

# How forest certification systems meet the EUTR requirements

## Forest Stewardship Council (FSC)

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GUIDING  
REPORTS



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## About NEPCon

NEPCon (Nature Economy and People Connected) is an international non-profit organisation that works to build capacity and commitment for mainstreaming sustainability. For almost 25 years, we have worked to foster sustainable land use and responsible trade in forest commodities. We do this through innovative projects, capacity building and sustainability services.

A self-managing division of NEPCon promotes and delivers our certification services. Surplus from certification activities supports the development and implementation of NEPCon's non-profit activities.

To support the legal timber trade, NEPCon makes its LegalSource™ Due Diligence System freely available. NEPCon is recognised by the EU as a Monitoring Organisation under the EU Timber Regulation. Learn more about NEPCon at [www.nepcon.org](http://www.nepcon.org)



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## Acronyms

CITES:	The Convention on International Trade in Endangered Species of Wild Fauna and Flora
CoC:	Chain of Custody
CSOs:	Civil Society Organisations
CW:	Controlled Wood
ETTF:	The European Timber Trade Federation
EUTR:	EU Timber Regulation
FM:	Forest Management
FMU:	Forest Management Unit
FSC:	Forest Stewardship Council
NEPCon:	Nature, Economy and People Connected
NGOs:	Non-governmental Organisations
OLB:	<i>Origine et Légalité des Bois</i> (The timber legality verification system of Bureau Veritas)
PEFC:	The Programme for the Endorsement of Forest Certification Schemes
SMEs:	Small and Medium-Sized Enterprises
VLC:	Rainforest Alliance's Verification of Legal Compliance
WWF:	World Wide Fund for Nature

## Definitions

### Applicable legislation (EUTR def.):

“Applicable legislation” means the legislation in force in the country of harvest covering the following matters:

- rights to harvest timber within legally gazetted boundaries,
- payments for harvest rights and timber including duties related to timber harvesting,
- timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting,
- third parties’ legal rights concerning use and tenure that are affected by timber harvesting, and
- trade and customs, in so far as the forest sector is concerned.

**Certification System:** The system of standards and procedures governing certification, quality assurance and other directly related activities to the standards and the certified organisations and certification bodies – for example, the systems applied by FSC and PEFC.

**Certification Body:** An organisation accredited to certify organisations against the certification standard(s).

**Certification System Evaluation Standard:** Standard developed by NEPCon to evaluate certification systems. See: <http://www.nepcon.org/legalsource-standard>

**Controlled Wood (FSC):** Wood that has been evaluated following the requirements in the FSC Controlled Wood standard as low risk for coming from unacceptable sources. The five FSC controlled wood categories of unacceptable sources (referred to as controlled wood categories) are:

1. Illegally harvested wood
2. Wood harvested in violation of traditional and civil rights
3. Wood harvested in forests in which high conservation values are threatened by management activities
4. Wood harvested in forests being converted to plantations or non-forest use
5. Wood from forests in which genetically modified trees are planted

**Standard:** the list of normative requirements that organisations seeking certification shall adhere to and be evaluated against.

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## A. Introduction

This evaluation aims to assess how the FSC forest certification system meets fundamental aspects of legality requirements for timber, as well as how the certification is set up to provide quality assurance and transparency, enabling the system to provide meaningful indication of legality in relation to the EU Timber Regulation (EUTR). The result of the evaluation can be used by organisations as part of their due diligence procedures to source material that carries the claims of the evaluated systems. Any gaps or weaknesses in the system should be considered as potential legality risks and therefore, assessed in detail and mitigated where necessary.

The evaluation is based on a framework and legality definition developed by NEPCon, based on the legality definition of the EU Timber regulation and additional requirements in that regulation related to the use of certified material as part of the due diligence process.

The NEPCon Certification System Evaluation Standard can be accessed here: <https://www.nepcon.org/file/1698/download?token=Xn7DbkeX>. Note that the evaluation conducted in this report only covers requirements directly related to the EUTR, and does not include an evaluation against the full NEPCon standard.

Most certification and verification systems, including FSC, have undergone rapid development in recent years, partly to align themselves with the EUTR and other timber legality regulations.

The result of this evaluation is an overview of how the FSC system covers the requirements in the NEPCon Certification System Evaluation Framework, with focus on the EU Timber Regulation 95/2010 (Article 6 Due diligence system), as well as the European Commission's Implementing Regulation (No 607/2012 Article 4 Risk assessment and mitigation).

A similar report contains a similar evaluation of the PEFC system.

With this assessment, we have tried to establish a clear and concise evaluation of (1) whether the systems in question meet the NEPCon certification evaluation requirements, based on the EUTR certification system criteria; and (2) whether the systems provide an appropriate level of indication of legality to meet the NEPCon definition of legal timber.

## B. Methodology

The evaluation was based purely on a desk-review of documents. Draft reports were shared with the scheme owner and comments received considered and incorporated into the final version.

The NEPCon Certification System Evaluation Framework is built on the EU Timber Regulation and related regulations and guidance as follows:

- EU Timber Regulation 995/2010
- EU Commission Implementing Regulation 607/2012
- EU Commission Delegated Regulation 363/2012
- EU Commission notice of 12.2.2016 Guidance document for the EU Timber Regulation

All documents are available here:

[http://ec.europa.eu/environment/forests/timber\\_regulation.htm](http://ec.europa.eu/environment/forests/timber_regulation.htm)

The EU Commission Implementing Regulation (607/2012) contains the following specific requirements related to the use of third-party certification systems (Art. 4):

*Certification or other third-party verified systems referred to in the first indent of the second paragraph of Article 6(1)(b) and in Article 6(1)(c) of Regulation (EU) No 995/2010 may be taken into account in the risk assessment and risk mitigation procedures where they meet the following criteria:*

*(a) they have established and made available for third-party use a publicly available system of requirements, which system shall at the least include all relevant requirements of the applicable legislation;*

*(b) they specify that appropriate checks, including field-visits, are made by a third party at regular intervals no longer than 12 months to verify that the applicable legislation is complied with;*

*(c) they include means, verified by a third party, to trace timber harvested in accordance with applicable legislation, and timber products derived from such timber, at any point in the supply chain before such timber or timber products are placed on the market;*

*(d) they include controls, verified by a third party, to ensure that timber or timber products of unknown origin, or timber or timber products which have not been harvested in accordance with applicable legislation, do not enter the supply chain.*

This evaluation is conducted against a framework for evaluating certification and verification systems to assess their ability to provide assurance of the legal harvest, transport and trade of forest products, and to assess the level of transparency and quality control of such systems, based on the EU Timber Regulation and related implementing regulations and guidance, but adapted by NEPCon.

