



## Controlled Wood FSC US National Risk Assessment: Implementation Questions and Answers

### **ACRONYMS**

**US NRA:** FSC US Controlled Wood National Risk Assessment

**CH:** Certificate Holder

**DDS:** Due Diligence System

**CB:** Certification Body

**CW:** Controlled Wood

**HCV:** High Conservation Value

***NOTE: The following questions and answers are intended to provide information for CH that are incorporating the FSC US National Risk Assessment for the conterminous United States (excludes Alaska, Hawaii and US Territories) into their DDS.***

### **TIMELINE / 6-MONTH TRANSITION PERIOD**

1. *When do certificate holders need to have incorporated the US NRA into their DDS and cease use of their company risk assessments?*

ANSWER: By October 5, 2019, CH sourcing materials that they wish to control from the conterminous United States (excludes Alaska, Hawaii and US Territories) must have updated their DDS to incorporate the US NRA, unless they have received an extension from their CB.

2. *Is an extra audit required during the 6-month transition period to document that the US NRA has been incorporated into the DDS?*

ANSWER: No, an extra audit is not required. CH may keep their normal audit cycle and timing. However, CH will need to document for their CB that the incorporation of the US NRA in the DDS was completed by October 5, 2019 – this includes implementing risk mitigation, if required.

3. *If a CH has an audit during the 6-month transition period, is it required to be audited to the US NRA?*

ANSWER: No. During the 6-month transition period, CH have the option of being audited to either their company risk assessment or the US NRA. They may continue use their company risk assessment for the purpose of controlling materials until October 5, 2019.

4. *If a CH chooses to adopt the US NRA and be evaluated to it during the 6-month transition period, do they need to show full implementation or can they just document progress?*

ANSWER: If being audited to the US NRA, full incorporation into the DDS is expected, including active implementation of risk mitigation activities, if required. However, CBs have acknowledged that many of the mitigation options are longer-term in nature and that implementation may only be at the beginning and not be completed.

5. *May a CH be audited to different risk assessments for different CW categories?*

ANSWER: Yes, during the 6-month transition period, a CH may choose to be audited to the US NRA for certain CW Categories and to their company risk assessment for other CW Categories. However, sub-division of CW Categories is not an option (e.g., audited to the US NRA for some HCV types, and to the company risk assessment for other HCV types).

6. *How will a CB determine whether or not to allow an extension to the 6-month transition period? How long can that extension be?*

ANSWER: The standard for CBs that addresses CW evaluations ([FSC-STD-20-011 V4-0 EN Chain of Custody Evaluations](#)) allows for a 2-month extension to be added to the 6-month transition period, “when justified by circumstances beyond the control of the organization.” However, it also explicitly excludes, “problems in planning or scheduling activities in the scope of the DDS.” CBs have indicated that they will likely also consider the level of effort that the CH has put into their transition activities.

## **DDS - INFORMATION GATHERING**

7. *Please provide more information on how a certificate holder can assess origin of materials at a landscape scale? What is the granularity of a landscape vs a forest unit? What does the "Landscape Scale" mean in terms of collecting source documentation? Is 'state' acceptable as origin?*

ANSWER: CH must document their supply area and provide evidence of the origin of the materials that they wish to control, however this is to be done at a scale that is relevant to the risk assessment that they are using. Essentially, this means that the CH must document their supply area at a scale that allows them to determine whether or not they are potentially sourcing from areas of specified risk. As the defined areas of specified risk in the US NRA are generally coarse in scale (i.e., landscape scale), and even for the small number of exceptions that are finer in scale (e.g., species ranges), CH will not need to be able to identify specific sites from which materials are sourced.

8. *For very specific geographic sourcing areas related to HCV3 specified risk designations, how can CHs stay at a landscape level scale for identifying source areas if areas of concern like Mesophytic cove sites, for example, are pretty specific, and by definition, tied to specific geography? These areas aren't neatly and cleanly tied to something like state or county boundaries.*

ANSWER: This is exactly why the specified risk areas are defined and mapped in a coarse-scale way. Because most of the HCVs have not been comprehensively mapped, the specified risk areas include the geographies where the HCV is most likely to occur. When gathering information about origin of materials that they wish to control (i.e., the supply area), the CH only needs information at a scale that will allow them to determine whether they are sourcing from the specified risk areas as described in the US NRA (i.e., the coarse-scale areas).

