

FSC US National Forest Stewardship Standard (Version 2) DRAFT 2 PUBLIC CONSULTATION REPORT

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Introduction

In early 2016, FSC US registered with FSC International the intent to revise the FSC US Forest Management Standard (Version 1.1) and transfer the standard to FSC Principles and Criteria Version 5-2. In April 2017, the FSC US Board of Directors agreed to take on the role of Standard Development Group for the revision of the standard. FSC US staff began to organize and plan for the process before having to delay the effort for one year so they could focus on the FSC US Controlled Wood National Risk Assessment development process. In mid-2018, a working group of technical advisors appointed by the Standard Development Group began development of recommendations, in a series of phases, for the Standard Development Group. The Technical Working Group successfully completed this process in late-2020.

The Technical Working Group's recommendations were then carefully reviewed by the Standard Development Group and led to the Draft 1 revised National Forest Stewardship Standard (NFSS) materials which were shared with stakeholders during two phases of public consultation. The Phase 1 consultation included the base indicators, which will be used by most certificate holders, and occurred in late-2020. The Phase 2 consultation included the Family Forest Indicators, Plantation Indicators, and Federal Land Supplementary Requirements and occurred in mid-2021.

With the assistance of FSC US staff and with further targeted outreach, the Standard Development Group worked through all of the nearly 4,000 comments received during both phases of the Draft 1 public consultation, and made adjustments to the language of the standard. During this process, they continued to focus on clarity of intent, feasibility of implementation for certified forest management organizations, and ensuring that core values of FSC were respected (i.e., that conformance with the indicators of the standard will result in conformance with FSC's Principles and Criteria). The result of the Standard Development Group's work was shared in early 2022 with members, certificate holders and other stakeholders as Draft 2 of the revised NFSS.

The Draft 2 public consultation, and the testing process that followed immediately after, provided another valuable set of comments and inputs to the revision process. The Standard Development Group again worked through these inputs, held extensive discussion, and adjusted the language of the standard when deemed appropriate. The Standard Development Group recognized that compromises were necessary, but worked to balance the input from the different perspectives represented. Draft 3 of the revised NFSS was approved for submission to FSC International by a consensus decision of the Standard Development Group on November 22, 2022.

Next Steps & Looking Forward

Following submission of Draft 3, FSC International staff will review the draft standard and associated materials to ensure that all required elements of the normative process have been followed, and that the standard itself includes all required elements. Following this review, the final decision on the standard will be made by the International FSC Policy and Standards Committee, which has delegated authority from the International FSC Board of Directors for decisions on National Forest Stewardship

Standards. If the Committee identifies any conditions for approval, these will need to be resolved before the standard is fully approved and published. The approval process is expected to take approximately a year, but could be shorter or longer.

Following approval, there is typically a 3-month delay before the revised standard becomes effective, and this is followed by a 12-month transition period. All certificate holders must be audited to the revised standard during the transition period.

- FSC International staff review, and International FSC Policy & Standards Committee review and approval – ESTIMATED by end of year 2023
- Standard becomes effective – ESTIMATED by end of Quarter 1, 2024
- Transition period ends, and all certificate holders transferred to the revised standard – ESTIMATED by end of Quarter 1, 2025

Analysis of Stakeholder Groups Who Submitted Comments on Draft 2

- 42 unique sets of comments representing 75 individuals or organizations
- 31 of the individuals/organizations were affiliated with the Economic Chamber, including 23 representing FM certificate holders, and 15 representing members
- 39 of the individuals/organizations were affiliated with the Environmental Chamber, including 2 representing FM certificate holders, and 13 members
- 3 of the individuals/organizations were affiliated with the Social Chamber, including 3 members
- chamber affiliation for 2 of individuals/organizations is unknown, including 1 certificate holder and 1 auditor

General SDG Response to the Draft 2 Comments

High level summary of comments

Consultation questions asked for high level responses regarding the overall opinion of indicators for each Principle. Across all respondents, opinions expressed were most positive for Principle 1 (Compliance with Laws), Principle 5 (Benefits from the Forest), Principle 8 (Monitoring & Assessment), and Principle 9 (High Conservation Values); the greatest concern was expressed for Principle 2 (Workers' Rights & Employment Conditions) and Principle 6 (Environmental Values & Impacts).

At a chamber-scale, Environmental Chamber responses were more positive for Principle 2, Principle 4 (Community Relations), Principle 5, Principle 7 (Management Planning) and Principle 8, while more negative for Principle 6. Economic Chamber responses were generally similar to the overall responses. Social Chamber responses were positive or neutral for all Principles, with the exception of Principle 4.

By far, the greatest number of comments were submitted regarding Principle 6, followed by Principle 2. The following provide a high-level summary of comments for these two Principles:

- **Principle 2:** Economic concerns regarding certificate holder/contractor relationships and how to achieve and demonstrate conformance. Economic comments emphasized that meeting laws should be enough, and that this should be explicitly stated (i.e., that if in compliance with legislation, will be in conformance with indicators). Comments also suggested that public entities may not have the ability to adjust contracts (i.e., they do not negotiate contracts) as needed for conformance with the proposed indicators. Social comments emphasized the importance of addressing all workers, and not just the employees of certificate holders.

- **Principle 6:** Comments were extremely diverse and varied. Very generally, economic concerns focused on the level of resources that would be necessary for conformance and requests for clarity on numerous issues, while environmental comments focused on indicators being too vague, needing additional definition or detail, and elements believed to be weakened or missing. There were no social comments of substance.

At a Criterion scale, the most comments (suggesting greatest concern) were received regarding: Criterion 2.4 (Worker & employee wages), Criterion 2.6 (Resolving worker grievances & fair compensation), Criterion 4.5 (Engagement with local communities to identify and avoid impacts), Criterion 6.1 (Environmental values assessment), Criterion 6.4 (Rare, threatened and endangered species), Criterion 6.5 (Representative sample areas; conservation areas network), Criterion 6.6 (Native biodiversity; plantation indicators with expectations for a portion of the management unit to be moved to more natural conditions; harvest openings and retention), Criterion 6.7 (Riparian management zones; water protection), Criterion 6.8 (Managing the landscape as a mosaic; old growth), and Criterion 10.7 (Pesticide use).

Standard Development Group (SDG) General Response

Over the course of this five-year process, the SDG received more than 4500 individual comments through public consultations, FSC US contracted with 6 different consultants on associated projects, 65 individuals participated in the Forest Workers Forum, 9 certificate holders from across the country and 3 Certification Bodies participated in the testing process, numerous experts were directly consulted by FSC US staff and individual SDG members, and Technical Working Group and SDG members dedicated extensive time, energy, and knowledge to help ensure that all aspects of the standard and all perspectives were involved in the process. All of these inputs were considered during the process and helped to define the final product. All chambers were represented in the process, often bringing conflicting priorities and comments. In the end, it is probable that no chamber will be completely happy with the result of the process, but the SDG believes that it represents a true compromise between the different perspectives and wishes.