It is important to note that the definition of legality and the criteria and sub-criteria applied by NEPCon and those applied by FSC are very similar.

Also, it shall be highlighted that the legality definition applied here is the NEPCon specification of what constitutes legality within the EUTR definition of what “illegally harvested” means.

The EU Timber Regulation 995/2010 (article 2) defines illegal timber as follows:

*‘illegally harvested’ means harvested in contravention of the applicable legislation in the country of harvest;*

*‘applicable legislation’ means the legislation in force in the country of harvest covering the following matters:*

- rights to harvest timber within legally gazetted boundaries,*
- payments for harvest rights and timber including duties related to timber harvesting,*
- timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting,*

- *third parties' legal rights concerning use and tenure that are affected by timber harvesting, and*
- *trade and customs, in so far as the forest sector is concerned.*

This definition is supposed to be interpreted broadly and making room for incorporating national legislation. The EU Commission Guidance Document (12.2.2010) states:

*"The EUTR takes a flexible approach by listing a number of legislative areas without specifying particular laws, as these differ from country to country..."*

Due to the broad categories applied by the EUTR, NEPCon have expanded these into 19 sub-categories against which we evaluate the scope of certification standard's ability to meet the EUTR.

**Table 1:** Categories for evaluation

Category	Description
Legality	<p>Evaluation of the certification system standard's coverage of legal requirements. The report also evaluates how well the criteria and indicators of certification standards are formulated to ensure compliance with the legal requirements covered in the standards. We apply 5 criteria and 19 sub-criteria for legality.</p> <p>This refer to the EUTR 995/2101 definition of legally harvested timber and Implementing Regulation 607/2012 Article 4a.</p>
Chain of Custody	<p>The system shall include requirements to ensure that material included in the scope of certification/verification will not be mixed with other material, irrespective of the method applied. These requirements do not necessarily require the tracking of all timber from the forest, but may include risk-based systems to assure that risks of contamination with illegal or unknown material is managed.</p> <p>This refer to Implementing Regulation 607/2012 Article 4c and d.</p>
System requirements	<p>The system shall include requirements for certified or verified organisations to have in place systems and procedures that enable them to meet all applicable requirements of the respective system.</p> <p>This refer to Implementing Regulation 607/2012 Article 4a.</p>
Transparency	<p>The system shall ensure that standards and requirements for certified organisations are publicly available.</p> <p>This refer to Implementing Regulation 607/2012 Article 4a.</p>
Auditing process	<p>The system shall ensure that assurance providers have in place and implement procedures for audits, including field visits, which include frequency of audits (minimum annually).</p> <p>This refer to Implementing Regulation 607/2012 Article 4b.</p>

The evaluation was conducted entirely by desk evaluation of publicly available information and documents. In some cases, not all system documents were available publicly and we sought to obtain these through direct contact with the certification system manager.

The systems were evaluated in turn. Where criteria were identified as not being covered by a specific certification/verification system, comments were provided.

## C. Certification system evaluation

### Forest Stewardship Council (FSC)



#### Introduction and background

FSC is a global, not-for-profit organisation dedicated to the promotion of responsible forest management worldwide. Its founding general assembly was in 1993 and it was established as a legal entity in 1994. It was founded because of the need for a system that could credibly identify well-managed forests as the sources of responsibly produced wood products, and build support for the idea of a non-governmental, independent and international forest certification system. FSC is a membership-based association with diverse members that include representatives of environmental and social non-governmental organisations, the timber trade, forestry organisations, indigenous people's organisations, community forestry groups, retailers and manufacturers, forest certification organisations, individual forest owners, and other interested parties.

#### Institutional setup and system

FSC comprises several legal entities. FSC Asociación Civil is the membership organisation, and is registered in Oaxaca, Mexico and owns FSC Global Development, FSC IC and ASI. FSC Global Development GmbH (FSC GD) is a company in Bonn, Germany, which manages the FSC brand and trademark, and provides services to partners and constituents around the world. FSC International Center GmbH (FSC IC) is the entity responsible for developing and maintaining the normative framework. Accreditation Services International GmbH (ASI) works as an independent third-party accreditation body. ASI is the sole accreditation provider for the FSC system, as well as for several other systems, including the Marine Stewardship Council, the Roundtable on Sustainable Palm Oil, and the Sustainable Biomass Partnership.

The FSC certification system operates as a 3<sup>rd</sup> party certification system with three key actors: FSC International Center GmbH (under the responsibility of the FSC AC Board, representing FSC's membership) is responsible for the development, maintenance and interpretation of the FSC normative framework. Certification bodies evaluate the conformity of organisations applying for and holding certification against the requirements of the normative framework. These certification bodies must be accredited to conduct evaluations and issue FSC certificates by a separate entity, Accreditation Services International GmbH (ASI). Just as the certification bodies evaluate the conformity of organisations, ASI checks that the certification bodies follow the relevant accreditation requirements.

