



Forest Stewardship Council®



Procedure for Evaluating Compliance with the FSC Policy for Association

FSC-PRO-01-009 V4-0 EN

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PROCEDURE FOR EVALUATING COMPLIANCE WITH THE FSC POLICY FOR ASSOCIATION

FSC-PRO-01-009 V4-0 EN

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The Forest Stewardship Council (FSC) is an independent, not for profit, non-government organization established to support environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

FSC's vision is that the world's forests meet the social, ecological, and economic rights and needs of the present generation without compromising those of future generations.

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INTRODUCTION

FSC-POL-01-004 The *Policy for the Association of Organizations with FSC, or FSC Policy for Association*, is an expression of the values shared by organizations associated with FSC. It defines six unacceptable activities that associated organizations and their affiliated groups commit to avoid in both certified and non-certified operations.

The procedure in this document, FSC-PRO-01-009, describes the process used by the FSC Secretariat to address formal complaints and allegations of violations to the *FSC Policy for Association* in a timely, independent and effective manner.

A Objective

This procedure is used to evaluate allegations of violations to the *FSC Policy for Association*, as well as to define the consequences to the organization when a violation is found to have occurred.

Disassociation will be considered as a measure of last resort against associated organizations and their affiliated groups that are found to be in violation of the *FSC Policy for Association*. The policy, as detailed in this procedure, also allows the FSC Secretariat to impose other, less punitive, consequences for violations, depending on the gravity of the violation.

B Scope

This procedure applies to organizations associated or seeking to associate with FSC (i.e., members, certificate holders and certification bodies) and to their affiliated groups.

An evaluation according to this procedure may be triggered by the FSC Secretariat¹ upon presentation of substantiated evidence that the associated organization (or its affiliated group) may be in violation of the *FSC Policy for Association*. This may occur through a formal complaint lodged by a stakeholder or by other means, as further detailed in Clause 2.1 below.

This procedure is only used to evaluate possible violations to the *FSC Policy for Association*. Complaints or allegations against an organization related to the six unacceptable activities of the *FSC Policy for Association* that overlap with certification requirements should first be taken to the certification body.

C Normative dates

Approval date: XXX
Publication date: XXX
Effective date: XXX
Transition period: XXX
Period of validity: XXX

D References

The following references are relevant for the application of this document. For undated references, the latest edition of the referenced document (including any amendments) applies.

FSC-POL-01-004 *FSC Policy for the Association of Organizations with FSC*
FSC-PRO-10-004 *Due Diligence Evaluation for Association with FSC*

E Terms and definitions

For the purposes of this procedure, the terms and definitions given in *FSC-POL-01-004 Policy for the Association of Organizations with FSC*, *FSC-STD-01-002 FSC Glossary of Terms*, ISO/IEC 17000:2004, and the following apply:

Accountability

Under Review. The FSC Secretariat, the PfA Working Group and FSC Board of Directors are currently reviewing several options before making a final decision.

¹ The FSC Quality Assurance Unit manages the *FSC Policy for Association* and its implementation, including this procedure.

Affiliated Group

The totality of legal entities to which an associated organization is affiliated in a corporate relationship in which either party controls the performance of the other (e.g. parent or sister company, subsidiary, joint venture, etc.).

Association (Associated Organization)

An association with FSC is formally established through any of the following contractual relationships: FSC membership agreement; FSC certificate holder license agreement; FSC certification body license agreement.

Complaint (formal complaint)

A formal allegation against a party.

Complainant

An individual or organization filing a formal complaint.

Consensus

General agreement, characterized by the absence of sustained opposition.

Defendant

A person or organization against whom a complaint has been filed.

Disassociation

The termination of all existing contractual relationships (member and license) between FSC and the associated organization (and its affiliated group). Disassociation also prevents entry into any new contractual relationships with FSC. Disassociation decisions are taken by the FSC Board of Directors, due to a breach of the FSC Policy for Association. Disassociation normally includes a set of conditions that must be met in order for re-association to be considered.

Ending a disassociation

Ending a disassociation implies that the disassociated organization has met the conditions in order for re-association to occur and may take steps to re-associate if it wishes to do so. It does not mean that any previous contractual relationships are automatically resumed, or that any certificates are reinstated. The decision to end a disassociation is taken by the FSC Board of Directors.