9. *Do I have to consider my supply area for both the certified and non-certified materials that I am going to mix?*

ANSWER: No. The FSC Controlled Wood Standard (FSC-STD-40-005 V3-1) is only applicable to companies that wish to ‘control’ non-certified materials that they are going to mix with certified materials for products that will have an FSC Mix claim. Therefore, only the ‘origin’ for non-certified materials needs to be considered in the DDS. Forest materials that are purchased/sourced by a certified company and that have a valid FSC 100% claim (i.e., chain of custody is intact) do not need to be controlled and therefore the Controlled Wood standard, NRA, and associated mitigation requirements are not applicable.

10. *Related to supply chain information gathering, what is the expectation? Are Supplier Declarations adequate?*

ANSWER: The CW standard (FSC-STD-40-005 V3-1) is very clear that supplier declarations on their own are not adequate. However, supplier declarations may be one component of the documentation provided as evidence of origin. FSC US is currently working with CBs to provide additional guidance on documenting origin of materials.

11. *Is there a field verification component required to verify sourcing information gathered?*

ANSWER: This will depend on how the CH is documenting their supply area. If the documentation is based on a sampling of supply sites, then field verification may be required. If the documentation is based on a well-referenced calculation of the economically logical supply area that considers the specific types of materials sourced and their value, then field verification will likely not be necessary.

12. *Are CH required to complete stakeholder consultation as part of their information gathering?*

ANSWER: CH are not required to solicit additional information about risk of origin beyond the information in the US NRA. However, if the CH is developing their own control measure to mitigate risk and is not using the mandatory control measures in the US NRA, the applicable requirements for stakeholder consultation regarding the adequacy of that control measure in Section 4 of FSC-STD-40-005 will apply.

NOTE: CBs are not required to complete stakeholder consultation as part of their audit process if the CH’s supply area only includes areas of low risk (as defined in the US NRA), but it is required if the CH is sourcing from areas of specified risk.

## **DDS – ASSESSING RISK**

13. *If a company only sources materials from areas designated as ‘Low Risk,’ are they required to attend a regional meeting or be knowledgeable about the meeting outcomes? Will they need to implement mitigation?*

ANSWER: No, a CH is only required to implement the mandatory control measures in the US NRA (which includes attending a regional meeting or being knowledgeable about the meeting outcomes) if the CH is sourcing materials that they wish to control from areas of specified risk. Whether or not a CH needs to implement mitigation will depend upon the rest of their information gathering and their risk assessment – do

they have other information that suggests risk related to either origin or mixing? If so, the CH will need to implement control measures to either avoid or mitigate the risk.

14. *If a company can document that the materials they have sourced were previously FSC certified or FSC Controlled Wood, do they have to go through the risk assessment and control measure process?*

ANSWER: No. Per Clause 3.6 of the CW standard (FSC-STD-40-005 V3-1), use of an FSC risk assessment is not required if: 1) the materials can be documented to have previously carried either an 'FSC 100%' or 'FSC Controlled Wood' claim; AND 2) there is evidence that there has not been any mixing of those materials with non-eligible inputs.

15. *For Clause 3.6, how can a company demonstrate that a product previously carried an FSC 100% or FSC Controlled Wood claim?*

ANSWER: FSC US does not have a simple answer to this question, but we have asked CBs to share any examples that they encounter. We expect that it will likely be difficult to do this in the US due to the antitrust legislation that limits sharing of information between competitors. However, we suggest that CH consider how they received the information regarding the previous certification or controlling of the materials and determine if there is any way to document that transmission of information to use as evidence during their audit.

16. *For Category 3 (HCVs), what is the specified risk area, the areas described in the US NRA and mapped by FSC US, or the specific sites where HCVs occur within these areas?*

ANSWER: The areas described in the US NRA and mapped by FSC US, which are mapped at a scale that is much more coarse than the specific sites of HCVs. Due to the coarse-scale mapping, the specified risk areas generally include areas that do not have HCVs, in addition to sites with HCVs (both known and not yet identified sites). The Category 3 specified risk areas are the areas where there is a higher risk of sourcing from HCVs that are threatened by forest management activities. If a CH wishes to control materials that they are sourcing from a specified risk area, then they must either implement the mandatory control measures in the US NRA (unless the requirements of Clause 4.13 are met), or implement a company-developed control measure that will ensure that individual sites where HCVs are threatened by forest management activities are avoided (per Clause 4.1; see Question #19).