## Standards

The two main types of certification within the FSC system are forest management and chain of custody. FSC forest management certification is based on FSC's Principles and Criteria (P&C), which intend to set out best practices for forest management. FSC chain of custody certification applies to manufacturers, processors and traders of FSC certified forest products, and ensures that materials and products which are sold with FSC claims originate from certified forests, controlled sources, reclaimed materials, or a mixture of these. It allows certified companies to label their FSC products, which in turn enables consumers to identify and choose products that support responsible forest management.

FSC chain of custody certification allows for the mixing of FSC certified materials with non-certified materials, under special conditions. The non-certified (and non-recycled) materials must meet the "FSC Controlled Wood" standard requirements.

FSC Controlled Wood certification can be applied by forest managers in the same way as FSC forest management certification. Working to a different standard, FSC Controlled Wood certification can also be applied by chain of custody certified organisations. In this case, a due diligence process is required to source FSC controlled wood from non-certified organisations.

Due to the existence of the controlled wood system, there are different material categories that can be used in separate product groups under FSC chain of custody certification. This is important to note when evaluating the FSC system and using FSC material because material contained in the different product groups will have been subject to different normative requirements. The claims that can be made on sales and delivery documents for the different product groups are:

- *FSC 100%*, which comprises only from material physically originating from FSC certified forests and has only been handled by chain of custody certified organisations in the supply chain who have maintained physical separation and integrity of the FSC certified material from all other material throughout the supply chain.
- *FSC Controlled Wood*, which comprises material that was either evaluated as controlled wood at the forest management unit level and has only been handled by chain of custody certified organisations in the supply chain, or material that was evaluated as controlled wood through a due diligence process and therefore has not only been handled by certified organisations in the supply chain. CW claims can only be used business to business and not as a final claim category for consumers.
- *FSC Mix (Credit or XX%)*, which contains a mixture of FSC 100% and FSC Controlled Wood.
- *FSC Recycled (Credit or XX%)*, which contains FSC Recycled, where relevant subdivided into pre-consumer reclaimed and post-consumer reclaimed.

## Forest Management

The FSC P&C and International Generic Indicators (IGIs) set out the global requirements for achieving FSC forest management certification. The IGIs are adapted to the regional

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or national level by dedicated working groups to produce a National Forest Stewardship Standard, which is applied in the area it covers. In countries not covered by a national standard, a certification body may adjust the IGIs to develop an interim national standard.

The FSC forest management document included in this evaluation are:

- FSC-STD-60-004 V1-0 International Generic Indicators

### Chain of Custody (CoC)

FSC chain of custody certification applies to all manufacturers, processors and traders of FSC-certified forest products globally. It verifies that only FSC Controlled Wood and/or reclaimed materials are mixed with FSC certified materials and products along the production chain.

The FSC chain of custody documents included in this evaluation are:

- FSC-STD-40-004 V3-0 FSC Standard for Chain of Custody Certification
- FSC-DIR-40-004 FSC Directive on Chain of Custody Certification

### Controlled Wood

FSC controlled wood certification ensures that non-certified material that can be mixed with certified material does not come from “unacceptable sources”. The FSC system has two global controlled wood standards: one that is applied at the forest level by forest managers to supply Controlled Wood, and another that is applied by organisations downstream in the supply chain to source Controlled Wood from non-certified organisations by implementing a due diligence system.

The FSC Controlled Wood documents included in this evaluation are:

- FSC-ADV-30-010-1 Applicable National and Local Laws and Regulations
- FSC-DIR-40-005 FSC Directive on FSC Controlled Wood
- FSC-STD-30-010 V2-0 Controlled Wood Standard for Forest Management Enterprises
- FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood
- FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework

FSC have transitioned from FSC-STD-40-004 V2-1 to V3-0 and FSC-STD-40-005 V2-1 to V3-1. All chain of custody-certified organisations shall be evaluated against version 3-0 of the chain of custody standard before 31 March 2018. Chain of custody-certified organisations with Controlled Wood in the scope of their CoC certificates shall be evaluated against version 3-1 of the CW standard before 31 March 2018<sup>1</sup>. This report therefore focuses on the latest versions of these standards.

### Other normative documents included in the evaluation

Other relevant normative documents used as part of this evaluation include:

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<sup>1</sup> Companies already audited against version 3-0 before 30 June 2017, do not have to get re-audited against standard 3-1 before the end of this deadline.

- FSC-PRO-01-001 V3-1 Development and Revision of FSC Normative Documents
- FSC-STD-20-001 V4-0 General requirements for FSC accredited certification bodies
- FSC-STD-20-007 V3-0 Forest Management evaluations
- FSC-STD-20-011 V4-0 Chain of Custody Evaluations
- FSC-STD-20-012 V1-1 Standard for evaluation of FSC Controlled Wood in Forest Management Enterprises

## Verifying FSC certificates

FSC maintains a public certificate database, which can be accessed at <http://info.fsc.org/>. Certificates are searchable using various queries including business name, country, certificate number, certification type, and product type. The database contains the following information available for each certificate: certificate and license codes, address and contact information of the certified organisation, certification validity and dates, group members and sites, and product types.

Public summaries of certification reports are required and made available on the FSC certificate database for forest management and controlled wood forest management certificates, but are not required or available for chain of custody certificates. The latest version of the controlled wood due diligence standard (FSC-STD-40-005 V3-1, the version assessed in this evaluation) also requires public certification summaries.

## Findings of the evaluation

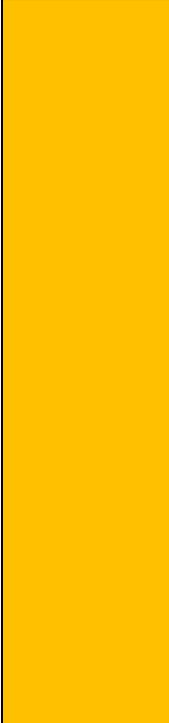
The assessment of legality requirements was made for all FSC forest management and controlled wood documents, and FSC chain of custody requirements were included with these specifically for the assessment of the trade and transport sub-category. For the chain of custody category of the assessment, FSC chain of custody documents were evaluated, as was the FSC controlled wood standard implemented by chain of custody certified organisations to conduct due diligence to source non-certified material as controlled wood. The final three categories within the assessment were applicable to the whole FSC system.