Evaluation Panel

A permanent chamber-balanced committee, established by the FSC Board of Directors, that evaluates and makes recommendations on *FSC Policy for Association* evaluations to the FSC Board of Directors. The Evaluation Panel also plays an oversight role in the process.

Investigator(s)

A contingent of one or more persons established on an ad hoc basis for the purpose of investigating possible violations to the *FSC Policy for Association* and presenting findings to the Evaluation Panel.

Mediation

Intervention in a dispute in order to resolve it. For the purposes of this procedure, mediation may involve a suite of different alternative dispute resolution techniques.

Re-association

The renewal of contractual relationships (member and license) between FSC and the disassociated organization (and its affiliated group).

Stakeholder

Any individual or group whose interests are affected by the FSC Certification Scheme.

Substantiated evidence

Supported or verified by corroborating information.

F Version history

V1-0: initial version, not specific to complaints of non-compliance with the *FSC Policy for Association*.

V2-0: revised to incorporate the requirement for formal complaints of non-compliance with the *FSC Policy for Association*.

V2-1: revised to include requirements about communicating FSC Board decisions on complaints to the affected parties and stakeholders.

V3-0: revised for use for *FSC Policy for Association* complaints only. The Guidance for Evaluation Panels evaluating *FSC Policy for Association* complaints, and the basic principles of the FSC Dispute Resolution System, were integrated into this procedure.

V4-0: proposed: revised to expand the scope of this procedure so that an evaluation may be initiated by means other than a stakeholder formal complaint. Other revisions are also being proposed based on lessons learned since Version 3 was introduced, including establishment of a 'permanent evaluation panel' and separation of investigation duties from the evaluation panel to an ad-hoc investigation body.

1. Principles and General Requirements

- 1.1 Substantiated evidence is needed in order to trigger an evaluation of a possible violation of the FSC Policy for Association. Frivolous allegations will not be accepted.
- 1.2 The standard of certainty “clear and convincing evidence” is used as the minimum threshold for making decisions on whether there is a violation of the FSC Policy for Association. This standard is met when the certainty of the violation is substantially more probable to be true than not (see Annex 1).
- 1.3 In the spirit of the FSC system, and following the “lowest level principle”, stakeholders should first attempt to resolve conflicts through discussion and mediation and to engage in all reasonable efforts to address concerns. Before initiating an evaluation according to this procedure, the FSC Secretariat will first assess whether the potential violation can be addressed through alternative dispute resolution techniques, and will then facilitate such process when appropriate. Dialogue and mediation with all affected parties, and with the aim of resolving the case through less formal means, is a cornerstone of this procedure and is promoted at multiple steps in this process and whenever the opportunity to do so is possible.
- 1.4 The principle of “presumption of innocence” is followed such that an organization is considered innocent unless proven guilty. The FSC Secretariat will not assume that associated or applicant organizations are responsible for a violation until an evaluation is concluded based on this procedure. All stakeholders are encouraged to respect this same principle.
- 1.5 The principles of fair treatment and inclusivity are followed. Throughout the evaluation process, the FSC Secretariat will provide affected parties with ample opportunities to supply evidence and counterevidence, stating their position and commenting on conclusions. The FSC Secretariat and the appointed Investigator(s) and Evaluator(s) will strive to maintain close dialogue with all parties during the entire evaluation.
- 1.6 All parties to an allegation or complaint should refrain from commenting publicly on the situation and actions being taken by FSC until such time as defined in this procedure.

Stakeholder input request: Clause 1.6, above, is taken from the existing PfA Complaints Procedure. However, it is not clear *how* FSC can enforce such a requirement, particularly when the Complainant does not have a contractual relationship with FSC. It is also not clear whether FSC *should* have such a requirement – while the Defendant is “innocent until proven guilty”, this clause may impact a Complainant’s freedom of speech and their capacity to seek multiple avenues for addressing their concerns. Please provide input on how such a requirement could be enforced and, if it cannot (or should not), then whether the clause as stated should be revised.

- 1.7 All affected parties are expected to cooperate in the evaluation process.
- 1.8 All entities involved in investigating, evaluating and decision-making shall be free of any conflict of interest.
- 1.9 The associated organization may voluntarily terminate its association with FSC at any time. However, the FSC Director General has the discretion to continue the evaluation process.

