectively, The Organization shall **disclose such an agreement to its CB**
- The Organization **may make an ES claim based on a verified ES impact** as indicated in **Part III, section 12**
- The Organization **shall conform with all applicable requirements for use of the FSC trademarks**



If there is a **risk of non-conformity** that risks the validity of its verified ES impact and thus the ability to make ES claims, The Organization shall **inform its sponsors within 30 days**.



Notes:

For more detailed information for the case of multiple sponsorships, double claiming and non-conformity risk(s), refer to **Part III, section 12, 12.1-12.7 in FSC ES PRO**.

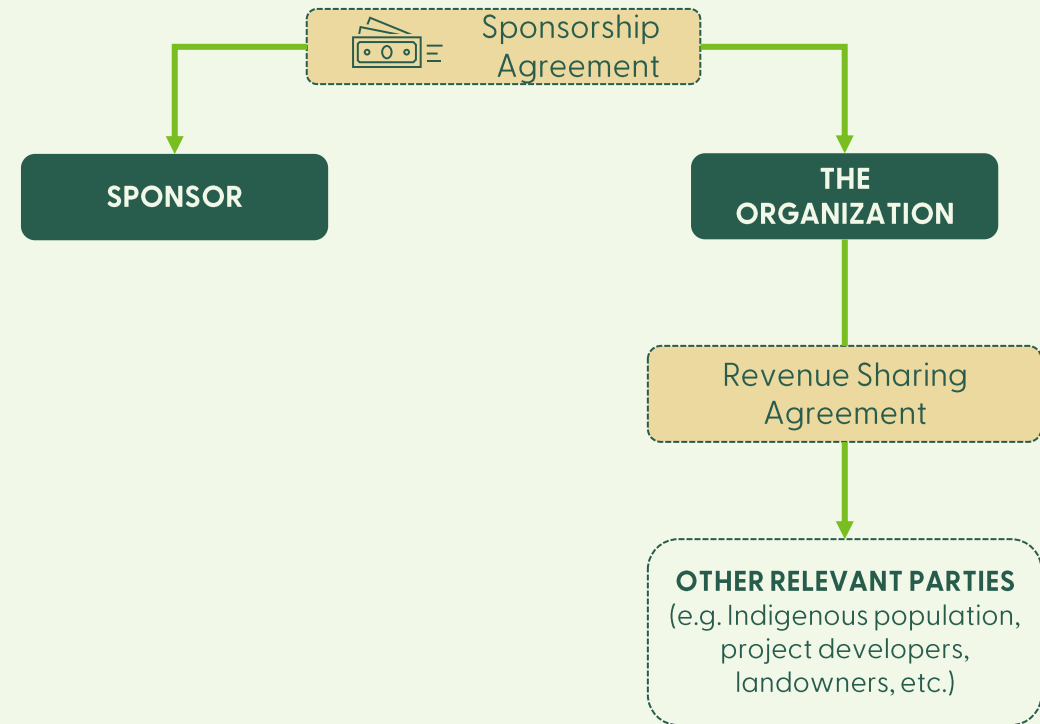
Revenue Sharing Agreement

Securing fair distribution of financial benefits

If The Organization pursues or obtains payment(s) for validated or verified impacts, a **revenue sharing agreement ensures a fair and transparent distribution** of revenue between relevant entities from the sales of verified or validated ES impacts. It shall be **renegotiated or renewed at least every 5 years**.

General requirements are:

- The Organization **shall identify all parties to participate** in the revenue sharing agreement, including but not limited to:
 - those **parties that contributed to realize the validated or verified ES impact** (e.g. The Organization and/ or project developer, group members, Indigenous Peoples, traditional peoples and local communities)
 - the **landowner and other rights holders** with legal and customary rights to the ES project area, or part of it
- The Organization **provides a revenue sharing agreement in a transparent manner** to Indigenous People, traditional people and local communities
- The Organization shall ensure that **a broker**, if identified as a party in the revenue sharing agreement, **receives a maximum of 15% of the revenue**



Notes:

For more detailed information on sponsoring ES impacts, refer to **Part III, section 11 in FSC ES PRO.**

Requirements for the sponsors

Obtaining financial support for demonstrated impacts

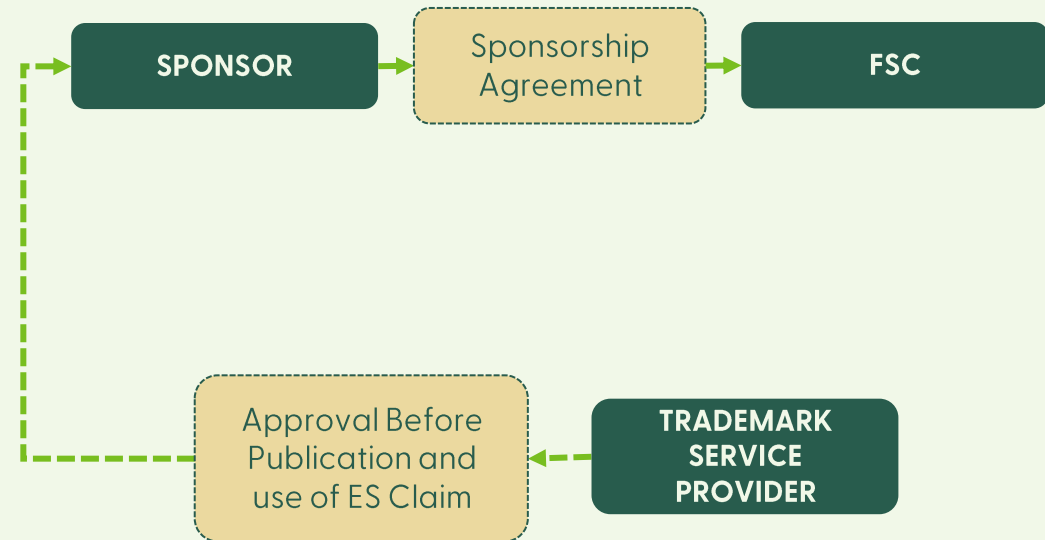


Requirements for sponsors are:

- Sponsors shall sign a **sponsorship agreement with FSC** to register the sponsorship in the specified FSC database and make ES claims using **FSC trademarks**
- For uses requiring the **performance approach** (see also Part IV, section 17), a sponsor shall demonstrate it follows a **mitigation hierarchy aligned approach** to manage impacts relevant for the verified ES impact they sponsor
- A **sponsor may make an ES claim related to a verified ES impact it has supported**, as indicated in Part III, section 12.8 and 12.10 and Part IV
- A sponsor shall obtain **approval from its FSC trademark service provider** **prior** to publication and/or use of an ES claim

Additionally, this consultation wants to ask stakeholders whether to adopt one of the following two requirements for sponsors:

- a. A sponsor that is in the **supply chain of forest-based products** or has a **clear material dependence** on forest materials shall adopt and make public a FSC procurement policy
- b. A sponsor that is in the supply chain of forest-based products or has a clear material dependence on forest materials shall obtain **FSC CoC certification within 12 months of becoming sponsors**



Notes:

For more detailed information for more options and requirements for sponsors, please have a look at **Part III, section 12, 12.8-12.10 in FSC ES PRO.**

PART IV: PROMOTION OF VERIFIED ES IMPACTS

Part IV shows how to promote the obtained verification of ES impact after successfully completing the ES Procedure.

Impact Promotion

The Organization and the sponsor can make ES claims



ES claims are the **communication and promotion of verified impacts**.

Requirements for making ES claims may vary. Contributing factors are:

- If The Organization or a sponsor makes the ES claim
- The approach used by The Organization to demonstrate an ES impact
- The intended purpose/use of the ES claim

ES claims require **verification and approval** before being used. These tasks are performed by a certification body for The Organization and by an FSC trademark service provider for sponsors.

ES claims may be made for a **maximum of five years after the ES impact(s)** have been verified.