Table 2 summarises the findings of the evaluation of the FSC system. More detailed findings, where evaluations for the different components of the FSC system are separated further where necessary, are contained in Annex 1. The following colours are used to represent the level of conformance of the system with the requirements of each evaluation category:

-  Green indicates categories where full coverage with the requirements was found.
-  Yellow indicates areas of partial coverage of requirements of a category or areas where special concern about the systems standards or credibility has been identified.

 Red indicates areas where systems are not covering specific issues or where significant gaps have been identified in their standards or systems.

**Table 2:** Overview of the evaluation of the FSC system – both FM standard and CW standard.

Category	Sub-Category	Evaluation findings	Specifications of key issues findings
Legality	Legal right to harvest		FSC's forest management and controlled wood standards explicitly require compliance with legislation related to land tenure and management rights.
	Taxes and fees		FSC's forest management and controlled wood standards explicitly require compliance with legislation related payment of royalties and harvesting fees.
	Timber harvesting activities /regulations		FSC's forest management and controlled wood standards explicitly require compliance with legislation related to timber harvesting activities.
	Third parties' rights		FSC's forest management and controlled wood standards explicitly require compliance with legislation related to third parties' rights.
	Trade and transport		FSC's forest management and controlled wood standards explicitly require compliance with legislation related to trade and transport.  FSC's chain of custody requirements only partially cover compliance with legislation related to trade and transport. FSC certificate holders that are exporting and/or importing timber or timber products are required to have procedures in place to ensure that the commercialisation of FSC-certified products complies with all applicable trade and custom laws, however this is not required of certificate holders in the supply chain that are not importing or exporting products.  The CoC standard does not explicitly cover legislation regulating how harvested material is classified in terms of species, volumes and qualities.

			<p>Furthermore, there are no requirements explicitly dealing with illegal tax evasion through off-shore trading and illegal manipulation of transfer prices.</p>
Chain of Custody	N/A		<p>FSC's chain of custody requirements state that organisations shall collect and provide information on species (common and scientific name) and country of harvest (or more specific location details if required by legislation) to direct customers and/or any FSC-certified organizations further down the supply chain that need this information to comply with timber legality legislation, on request.</p> <p>The controlled wood due diligence standard implemented by chain of custody-certified organisations requires the country of origin (or smaller scale where needed due to variability in risk at the national level) to be identified and there are specific requirements for maintaining species information.</p> <p>With respect to tracing material and preventing uncertified or uncontrolled material from entering the supply chain, the FSC chain of custody standard contains detailed requirements for control systems addressing purchase, manufacturing and sales for each link in the supply chain. The control system shall be evaluated annually by an FSC accredited certification body. The system can therefore provide at least some level of confidence that certified material is traced through the supply chain, and the risk of mixing with uncertified or uncontrolled material is reduced. However, the FSC chain of custody system does not include requirements for certified organisations to systematically validate volumes transferred from seller to purchaser, which is considered as a major gap in the scheme. Organisations are required (STD-40-004 V3.0; req. 1.7) to support transaction verification conducted by their certification body and Accreditation Services International (ASI) by providing samples of FSC transaction data as requested by the certification body, but this is not considered to cover this issue, since the</p>

			<p>transaction verification done by ASI covers only a very small sample of the traded volume.</p> <p>The controlled wood standard requires a due diligence system to be implemented for avoiding material from areas that are not low risk for legality (and other aspects) and supply chains where there is a risk of mixing with uncontrolled material. Measures to mitigate risk must be taken, where risk is identified/specified.</p>
System Requirements	N/A		<p>FSC operates as a 3<sup>rd</sup> party certification system, including for controlled wood chain of custody certification which involves certified organisation conducting their own verification of material that they source. Where the system is risk-based (controlled wood chain of custody certification), there are also requirements in this standard for risk to be assessed and mitigated whenever there is a change in the risk related to illegal harvest, trade or transport.</p> <p>However, only forest management and controlled wood chain of custody requirements explicitly require organisations to regularly evaluate (and revise when necessary) their procedures, while chain of custody and controlled wood forest management requirements do not.</p>
Transparency	N/A		<p>All FSC normative requirements are available at <a href="https://ic.fsc.org/en/document-center">https://ic.fsc.org/en/document-center</a>.</p>
Auditing process	N/A		<p>The FSC system contains normative requirements to be followed by certification bodies, and included within this is the requirement that audits be conducted at least annually, and not later than 15 months after the previous audit, in the case of chain of custody certification.</p>

### Conclusions for buyers of FSC certified material

From the above analysis, it can be concluded that the FSC system covers most of the requirements evaluated. However, the most important gap in the FSC system are found in the lack of a system to validate volumes of material with an FSC claim transferred

from seller to purchaser and ensure that mixing of non-certified material does not take place in the supply chain.

FSC has previously recognised this as an issue and has worked to address it via an internet-based volume transaction platform (the Online Claims Platform) but use of the Online Claims Platform is voluntary and the level of update by companies is thus low. Furthermore, it is to be expected that the lowest performing organisations would be last ones to adopt the system as long as it remains voluntary. In addition, the new Version 3.0 of the CoC standard (FSC-STD-40-004) includes requirements that require Certificate Holders (CHs) to support Certification Bodies and the Accreditation Body (AB) in conducting transaction verification – however this requirement is discretionary and up to a decision by the CB or the AB. Furthermore, although this is important and positive initiative, the sample size of the transaction verification checks is very small and is thus not considered to provide sufficient safeguards. Therefore, an FSC Chain of Custody certificate is not considered sufficient to mitigate the risk of mixing in the supply chain. This risk needs to be evaluated and addressed as a part of the due diligence system. One way to address this risk is to request that suppliers use the Online Claims Platform.