- 1.10 The Complainant may withdraw the formal complaint voluntarily at any time. However, if there is sufficient evidence of a possible violation, the FSC Director General has the discretion to continue the evaluation process.
- 1.11 This evaluation process does not suspend the validity of other certification or membership decisions and standing, unless a decision is made otherwise by the FSC Board.
- 1.12 The FSC Secretariat is committed to adhering to the timelines of this procedure. In extraordinary cases, timelines may be extended, and all affected parties shall be informed accordingly.

2. Initiating an Evaluation

- 2.1 There are different ways in which a potential violation to the FSC Policy for Association may be brought to the attention of FSC:
 - a) Through information gathered as part of the *Due Diligence Evaluation for the Association with FSC*, when applicant organizations are screened and there is an indication of a possible violation;
 - b) Through allegations of a possible violation submitted by a stakeholder, FSC staff, a Network Partner, a certification body, or ASI;
 - c) Through third-party public reports, court judgments or other communications that present substantiated evidence of a possible violation;
 - d) Through submission of a formal complaint by a stakeholder.
- 2.2 The process for evaluating whether the organization is in violation of the *FSC Policy for Association* is essentially the same irrespective of which of the above pathways (Clause 2.1 a-d) are used to initiate the process. NOTE: The following sub-steps are specific to evaluation processes initiated by a formal stakeholder complaint: 3.1.3; 3.2.3; 3.3.5; 3.5.5; and 3.8.3.

3. Steps in the Evaluation Process (in sequential order)

- Flowchart to be added -

3.1 Notification and Receipt

- 3.1.1 FSC shall be notified and provided with substantiated evidence that the associated organization or its affiliated group may be in violation of the *FSC Policy for Association*.
- 3.1.2 Any stakeholder may submit a formal complaint or allegation.
- 3.1.3 In relation to formal complaints filed against an organization:
 - a) The Complainant shall complete the standardized complaint template (see Annex 2), in either English or Spanish. Only complaints that follow all the clauses in the template will be accepted.
 - b) Complaints shall be brought to the attention of the FSC Director General and receipt should formally be acknowledged within ten (10) business days.

3.2 Resolution or Initiation of Evaluation

- 3.2.1 FSC shall contact the affected parties to discuss the issues raised against the organization, with the aim to promote dialogue between the parties and to resolve the situation without initiating a full evaluation.
- 3.2.2 The Evaluation Panel shall be informed of the situation.
- 3.2.3 In relation to formal complaints filed against an organization:

- a) If the concern raised in the complaint cannot be resolved through alternative dispute resolution techniques to the satisfaction of the Complainant, the FSC Director General shall determine whether to accept the complaint. This is dependent on:
 - proper use of the standardized complaints template; and
 - the presence of sufficient evidence to warrant a full evaluation; and
 - the complaint falling within the scope of the *FSC Policy for Association*.
- b) The decision to accept or reject the complaint is communicated to the Complainant and Defendant within the shortest time possible after exhausting attempts to resolve the concerns through discussion and mediation.
- c) If the complaint is accepted, a public announcement is made.

3.3 Investigation and Preliminary Recommendations

- 3.3.1 An Investigator (or team of investigators) shall be assigned by FSC, through consultation with the Evaluation Panel, to conduct an in-depth investigation of the potential violation.
- 3.3.2 The role of the Investigator(s) is to gather, examine and analyze evidence as to whether the organization is in violation of the *FSC Policy for Association*, evaluating all aspects of the issue and through diverse means. The Investigator(s) shall:
 - a) Review all relevant information gathered through the Due Diligence Evaluation, certification reports, the formal complaint submission (if relevant), and any other evidence provided.
 - b) Contact all affected parties to request additional information (if needed) and to ascertain and understand their perspectives.
 - c) Contact third parties, as necessary. Interviews are conducted with consideration of safety of interviewees, particularly to vulnerable groups.
 - d) Verify all information, as possible, through field visits, cross-checking of information, technical or scientific review, aerial photos, and other means.
 - e) Maintain ongoing communication with FSC, providing updates to designated FSC staff and the Evaluation Panel as requested.

NOTE: The role of the Investigator(s) is not to act as a mediator.