The SDG acknowledges that the revised standard (i.e., Draft 3) is not perfect and has identified that there is additional work outstanding, but at this time believes that it is critical to complete the transfer of the US standard to FSC Principles and Criteria Version 5, and therefore has consensus approval of Draft 3 for submission to FSC International for formal review and approval. Areas of work that remain outstanding include:

- review of standard elements that may impact the ability to maintain and grow the certified landbase in the US;
- completion of a full review of the supplementary regional requirements;
- review of the role of various interested stakeholders throughout the standard;
- expansion of the geographic scope of the standard to include Alaska and Hawaii; and
- development of supplementary requirements and guidance to address issues of concern for lands managed by federal agencies other than the US Forest Service, Department of Defense, and Department of Energy.

FSC's normative requirements allow for targeted revisions that can be initiated within the five-year lifecycle of the Standard. Working closely with the Performance & Standards Unit and with US stakeholders, FSC US will identify a timeline and strategy for implementing these identified modifications, and will communicate transparently with stakeholders about how changes or new material will be incorporated into the Standard.

Significant Issues Raised & How Associated Comments were Taken into Account

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PRIORITY ISSUE: Principle 2 & Forest Workers

The single Social Chamber respondent focused comments on the importance of ensuring that all workers involved in forest management are covered by the standard. Economic Chamber comments (and from one Environmental commenter) indicate continued concern regarding indicators that expect certificate holders to influence contractors in ways that are outside of their authority and outside of established legal, business framework and system. A number of responses recommend limiting the scope of Principle 2 indicators to only certificate holder employees, and not all workers.

As with the Draft 1 consultation, the most frequently voiced concern regards the potential for efforts to conform with indicators forcing certified organizations into conflicts with US law and violations of the contractor-employee relationship. Comments note that certified organizations do not have any legal avenue for enforcing rights to freedom of association afforded to an independent organization's

employees, affecting the wages of those employees, requiring contractors to have dispute resolution processes, or requiring/reviewing contractor training records.

Comments at the Principle-, Criterion- and Indicator-level suggest that compliance with the law (including legislation at federal and state levels) should be enough for conformance with all indicators in Principle 2, and that this should be explicitly stated. Some comments go further to suggest that certain indicators are not even necessary since compliance with laws is covered under Principle 1, and should therefore be removed.

A number of comments indicated a lack of clarity regarding the different applicable definitions (e.g., worker, employee, independent contractor), and to which kinds of actors each would apply. Additionally, some comments indicated confusion specifically regarding whether individuals or companies that purchase timber “at the stump” (i.e., before it is felled) and then fell it themselves would be considered “contractors.”

There were many comments that the concept of a “living wage” is nebulous, and not well enough defined to be auditable. Further, comments suggested that it would be a significant burden on certified organizations to have to develop a living wage framework or benchmark, and that this should be the responsibility of FSC, or at least FSC US should provide tools/resources for determining what is appropriate. A number of comments specifically requested clarity on the role of the federal minimum wage, and others suggest that existing minimum wage requirements (federal, state, local) are enough and certified organizations should not be asked to go further, particularly as it relates to contractors and their employees. Others suggested that since the US has minimum wage legislation, the Criterion language should not be interpreted to require focus on living wages as an element of conformance.

Environmental comments identified a potential gap regarding training on concepts and requirements of management related to HCVs and RTE species.

Regarding compensation to workers, comments emphasized the importance of allowing at least some legally allowed exceptions to workers’ compensation insurance laws (e.g., Amish religious exemption), if not all. Other comments suggest that as proposed the indicators would be highly disruptive to the timber products industry, and could potentially exclude many contractors from potential work, resulting in damage to local economies.

While some comments recognized that Draft 2 is an improvement over Draft 1, many suggested a need for further improvements. Many comments proposed adding additional content to applicability/guidance language or to indicators that reflect that certified-organizations are not expected to go beyond legal boundaries outlined in applicable employment law.

Testing Results:

- Requirements outside the control of CHs: participants noted multiple cases where requirements were beyond their ability to control or influence behavior, especially regarding Indicators associated with independent contractors and their employees or sub-contractors. The issue was compounded for group certificate managers. Many CHs claim such requirements contradict US federal laws requiring arm’s length relationships with independent contractors.
- Use of the terms “contract” and “contractor”: there is persistent confusion regarding the scope of requirements especially as they related to purchase agreements and minor or sometimes informal work agreements. The issue is compounded in group management and family forests.
- Use of the term “The Organization”: participants questioned how the term applied to group certificates and the intent of Indicators in the group context relative to group members. This issue is particularly challenging regarding Indicators associated with P2 and P4.

- Certificate holders are generally confident of their ability to demonstrate conformance for Principle 2 Indicators as they apply within their own organizations.
- A potential critical failure was raised by numerous certificate holders, including Group Entities, specifically regarding provision of verifiable evidence for independent contractors. Providing objective evidence for contractors, e.g., employment records is very problematic and unlikely to occur. Certificate holders were unclear how they can meet the requirement and maintain an arm's length relationship with independent contractors to meet US law.
- The term "sphere of Influence" is used several times in various places in the standard but is not defined.
- The definition for "Independent contractor" does not differentiate between a service contract and a purchase agreement, perhaps intentionally. As a result, there is a lack of clarity about applicability of stumpage purchase agreements and timber deeds for all Indicators addressing contractors or contracts.
- Conformance for some indicators is more achievable for "significant" management activities, e.g., timber harvest than for other less disruptive activities such as mowing, minor roadwork or spot application of herbicides.
- Both certificate holders and Certification Body representatives expressed concern over the lack of clarity on how to provide evidence of conformance regarding determination of a "living wage" within the forest industry. Ambiguity related to determination of a "living wage" has implications for feasibility of conformance and auditability. Complicating the issue is that wages can vary significantly by locality within the same industry. Similar concerns have been expressed regarding the requirement to contract with companies that "enhance" the "well-being" of contractor employees, which is seen as both ambiguous and subjective. Verifiers would be helpful.
- Inconsistency of language used for the four Indicators associated with Criterion 2.1 conveys very different levels of responsibility for the certificate holder. Indicator 2.1.1 uses "does not use"; 2.1.2 "eliminates all forms of"; 2.1.3 "ensures that there is no"; 2.1.4 "respects". If the difference in language is intentional, it's not clear why.
- Certificate holders and Certification Body representatives are generally not familiar with the issue addressed in Indicator 2.6.4.