17. *What is required if a company is sourcing from only low risk areas, but happens to know that there is a chance that it might be receiving 'unacceptable materials' (i.e., from a forest where HCVs are being threatened by forest management activities, or from a forest conversion)?*

ANSWER: If a CH has pertinent information about risk, it must be included in the DDS – it may not be ignored. The CH will have to assess that information and determine if it suggests low risk (i.e., a negligible risk) or a greater level of risk. If the risk is greater than low, the CH is required to implement control measures that are adequate to avoid or mitigate the risk. The CH may look to approved FSC risk assessments, FSC National Forest Stewardship Standards, or other sources of

information for applicable control measures. In these situations, Clauses 4.2 through 4.11 of FSC-STD-40-005 V3-1 apply. FSC US will likely ask CH to share information about these situations, as they will help to inform the review and revision of the US NRA.

NOTE: FSC US has reached out to FSC International on this issue to ensure that we are interpreting and communicating about the standard accurately. Therefore, this answer is subject to change, pending a response from FSC International.

## **DDS – MITIGATING RISK**

18. *We source some materials from within a CBA. These materials are all harvested from a thinning on privately-owned land that is FSC certified. Will mitigation be required?*

ANSWER: No. The FSC Controlled Wood Standard (FSC-STD-40-005 V3-1) is only applicable to companies that wish to ‘control’ non-certified materials that they are going to mix with certified materials for products that will have an FSC Mix claim. Forest materials that are purchased/sourced by a certified company and that have a valid FSC 100% claim (i.e., chain of custody is intact) do not need to be controlled and therefore the Controlled Wood standard, NRA, and associated mitigation requirements are not applicable.

19. *Clause 4.1 of the CW standard suggests that a CH might be able to develop their own control measure to avoid risk and not have to implement the mandatory control measures in the US NRA – is this true?*

ANSWER: Yes, FSC International has confirmed that that if a CH develops and implements a control measure(s) to avoid sourcing materials they wish to control from specified risk areas, then the rest of Section 4 of the standard (including the requirement to implement mandatory control measures) is not applicable. However, they also noted that this will require documenting the effectiveness of this control measure(s) (i.e., proving that materials from specified risk areas are avoided, which may require field verification) and providing evidence that no ineligible materials are being mixed in. Clause 4.1 also applies to CH that wish to source from specified risk areas, but avoid specific sites with HCVs that are threatened by forest management activities and/or specific sites where forest conversion is occurring.

NOTE: It will be a challenge for most CH to conclusively prove that while they are sourcing from a specified risk area, they are not sourcing from sites where HCVs are threatened by forest management activities or where forest conversion is occurring, unless they have very specific and well defined sourcing areas, and/or are able to document extensive field assessments which prove the same. FSC US is working with CBs to ensure consistency in the level of evidence required as proof in these situations.

20. *The CW standard requires that control measures implemented by the CH are ‘adequate’ – how do I do that for the control measures in the US NRA?*

ANSWER: The US has a unique situation and a unique solution that has been approved by FSC International. If a CH is sourcing materials that they wish to control from an area of specified risk identified in the US NRA and is using the mandatory



control measures in the US NRA to mitigate that risk, then under Advice Note #24, the CBs are not required to verify the effectiveness (i.e., adequacy) of the control measures. FSC US has taken on the responsibility of this verification for all CH in this situation.

NOTE1: This verification by FSC US does not extend to CH that are sourcing only from low risk areas (i.e., in situations where they identify risk that is not in the US NRA and must implement control measures to avoid or mitigate that risk), and it does not extend to CH that are implementing an alternative control measure under Clause 4.13 of the CW standard. In both of these situations, the CH will need to provide evidence of the adequacy of their control measure(s).

NOTE2: CH who are sourcing from specified risk areas and are implementing mandatory control measures from the US NRA will still need to document their implementation of the control measure. CBs will likely be looking for rationale as to how the implementation will achieve the intent statement associated with the applicable mitigation option.