- 3.3.3 If new information arises during the investigation that was not part of the original allegation or formal complaint yet points to a possible violation of the *FSC Policy for Association*, the Investigator(s) shall include this information as part of the investigation. However, the investigator(s) is not responsible for initiating an investigation on issues outside the formal complaint or allegation. In the case that new information arises as part of the investigation, the affected party(ies) shall be made aware of the expanded investigation.
- 3.3.4 Depending on the case, the Investigator(s) may be composed of an expert consultant, a team of consultants, or FSC staff. This is determined through consultation with affected parties and the Evaluation Panel, and through considering factors such as:
 - a) level of complexity of the case;
 - b) expertise required;
 - c) language;
 - d) regional/local expertise needed.

- 3.3.5 In relation to formal complaints filed against an organization:
- a) The Investigator(s) shall be assigned within 30 days of accepting the complaint.
 - b) The affected parties shall be requested to agree with the selection of the Investigator(s).
- 3.3.6 The Investigator(s) shall sign and adhere to a confidentiality agreement.
- 3.3.7 The magnitude and intensity of the investigation shall be based on the complexity of the case.
- 3.3.8 The Investigator(s) shall develop a report that describes the findings of the investigation according to the template in Annex 3.
- 3.3.9 The Investigator(s) may recommend in the report that FSC seek resolution of the issue without moving to decision-making by an Evaluation Panel and the FSC Board of Directors.

3.4 Validation of Findings

- 3.4.1 The affected parties shall be provided with a copy of the Investigation report, with confidential information removed, in order to respond to the findings. They are given 14 days, from the date the investigation report is sent, to provide a response.
- 3.4.2 Indication of deliberate attempts by the organization to conceal evidence of the violation is grounds for consideration of disassociation.

3.5 Final Review and Recommendation

- 3.5.1 The Evaluation Panel shall make a final recommendation on the case for consideration by the FSC Board of Directors.
- 3.5.2 The role of the Evaluation Panel is to provide oversight throughout the evaluation process and to:
- a) Evaluate the case, based on the findings of the investigation report.
 - b) Make a recommendation, based on the investigation report, on the action that should be taken against the organization. The recommended action shall be one of the following:
 - maintain association;
 - probation, with time-bound conditions that must be met in order to remain associated;
 - disassociation, with conditions for ending the disassociation, if possible. A timeline for re-association may also be provided.
 - c) In collaboration with FSC staff, produce an evaluation analysis for the FSC Board of Directors.
 - d) In collaboration with FSC staff, produce a public summary of the evaluation, according to the template in Annex 4.

NOTE: See Annex 5 for guidance on determining the recommended action.

- 3.5.3 The Evaluation Panel shall be a permanent (pre-established) panel that consists of six FSC members, two per chamber.
- 3.5.4 The Evaluation Panel shall be structured so that three members of the panel (one from each chamber) serve as the Main Evaluation Panel, and the remaining three members serve as alternatives, called upon if their counterpart in the Main Evaluation Panel is not able to fulfill their role because of a conflict of interest or other reason.
- 3.5.5 In relation to formal complaints filed against an organization:

- a) The composition of the Evaluation Panel shall be presented to the Complainant and the Defendant for consultation with regard to conflict of interest.
 - b) The Complainant and Defendant shall have the right to object to the Evaluation Panel if there is a perceived conflict of interest. They are given 10 days, after notification of the Evaluation Panel members, to raise an objection.
 - c) The Director General shall make the final decision on any objection of the Complainant or Defendant. In this case, the alternate panel member for the respective chamber will be appointed.
- 3.5.6 The Evaluation Panel shall be appointed by the FSC Board of Directors to serve for a three-year term, with possible renewal for an additional term.
- 3.5.7 The working language of the Evaluation Panel is English.
- 3.5.8 All individuals comprising the Evaluation Panel shall sign and adhere to a confidentiality agreement.
- 3.5.9 The Evaluation Panel shall make its recommendation by consensus. If consensus cannot be reached, then a vote shall be taken with the final recommendation being the simple majority.
- 3.5.10 The findings and recommended actions of the Evaluation Panel shall be reviewed by FSC Legal Counsel for input on any legal implications.

Note to Stakeholders: Upon approval of this procedure, a complete Terms of Reference for the Evaluation Panel will be included in an annex to this procedure.