SDG Actions Taken:

- In response to the consultation comments and to legal review of an initial set of indicators developed for Draft 3, the SDG revised Principle 2 indicators to fit into three categories: 1) indicators that apply to all workers and are outcome oriented so that they may be audited by observation and worker interviews; 2) indicators that apply directly to the employees of the certificate holder; and 3) indicators that focus on the aspects of contracts and selection of contractors over which certificate holders have control.
- To clarify expectations for demonstrating conformance and to help ensure that certificate holders are not forced into conflicts with US law and violations of the contractor-employee relationship, "means of verification" are provided for each indicator in Principle 2
- Reduce the number of applicable definitions used in Draft 2 and focus on "workers" (i.e., all individuals implementing management activities within the management unit) and "employees" (i.e., individuals directly employed by the certificate holder)

- Clarify that expectations in indicators apply whether management activities are implemented due to a contract or some other kind of legal agreement that results in management activity implementation
- Update Annex E to include training on concepts and requirements of management related to HCVs and RTE species
- For employees of the certificate holder, include the expectation that all medium and larger certificate holders carry workers' compensation insurance for their employees, and that family forests follow what is legally required.
- For contracts, include an expectation that contract language specifies that workers compensation laws will be followed when applicable, and include additional conditions for states/situations where workers compensation laws are not applicable
- Remove or replace "sphere of Influence" from text of standard
- Additional edits also implemented in response to more specific comments

NOTE: The SDG notes that guidance for how to address indicators focused on "The Organization" within group certificates is provided in the Forest Management Groups Standard (FSC-STD-30-005).

PRIORITY ISSUE: Principle 3, Indigenous Peoples' Rights & FPIC

Economic comments indicated general overall concern regarding level of effort that will be required to engage with tribes, and expectations that there is little potential for beneficial outcomes. Specific to Indicator 3.1.1, Environmental and Social comments indicate concerns regarding the Draft 2 proposal that FSC US take on the responsibility of certificate holders to identify tribes that may be affected by management activities. Comments questioned how the effectiveness of this process would be evaluated, and what would happen if FSC US did not complete this activity or didn't do an adequate job. Economic comments included requests for clarifications around when and how contested rights need to be considered/addressed, and on expectations when engagement with tribes does not occur or does not go well. Some Certification body comments indicated a need for clarifying whether certain indicators in Principle 3 might not be applicable in certain situations.

Testing Results:

- There is a lack of clarity about how the reference to FSC US within Indicator 3.1.1 will function in practice. How is conformance determined in the potential scenario where the FSC US list is not available, or perceived by one or more Native American groups to be incomplete or inaccurate?
- State agencies may be limited by state law from recognizing certain tribes that could appear on a list developed by FSC. This would result in a conflict between adherence to legal requirements and conformance with FSC and represents a potential critical failure in feasibility of conformance.
- There is a potential variation in interpretation about what is required of certificate holders when attempts are made to contact and discuss consent, but no response is received from tribes.
- There is some concern about potential differences in interpretation of the term "culturally appropriate" between certificate holders and Certification Bodies that could lead to non-conformance.

- The term “contested rights” is used in Indicator 3.1.2 but not 3.2.2. If a contested right is documented, then the certificate holder conforms with the earlier indicator, but it is unclear how contested rights apply in 3.2.2.
- Questions were raised by Certification Body representatives about applicability of all C3.2 indicators to tribal lands.
- One certificate holder and Certificate Body representatives are unclear about applicability for tribal enterprises that are separate legal entities from the tribes and are assigned responsibility for management of tribal forests.

SDG Actions Taken:

- Remove the explicit mention of FSC US in Indicator 3.1.1, but recognize that FSC US will support organizations, as possible, with identification of tribes that may have interests regarding the management unit; ensure there is not any suggestion that FSC US’s efforts could replace expectations for organizations to engage with tribes
- Provide applicability statements for the principle overall to specify when Criteria 3.1, 3.2, and 3.3 are applicable for certified tribal lands, and for when certain Criteria or indicators may not be applicable
- Add intent and applicability statements to clarify expectations regarding contested rights
- Replace “culturally appropriate engagement” with “engagement” throughout the standard, and provide an expectation in Annex A (Glossary) that all engagement will be culturally appropriate.
- No edits to address expectations when engagement with tribes does not occur or does not go well, nor culturally appropriate communication, as these are believed to be adequately addressed in Annex F
- Additional edits also implemented in response to more specific comments

PRIORITY ISSUE: Regional Requirements & Deviations from These Requirements

Economic comments indicated concern regarding the continued maintenance of the regional requirements when they are not based on best available information, whereas at least one Environmental comment suggested expanding the regional requirements to additional regions.

Neither Economic nor Environmental comments supported the new Indicator 6.6.6 option in Draft 2 for justifying deviations from the harvest opening regional requirements. Environmental comments indicated that changes for Draft 2 weakened the language in Indicator 6.7.6 (which allows exceptions to the regional requirements for Riparian Management Zones).

Additional Environmental comments indicated concerns regarding removal of guidance language and elements of the regional requirements in Criterion 6.7 that were identified by the SDG as duplicative of other indicators and removed, and also regarding the new definition for “Harvest Opening.”

Both Economic and Environmental responses commented on guidance language regarding Riparian Management Zones and retention, with Environmental commenters generally supporting its maintenance, and Economic commenters generally questioning the rationale for having it.

There were numerous additional comments from Economic and Environmental comments about specific elements of specific regional requirements associated with both Criteria 6.6 and 6.7, and for both natural or semi-natural stands and plantation stands.

SDG Actions Taken:

- Clarify that Riparian Management Zones may be considered part of retention if they provide habitat as described in Indicator 6.7.5
- Remove the second option for justifying deviations from regional requirements from Indicator 6.6.6
- Add guidance to Indicator 6.6.5 Regional Supplement⁵ to incorporate the 2012 national interpretation on Indicator 6.3.g.1.b in the existing standard (regarding even-aged silviculture in the Pacific Coast Region)
- No edits to address most comments regarding specific elements of specific regional requirements, given the SDG's commitment to a comprehensive evaluation of the regional requirements immediately following approval of the revised standard.

PRIORITY ISSUE: Criterion 6.5 - Representative Sample Areas (RSA) & Conservation Areas Network

Economic chamber comments at the Principle-, Criterion- and Indicator-level suggested that conformance with Criterion 6.5 indicators will be extremely burdensome, both from a lost productivity perspective and a time perspective, and questioned the ecological value/benefit that would be gained given how the expectations for RSA identification were framed in Draft 2. Some comments went further to suggest that due to the entirety of what's expected under FSC certification, the value gained by being certified will be nominal and not worth the effort required. Some Economic comments went even further to suggest that the Criterion 6.5 expectations are infeasible and that they alone will lead to dropping of FSC certification (or inability to get certified). A number of comments propose lower thresholds for the Conservation Areas Network, or no specific threshold at all.

Generally, comments from the Economic Chamber indicated discontent with the inability (with very limited exceptions) for RSA to be identified and established outside of the management unit. Even more concern was expressed regarding potential scenarios where either: a) the native ecosystem is well represented (and especially if well protected) outside of the management unit and that there still would be an expectation for RSA within the management unit for that ecosystem, or b) the native ecosystem occurs in the landscape outside of the management unit, but not within the management unit and there could be an expectation for restoration of that ecosystem.