Secondly, the FSC CoC standard currently does not include evaluation of the legality of trade and transport activities that is considered to meet the EUTR definition of legality.

To address the second gap, buyers of FSC-certified material should conduct a risk assessment of their supply chains for the risk of mixing of certified material and material from noncontroversial sources with material that has not been subject to FSC requirements, which could have been harvested illegally.

## Annex I: Evaluation details

P	C	I	Requirements	Guiding description of the criteria and sub criteria	FSC-STD-60-004 V1-0 International Generic Indicators		FSC-STD-30-010 V2-0 FSC Controlled Wood Standard for Forest Management Enterprises	
					Evaluation	Analysis	Evaluation	Analysis
1			Legal Compliance	The System shall contain a legality definition, including applicable legislation related to harvesting, trade and transport enabling efficient evaluation of legal compliance where needed. The Standard shall clearly specify the applicable laws that shall be complied with in order for harvesting and trade of timber to be considered legal. In this regard it shall not be considered adequate to include only a generic statement such as "all relevant laws and regulations shall be met". The Standard shall contain requirements that relate to or cover applicable legislation as defined by the categories below.				
1	1		Legal rights to harvest					
1	1	1	Land tenure and management rights	The standard shall include requirements that ensure compliance with legislation covering land tenure rights, including customary rights as well as management rights incorporating the use of legal methods to obtain tenure rights and management rights. The standard should also	COVERED	The Organization shall comply with all applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. (FSC-STD-60-004 V1-0, Principle 1: Compliance with Laws)	COVERED	All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1. (FSC-STD-30-010 V2-0, 3.1).

				cover legal business registration and tax registration, including relevant legal required licenses. There shall be requirements to ensure that licenses, right of tenure and management rights have been issued according to the legally prescribed procedure and excluding corrupt practices.		The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers land tenure and management rights. (FSC-STD-60-004 V1-0, Annex A)		A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises that must be complied with. The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers land tenure and management rights. (FSC-ADV-30-010-01)
1	1	2	Concession licenses	The standard shall include requirements that ensure compliance with legislation regulating procedures for the issuing of concession licenses, including use of legal methods to obtain concession licenses. Bribery, corruption and nepotism are recognised issues in connection with concession licenses.	COVERED	The Organization shall comply with all applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. (FSC-STD-60-004 V1-0, Principle 1: Compliance with Laws)  The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers concession licences. (FSC-STD-60-004 V1-0, Annex A)	COVERED	All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1. (FSC-STD-30-010 V2-0, 3.1).  A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises that must be complied with. The list of applicable laws, regulations and nationally-ratified international treaties, conventions and

								agreements covers concession licences. (FSC-ADV-30-010-01)
1	1	3	Management and harvesting planning	The standard shall include requirements that ensure compliance with legislation and legal requirements for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring, as well as approval of these by competent authorities.	COVERED	The Organization shall comply with all applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. (FSC-STD-60-004 V1-0, Principle 1: Compliance with Laws)  The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers management and harvesting planning. (FSC-STD-60-004 V1-0, Annex A)	COVERED	All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1. (FSC-STD-30-010 V2-0, 3.1).  A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises that must be complied with. The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers management and harvesting planning. (FSC-ADV-30-010-01)
1	1	4	Harvesting permits	The standard shall include requirements that ensure compliance with legislation regulating the issuing of harvesting permits, licenses or other legal documents required for specific harvesting operations. This requirement includes the use of legal methods to obtain the permit. Corruption is a well-known issue in connection with the issuing of harvesting permits.	COVERED	The Organization shall comply with all applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. (FSC-STD-60-004 V1-0, Principle 1: Compliance with Laws)  The list of applicable laws, regulations and nationally-ratified international treaties,	COVERED	All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1. (FSC-STD-30-010 V2-0, 3.1).  A normative Advice Note for this requirement

						conventions and agreements covers harvesting permits. (FSC-STD-60-004 V1-0, Annex A)		contains a list of applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises that must be complied with. The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers harvesting permits. (FSC-ADV-30-010-01)
1	2		Taxes and fees					
1	2	1	Payment of royalties and harvesting fees	The standard shall include requirements that ensure compliance with legislation covering payment of all legally required forest harvesting-specific fees such as royalties, stumpage fees and other volume-based fees. This requirement includes payments of the fees based on correct classification of quantities, qualities and species. It also considers taxes related to the maintenance of the legal rights to harvest and manage the forest (e.g. area-based taxes).	COVERED	The Organization shall comply with all applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. (FSC-STD-60-004 V1-0, Principle 1: Compliance with Laws)  The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers payment of royalties and harvesting fees. (FSC-STD-60-004 V1-0, Annex A)	COVERED	All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1. (FSC-STD-30-010 V2-0, 3.1).  A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises that must be complied with. The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers payment of royalties and harvesting fees.

								(FSC-ADV-30-010-01)
1	2	2	Value-added taxes and other sales taxes	The standard shall include requirements that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales).	COVERED	The Organization shall comply with all applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. (FSC-STD-60-004 V1-0, Principle 1: Compliance with Laws)  The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers value added taxes and other sales taxes. (FSC-STD-60-004 V1-0, Annex A)	COVERED	All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1. (FSC-STD-30-010 V2-0, 3.1).  A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises that must be complied with. The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers value added taxes and other sales taxes. (FSC-ADV-30-010-01)
1	3		Timber harvesting activities					
1	3	1	Timber harvesting regulations	The standard shall include requirements that ensure compliance with legal obligations for harvesting techniques and technology including selective cutting, shelter wood regeneration, clear felling, transport of timber from felling sites and seasonal limitations etc. Typically, this includes regulations on the size of felling areas, minimum age	COVERED	The Organization shall comply with all applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. (FSC-STD-60-004 V1-0, Principle 1: Compliance with Laws)  The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements	COVERED	All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1. (FSC-STD-30-010 V2-0, 3.1).  A normative Advice Note for this requirement