3.6 Review by Affected Parties of Recommendations

- 3.6.1 A summary of the evaluation report, including the recommendation made by the Evaluation Panel, shall be provided to the affected parties for review.
- 3.6.2 The affected parties shall be provided with the opportunity to submit comments on the findings and recommendations of the evaluation report. They are given 14 days, from the time they receive the evaluation report, to provide comments.
- 3.6.3 Any comments submitted shall be considered in the final decision-making of the case.

3.7 Final Decision-Making

- 3.7.1 A final decision shall be made based on the report from the Evaluation Panel and any responses provided by FSC Legal Counsel and the affected parties.
- 3.7.2 The FSC Board of Directors shall be responsible for decision-making when an evaluation was initiated because of a stakeholder formal complaint or when the recommendation of the Evaluation Panel is to disassociate from the organization.
- 3.7.3 The decision should be taken at the next FSC Board meeting.
- 3.7.4 The FSC Director General shall be responsible for decision-making in all other situations (i.e., when the evaluation was not initiated by a stakeholder complaint or the Evaluation Panel recommended either to maintain association or probation).
- 3.7.5 The decision shall be binding for all parties involved.

3.8 Communication of the Decision

- 3.8.1 The FSC Director General shall first communicate the decision to the adversely affected party and then to the non-adversely affected party (where applicable). The preferred method of communication is a physical meeting, with verbal communication being the alternate method. This shall be followed up with written correspondence of the decision.
- 3.8.2 A public announcement shall be made if the decision is taken to disassociate from the organization or to place the organization on probation. This announcement shall be placed on the FSC website.
- 3.8.3 In relation to formal complaints filed against an organization: A public announcement shall be made for any decision taken by the FSC Board, and it shall include a public summary of the evaluation.

3.9 Probation or Disassociation

- 3.9.1 In case of probation:
- a) FSC shall enter into dialogue with the organization on fulfilling the time-bound conditions for remaining associated.
 - b) The organization shall be required to implement the conditions of probation within the timeframe specified in the decision.
 - c) FSC shall monitor achievement of these conditions; deviations shall be reported to the FSC Director General and the FSC Board of Directors.
 - d) The decision to disassociate may be taken if the conditions are not satisfactorily fulfilled within the stated timeframe.
- 3.9.2 In case of disassociation:
- a) Action to terminate the contractual relationship shall normally be taken within 30 days after public communication of the decision.
 - b) The disassociated organization interested in re-association with FSC shall enter into a roadmap process for ending the disassociation.

NOTE: See Annex 6 for a current version of the roadmap process, including pre-conditions that must be fulfilled in order to initiate the roadmap process.

4 Record-keeping

- 4.1 The FSC Secretariat shall maintain all relevant incoming and outgoing correspondence, reports, decisions, action plans and other information in electronic and/or hard copy for a minimum period of 7 years.

Annex 1: Overview of FSC Dispute Resolution Program and the Standard of Certainty

The FSC Dispute Resolution Program falls under the Quality Assurance Unit at FSC International.

The main goal of this program is to support stakeholders to express concerns they may have with the operation of the FSC system and find the best way of resolving disputes, if possible before they are formalized. The main functions include:

- to effectively address stakeholder concerns related to FSC certification;
- to provide support with crisis communications;
- to feed the lessons learned from dispute resolution back to the FSC system, thereby driving continuous improvement; and
- to build capacity for conflict resolution among the FSC Network.

The Dispute Resolution Program uses different mechanisms and normative procedures for addressing stakeholder issues, depending on the nature of the issue and the risk to the FSC system:

- *Processing Complaints in the FSC Certification Scheme* FSC-PRO-01-008 deals with complaints regarding the FSC normative framework or the performance of FSC International, the FSC Network or Accreditation Services International. Most issues are dealt with using this procedure.
- *FSC Policy for Association Evaluation Procedure* FSC-PRO-01-009 deals with complaints against organizations associated with FSC and their compliance with the FSC Policy for Association.
- *Processing Appeals* FSC-PRO-01-005 deals with appeals.

NOTE: Complaints against FSC certified organizations regarding their compliance with FSC certification requirements are dealt with by the certification body that issued the certificate; complaints against certification bodies regarding their performance are dealt with by Accreditation Services International.