Alternatively, the environmental comments indicated that RSA should never be allowed to be identified outside of the management unit (not even in the very limited situations identified as exceptions in Annex G). There also seemed to be a particular concern about these potential areas and how long it has been since the certified organization ensured their protection, plus the impact of these areas on any assessments regarding the extent of RSA expected for a particular certified organization.

Additional environmental comments indicated that the Criterion 6.5 indicators do not adequately address the key elements of the Criterion and concern about the removal of the Draft 1 Annex G Figure 1 with more explicit guidance on the expected extent of RSA.

Additional economic input suggested that the indicators should focus on the extent of RSA expected overall, not on the extent of RSA for any one particular native ecosystem.

Certification Body comments focused on complexity overall, and particularly for family forests. Several comments questioned the role of Annex G, which in Draft 2 was identified as guidance, but referenced in normative language. Additional comments were shared about fuzzy language and potential difficulty auditing.

Priority Testing Results:

- Representative Sample Areas (high-level): There were divergent interpretations of the requirements, specifically whether RSAs are required to be established on each FMU. Additionally, participants were conflicted with regards to management requirements, details associated with successional stages of forests, and minimum RSA/CAN percentages as they applied to groups.
- Conservation Areas Network (high-level): participants had inconsistent perspectives regarding qualification of SMZs, RSAs and other areas as well as management activities allowed within CAN areas.
- We found significant variation in interpretation of requirements between certificate holders and Certification Body representatives throughout the entire process, including for whether RSAs could be designated off the management unit. If RSAs are required to be on the FMU, it could be a “deal-breaker” for economic feasibility.
- Group CHs commented that in general the terms RSA, CAN, and HCV are confusing and there is a lack of clarity about how they differ from each other. CHs struggle to understand the concepts and how to explain them to Group Members.
- For group certificates it appears that in all references to CAN, the 10% minimum can be shared among all group member properties, but it is not clear if the same option exists for RSAs.
- Questions emerged about the applicability of seral stages in the context of identifying native ecosystems and requirements around designation of RSAs.
- Questions were raised about whether a certificate holder could be exempt from the requirement to restore natural ecosystems as RSAs if there are purported to be legal reasons preventing an organization from maintaining a particular ecosystem. An example may be fire-maintained systems.
- There is a general lack of clarity about how many acres are required to be designated or restored as RSAs
- Indicator 6.5.7 will likely result in a potential fatal flaw for feasibility of conformance if the certificate holder is required to set aside productive timber land as protected areas to meet the 10% threshold
- Additional indicator-specific comments were also provided

SDG Actions Taken:

- Reframe the RSA indicators to focus on maintenance and restoration of native ecosystems that are not already adequately represented and protected in the landscape of the management unit
- Maintain the very limited exceptions for recognition of RSA outside of the management unit, when the certificate holder was responsible for ensuring protection of the area
- Improve alignment of the indicators with the language of Criterion 6.5
- Focus on the extent of RSA expected overall, not on the extent of RSA for any one particular native ecosystem, when addressing the Criteria expectations for “proportionality”
- No additional guidance regarding location of RSA designation, as this is deemed to be adequately clarified in Annex G
- No additional guidance regarding sharing of RSA responsibility within a group, as this is deemed to be adequately clarified in Annex G
- Maintain the expectations for the Conservation Areas Network as in Draft 2

- Revise Annex G to be written in a way that is more clearly guidance to support understanding of the Criterion 6.5 indicators and is less presentation of a specific procedure or approach that may be perceived to be normative in nature
- Revise guidance in Annex G to provide greater clarity regarding applicability of ecological conditions to the RSA concept
- Edit Annex H to clarify activities that are acceptable within the CAN
- Additional edits also implemented in response to more specific comments

PRIORITY ISSUE: High Conservation Values

Significant concern is indicated in Environmental comments regarding a lack of clarity about how organizations would be evaluated during the interim period before a revised HCV assessment is completed, and the potential that this might incentivize harm to HCV during the phase-in period. Additional Environmental comments suggest including a more explicit time period for revision of the HCV assessment, clarifying that when management strategies are revised to incorporate what is learned from monitoring they need to be effective, and addressing concerns regarding the descriptions provided in Annex K for Primary Forest and Old Growth. Additionally, environmental comments suggest that the concept of mitigating negative impacts in Indicator 9.3.3 is not strong enough and all activities should be required to stop if HCV are being harmed.

Economic comments were limited, but focused on complexity, and the level of effort required leading to extensive burden on certified organizations.

Testing Results:

- Certification Body representatives have assumed that all certificate holders will need to redo their HCV assessment. This may be an inherent bias of Certification Bodies. Multiple certificate holders did not see any material difference with the current standard requirement.
- Similar to 7.2.4, there is a lack of clarity about auditing requirements in the interim period between standard approval and the end of the 'grace period' for conforming to the Indicator.
- Auditors would use the family forest section of Annex K as a checklist to verify the HCV assessment process is completed for each management unit in the group. At least one Group Manager found the Annex K guidance to be onerous for family forests.
- It's unclear if for groups every management unit must have its own independent HCV assessment or if a Group Entity can implement a group level assessment, for example at a landscape scale as long as all group management units are located within the landscape analyzed. Note: some groups may (likely do) have considerable variability among group members in understanding, assessment and resulting designation of HCVs and would benefit from a centrally managed process. The same is probably true for RSAs and CANs.
- As with plan revisions required for climate change impacts, it is viewed as unreasonable to require plan revisions for changes in HCV designations solely in response to changes in the standard prior to the scheduled plan update.

SDG Actions Taken:

- Edit the applicability language associated with Indicator 9.1.1 to be more clear about when organizations are expected to be in conformance with the revised HCV assessment

expectations, and what happens if they don't achieve conformance within the defined time period

- Add interim indicators to be used during audits until the organization is in full conformance with the revised Indicator 9.1.1, which include the expectation that the existing HCV assessment will still apply, that the organization is actively working to update their HCV assessment, and that HCV assessments will be implemented at a site scale prior to any site disturbing management activities.
- Add an intent statement for Indicator 9.1.1 to clarify that members of a group do not have to each have a separate HCV assessment
- Clarify timeline expectations for review of HCV assessments in Indicator 9.1.2
- Specify that strategies adapted to incorporate monitoring results need to maintain or enhance HCV
- Remove the statement of concern in Annex K linking old growth forests to forests that originated prior to European settlement
- Edit the description of Primary Forest in Annex K to remove references to economic/commercial activity and focus on evidence of site-disturbing management activities instead
- Additional edits also implemented in response to more specific comments

PRIORITY ISSUE: Climate Change

Environmental comments are primarily focused on concerns regarding the change for Draft 2 which moved the language about assessing climate change impacts on environmental values from Indicator 6.1.1 to Indicator 7.2.4. Economic comments indicate continuing concern about the burden required for conformance, particularly for family forests that are being held to the same expectations regarding climate change as are medium and large management units. They also request clarity about expectations for audits during the interim time period before conformance with Indicator 7.2.4 is required, for both management planning and monitoring expectations.