*21. If a company is implementing required control measures, do they need to conduct a stakeholder consultation? What if the certificate holder is only sourcing from low risk areas?*

ANSWER: If the CH is sourcing materials that it wishes to control from a specified risk area defined in the US NRA and is implementing the mandatory control measures in the US NRA, they are not required to conduct any stakeholder consultation. However, if the CH is developing their own control measure to mitigate risk (either per Clause 4.13, or if risk is identified that must be mitigated when sourcing from low risk areas), the applicable requirements for stakeholder consultation in Section 4 of FSC-STD-40-005 will apply.

*22. How can a company show inadequacy of the mandatory control measures for the purpose of conforming with Clause 4.13 in the CW standard?*

ANSWER: This will likely be very context specific. A CH would look to Clause 4.13 when it does not wish to avoid specified risk areas nor certain sites within specified risk areas and is able to demonstrate that the mandatory control measures would be inadequate in comparison to a company-developed control measure. For example, if the CH has developed a control measure that directly addresses the root cause of the risk, such as ensuring that a certain harvest approach/prescription is implemented that will conserve the HCV in question – this would be much more adequate (more effective) in addressing the specific risk at those sites. Typically, demonstrating that the mandatory control measures would be inadequate in comparison to a company-developed control measure will require extensive knowledge of and potentially influence over the specific supply units from which the materials that the company wishes to control will be coming.

*23. If a company decides to use Clause 4.13 and develop an alternate control measure, do Clauses 4.2 through 4.11 apply?*

ANSWER: Yes. If a CH wishes to conform with Clause 4.13 instead of using the mandatory control measures, this means that the CH will be developing their own



control measure(s) and therefore Clauses 4.2-4.11 also apply. Clauses 4.2-4.11 include requirements for expert and stakeholder consultation in certain situations and additional requirements for materials originating from areas of specified risk associated with traditional and human rights, and with HCV 2-6. CH that are developing their own control measure(s) per Clause 4.13 will also be responsible for demonstrating the adequacy of their control measure(s) and may not rely on the monitoring and evaluation that FSC US will be doing.

*24. Are CH that source only from Low Risk areas required to implement mitigation?*

ANSWER: Each CH must gather the required information for their DDS and then assess it to determine if there is any information suggesting a risk of receiving 'unacceptable materials' that is greater than low, even if the US NRA does not identify any such risks. If there is a risk greater than low, the CH is required to implement control measures that are adequate to avoid or mitigate the risk. The CH may look to approved FSC risk assessments, FSC National Forest Stewardship Standards, or other sources of information for applicable control measures. In these situations, Clauses 4.2 through 4.11 of FSC-STD-40-005 V3-1 apply. The CH will also have to provide their CB with some kind of evidence that the control measure(s) was 'adequate.' FSC US will likely ask CH to share information about these situations, as they will help to inform the review and revision of the US NRA.

NOTE: FSC US has reached out to FSC International on this issue to ensure that we are interpreting and communicating about the standard accurately. Therefore, this answer is subject to change, pending a response from FSC International.

## **US NRA CONTROL MEASURES**

*25. Control Measures? Mitigation Options? What's the difference?*

ANSWER: Certified companies that are sourcing materials that they wish to control from the specified risk areas defined in the US NRA are required to implement the **control measures** in the US NRA (unless the requirements of Clause 4.13 are met). These control measures require implementation of one or more of the **mitigation options** that are described in the FSC US Controlled Wood Regional Meeting Reports.

*26. Are all CH required to attend CW Regional Meetings?*

ANSWER: No. If a CH is sourcing materials that they wish to control from a specified risk area defined in the US NRA and is implementing a mandatory control measure from the US NRA, they may attend the meeting or send a representative or simply review the associated report and demonstrate that they are knowledgeable of the meeting outcomes. CH that are not sourcing materials that they wish to control from a specified risk area and/or are not implementing a mandatory control measure are not required to do any of the above related to the CW Regional Meetings.