With the aim of addressing stakeholder concerns as effectively as possible, and following the 'principle of the lowest level', the Dispute Resolution Program also uses alternative dispute resolution techniques. To do this, dialogue and discussion among the affected stakeholders, as well as mediation techniques, are facilitated and implemented by FSC whenever possible.

The Standard of Certainty

The standard of certainty is the degree of certainty applied to determine whether an allegation is defensible or not. Setting a standard of certainty is crucial – without a standard of certainty, it is not possible to evaluate the fairness and rationality of a decision.

In the context of FSC and the FSC Policy for Association, the standard of certainty is a threshold that the Investigation Body and Evaluation Panel consider when evaluating allegations to determine whether an organization is responsible for a violation of the FSC Policy for Association, and therefore whether disassociation should be considered.

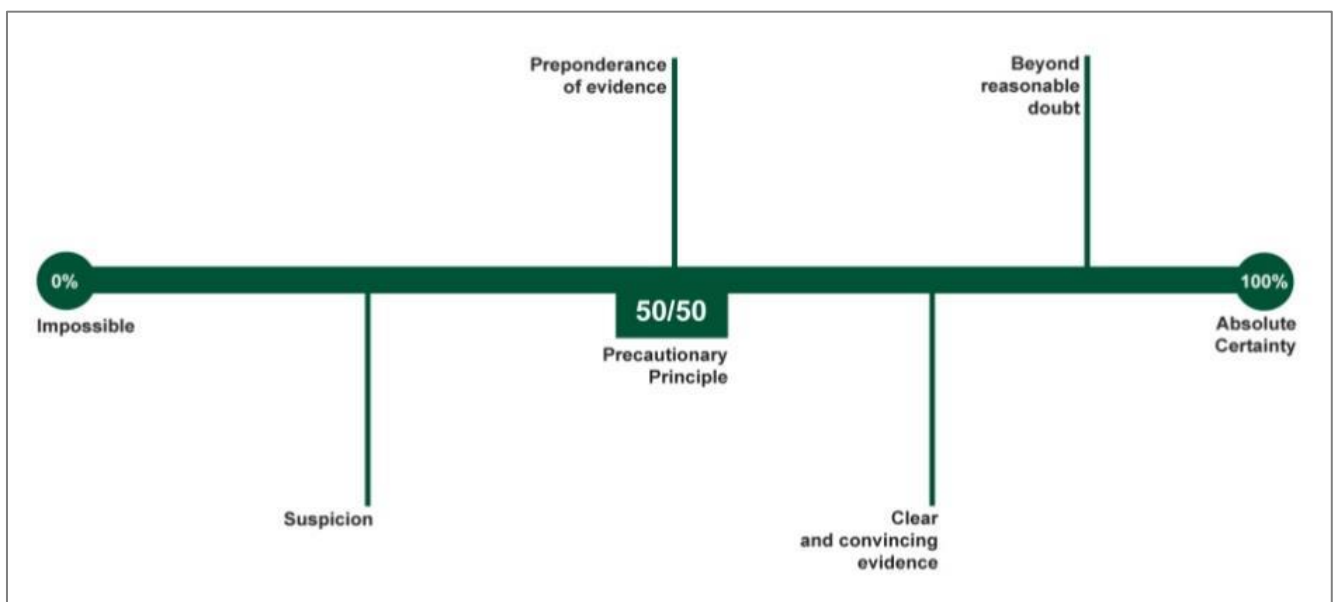
Instead of the legal term “standard of proof”, the term “standard of certainty” is used in the FSC dispute resolution system. The FSC dispute resolution system is an alternative to the conventional legal system. The FSC rules are agreed upon by the FSC Members and do not necessarily follow the principles of the common or the civil law. The term standard of proof is therefore not transferable to the context of FSC.

Overview of standards of certainty

The following is an overview of commonly used standards of certainty:

- **Preponderance of evidence.** This standard is based on a balance of probabilities and is the required threshold for action under the precautionary principle. To meet this standard, the evidence available to the Investigator(s) and Evaluation Panel would be more likely to be true than not.
- **Clear and convincing evidence.** This standard is higher than the preponderance of evidence. To meet this standard, the evidence available to the Investigator(s) and Evaluation Panel must be substantially more probable to be true than not. There must be a firm conviction or belief that the organization is responsible for a violation of the FSC Policy for Association.
- **Beyond reasonable doubt.** There must be proof of such a convincing character that the Investigator(s) and Evaluation Panel would have no reasonable doubt in believing that the organization is responsible for a violation of the FSC Policy for Association. However, it does not mean an absolute certainty or no doubt.