The **elements of an ES claim** shall include as seen on the example on the right:

- FSC registered trademarks which include
 - The name FSC
 - FSC Initials
 - The FSC logo
 - ‘Forest For All Forever’ logo with text mark
- License code of The Organization or the sponsor making the ES claim
- Link to the specified FSC database with the information on the verified impact
- An impact statement which will be explained on the next page

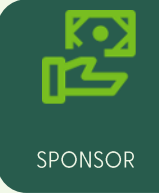
Example of a promotion of the ES claim
(FSC ES PRO Part IV, section 14.2.)



Sponsor ‘AB’ supported forest ‘ABC’ in Country ‘FGH’, contributing to the **maintenance of Intact Forest Landscapes** from year 2015 to 2023.

Explanation

1. FSC Registered Trademark (in this case, the Logo) (as in clause 12.4.a)
2. License Code of sponsor ‘AB’ (as in clause 14.2.b)
3. Link to FSC Website (as in clause 12.4.c)
4. Impact Statement (as in clause 12.4.d):
 - a. **ES category or impact**
 - b. **Year of verification**
 - c. **Specific forest**



Notes:

For more detailed information about impact statements or special requirements, refer to at **Part IV, section 14 in FSC ES PRO**.

Promotion Compliance

Responsible promotion of ES claims



Impact statements **may vary according to the type of user**. Examples of impact statements can be found in the can be found in section 14–18 of the **FSC ES PRO** document or on the following page of the booklet.

After verification by a CB, The Organization and/or a sponsor can use values for new outputs and updated values for outcome indicators in ES claims.

The **impact statement of an ES claim** may contain:

- Any other elements that are included in the **latest version of ESR** (e.g. key features of the forest highlighted as well as beneficiaries of the ES)
- Updated quantitative values for outputs that are **already included in the Theory of Change of the verified ES impact**

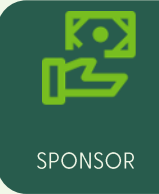
The Organization and/or a sponsor using an ES claim as part of a **broader communication** piece shall:

- Clearly **separate the ES claim from other promotional assertions** that are not verified under the FSC system
- **Avoid exaggeration**, misuse and / or misrepresentation of, and / or false information in relation to the verified ES impact

The Organization and a sponsor making an ES claim are responsible for their own compliance.

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

- Demonstrate progress towards net-zero or other quantifiable science-based or mitigation hierarchy aligned sustainability targets within its value chain
- Report on its ecosystem services footprint
- Report on its progress towards its sustainability targets within its value chain
- Use as evidence to benefit from a nature-related fund.



Notes:

For more detailed information about impact statements or special requirements, refer to **Part IV, section 14 & 15 in FSC ES PRO**.

PART V: REQUIREMENTS FOR CERTIFICATION BODIES

Part V contains the requirements certification bodies need to conform with when evaluating organizations that are implementing this procedure.

Requirements for Certification Bodies

Evaluating, auditing and reporting ES efforts

The CB shall evaluate **conformity of The Organization with applicable requirements in the procedure at least once per certification cycle** which lasts **five years**. Any ES claims by The Organization must be verified through the CB and some aspects require at least yearly conformity checks. This includes:

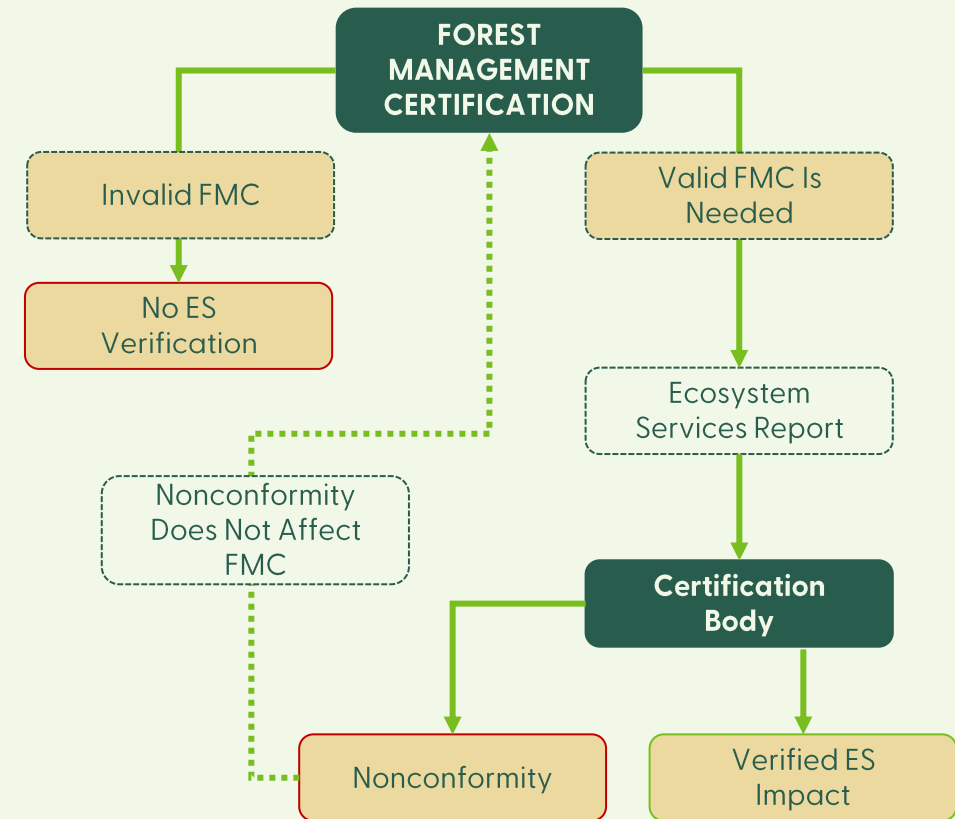
- whether the risk management plan was used
- new sponsorships have been concluded or any
- double claims have been made

Revenue sharing must be evaluated **at least twice per certification cycle**. If any non-conformities have previously been identified or significant changes to the ESR were made another evaluation is in order. **An evaluation should be carried out at the same time as a forest management audit.**

The **conformity with applicable requirements** of the procedure must be checked using the field method. Some other aspects such as the **more frequent evaluations** can be audited remotely.

Audit findings are evaluated in accordance with (FSC-STD-20-001). **This means that recertification can be seen as the verification of an ES impact.** Scenarios in case of nonconformity are shown on the left.

For each verified ES impact, **the term ES must be included** in the scope FMC by the CB. These verified impacts are reported in the ESR summary page. The ESR can be found in the FSC database. The CB must upload it **within four months or within 13 months** if it is combined with a FM certification. The ESR section shall be **at least annually updated** on sponsorships acquired for validated or verified ES impacts.



Notes:
For further Information refer to **Part V in FSC ES PRO.**

APPENDIX

Information about Annex A & B and how they are related to the ES PRO document.

The Annexes

Short introduction to Annex A



Annex A:

Annex A contains the contents of the **Ecosystem Services Report**. It can be seen as a **step-by-step guide** on how to submit a complete ESR to the certification body. It contains the **Ecosystem Services Impact Demonstration** in detailed steps as well as any **formal requirements** for The Organization or the sponsor.

Contents of Annex A:

- **ESR Summary Page**
- **ESR Part I** – Impact Demonstration
 - Step 1
 - Step 2
 - Step 3
 - Step 4
 - Step 5
 - Step 6
 - Step 7
- **ESR Part II** – Additional Info on The Organization and the ES Project
- **ESR Part III** – Sponsorship Information
- **ESR Part IV** – Audit Information



Notes:

Both **Annex A & B** are attached to **FSC ES PRO**, further information can be found there.

The Annexes

Short introduction to Annex B



Annex B:

Annex B contains **additional requirements to conform with Part II** of the procedure. There is **one table for each ES**, identified by different colours. Within each table, the different impacts that can be proposed by The Organization are identified by a code and a title, e.g. ES1.1: Enhancement of natural forest cover. Shown below are each of the proposed impacts for the ES.