Testing Results

- Expectations are not clear for auditing during the interim period between standard approval and the end of the transition period for updating management plans.
- The Certification Body representatives' interpretation is that all elements listed in 6.1.1 (6.1.1.a – i) must be addressed for 7.2.4 (and FF 7.2.1.i) since 6.1.1 is directly referenced in the Indicator language
- Climate change is also impacting cultural resources, i.e., wild rice, ash trees used for baskets. Indicator 6.1.1 does not explicitly address cultural values.
- SFI certificate holders expressed frustration that the document required to meet the SFI climate smart forestry objective would not (in their view) be sufficient to meet 7.2.4 requirements.
- A group certificate holder interprets the standard to mean existing management plans do not need to be revised to account for potential impacts of climate change until the next scheduled plan revision. Alternatively, Certification Body representatives interpret the requirement that management plans for each management unit must be completed within 5 years.

- Some group certificate holders are frustrated about the requirement to include consideration of climate change impact in management plans. Many group members have not seen impacts from climate change on their forest lands.
- A suggestion was made by a Group certificate holders to provide an option for development of an interim group-wide solution, e.g., an annex to all management plans with generic guidelines and resources to bridge existing plans to the next scheduled plan revision.
- The time period to be considered for evaluating climate change impacts is not clear, e.g., 10 years, rotation length, or management planning period.

SDG Actions Taken:

- Return the expectations for assessing climate change impacts on environmental values to Indicator 6.1.1 (i.e., removed from Indicator 7.2.4)
- Edit the applicability language associated with Indicator 7.2.4 to be more clear about when organizations are expected to be in conformance with the indicator, and what happens if they don't achieve conformance within the defined time period
- Add an interim indicators to be used during audits until the organization is in full conformance with Indicator 7.2.4, which includes the expectation that the organization is actively working to complete the expected climate change evaluations.
- Reduce the climate change expectations for family forests associated with FF Indicator 7.2.1
- Add an applicability statement to Indicator 8.1.2 to clarify that conformance is not expected during the interim period for conformance with Indicator 7.2.4
- Update Annex L to align with the above edits

PRIORITY ISSUE: Federal Lands

Almost all comments regarding the Federal Land supplementary requirements were received from Environmental respondents. Concerns focus on the supplementary requirements not adequately addressing concerns specific to Bureau of Land Management and National Park Service-administered lands, the overall characterization of what is expected from certified federal lands as indicated in intent language, and needed clarification regarding references to “hazardous materials” in some supplementary requirements.

SDG Actions Taken:

- Request that a consultant evaluate the issues associated with Bureau of Land Management and National Park Service-administered lands that were identified during the Draft 1 public consultation as not being adequately addressed in the Federal Land Supplementary requirements; request that the consultant evaluate whether it would be possible to adjust the supplementary requirements or add additional supplementary requirements in a minimal way to address the concerns.
- Based on the consultant's input, determine that the issues to be addressed are too complex to try to make the adjustments necessary to address them in Draft 3 and ensure that changes of the supplementary requirements would receive the due considerations and stakeholder input needed.
- Limit the scope of the Federal Land supplementary requirements to only being applicable to US Forest Service, Department of Defense and Department of Energy-administered lands, in

addition to any other federal lands that are FSC certified at the time of the revised standard's effective date. This will effectively limit FSC certification to these federal lands.

- Remove the portion of the Criterion 5.5 intent statement which references federal agency missions
- Return the first sentence of the Draft 1 Principle 6 Intent statement (removed for Draft 2), "Federal Lands Intent for PRINCIPLE 6: For the Management Unit*, ecological sustainability is a core responsibility."
- Add guidance to each Federal Land supplementary requirement that mentions "hazardous materials" to clarify that the hazardous materials referenced are not the hazardous materials normally associated with forest management (i.e., waste materials handled under Criterion 10.12), but are industrial waste on DoD/DoE lands.
- Additional edits also implemented in response to more specific comments

Plantations

One Economic and one Environmental commenter indicate support for the revised Plantation Indicators in Draft 2. Additional limited Economic comments focus on suggestions to strengthen the language encouraging FSC certification of plantations, and avoid penalizing management units with plantations, whereas numerous Environmental comments suggest that management units with plantations should be expected to return some or all of those plantation stands to natural or semi-natural conditions and improve conditions for native species within plantation stands, regardless of the proportion of the management unit that is already in a natural or semi-natural state. Environmental comments also indicate that the language in the Introduction of the standard does not align with the Plantation indicators, that expectations to maintain or restore forest diversity should be across the entire management unit (not just within the 15% maintained as or restored to a natural or semi-natural state), and that the differentiation between plantations that replaced native ecosystems and those that didn't (for expectations regarding restoration of natural or semi-natural conditions) should be removed.

Testing Results:

- There exists a lack of clarity among certificate holders and Certification Body representatives about whether PL 6.6.1.1 applies to a "plantation" site that has been harvested and then re-established as a plantation or if it applies only where new plantations are established on sites that were not previously occupied by a plantation (e.g., grassland or degraded forest being converted to plantation).
- There remains a lack of clarity about whether a certificate holder needs to prioritize restoration for areas of greatest gain if the FMU has >15% maintained as (not restored to) semi-natural yet they also have some restoration activities (that are not required to reach 15% of the MU). It appears not, but it's not entirely clear.
- As written, PL 6.6.2.2 is a long and convoluted indicator which makes it difficult to understand. The phrase "especially through habitat management" is confusing. There is a lack of clarity about intent and how to audit that element of the Indicator.
- Regarding base indicator 6.10.2, although these terms are not new, Certification Body representatives and certificate holders are unclear about how to interpret the requirement relating to conservation benefit.
- The text of Indicator 6.10.2 is long and may be challenging to accurately interpret.

- It's unclear why there is a link back to 6.10.2 (b) in the text of Indicator 6.10.3. This reference seems entirely redundant.

SDG Actions Taken:

- Revise the language in the introduction of the standard to better align with the Plantation indicators
- Remove the intent statement for PL Indicator 6.8.1 that potentially limits efforts to maintain or restore forest diversity to only a small part of the management unit
- Do not remove the differentiation between plantations that replaced native ecosystems and those that didn't (for expectations regarding restoration of natural or semi-natural conditions), as this differentiation is aligned with the language of Criterion 6.9 (i.e., the prohibition of conversion of plantation to non-forest is only on sites that were "directly converted from natural forest" to plantation.
- Edit indicator, intent and guidance language to clarify expectations related to multiple PL Indicators.
- Additional edits also implemented in response to more specific comments

Non-Timber Forest Products (NTFP)

Numerous Economic comments request clarifications regarding whether organizations are required to include NTFP within the scope of their certificate, and the scope of each individual indicator that addresses NTFP specifically. Responses to the consultation regarding which NTFP should be specified generally aligned with the list proposed. Responses to the consultation question regarding adequacy of information for determining sustainable harvest levels generally indicate a lack of knowledge about this issue or suggestion that there are adequate guidelines available or a suggestion that the level of NTFP harvest is so low that volume of harvest is not a concern. Specific concern regarding harvest of ginseng and chaga were noted in some comments. Responses to the consultation question regarding the need to adapt other indicators to address NTFP issues did not identify any additional needs.