Standards of certainty on a probability scale



Annex 2: FSC Template for submitting FSC Policy for Association formal complaints

A. General Information

Name of individual or organization	
Contact person (for organizations)	
Postal address	
Phone number	
Email address	
Website	
FSC member (if yes: international/ national, chamber, North/South)	
Date of submission	
Signature of legal representative of the Complainant	

B. Information about the organization(s) against whom the formal complaint is submitted:

Name	
Contact person	
Postal address	
Phone number	
Email address	
Website	
Certificate number (s)	

C. Information about the FSC Policy for Association formal complaint

Issue	Information to support the formal complaint
Objective of the complaint	
Specification of the issues and events that lead to the complaint	
Which unacceptable activity(ies) does the complaint address (mark with an X)	<ul style="list-style-type: none"> • Illegal logging or trade in forest products • Violation of traditional or human rights within the forestry or forest products sector • Violation of any of the ILO core conventions within the forestry or forest products sector • Significant damage to high conservation values in forests • Significant conversion of forests to plantations or non-forest use • Use of genetically modified trees for purposes other than research, such as for commercial purposes
Evidence to support each element or aspect of the complaint. Please provide an overview, a description and attach supporting documents.	
Overview of the steps that were taken to resolve the issues prior to lodging this complaint and the response that was provided.	
Do you agree to share the complaint with the Defendant and other	

Parties to the complaint?	
Do you agree to adhere to the terms, provisions and principles of the <i>Procedure for Evaluating Compliance with the FSC Policy for Association</i> (FSC-PRO-01-009)	
Anything else?	

Annex 3: Template for Investigation Body report

Cover page

Header: xxx allegation against xxx [with notation if the evaluation was initiated by a formal complaint]

Date:

Title: Recommendation to the FSC Policy for Association Evaluation Panel

Subtitle: Investigation Body consisting of [names of all Investigation Body members]

Summary of Finding:

Table of contents

1. Executive summary
2. The Investigation Body and selection criteria
3. The Allegation [with notation if it is a formal complaint]
4. Evaluation of the allegation
 - 4.1 Methodology and data collection
 - 4.2 Description of documents and sources
 - 4.3 Description of stakeholders interviewed
 - 4.4 Impediments to the evaluation
 - 4.5 Clear and convincing evidence for the finding
 - 4.6 Assessment of counterevidence and counterarguments

Annexes

- A. Reports of field trips
- B. List of stakeholders interviewed
- C. Bibliography of documents and sources
- D. Documents not publicly available
- E. Any other annexes

Annex 4: Template for the public summary of the FSC Policy for Association Evaluation report

Header: xxx allegation against xxx [with notation if the evaluation was initiated because of a formal complaint]

Date: xxx

Title: Public summary of the FSC Policy for Association Evaluation report

Subtitle: Impartial Evaluation Panel consisting of [name of evaluation panel members]

- The Evaluation Panel
- The allegation [with notation if it a formal complaint]
- Evaluation of the allegation
- Clear and convincing evidence for [disassociating with XXX] [maintaining the association with XXX] [placing XXX on probation]
- Recommendation(s) to the FSC Board of Directors [insert timeline and conditions for ending the disassociation or probation, if applicable]

Annex 5: Guidance for determining the consequence of a violation to the FSC Policy for Association

The following guidance is used by the Evaluation Panel to determine whether to recommend disassociation (with conditions for re-association) or probation (with time-bond conditions for remaining associated) for organizations found to be in violation of the policy.

The guiding principles behind the conditions for re-association (in the case of disassociation) and maintaining association (in the case of probation) are also provided below.