				and/or diameter for felling activities and elements that shall be preserved during felling etc. Establishment of skidding or hauling trails, road construction, drainage systems and bridges etc. shall also be considered as well as planning and monitoring of harvesting activities. Any legally binding codes for harvesting practices shall be considered.		cover timber harvesting regulations. (FSC-STD-60-004 V1-0, Annex A)		contains a list of applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises that must be complied with. The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements cover timber harvesting regulations. (FSC-ADV-30-010-01)
1	3	2	Protected sites and species	The standard shall include requirements that ensure compliance with legislation related to protected areas as well as protected, rare or endangered species, including their habitats and potential habitats. Note that protected areas may include protected cultural sites, including sites with historical monuments.	COVERED	The Organization shall comply with all applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. (FSC-STD-60-004 V1-0, Principle 1: Compliance with Laws)  The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements cover protected sites and species. (FSC-STD-60-004 V1-0, Annex A)	COVERED	All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1. (FSC-STD-30-010 V2-0, 3.1).  A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises that must be complied with. The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements cover protected sites and species.

								(FSC-ADV-30-010-01)
1	3	3	Environmental requirements	The standard shall include requirements that ensure compliance with legislation related to environmental impact assessment in connection with harvesting, acceptable levels of damage and disturbance of soil resources, establishment of buffer zones (e.g. along watercourses, open areas, breeding sites), maintenance of retained trees on felling sites, seasonal limitations on harvesting, and environmental requirements for forest machinery.	COVERED	The Organization shall comply with all applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. (FSC-STD-60-004 V1-0, Principle 1: Compliance with Laws)  The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements cover environmental requirements. (FSC-STD-60-004 V1-0, Annex A)	COVERED	All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1. (FSC-STD-30-010 V2-0, 3.1).  A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises that must be complied with. The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements cover environmental requirements. (FSC-ADV-30-010-01)
1	3	4	Health and safety	The standard shall include requirements that ensure compliance with legislation related to personal protective equipment for persons involved in harvesting activities, use of safe felling and transport practices, establishment of protection zones around harvesting sites, and safety requirements relating to machinery used, and legal and safety requirements in relation to chemical usage. The health	COVERED	The Organization shall comply with all applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. (FSC-STD-60-004 V1-0, Principle 1: Compliance with Laws)  The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements cover health and safety.	COVERED	All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1. (FSC-STD-30-010 V2-0, 3.1).  A normative Advice Note for this requirement contains a list of applicable National and

				and safety requirements that shall be considered relate to operations in the forest, including in-forest processing (not office work, or activities other than actual forest operations).		(FSC-STD-60-004 V1-0, Annex A)		Local Laws and Regulations for Controlled Wood for Forest Management Enterprises that must be complied with. The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements cover health and safety. (FSC-ADV-30-010-01)
1	3	5	Legal employment	The standard shall include requirements that ensure compliance with legislation for employment of personnel involved in harvesting (and in-forest processing) activities including requirements for contracts and working permits, requirements for obligatory insurances, requirements for certificates of competence and other training requirements, and payment of social and income taxes withheld by the employer. Furthermore, the requirements shall cover observance of the minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labour, and discrimination and freedom of association.	COVERED	The Organization shall comply with all applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. (FSC-STD-60-004 V1-0, Principle 1: Compliance with Laws)  The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements cover legal employment. (FSC-STD-60-004 V1-0, Annex A)	COVERED	All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1. (FSC-STD-30-010 V2-0, 3.1).  A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises that must be complied with. The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements cover legal employment. (FSC-ADV-30-010-01)
1	4		Third parties' rights					
1	4	1	Customary rights	The standard shall include requirements that ensure	COVERED	The Organization shall comply with all applicable laws,	COVERED	All harvesting shall take place in compliance with

				<p>compliance with legislation covering customary rights relevant to forest harvesting activities including obligations relating to sharing of benefits, and indigenous rights.</p>		<p>regulations and nationally-ratified international treaties, conventions and agreements. (FSC-STD-60-004 V1-0, Principle 1: Compliance with Laws)</p> <p>The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements cover customary rights. (FSC-STD-60-004 V1-0, Annex A)</p>		<p>all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1. (FSC-STD-30-010 V2-0, 3.1).</p> <p>A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises that must be complied with. The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers customary rights. (FSC-ADV-30-010-01)</p>
1	4	2	Free, Prior and Informed Consent	<p>The standard shall include requirements that ensure compliance with legislation covering 'Free, Prior and Informed Consent' in connection with transfer of forest management rights and customary rights to the organisation in charge of the harvesting operation.</p>	COVERED	<p>The Organization shall comply with all applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. (FSC-STD-60-004 V1-0, Principle 1: Compliance with Laws)</p> <p>The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers free, prior and informed consent. (FSC-STD-60-004 V1-0, Annex A)</p>	COVERED	<p>All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1. (FSC-STD-30-010 V2-0, 3.1).</p> <p>A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations for Controlled Wood for Forest Management</p>