ES1: Biodiversity Conservation	ES2: Carbon Sequestration & Storage	ES3: Watershed Services	ES4: Soil Conservation	ES5: Recreational Services	ES6: Cultural Practices and Values	ES7: Air quality
ES1.1: Enhancement of natural forest cover	ES2.1: Enhancement of forest carbon stocks through afforestation, reforestation and/or restoration	ES3.1: Maintenance of water quality	ES4.1: Maintenance of soil condition	ES5.1: Maintenance of areas of importance for recreation and/or tourism	ES6.1: Maintenance of cultural values and services	ES7.1: Maintenance of air quality
ES1.2: Maintenance of Intact Forest Landscapes	ES2.2: Maintenance of forest carbon stocks through responsible forest management	ES3.2: Enhancement of water quality	ES4.2: Enhancement of soil condition	ES5.2: Enhancement of activities in areas of importance for recreation and/or tourism	ES6.2: Enhancement of cultural values and services	ES7.2: Enhancement of air quality
ES1.3: Maintenance of an ecologically sufficient conservation area network	ES2.3: Enhancement of forest carbon stocks through responsible forest management	ES3.3: Maintenance of the capacity of watersheds to purify and regulate water flow	ES4.3: Maintenance of soil stability and protection against soil erosion.	ES5.3: Maintenance of populations of species of interest for nature-based tourism	ES 6.3: Maintenance of culturally valued populations or species	
ES1.4: Enhancement of an ecologically sufficient conservation area network	ES2.4: Maintenance of forest carbon stocks through forest conservation or protection	ES3.4: Enhancement of the capacity of watersheds to purify and regulate water flow	ES4.4: Enhancement of soil stability and protection against soil erosion.	ES5.4: Enhancement of populations of species of interest for nature-based tourism	ES6.4: Enhancement of culturally valued populations or species	



The Annexes

Short introduction to Annex B



ES1: Biodiversity Conservation	ES2: Carbon Sequestration & Storage	ES3: Watershed Services	ES4: Soil Conservation	ES5: Recreational Services	ES6: Cultural Practices and Values	ES7: Air quality
ES1.5: Maintenance of natural forest structure	ES2.5 Enhancement of forest carbon stocks through forest conservation or protection					
ES1.6: Enhancement of natural forest structure						
ES1.7: Maintenance of species diversity						
ES1.8: Enhancement of species diversity						
ES1.9: Maintenance of functional biodiversity						
ES1.10: Enhancement of functional biodiversity						
ES1.11: Maintenance of rare, endemic, threatened or endangered habitats or ecosystems						
ES1.12: Enhancement of rare, endemic, threatened or endangered habitats or ecosystems						



Notes:
Both **Annex A & B** are attached to **FSC ES PRO**, further information can be found there.

Terms & Definitions

Further information can be found in the ES PRO



ECOSYSTEM SERVICES CLAIM (ES CLAIM)	Statements or any kind of communication made by The Organization or a Sponsor about positive changes in these services, verified by specific procedures
ECOSYSTEM SERVICES IMPACT (ES IMPACT)	The long-term maintenance or enhancement of ecosystem services, or benefits derived from them
ES CLAIM VS. ES IMPACT	Claim vs. impact: an impact is a verified output (e.g., enhanced carbon stocks in the forest) whereas a claim is a communication / statement / promotion that has been done on this ES impact
OUTCOME INDICATOR	A measurable sign that shows if a management activity has led to a change over a medium period of time.
OUTCOME	are the ecological or social changes as a result of these activities e.g.: water body protected from cattle (resulting from the construction of a fence), increased area of sustainably managed forest (resulting from improved knowledge through training), etc.
OUTPUT	Immediate and direct consequences from management activities implemented on the management unit, which are drafted using quantifiable units (more detailed information can be found on page 10 & 11 in FSC ES PRO) e.g.: 200 meters of fence constructed in 2029, 25 people trained in 2020, 50 hectares of slopes replanted between 2018 and 2022 etc.
SPONSORSHIP	is the transaction between The Organization and the Sponsor, aimed at protecting valuable ES in the forest
THEORY OF CHANGE	is a visual plan that outlines how certain forest management actions are supposed to bring about a specific positive change, impacting ecosystem services beneficially
VALIDATION	is when a certification body checks in advance that a proposed impact on ecosystem services is likely to happen
VERIFICATION	is when a certification body confirms that the proposed impact has indeed occurred in summary, verification is the confirmation of realized impacts.
VERIFIED ES IMPACT	is a successfully demonstrated positive impact on an ES that has been officially verified, registered, and is non-transferable with a validity of five years, forming the basis for making ecosystem services claim