A. Factors to consider for determining whether probation can be granted instead of disassociation

- First-time violation for the associated organization or any entity within the affiliated group
- Time dimension regarding how long the organization was involved in the unacceptable activity (short term instead of long term)
- Cause of the unacceptable activity (oversight instead of systemic)
- Number of unacceptable activities violated (one or few instead of many)
- Level of clarity regarding accountability for the unacceptable activity (lack of clarity instead of certainty)
- Timespan over which the conditions could be met (generally within six months instead of one or more years)
- Reputational damage already done (minimal instead of severe)
- Continued occurrence of the unacceptable activity (the unacceptable activity has clearly stopped occurring)

STAKEHOLDER INPUT NEEDED: The above draft guidance on when probation may be decided rather than disassociation was developed by the PfA Working Group with the understanding that the revision of this procedure would provide further opportunity to refine the guidance. Your input is requested on the factors associated with probation.

B. Guiding principles for conditions placed on organizations

The conditions placed on an organization at the time of disassociation or probation are based on the violations that occurred with respect to the FSC Policy for Association as well as other trust-building measures. They include:

1. Compensation (both social and environmental) to address damages and impacts of past violations.
2. Improved due diligence to prevent future violations of the FSC Policy for Association from occurring.
3. Commitment to transparency and meaningful stakeholder engagement in the process.
4. Independent verification of corrective/compensatory and protective measures.
5. Other trust-building measures, such as actions towards compliance with the organization's own policy commitments.
6. Depending on the gravity of the violation and persistence of risk to FSC, a penalty (waiting) period may also be established before the organization can seek re-association.
7. Other, as decided by the Evaluation Panel and the FSC Board of Directors.

For disassociated organizations, these conditions are further elaborated during the process to develop a time-bound 'Roadmap' (with associated action plans) for ending the disassociation (see Annex 6).

Annex 6: Roadmap for ending a disassociation

Definition

A Roadmap (towards ending the disassociation status of an organization) is a framework and plan, jointly agreed between FSC and the disassociated organization, based on conditions for how to correct, compensate and prevent reoccurrence of previously identified violations of the FSC Policy for Association. It may also include other trust-building measures. The Roadmap includes a high-level framework and detailed, issue-specific action plans, performance measures and reporting requirements associated with each of the conditions. The Roadmap is managed by FSC with direct and ongoing consultation with affected parties.

Such a roadmap can, but does not have to be time bound as it is usually less relevant when certain actions would be implemented. Only upon completion of the roadmap, an ending of the disassociation status is held out in prospect.

Prerequisites for initiating the Roadmap process for ending the disassociation

Prior to entering into a formalized engagement with FSC through an agreed roadmap, the disassociated organization needs to meet certain preconditions. The following five high-level indicators have been identified as critical thresholds for determining the readiness of a disassociated organization for a roadmap process:

1. The disassociated organization demonstrates a top management commitment towards complying with the FSC Policy for Association for the purpose of ending the disassociation from FSC.
2. The disassociated organization has adopted relevant values (policies, protocols, codes of conduct, etc.) whereby previous business practices are to be abandoned and (more) responsible actions are to be adopted and implemented.
NOTE: This would mean that new or ongoing PfA violations should no longer occur on a systematic or regular basis, though it still may come to isolated incidents.
3. The disassociated organization has commenced with credible steps towards implementation of new policies in a transparent manner involving relevant stakeholders.
4. Issues of concern for FSC that should constitute the roadmap elements have been identified so that relevant targets for the organization's actions and performance can be comprehensively defined.
5. The roadmap's targeted end points are reachable by the organization within a foreseeable period in time and can be independently verified.

Purpose of a roadmap

The overall purpose of using the concept of a roadmap is to clarify and communicate the conditions, timelines, processes, and methodologies for ending an organization's disassociation status. A roadmap thereby fulfills a number of functions:

For FSC:

- To signal that FSC is solution-oriented and that the ultimate interest is to improve practices on the ground
- To ensure realistic expectations regarding timelines and company progress

For stakeholders:

- To have a benchmark for the organization's performance and its need for further improvements
- To trust there is a robust process in place that guides any decision to end the disassociation

For the disassociated organization:

- To have a perspective for ending the disassociation
- To obtain clarity on required actions how to address PfA violations

Decisions – who defines, who approves, who manages, who verifies

The framework for decision-making on various aspects of a roadmap process is as follows:

Decision	Body
Disassociation	FSC Board
Entry into roadmap	FSC Secretariat
Development of roadmap	FSC Secretariat, through direct and ongoing consultation with affected parties and stakeholders
Approval of roadmap	FSC Board
Verification of targets reached	FSC Secretariat/Independent party
Ending the disassociation	FSC Board

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