*27. If a company only sources materials from areas designated as Low Risk, are they required to attend a regional meeting or be knowledgeable about the meeting outcomes?*

ANSWER: No. The requirement to attend a regional meeting or be knowledgeable about the meeting outcomes is associated with the control measures in the US NRA. These control measures are only mandatory for CH that are sourcing materials that they wish to control from specified risk areas (i.e., that have supply areas for these materials that intersect with a specified risk area).

28. *Can you briefly describe what evidence CBs will accept for “reviews (of) the Controlled Wood Regional “Meeting Report(s) and associated information”?*

ANSWER: A CB will expect that the CH will be able to discuss the contents of the reports and during that conversation demonstrate knowledge of the report and be able to answer questions about it. Additionally, referencing the CW Regional Meeting Reports for determination of level of mitigation required and mitigation options can further demonstrate review.

29. *What are the three elements of the Controlled Wood Regional Meeting Reports?*

ANSWER: There is a ‘Note’ under 3.1.a.i and 4.2.a.1 of the control measures that clarifies: “Following each Controlled Wood Regional Meeting, FSC US will produce a Report that includes: 1) A summary of information communicated in advance of, or at the meetings, regarding forest conversion; 2) The outcomes of the collaborative dialogues; and 3) Details of information that has been requested of certificate holders to augment effectiveness verification.” These are the three elements.

30. *I can’t find any requests for information in the Regional Meeting Reports – what information should I be sharing with FSC US?*

ANSWER: The information requested by FSC US will pertain to which of the mitigation options the CH is implementing and how they are implementing it. In the future, FSC US will likely also ask for information about known outcomes from mitigation implementation. As most CH did not have this kind of information at the time the first CW Regional Meeting Reports were published, this request for information was not included. However, FSC US does intend to contact CH following the 6-month transition period to ask for similar information.

31. *How will FSC US use the information requested from certificate holders in their effectiveness verification program? How will success be measured?*

ANSWER: FSC US has hired a consultant to develop a monitoring and evaluation plan. The objectives of this plan are to: 1) demonstrate a reduction in risk within specified risk areas (i.e., that the mitigation implemented has been effective); and 2) if possible, demonstrate an association between risk reduction and the mitigation implemented by CH. The information shared by CH will either directly assist with or augment FSC US’s efforts to monitor the metrics and measures defined in the plan and evaluate effectiveness of the control measures. FSC US intends to only publicly report summary information, and will not publish information identifiable to an individual CH without their explicit approval.

32. *Can an organization do CM 4.1 (binding agreements) for parts of the supply chain where this works, and then CM 4.2 (meetings) for everything else?*



ANSWER: Yes. The CH will need to be able to document for their CB which suppliers/supply chains use one control measure versus the other.

NOTE: Similarly, a CH may implement one mitigation option for parts of their supply chain/supply area and another for everything else.

## **LEVEL OF MITIGATION REQUIRED**

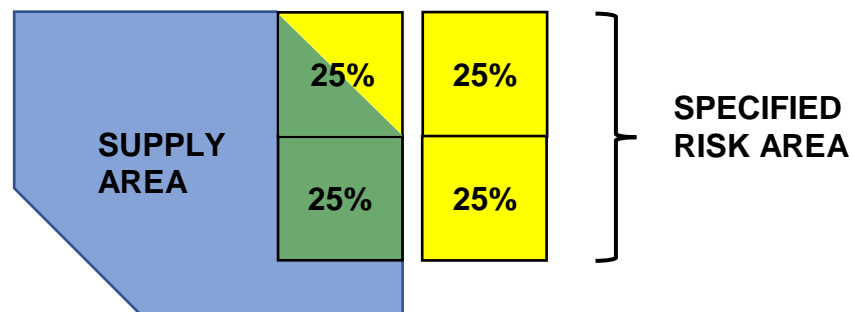
### *33. How should companies interpret the Mitigation Matrix in the CW Regional Meeting Reports?*

