



Frequently Asked Questions

Subject:

Revision of the *Policy for the Association of Organizations with FSC®* (FSC-POL-01-004) - First 60-day public consultation

1. **What is the *FSC Policy for Association* and its role in the FSC system?**
2. **What are the unacceptable activities?**
3. **To whom does the *FSC Policy for Association* apply?**
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5. **How is the *FSC Policy for Association* implemented?**
6. **Why is the *FSC Policy for Association* being revised, and what are the key proposed changes?**

1. What is the *FSC Policy for Association* and its role in the FSC system?

The *Policy for the Association of Organizations with FSC* (FSC-POL-01-004) or *FSC Policy for Association*, an expression of the values shared by organizations associated with FSC, defines the six unacceptable activities which organizations associated with FSC commit to avoid. It protects the reputation of FSC, and all entities associated with it, by acting as a safeguard against organizations involved in these unacceptable activities. This policy is supplemented by procedural documents that describe how this policy is implemented.

In addition to our forest management, controlled wood, and chain of custody certification standards, all organizations associated with FSC agree to avoid certain activities – both in FSC-certified operations and in non-certified operations – that would represent a danger to the credibility of FSC, its members, and all entities associated with it.

Disassociation of organizations that have violated these unacceptable activities is a measure of last resort. This can only take place once all efforts have been made to address concerns with the organization prior to lodging a complaint. Its implementation assumes that other attempts at mediation and/or other actions to stop the unacceptable activity have been exhausted, or have failed.

2. What are the unacceptable activities?

The proposed unacceptable activities in the *FSC Policy for Association* (and which are similar in scope to those in the FSC controlled wood standard) are:

- Illegal harvesting or trade in forest products;
- Violation of traditional and human rights and any of the ILO Core Conventions;
- Significant damage to high conservation values in forests;



- Significant conversion of forests to plantations or non-forest use;
- Planting or growing of genetically modified trees for commercial purposes.

The aim of this revision process is not to change the six categories of unacceptable activities listed in the current *FSC Policy for Association*, but rather to align them (as possible) with other FSC normative requirements and to clarify misinterpretations that have emerged to-date. Please refer to the table in Question 6 (below) to see how the changes proposed above differ from the unacceptable activities in the current policy; please also refer to the draft *FSC Policy for Association* for additional background for stakeholders on these unacceptable activities.

3. To whom does the *FSC Policy for Association* apply?

This policy applies to all organizations associated with, or seeking to associate with, FSC. This includes all organizations holding a contractual agreement with FSC, including a license agreement, cooperative agreement and a membership agreement.

For the purposes of this policy, the term *organization* refers to the totality of legal entities to which the entity applying for association is affiliated, including subsidiaries, parent companies, and joint ventures.

4. To what does the *FSC Policy for Association* apply?

The *FSC Policy for the Association* covers an organization's activities that do not fall within the scope of its FSC certificate. It states unacceptable activities that organizations associated with FSC must commit to avoid, and defines the consequences of a breach to this policy when such action is warranted.

This policy applies to situations where the unacceptable activity is occurring or has occurred. *Intent* to engage in unacceptable activity is not sufficient grounds to trigger a complaint.

5. How is the *FSC Policy for Association* implemented?

To put the *FSC Policy for Association* into practice, two procedural documents are used at different stages of implementation:

1. Any organization seeking to associate with FSC must undergo a screening process in accordance with the *Due Diligence Evaluation for the Association with FSC* (FSC-PRO-01-004) for compliance with the *FSC Policy for Association*. This procedure is also implemented on an ongoing basis to monitor for changes.

FSC is in the early stages of revising this procedure and is seeking comments from stakeholders as part of this consultation. Please see the discussion paper on this procedure prepared for this consultation.

2. If a potential violation of the *FSC Policy for Association* is brought to the attention of the FSC Secretariat, then the *Processing Policy for Association Complaints in the FSC*



Certification Scheme (FSC-PRO-01-009) is applied. This procedure can currently be activated:

- **Reactively:** When a stakeholder files a complaint against an organization related to a potential violation of the *FSC Policy for Association*.

The *FSC Policy for Association* working group proposes to expand the scope of this procedure so that it can be activated:

- **Proactively:** An investigation can begin when there is evidence or allegations of a potential violation of the *FSC Policy for Association*, as an alternative to, or before a complaint has been filed.

If approved, it will be integrated into FSC-PRO-01-009. For more information, see the discussion paper on the proactive *FSC Policy for Association* evaluation prepared for this consultation.

6. Why is the *FSC Policy for Association* being revised, and what are the key proposed changes?

Since the last approval of the *FSC Policy for Association* in 2011, there have been inconsistencies in its application and a continuous need for interpretations. In early 2014, after a careful review of the policy, the FSC International Board directed the Secretariat to establish a working group to revise the policy.

The review also discovered the need to significantly strengthen the existing *Due Diligence Evaluation for the Association with FSC* (FSC-PRO-01-004) (currently an internal procedure), to form the basis for monitoring and evaluation activities.

A new mechanism is also being proposed - the *Proactive Policy for Association Evaluation* -- to be included within the *Processing Policy for Association Complaints in the FSC Certification Scheme* (FSC-PRO-01-009). This aims to address the issue that the FSC Secretariat does not currently have the means to proactively investigate potential violations of the *FSC Policy for Association*, or take action outside the formal and resource-intensive complaints process.

