



***FSC® Due Diligence Procedure for screening organizations to the
FSC Policy for Association
-- Discussion Draft for Public Consultation --***

1. Background

Any organization seeking to associate with the Forest Stewardship Council® (FSC) must undergo a screening process in accordance with the *Due Diligence Evaluation for the Association with FSC* (FSC-PRO-01-004), or *FSC Due Diligence Procedure*, for compliance with the *Policy for the Association of Organizations with FSC* (FSC-POL-01-004), or *FSC Policy for Association*. This procedure is also implemented on an ongoing basis to monitor for changes.

The *FSC Due Diligence Procedure* (DDP) minimizes the risk of establishing a formal relationship with organizations that are in violation of one, or more, of the unacceptable activities of the *FSC Policy for Association* (PfA). It is not intended for use in evaluating an organization's due diligence with respect to other FSC standards, policies, or other normative documents. The DDP is not a new procedure; it is being refined to better achieve its intended impact, and will replace the 'self-declaration form' that is currently in use.

This document describes the proposed approach, structure and process of the DDP. It is based on exploratory work done by the FSC International Center and preliminary discussions with the PfA working group. Comments generated during this public consultation will determine the next steps for the development of this procedure, including seeking technical expertise to further develop the procedure and the operating platform.

2. Key elements of the *FSC Due Diligence Procedure*

- 2.1 It requires an organization to assess its own due diligence system so that it meets the requirements of the PfA.
- 2.2 It requires greater levels of due diligence from organizations that may be at *risk* of non-conformance to the PfA.

Risk-based factors may include, but are not limited to:

- a) Size, such as land area and value, and complexity of the organization;
- b) Country or countries of operation, based on Controlled Wood National Risk Assessment designations;
- c) Brand visibility and;
- d) Past activities and/or reputation.

This is not a system for auditing the organization with respect to the six unacceptable activities defined in the PfA; rather, it is a tool for identifying potential risks, and demonstrating that systems are in place to address and mitigate the risk.

- 2.3 The procedure will have a software interface to make it simple to assess risk, thereby minimizing the work required by the organization, the FSC-accredited certification body, and by FSC. Additional assessment and monitoring will be conducted where high risk is identified.



3. Structure and process

- 3.1 Upon application for association with FSC (i.e., for membership, certification), the organization will fill out an electronic self-assessment that requests different levels of information based on the level of risk associated with the PfA. For example, there may be questions regarding the size of the organization, the number of subsidiaries/affiliates that comprise the organization, and the countries in which it operates.
- 3.2 For organizations applying for certification, the self-assessment will be reviewed by the FSC-accredited certification body. For organizations applying for non-certification trademark license agreements, membership, or other agreements, the self-assessment will be reviewed by the FSC staff responsible for contract oversight.
- 3.3 Where there is concern that an organization may not be in conformance with the PfA (i.e., where risk is determined to exist based on the identified risk factors), the case will be brought to the attention of the FSC Secretariat. The FSC Secretariat will then review the situation and make a determination on whether or not to associate and/or on any need for monitoring the organization upon association given the identified risks.