SDG Actions Taken:

- Specify within the scope of the standard (using product groups from FSC-STD-40-004a) the NTFP that may be certified by an organization
- Clarify in the Introduction, that it is the organization's choice whether they will include within the scope of their own certificate any of the NTFP that are listed
- Clarify in the Introduction that NTFP expectations within indicators are applicable for all NTFP that are commercially harvested (with or without an FSC claim), or harvested in association with a use right, regardless of whether the NTFP are listed in the standard
- Explicitly further limit applicability of individual indicators as needed
- Revise Indicator 5.2.5 to clarify that either a sustained yield harvest level or harvest guidelines (based on best available information) are established and these are expected to maintain or enhance the NTFP species populations and also other environmental values
- Do not provide indicators specific to ginseng or chaga as the existing indicators regarding sustainable harvest of NTFP and conservation of environmental values are deemed adequate
- Additional edits also implemented in response to more specific comments

Rare, Threatened & Endangered Species

Environmental commenters noted that expectations for worker training on HCVs and RTE species seemed to be missing from either Principle 2 or Annex E.

Environmental comments express concerns regarding the complexity and lack of clarity in the guidance for identifying RTE species associated with Criterion 6.1, with specific concern regarding the guidance associated with expectations for species with a S3 conservation rank from NatureServe. One Certification Body noted duplicate language in this section.

One Environmental commenter applauded the explicit focus on expectations for following the precautionary approach included in Criterion 6.4 intent, while others expressed concern that Indicator 6.4.1 does not require surveys for RTE species to confirm presence/absence if the organization is taking a precautionary approach (and managing as if there RTE species were there). Additionally environmental comments indicated concern that allowing employees of an organization to conduct RTE surveys should be considered a conflict of interest.

Multiple Environmental comments received regarding the guidance around “no net loss of habitat” and around an explicit reference to the U.S. Fish & Wildlife Service.

Economic commenters indicated concern regarding consideration of rare, threatened and endangered species outside of the management unit, overreach (i.e., expectations beyond existing legislation) and overall burden (in combination with other Principle 6 indicators).

SDG Actions Taken:

- Include language in Annex E (i.e., worker training) regarding HCV and RTE species
- Edit the guidance associated with Indicator 6.1.1 to reduce ambiguity and duplication, and to clarify that the expectations regarding S3 species have not changed
- Clarify that any individual conducting an RTE species survey must have the appropriate expertise and qualifications
- Remove the intent language which included the “no net loss of habitat” language
- Additional edits also implemented in response to other individual comments

Criterion 1.3 & Legal Right to Operate

Environmental comments received focused on the Applicability Note for Indicator 1.3.2, which exempted the Organization from legality expectations for activities that are not within the control of the Organization. These commenters suggested that the applicability statement created a loophole where the organization would not be responsible if contractors or consultants were acting in an illegal manner. Economic comments addressed multiple indicators within Criterion 1.3, but the majority focused on the need for clarity regarding which non-timber forest products are within scope for Indicator 1.3.5, which addresses legality expectations for non-timber forest products that are intended for human or animal consumption.

SDG Actions Taken:

- Remove the applicability statement regarding activities outside of the control of the organization.
- Clarify that Indicator 1.3.5 applies to non-timber forest products that are sold with an FSC claim.

- Additional edits also implemented in response to other individual comments

Criterion 1.6 & Dispute Resolution

Economic commenters expressed concerns regarding the potential for abuse of the dispute resolution process with frivolous/repeated stakeholder complaints, including those about issues outside of the scope of the standard. A variety of other issues and questions were also shared, but they did not coalesce around any other particular topic. Multiple Certification Bodies suggested that organizations should be expected to document their dispute resolution process. One Certification body comment indicated that the intent of Indicator 1.6.4 was not clear particularly given its placement as the last indicator in the Criterion.

SDG Actions Taken:

- Clarify in the definition of “dispute” that they are limited to disputes regarding conformance with the standard.
- Clarify that the dispute resolution process is expected to be documented, and add a definition for “documented” to the glossary
- Move Indicator 1.6.4 to be the first in the Criterion, with the idea that this would indicate that the remaining indicators follow or flow from this first one (which indicates that the organization is expected to prevent or resolve disputes)
- Additional edits also implemented in response to other individual comments

Criteria 4.1, 4.5 & Local Community Engagement

A large number of Economic comments expressed concern regarding the high level of burden/effort that would be required to proactively engage with each and every local community individually. Economic comments also indicate a desire to better understand the extent of what is expected for conformance, with particular concern regarding conformance expectations for a forest management group certificate and especially when the group is widespread. These comments request clarity on how this relates to other types of engagement with communities and other parts of the standard where impact on values is assessed and avoided or mitigated. Environmental concerns expressed that generally, the indicators weaken protections for local communities, as compared with Draft 1.

Testing Results:

- Use of the term “The Organization”: participants questioned how the term applied to group certificates and the intent of Indicators in the group context relative to group members. This issue is particularly challenging regarding Indicators associated with P2 and P4.
- As with indicators associated with Principle 3, certificate holders expressed concern about how the term “culturally appropriate” will be interpreted and applied in the context of Indicator 4.5.1.
- Indicator 4.5.1 appears to require certificate holders to have direct communication with local town officials. Engagement of local communities, e.g., through designated representatives, has typically not occurred. For some group certificates, and large and geographically dispersed land ownerships, conformance may be infeasible depending on interpretation regarding level and frequency of engagement required.
- We noticed some conflation of “notification” with “engagement” that may create ongoing challenges for some certificate holders.

- Some Group Entities were unclear about the types of impact to be addressed for family forest lands.
- Indicator 4.5.1 appears to require tribes to engage with local communities that are off the reservation, e.g., adjacent non-tribal communities or communities of other tribes. Further guidance from FSC is needed to clarify intent/applicability for tribes.
- Regarding Indicator 4.5.2, there was a lack of clarity about whether the CH is required to develop strategies in collaboration with local communities, or if CHs are only required to engage communities to get information that can then be considered by the CH in the development of strategies.