The below table summarizes the key changes being proposed in the *FSC Policy for Association* (PfA).

Section	Key Changes	Rationale
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Introduction	Detail added to purpose, intent and application.	To make it clear when this policy should be applied.
Scope	<p>Clarification that all organizations holding a contract with FSC are held to this policy.</p> <p>Clarification that this policy is implemented on activities that do not fall within the scope of an FSC certificate.</p> <p>Clarification that the unacceptable activity(ies) must have occurred or be occurring. Intent to commit an unacceptable activity does not constitute a breach, though it may trigger other actions by FSC.</p>	Clarifications provided on elements that have led to confusion and misinterpretation.
Policy element: Accountability and Control	<p>Involvement in any of the unacceptable activities revised to focus on accountability for the unacceptable activities:</p> <p>The current policy uses the terms ‘direct involvement’ (first-hand responsible) and ‘indirect involvement’ (51% or more ownership threshold) for determining whether an organization is responsible for the occurrence of the unacceptable activity.</p> <p>The revision proposes to determine accountability based on whether the organization has/had ‘Control’ in the occurrence of the unacceptable activity.</p> <p>For an overview document of examples of how this concept of ‘Control’ would be applied, please click here.</p>	<p>The current policy does not adequately identify how to determine ‘involvement’ as it relates to whether an organization is responsible for the occurrence of the unacceptable activity. This has been particularly challenging when determining ‘indirect involvement’ by using a threshold as a proxy for making this determination. The meaning of ‘indirect involvement’ has also been poorly understood.</p> <p>The revision aims to allow for an evaluation of actual accountability. It also expands the scope to include situations where an organization was in control of unacceptable activities implemented by a supplier or third party, in such cases where the organization was in control of the occurrence of the activity.</p>
Policy element: six unacceptable activities NOTE:	<p>a) Illegal logging harvesting or the trade in illegal wood or forest products</p> <p>b) Violation of traditional and human rights in forestry operations</p>	Overall, revised with the goal to align with other FSC standards, particularly the controlled wood standard.



<p>Strikethrough signifies current text that is proposed for deletion and blue highlight signifies text that is proposed in the revision</p>	<p>c) Violation of any of the ILO Core Conventions</p> <p>d) Destruction of Significant damage to high conservation values in forestry operations forests</p> <p>e) Significant conversion of forests to plantations or non-forest use.</p> <p>Conversion is considered significant in any case of:</p> <ul style="list-style-type: none"> • Conversion of High Conservation Value Forests • Conversion of more than 10% of the forest areas under the organization's control and responsibility within a national jurisdiction in the past 5 years • Conversion of more than 10,000 ha of forests under the organization's control and responsibility within a national jurisdiction in the past 5 years <p>Explanatory Note also revised to indicate that the above numerical and percentage thresholds serve as triggers for considering the conversion to be 'significant'.</p> <p>f) Introduction Planting and growing of genetically modified organisms trees in forestry operations for commercial purposes</p>	<p>a) Revised to reflect the definition of 'illegal logging' in the existing policy.</p> <p>b) Expanded to include these violations outside of forestry operations if there is reputational risk to FSC. This expansion aligns the activity with the controlled wood and chain of custody standard and also the scope of the activity (c) that is applicable beyond forests.</p> <p>c) No change except for re-ordering. This issue is being addressed by a separate FSC working group and this policy will be aligned with the outcome of that process.</p> <p>d) Revised to reflect the definition of 'destruction' in the existing policy and to focus on forests.</p> <p>e) Revised with aim to address actual on-the-ground, spatial impacts. The thresholds have been left the same for now and may be addressed by an FSC technical group handling issues related to conversion.</p> <p>f) Clarified that the unacceptable activity is commercialization of GM trees and not research. Aimed at aligning the PfA with the existing GMO policy.</p>
<p>Policy implementation</p>	<p>Revised to eliminate duplication with the PfA procedural documents (<i>FSC Due Diligence Procedure</i> and <i>FSC Complaints Procedure</i>).</p> <p>Addition of mechanism to allow for proactive PfA evaluations</p>	<p>Current PfA decisions allow for only two options: immediate disassociation (with relevant timelines and conditions for re-association) or no disassociation with any further implications. There is no provision that allows for corrective and preventive</p>



	<p>Addition of working group proposal to allow for 'conditional association' as an alternative to disassociation in cases where appropriate. NOTE: the working group did not reach consensus on this proposal and is seeking stakeholder input during this consultation.</p>	<p>actions from the defendant prior to a potential disassociation, and with disassociation if those actions are not successfully met.</p> <p>This option of 'conditional association' is now being proposed, allowing for change to happen before disassociation, offering organizations the opportunity to demonstrate that for authentic reasons they are, and want to stay, associated with FSC. Thereby, the PfA would be used more constructively and solution-oriented in order to initiate immediate change. It would also allow for consequences to be placed on organizations in cases where the decision is made to not disassociate.</p> <p>Actions or conditions for remaining associated with FSC would require that the unacceptable activity is no longer occurring; that systems are in place to ensure that it does not occur in the future; and that remediation and/or compensation measures have occurred, among others.</p> <p>It is not envisioned that this alternative option will be applied in all cases, and will be based on the severity of the activity as well as the opportunity for immediate short-term change and resolution.</p>
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