ANSWER: The basic concept is that CH that have a greater risk of receiving 'unacceptable materials' should be doing more to mitigate risk than companies that have a lower risk of receiving 'unacceptable materials.' The two biggest factors that will likely affect the CH's risk of receiving 'unacceptable materials' is the volume of materials that they are sourcing, and from what proportion of the specified risk area they are sourcing materials. A CH that sources a greater volume of materials from a specified risk area has a higher risk that some of those may be 'unacceptable materials' than a CH that sources a lower volume of materials from a specified risk area. A CH with a supply area that covers most or all of a specified risk area has a higher risk that some of the materials may be 'unacceptable materials' than a CH that sources from little or only a tiny fragment of the specified risk area. For the Mitigation Matrix, AAF Class is used as a proxy for volume – companies with a higher AAF Class typically source a greater volume of materials than companies with a lower AAF Class. However, the CW Regional Meeting Reports clarify that as this is not always the case, a CH may calculate the volume sourced instead. Overall, the higher the AAF Class (i.e., volume) and the greater the percent of the specified risk area from which the CH sources, the greater the level of mitigation that is required.

NOTE: CH that choose to calculate the volume of materials sourced, instead of using their AAF class, are responsible for creating methods to determine level of risk based on volume (i.e., whether the volume calculated, when considered with the percent of the specified risk area within the CH's supply area, results in a low, medium or high level of mitigation required).

### *34. In the Mitigation Matrix, what do the percentages values refer to? Do they represent percentages of volume sourced from specified risk areas vs total volume sourced or number of suppliers that source from specified risk areas?*

ANSWER: The percentages are representative of what proportion of the specified risk area from which the CH receives materials. If you think about the CH supply area as a blue shape on a map, and the specified risk area as a yellow shape on a map, the areas where they overlap will be green. The percentage value refers to the percent of the specified risk area for that risk issue (considering the entire extent, even if it has multiple parts) that is green. In the example below, the percent would fall into the 25-50% category.



35. *What about large companies that fall under a high level of mitigation – will they need to implement more than one mitigation option for each area of specified risk?*

ANSWER: Not necessarily. The CW Regional Meeting Reports provide some considerations in this regard. Generally, a CH that is required to implement a high level of mitigation for a particular specified risk area can: a) implement one of the mitigation options that is identified as being for CH with high levels of mitigation required; or b) implement one of the scalable mitigation options in a way that results in more mitigation (i.e., greater achievement of the defined intent of that mitigation option); or c) implement multiple mitigation options.

36. *For multi-site certificates, does a company have to consider the AAF for the certificate (i.e., all sites combined), or can level of mitigation be established at the site level?*

ANSWER: Level of mitigation may be established at the site level for multi-site certificates. If a particular site does not source materials that it wishes to control from any of the specified risk areas defined in the US NRA and does not have any other information that suggests there is a risk that needs to be avoided or mitigated, then no mitigation is necessary. If supply areas overlap for two or more sites and specified risk is identified within this overlap area, the level of mitigation required needs to consider the combined risk from these two sites – while separately each might require a low level of mitigation, more than a low level may be required when considered together.

37. *If a group manager is going to work on mitigation efforts for the entire group, how much is required?*

ANSWER: It should be equivalent to the combined impact of the mitigation had it been implemented by each group member separately.

NOTE: In this situation, for a particular group member's sourced materials to be controlled, mitigation will need to be implemented in a way so that the outcomes of the mitigation activities will be achieved within that group member's supply area.

## **IMPLEMENTING MITIGATION OPTIONS**

### *38. Control Measures? Mitigation Options? What's the difference?*

ANSWER: Certified companies that are sourcing materials that they wish to control from the specified risk areas defined in the US NRA are required to implement the **control measures** in the US NRA (unless the requirements of Clause 4.13 are met). These control measures require implementation of one or more of the **mitigation options** that are described in the FSC US Controlled Wood Regional Meeting Reports.

### *39. Where can a certificate holder find the Regional Meeting Reports? And a simple list of mitigation options for a particular specified risk area?*

ANSWER: The CW Regional Meeting Reports are available for download on the [FSC US NRA web page](#). In each of the reports, Annex 2 includes just the text of the mitigation options categorized by specified risk topic, without all of the extra commentary that is included in the main body of the document.

### *40. What if a company is already doing one of these mitigation actions? Does that count, or do they have to do more?*

ANSWER: If a CH is already implementing activities that address the requirements of a particular mitigation option(s) and are achieving the level of mitigation required, then no additional mitigation is necessary. However, evidence of mitigation must still be available for audit, and it must meet the stated intent of the mitigation option.