SDG Actions Taken:

- Adjust indicators to better align with the definition of “engagement” which provides some flexibility in how an organization might “provide for the participation of” a local community, but maintain the expectation for proactive engagement; recognize that engagement may be directly with representatives of local communities or through other processes that provide for the participation of local communities to ensure their interests and concerns are considered
- Clarify in guidance that if there are already established processes or systems for engaging with local communities regarding impacts then these processes may be used for engagement purposes per C4.1 and C4.5, as long as representatives of local communities are invited and can be confirmed as having actively engaged.
- Adapt the definition of “local community” to clarify that a community is considered to be a collective, not the individuals within that collective
- Recognize in guidance for C4.5 that unless the issue is associated with a legal right (in which case an FPIC process is required), the local community does not have to give consent for a management activity to move forward, particularly when dealing with private property. However, also include language that the organization is expected to consider stakeholder input as part of their decision.
- Remove the engagement expectation from Indicator 4.5.2, as it is not clear from either the Criterion language, or the IGLs that this is actually required, as long as there is engagement per Indicator 4.5.1.
- Replace “culturally appropriate engagement” with “engagement” throughout the standard, and provide an expectation in Annex A (Glossary) that all engagement will be culturally appropriate.
- Do not remove the term “significant” from Indicator 4.5.1 (the primary change between Draft 1 and Draft 2), as it is aligned with the IGLs
- Add guidance regarding “culturally appropriate communication” specifically with local communities to Annex F

Criterion 5.3 & Externalities

The testing process did not identify any specific significant issues, but Economic consultation comments suggest ongoing concerns regarding duplication with other expectations in the standard, a lack of clarity around what is really expected by the indicators which could lead to audit inconsistency, the perception that the indicators go beyond the Criterion, confusion about what the indicators intended to achieve in relationship to the standard as a whole, and potential applicability to family forests.

SDG Actions Taken:

- Revise to a single indicator that focuses on ensuring that management planning considers the long-term positive and negative environmental and social impacts of management activities.

Criterion 6.6 & Management Following Catastrophic Disturbance

All comments received were from individuals or organizations that are responsible for management of FSC certified lands in the Pacific Coast region. The comments indicated concerns regarding the clarifications provided in Draft 2 in Criterion 6.6 on expectations following catastrophic natural disturbances, indicating that they do not provide the flexibility needed to respond following wildfire.

SDG Actions Taken:

- Remove the reference to salvage harvests in Indicator 6.6.5
- Revise the Indicator 6.6.5 guidance for catastrophic events to clarify that retention of trees in salvage openings should be ecologically and economically justifiable per best available information
- Indicate that Indicator 6.6.5 Regional Supplement 6 for the Pacific Coast region does not apply in the case of catastrophic salvage harvests, but add a new Pacific Coast regional supplementary requirement that specifically addresses expectations for salvage harvests following catastrophic natural disturbances
- Add a definition for “Salvage Harvest” to Annex A (Glossary)

Old Growth – Indicator 6.8.2, Definition & Annex K

Environmental comments indicate concerns regarding: weakened protections, particularly on federal lands; implications of the description of old growth included in Annex K; the definition of Old Growth; and the new Indicator 6.8.3 (allowing harvest within old growth that is no longer under-represented under limited circumstances) that was added in Draft 2. Economic comments indicate support the new Indicator 6.8.3 and request additional guidance regarding the buffering of old growth expected per Indicator 6.8.2.

SDG Actions Taken:

- Edit Federal Land Supplement to Indicator 6.8.2 to indicate that prior to implementing site-disturbing activities in a particular forest stand, Type 1 and Type 2 Old Growth are expected to be identified and mapped
- Edit the definition of Old Growth to reflect that the oldest seral stage of a plant community may include very old examples of long-lived early- or mid-seral species
- Remove the statement in Annex K linking old growth forests to forests that originated prior to European settlement
- Maintain Indicator 6.8.3 without edit
- Additional edits also implemented in response to other individual comments

Criterion 6.9 & Conversion

Environmental comments suggest that the Draft 2 standard creates a loophole which would allow unlimited conversion of degraded forests to plantations and non-forest land uses. Concerns are also expressed about: the allowance of plantations to be converted to non-forest uses if the plantation was not created by converting a natural or semi-natural forest; the removal of guidance language regarding long term conservation benefits; the inclusion of language in Annex I which indicates that presence of non-native species may not be an indicator of a stand being a plantation if the non-natives are being used in conformance with Criterion 10.2; the continued maintenance of language which indicates that lands zoned in a certain way may be considered non-forest (and therefore may be transitioned to other non-forest uses); and the proposed definition for “conversion.”

One additional Environmental comment indicates concern regarding the revised definition for the “very limited portion” of the management unit which may be converted under very limited circumstances, as it is perceived to allow more conversion than in the existing standard, and suggests not allowing any exceptions.

SDG Actions Taken:

- Emphasize in intent language that FSC prohibits forest conversion except in very limited circumstances
- Replace the definition of conversion with the one in the most recent draft of the “FSC Policy to Address Conversion.”
- Do not limit replacement of lands that are so degraded as to fall under the new “converted” definition (i.e., could not support a functioning forest without significant structural changes to the landscape) with non-forest uses
- Do not limit the transitioning of plantation to non-forest use if the plantation was established on lands that were not natural or semi-natural forest, as this is aligned with description of “directly converted from...” in the International Generic Indicators
- Replace the Indicator 6.9.1 guidance language regarding demonstration of long term conservation benefits
- Remove the guidance language for Criterion 6.9 regarding zoning
- Additional edits also implemented in response to more specific comments

Criteria 10.2, 10.3 & Non-native Species for Regeneration

Environmental comments indicate concern about a potential for widespread use of non-natives and natural or semi-natural stands to be converted to non-native plantations (i.e., a “loophole”) when planted supposedly for restoration. Comments also request to further push selection of non-native species for climate adaptation purposes toward more local species and to limit use of hybrids that combine native and non-native species. Economic comments support the options for using non-native species for climate change adaptation, but at least one comment indicates that the North American limitation is too rigid, specifically related to use of Norway Spruce.

SDG Actions Taken:

- Add guidance language to Criterion 10.2 clarifying that native species are normally used for regeneration
- Focus Indicator 10.2.1 on the use of native species for regeneration, and focus Indicator 10.2.2 on the use of non-native species for regeneration, but clarify in both indicators that the use of

non-natives is to be limited; i.e., shift all of the non-native elements of Draft 2 Indicator 10.2.1 to Indicator 10.2.2

- Maintain the expectation for a plan when non-native species are used for climate adaptation, but simplify the expectations for selection of the species used to prioritize more local species over species from more distant regions and remove the North American limitation
- Specify in Plantation Indicator 10.2.1 that use of hybrids is limited to situations where long-term research indicates that the non-native species is not a threat, and is not a genetically modified organism

Criterion 10.6 & Fertilizer Use

Only Economic respondents provided comments on this issue. The comments indicate concern regarding the continued movement toward elimination of fertilization, the importance of fertilizers as a tool following wildfire, and that use of fertilizers does not inherently negatively impact the principle components and key elements of native forest ecosystems as described in Annex I.