								Enterprises that must be complied with. The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers free, prior and informed consent. (FSC-ADV-30-010-01)
1	4	3	Indigenous and traditional peoples' rights	The standard shall include requirements that ensure compliance with legislation that regulates the rights of indigenous/traditional peoples as far as those rights relate to forestry activities. Possible aspects to consider are land tenure; and the right to use certain forest-related resources or practice traditional activities, where these may involve forest lands.	COVERED	The Organization shall comply with all applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. (FSC-STD-60-004 V1-0, Principle 1: Compliance with Laws)  The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers indigenous/traditional peoples' rights. (FSC-STD-60-004 V1-0, Annex A)	COVERED	All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1. (FSC-STD-30-010 V2-0, 3.1).  A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises that must be complied with. The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers indigenous/traditional peoples' rights. (FSC-ADV-30-010-01)
1	5		Trade and transport					
1	5	1	Classification of species, quantities, qualities	The standard shall include requirements that ensure compliance with legislation regulating how harvested	COVERED	The Organization shall comply with all applicable laws, regulations and nationally-	COVERED	All harvesting shall take place in compliance with all laws applicable to harvesting in

				material is classified in terms of species, volumes and qualities in connection with trade and transport. Incorrect classification of harvested material is a well-known method of reducing/avoiding payment of legally prescribed taxes and fees.		<p>ratified international treaties, conventions and agreements. (FSC-STD-60-004 V1-0, Principle 1: Compliance with Laws)</p> <p>The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers classification of species, quantities and quantities. (FSC-STD-60-004 V1-0, Annex A)</p>		<p>the jurisdiction in accordance with the criteria outlined in table 1. (FSC-STD-30-010 V2-0, 3.1).</p> <p>A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises that must be complied with. The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers classification of species, quantities and quantities. (FSC-ADV-30-010-01)</p>
1	5	2	Trade and transport	The standard shall include requirements that ensure compliance with required trading permits as well as legally required transport documents that accompany transport of wood from forest operations.	COVERED	<p>The Organization shall comply with all applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. (FSC-STD-60-004 V1-0, Principle 1: Compliance with Laws)</p> <p>The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers trade and transport. (FSC-STD-60-004 V1-0, Annex A)</p>	COVERED	<p>All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1. (FSC-STD-30-010 V2-0, 3.1).</p> <p>A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations for Controlled Wood for Forest Management</p>

								Enterprises that must be complied with. The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers trade and transport. (FSC-ADV-30-010-01)
1	5	3	Offshore trading and transfer pricing	The standard shall include requirements that ensure compliance with legislation regulating offshore trading. Offshore trading with related companies placed in tax havens – combined with artificial transfer prices – is a well-known way to avoid payment of legally prescribed taxes and fees to the country of harvest. Many countries have established legislation covering transfer pricing and offshore trading. It should be noted that only transfer pricing and offshore trading, as far as they are legally prohibited in the country, can be included here.	COVERED	The Organization shall comply with all applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. (FSC-STD-60-004 V1-0, Principle 1: Compliance with Laws)  The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers offshore trading and transfer pricing. (FSC-STD-60-004 V1-0, Annex A)	COVERED	All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1. (FSC-STD-30-010 V2-0, 3.1).  A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises that must be complied with. The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers offshore trading and transfer pricing. (FSC-ADV-30-010-01)
1	5	4	Customs regulations	The standard shall include requirements that ensure compliance with legislation covering areas such as export/import licenses, and product classification related	COVERED	The Organization shall comply with all applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.	COVERED	All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the

				to customs (codes, quantities, qualities and species).		(FSC-STD-60-004 V1-0, Principle 1: Compliance with Laws)  The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers customs regulations. (FSC-STD-60-004 V1-0, Annex A)		criteria outlined in table 1. (FSC-STD-30-010 V2-0, 3.1).  A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises that must be complied with. The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers customs regulations. (FSC-ADV-30-010-01)
1	5	5	CITES	The standard shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).	COVERED	The Organization shall comply with all applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. (FSC-STD-60-004 V1-0, Principle 1: Compliance with Laws)  The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers CITES. (FSC-STD-60-004 V1-0, Annex A)	COVERED	All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1. (FSC-STD-30-010 V2-0, 3.1).  A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises that must be complied with. The list of applicable laws, regulations and

									nationally-ratified international treaties, conventions and agreements covers CITES. (FSC-ADV-30-010-01)
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					FSC-STD-40-004 V3-0 Chain of Custody certification		FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood	
P	C	I	Requirements	Guiding description of the criteria and sub criteria	Evaluation	Analysis	Evaluation	Analysis
1			Legal Compliance	The system shall ensure that the certification standards contains requirements that relate to or cover applicable legislation related to the categories below. The system shall include a definition of applicable legislation related to harvesting, trade and transport enabling efficient evaluation of legal compliance where needed. The system shall clearly specify the applicable laws that shall be complied with in order for harvesting of timber to be considered legal. In this regard it shall not be considered adequate where a generic statement like "all relevant laws and regulations shall be met".				
1	1		Legal rights to harvest					
1	1	1	Land tenure and management rights	The standard shall include requirements that ensure compliance with legislation covering land tenure rights, including customary rights as well as management rights incorporating the use of legal	N/A		COVERED	The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements (Table A in

				methods to obtain tenure rights and management rights. The standard should also cover legal business registration and tax registration, including relevant legal required licenses. There shall be requirements to ensure that licenses, right of tenure and management rights have been issued according to the legally prescribed procedure and excluding corrupt practices.				Annex A) covers land tenure and management rights.
1	1	2	Concession licenses	The standard shall include requirements that ensure compliance with legislation regulating procedures for the issuing of concession licenses, including use of legal methods to obtain concession licenses. Bribery, corruption and nepotism are recognised issues in connection with concession licenses.	N/A		COVERED	The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements (Table A in Annex A) covers concession licences.
1	1	3	Management and harvesting planning	The standard shall include requirements that ensure compliance with legislation and legal requirements for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring, as well as approval of these by competent authorities.	N/A		COVERED	The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements (Table A in Annex A) covers management and harvesting planning.
1	1	4	Harvesting permits	The standard shall include requirements that ensure compliance with legislation regulating the issuing of harvesting permits, licenses or other legal documents required for specific harvesting operations. This requirement includes the use of legal methods to obtain the permit.	N/A		COVERED	The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements (Table A in Annex A) covers harvesting permits.