USE CASES & EXPLANATORY GRAPHICS

An overview of some of the variables that are part of the procedure.

Use Cases Introduction

Showing real world use of the procedure



Important Information

The following three pages show the many different **variables in the ES Procedure**. As shown on this page there are **six main groups** those variables falls in. The following page gives an overview of many of the variables that the main groups hold. Each use of the ES Procedure might have a unique combination of variables and the variables shown here are **not all-encompassing** but rather exemplary, this excludes the ES as well as the two approaches. The third slide shows two different combinations of the variables that can be seen as **application examples** of the framework.

Owners/ Tenure

The lands upon which the impact is created have an ownership structure beneath them. The variability between owners impacts many decisions down the line.

ES Category

The seven aforementioned ES are the key variable in applying the concept in the real world. The seven ES range from Biodiversity to Air Quality and determine the scope of real world impact each effort by The Organization has.

Usage of ES Claim

Not every ES Claim is used in the same way. The usage might also change within the life span until reverification is necessary.

User of ES Pro

The main user of the procedure is The Organization. The differing kinds of users can be found on the next slide. This often impacts the way a claim impact is used.

Approach

Verification can be approached in two different ways. Both approaches have their unique benefit that are laid out in this booklet.

Sponsor/ User

Most efforts are accompanied by a sponsorship which needs verification. Other uses of the ES claim are also possible and make it a versatile reporting tool.

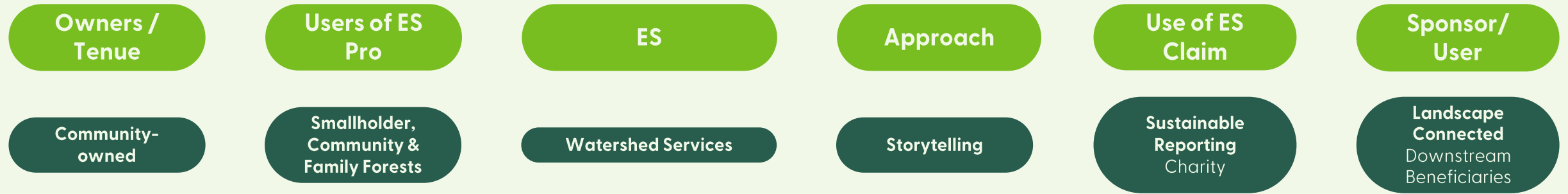
Use Cases

Possibilities for connecting Forest Managers with Sponsors



Use Case Examples

Two exemplary connections of the variables



Use Case Example 1

A community owned forest uses the ES Procedure to verify their efforts in improving the Watershed Services that run through their land. The storytelling approach is used as it fits the measure that was undertaken well. The goal is to use the ES Claim for sustainable reporting that the local government demands. Connected to the watershed services are downstream beneficiaries that benefit from the improved watersheds.



Use Case Example 2

A commercial FM Operation on private lands uses the ES Procedure to verify their efforts in improving Biodiversity in the forest. The performance approach is chosen as the outcome indicator is beneficial to this approach and allows for footprint reporting. The Claim is used in conjunction with the product for downstream companies.

Thank you



Forest Stewardship Council®
FSC® Global Development



Adenauerallee 134, 53113 Bonn, Germany

T +49 (0) 228 367 66-0

F +49 (0) 228 367 66-65

FSC Global Development © All rights reserved

FSC® F000100

www.fsc.org