SDG Actions Taken:

- Remove the element of the Draft 2 indicator focused on minimizing or avoiding fertilizer and make it a separate indicator applicable to all management units
- Make the remainder of the Draft 2 Indicator 10.6.2 a plantation indicator, as it originated from Principle 10 (Plantations) in the existing standard
- Add a somewhat more streamlined version of the second indicator that is aligned with the International Generic Indicators to replace the indicator that became a Plantation indicator (i.e., with applicability for non-plantation stands); make this new indicator not applicable for family forest management units

Criterion 10.7 & Pesticide Use

Economic comments include requests for special consideration of pesticide use following catastrophic disturbances, and for removal of Indicator 10.7.6 (perceived as duplicative with requirements for compliance with legislation in Principle 1). Comments also indicate concern about the maintenance of language focused on the long-term goal of elimination of all forest chemicals, and suggestions to remove Indicator 10.7.6 as it is perceived to be duplicative. An Environmental comment suggests including the FSC Pesticide Policy requirements to be included in the standard instead of referencing the policy.

Testing Results:

- Certificate holders expressed the sentiment that the need for use of pesticides in sustainable forestry is not going away with ongoing increases in invasive species. The stated mandate to reduce or eliminate use is not reasonable or practical. There do not appear to be any concessions for changing environmental conditions such as insect infestations or new invasive species. For groups whose enrollment is constantly changing, e.g., expanding, demonstration of reduced use of chemicals is not feasible. Furthermore, activity levels vary from year to year resulting in corresponding changes (up or down) in use of chemicals.
- There is a common lack of clarity among Group certificate holders and Certification Body representatives about whether Indicator 10.7.1 is intended to apply on a tract by tract basis for

group certificates, especially when considering the last sentence in the indicator, assuming documentation is required for chemical use on every tract.

- Certification Body representatives noted that with the direct reference within Indicator 10.7.2 to clause 4.12 in the FSC Pesticide Policy, they would verify that all elements of the clause are addressed. It would be helpful if the elements of Pesticide Policy clause 4.12 were embedded either in the Indicator or in the guidance.
- One Group Entity expressed frustration that Indicator 10.7.2 is only creating a lot of paperwork for family forest Group Members and the Group Entity, and not having any impact on management activities. They follow the label; that should be enough.
- Item a) in Indicator 10.7.3 should clarify if the requirement is intended to compare the selected pesticide only with other pesticides or with all potential treatment options.
- There is redundancy between Indicators 10.7.2 and 10.7.3. The Environmental and Social Risk Assessment framework referenced in 10.7.2 includes 13 requirements and some of those requirements are addressed again in 10.7.3.a, resulting in the same issues being audited twice.
- It's unclear to certificate holder and Certification Body representatives if Indicator 10.7.3 applies at the tract level, e.g., Group Member, or if the indicator can be met with an overarching approach for group certificates.
- Concern was expressed by a certificate holder about how "objective evidence" in Indicator 10.7.3.b would be interpreted
- It's unclear to both certificate holders and Certification Body representatives whether Indicator 10.7.4 requires only records of pesticide use or is requiring an activity plan.
- Certification Body representatives express concern about the auditability of Indicator 10.7.5 given the requirement for a certificate holder to monitor incidents of exposure for employees of independent contractors, yet certificate holders don't have access to those records.
- Conformance to Indicator 10.7.5 is further complicated for group certificates where Group Members are responsible for issuing contracts for pesticide application. There is some question about the value of Indicator 10.7.5 when trained and licensed applicators are used and required by contract.

SDG Actions Taken:

- Adjust the guidance language in the Criterion to focus on the expectation that organizations must continue to look for non-pesticide alternatives and other opportunities to reduce pesticide use and risk, instead of on eliminating use of pesticides
- Add guidance that recognizes that there may be a temporary increase in pesticide use after catastrophic disturbances, but conformance with all indicators of Criterion 10.7 is still required.
- Swap the locations of Indicator 10.7.2 and 10.7.3, as the first should be the one that applies to both biological and chemical pesticides, while the second applies only to chemical pesticides; but also edit the first for clarity and add applicability language to clarify the relationship between the two indicators
- Add guidance regarding the scale of demonstration that the pesticide used is the most effective, practical and cost-effective management approach
- Do not include the Pesticides Policy elements in the standard, as the policy could be revised at some point and the standard would then not be aligned, but add guidance which recognizes that

the Environmental and Social Risk Assessment is just one of multiple requirements in the Pesticides Policy

- Revise Indicator 10.7.4 to be simpler and more clear
- Align Indicator 10.7.5 with the International Generic Indicators by removing the first sentence regarding monitoring worker exposures
- Additional edits also implemented in response to more specific comments

High-level Summary of Testing Results

The primary purpose of the simulated field tests was to identify any “friction points” and “critical failures” in the draft standard.

- Requirements outside the control of CHs: participants noted multiple cases where requirements were beyond their ability to control or influence behavior, especially regarding Indicators associated with independent contractors and their employees or sub-contractors. The issue was compounded for group certificate managers. Many CHs claim such requirements contradict US federal laws requiring arm’s length relationships with independent contractors.
- Use of the terms “contract” and “contractor”: there is persistent confusion regarding the scope of requirements especially as they related to purchase agreements and minor or sometimes informal work agreements. The issue is compounded in group management and family forests.
- Use of the term “The Organization”: participants questioned how the term applied to group certificates and the intent of Indicators in the group context relative to group members. This issue is particularly challenging regarding Indicators associated with P2 and P4.
- Representative Sample Areas: there were divergent interpretations of the requirements, specifically whether RSAs are required to be established on each FMU. Additionally, participants were conflicted with regards to management requirements, details associated with successional stages of forests, and minimum RSA/CAN percentages as they applied to groups.
- Pesticide Use: participants expressed confusion with regards to conformance (including groups), with the terms “aim to eliminate”, “result in non-use or overall reductions”, and “exposure”.
- Cumulative burden on group entities: group managers expressed concern about the cumulative burden of expanded requirements in terms of documentation and monitoring on both group entities and group members.
- Auditability: participants had inconsistent perspectives with Indicators that were lacking clear and defined scope, those that addressed the intent (as opposed to actions) of certificate holders or contractors, and those that included interim timelines for conformance.
- Applicability Note function: participants questioned if Applicability Notes tied to base Indicators also applied to FF (and PL, FL) Indicators.
- References to an Annex in Indicator text: participants had inconsistent perspectives when Annexes were directly referenced in an Indicator.
- Reference to FSC US in Indicator text (e.g., 3.3.1): this led to confusion regarding CH responsibility for conformance.
- Conservation Areas Network: participants had inconsistent perspectives regarding qualification of SMZs, RSAs and other areas as well as management activities allowed within CAN areas.