### *41. How much money does a company need to spend on mitigation?*

ANSWER: FSC US does not have a simple answer to this question, as it will depend on the level of mitigation required, the mitigation option(s) selected by the CH, and the specific characteristics and context in which they are implementing the mitigation option(s). CH will be assessed not by dollars spent, but by the extent to which the mitigation implemented will likely be able to achieve the outcomes described in the applicable intent statement(s) associated with the chosen mitigation option(s).

### *42. For multi-site certificates where all of the sites are sourcing from parts of a specified risk area associated with the same risk issue (e.g., longleaf pine), does there have to be mitigation in each of the site supply areas, or could it be focused in one area?*

ANSWER: Mitigation needs to be implemented in each of the supply areas where risk is identified (i.e., where the supply area intersects with a part of the specified risk area as defined in the US NRA). The Controlled Wood Standard (FSC-STD-40-005 V3-1) clearly indicates that if non-certified materials are to be controlled, then the implementation needs to be associated with the origin of those materials. If there is risk identified within a supply area and avoidance or mitigation does not occur, then the materials sourced will not be controlled. Additionally, the mitigation options in the CW Regional Meeting reports indicate that they should be implemented within the CH's supply area and the specified risk area (i.e., where they intersect).

### *43. If my supply area only very slightly overlaps with a specified risk area, how can I possibly implement a mitigation option in just that sliver of an area?*

ANSWER: Implementation of the mitigation option does not need to be limited to only the ‘sliver’ identified. It could be implemented in the general area of that sliver, with rationale provided to the CB as to why there is a high likelihood that the outcomes indicated in the intent statement associated with the mitigation option would be achieved in the sliver as a result of the activities implemented.

*44. Will FSC US be developing education and outreach materials to assist certificate holders with implementing mitigation options?*

ANSWER: FSC US will not be developing materials before the end of the 6-month transition period. At least initially, CH will need to identify or develop materials themselves. FSC US has provided a set of potential resources ([available separately](#)) that may assist CH with this. However, the FSC US Board of Directors has asked FSC US staff to investigate the cost and other resources that would need to be invested to develop materials, with the intent of directing FSC US to complete this task during the coming year (2020).

*45. Can the Specified Risk Overview Documents included at the end of the Regional Meeting Reports be used as the materials when implementing Education & Outreach mitigation options?*

ANSWER: No. These materials were developed specifically to help provide information in advance of the CW Regional Meetings. They DO NOT meet the requirements for ‘materials’ as described in the Education & Outreach mitigation options.

*46. Can restoration of an HCV 3 (Rare Forest Ecosystem) be mitigation?*

ANSWER: Potentially yes, but it will depend on the mitigation option and the threats to that HCV identified in the US NRA. For example, the US NRA identifies one of the threats to Native Longleaf Pine Systems (NLPS) from forest management activities to be conversion to another forest type – if the Landowner Incentives mitigation option is implemented and will lead to restoration of NLPS in areas that were previously converted to another forest type, then this would be an acceptable use of restoration as mitigation.

## **AUDITS / NONCONFORMITIES**

*47. What types of situations will lead to a minor vs major non-conformance?*

ANSWER: The standard for CBs that addresses CW evaluations ([FSC-STD-20-011 V4-0 EN Chain of Custody Evaluations](#)) includes a list of examples of major nonconformities which is included below. Additionally, in August 2019, FSC International shared supplemental information regarding nonconformities, which is [available separately](#) from FSC US.

**From FSC-STD-20-011 V4-0:**

Examples of major nonconformities to the requirements of FSC-STD-40-005 include:

- a) lack of an effective due diligence system;
- b) failure to legitimately apply the due diligence system to forest resources owned or managed by the organization;

- c) failure of the organization to ensure that its suppliers have taken corrective action(s) determined by the organization to ensure the organization's conformity to the standard FSC-STD-40-005;
- d) absence of independent information that demonstrates the origin of material;
- e) the use of low risk designations that differ from those in approved national risk assessments;
- f) failure of the organization to demonstrate that its risk assessment has been conducted in accordance with the applicable requirements;
- g) evidence that the organization has manipulated information used in a risk assessment in order to support a low risk designation;  
NOTE: This includes consideration of the feedback received from stakeholders.
- h) use of material originating from unassessed areas without the certification body's approval of the organization's risk assessment;
- i) failure to establish and implement adequate control measures;
- j) absence of, or failure to implement, a complaint procedure;
- k) failure to assess and mitigate the risk related to mixing material with non-eligible inputs in the non-certified supply chain;
- l) failure to provide information required to be publicly available.

48. *Will CH still be allowed 12 months to address minor nonconformities?*

ANSWER: Yes, all of the same timeframes for addressing nonconformities apply, so 12 months is allowed for minor nonconformities (regardless of whether the audit to the US NRA occurs during the 6-month transition period or after).

49. *Specific to Education and Outreach-related mitigation options, if an audit were to occur on a date just after the October 5, 2019 deadline, how far along must the certificate holder be in "communicat(ing) to audiences" to be found in conformance?*

ANSWER: While the CH may not have completed communication to all of the audiences that they intend to reach, they must have started the process of communicating. If a large number of audiences were identified, then the CH will be expected to have reached at least some of those audiences. If the communication is to occur via an in-person event, then the CH will be expected to have already sent the invitations. The CB will likely also expect to see some kind of schedule for the pending communications that will complete outreach to all identified audiences.

50. *How will an auditor confirm that mitigation has been implemented? Will there be a need for site visits for verification?*

ANSWER: This will be dependent primarily on which mitigation option(s) was selected. For some, it will be possible for the CH to provide evidence of implementation without site visits. For some mitigation options it is possible that site visits may be necessary, but that will depend on other evidence available, and the results of any site visits conducted during the internal audit(s).

51. *Who will make the final decision about whether or not mitigation is adequate?*

ANSWER: It is the responsibility of the CBs to decision whether or not the CH has implemented adequate mitigation. They will most likely consider the level of mitigation required from the Mitigation Matrix, the 'Guidance for Mitigation Options'

shared by FSC US, whether the activities implemented have a high likelihood of achieving the outcomes indicated in the intent statement associated with the applicable mitigation options, and for Category 3 mitigation specifically whether the threats to HCVs from forest management activities identified in the US NRA were addressed.

52. *For a company with a supply area that includes only low risk areas, what happens if the CBs finds evidence that ‘unacceptable materials’ have entered the system? What would the finding be? Would the company be expected to implement their ‘non-conforming products procedure’?*

ANSWER: It is not possible to provide a blanket response to this question, as the answer will be very context- and situation-specific. If a CB finds that this kind of situation has occurred, they will likely assess and consider whether it happened with or without the knowledge of the CH, and whether the CH did something about it (i.e., adapted their DDS) as soon as they found out. The CB may assess a nonconformance, but is unlikely to invoke the ‘non-conforming products procedure’ unless there has been gross negligence on the part of the CH.

53. *How would a certification body practically audit whether or not a CH had knowledge of the materials in the above scenario entering their system?*

ANSWER: While a CB is not required to complete stakeholder consultation in this situation, as part of the CB’s own due diligence, they will likely gather some information about the supply area in advance of the audit. If, as a result, they are aware of the potential for ‘unacceptable materials’ then they would expect the CH to have the same level of information. Additionally, if a stakeholder comes to the CB with a concern, the CB will likely follow-up on those concerns during the audit.

## **MISCELLANEOUS**

54. *How should a certificate holder that sources from both Canada and the US incorporate both National Risk Assessments into their DDS?*

ANSWER: The CH will need to gather information about their supply chain and supply area, assess risk based upon the specified risk areas defined in each NRA, and then implement mitigation as required in each NRA to address risk identified.

55. *When is a material ‘controlled’? Can a company use materials purchased under the ‘old’ risk assessment after updating to the NRA, if still in inventory?*

ANSWER: Generally, if materials were acceptable according to the requirements that were applicable at the time that they were received, then they may be considered controlled. For example, if the chips in the yard are processed after the DDS is updated to use the new US NRA (most likely October 5, 2019), they are still considered to be controlled as long as they were acceptable under the DDS that was applicable at the time of receipt. Alternatively, if the CH sources directly from the forest of origin and implemented control measures at the time of harvest, then the materials would be considered ‘controlled’ at the time the control measures were implemented – in this situation the CH would be able to receive material harvested under the old DDS after the transition date (October 5, 2019).