				Corruption is a well-known issue in connection with the issuing of harvesting permits.				
1	2		Taxes and fees					
1	2	1	Payment of royalties and harvesting fees	The standard shall include requirements that ensure compliance with legislation covering payment of all legally required forest harvesting-specific fees such as royalties, stumpage fees and other volume-based fees. This requirement includes payments of the fees based on correct classification of quantities, qualities and species. It also considers taxes related to the maintenance of the legal rights to harvest and manage the forest (e.g. area-based taxes).	N/A		COVERED	The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements (Table A in Annex A) covers payment of royalties and harvesting fees.
1	2	2	Value-added taxes and other sales taxes	The standard shall include requirements that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales).	N/A		COVERED	The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements (Table A in Annex A) covers value added taxes and other sales taxes.
1	3		Timber harvesting activities					
1	3	1	Timber harvesting regulations	The standard shall include requirements that ensure compliance with legal obligations for harvesting techniques and technology including selective cutting, shelter wood regeneration, clear felling, transport of timber from felling sites and seasonal limitations etc. Typically, this includes regulations on the size of felling areas, minimum age	N/A		COVERED	The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements (Table A in Annex A) covers timber harvesting regulations.

				and/or diameter for felling activities and elements that shall be preserved during felling etc. Establishment of skidding or hauling trails, road construction, drainage systems and bridges etc. shall also be considered as well as planning and monitoring of harvesting activities. Any legally binding codes for harvesting practices shall be considered.				
1	3	2	Protected sites and species	The standard shall include requirements that ensure compliance with legislation related to protected areas as well as protected, rare or endangered species, including their habitats and potential habitats. Note that protected areas may include protected cultural sites, including sites with historical monuments.	N/A		COVERED	The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements (Table A in Annex A) covers protected sites and species.
1	3	3	Environmental requirements	The standard shall include requirements that ensure compliance with legislation related to environmental impact assessment in connection with harvesting, acceptable levels of damage and disturbance of soil resources, establishment of buffer zones (e.g. along watercourses, open areas, breeding sites), maintenance of retained trees on felling sites, seasonal limitations on harvesting, and environmental requirements for forest machinery.	N/A		COVERED	The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements (Table A in Annex A) covers environmental requirements.
1	3	4	Health and safety	The standard shall include requirements that ensure compliance with legislation related to personal protective equipment for persons	N/A		COVERED	The list of applicable laws, regulations and nationally-ratified international treaties, conventions and

				involved in harvesting activities, use of safe felling and transport practices, establishment of protection zones around harvesting sites, and safety requirements relating to machinery used, and legal and safety requirements in relation to chemical usage. The health and safety requirements that shall be considered relate to operations in the forest, including in-forest processing (not office work, or activities other than actual forest operations).			agreements (Table A in Annex A) covers health and safety.	
1	3	5	Legal employment	The standard shall include requirements that ensure compliance with legislation for employment of personnel involved in harvesting (and in-forest processing) activities including requirements for contracts and working permits, requirements for obligatory insurances, requirements for certificates of competence and other training requirements, and payment of social and income taxes withheld by the employer. Furthermore, the requirements shall cover observance of the minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labour, and discrimination and freedom of association.	N/A		COVERED	The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements (Table A in Annex A) covers legal employment.
1	4		Third parties' rights					
1	4	1	Customary rights	The standard shall include requirements that ensure compliance with legislation covering customary rights	N/A		COVERED	This Controlled Wood standard contains a minimum list of applicable laws,

				relevant to forest harvesting activities including obligations relating to sharing of benefits, and indigenous rights.				regulations and nationally-ratified international treaties, conventions and agreements (Table A) that must be complied with, which covers this requirement.
1	4	2	Free, Prior and Informed Consent	The standard shall include requirements that ensure compliance with legislation covering 'Free, Prior and Informed Consent' in connection with transfer of forest management rights and customary rights to the organisation in charge of the harvesting operation.	N/A		COVERED	This Controlled Wood standard contains a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements (Table A) that must be complied with, which covers this requirement.
1	4	3	Indigenous and traditional peoples' rights	The standard shall include requirements that ensure compliance with legislation that regulates the rights of indigenous/traditional peoples as far as those rights relate to forestry activities. Possible aspects to consider are land tenure; and the right to use certain forest-related resources or practice traditional activities, where these may involve forest lands.	N/A		COVERED	This Controlled Wood standard contains a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements (Table A) that must be complied with, which covers this requirement.
1	5		Trade and Transport					
1	5	1	Classification of species, quantities, qualities	The standard shall include requirements that ensure compliance with legislation regulating how harvested material is classified in terms of species, volumes and qualities in connection with trade and transport. Incorrect classification of harvested material is a well-known method of reducing/avoiding	PARTIALLY COVERED	The standard contains requirements for classifying products according to species and product type per FSC definitions, and for tracking and declaring quantities for sales, but there is no mention of legal requirements to verify that classification of material meets actual or legal status.	COVERED	The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements cover classification of species, quantities and quantities.

				payment of legally prescribed taxes and fees.		<p>Clause 6.1 requires the organisation to “ensure that its FSC-certified products conform to all applicable timber legality legislation”. At a minimum, the organization shall:</p> <p>a. have procedures in place to ensure the import and/or export of FSC certified products by the organization conform to all applicable trade and customs laws (if the organization exports and/or imports FSC products)”</p> <p>A footnote states that “Trade and Customs Laws, include, but may not be restricted to:</p> <ul style="list-style-type: none"> <li>• Bans, quotas and other restrictions on the export of timber products (e.g. bans on the export of unprocessed logs or rough-sawn lumber)</li> <li>• Requirements for export licences for timber and timber products</li> <li>• Official authorisation that entities exporting timber and timber products may require</li> <li>• Taxes and duties applying to timber product exports”</li> </ul> <p>So the requirement seems limited to export only, and not to other applicable legal requirements related to classification of species and qualities.</p>		
1	5	2	Trade and transport	The standard shall include requirements that ensure compliance with required trading permits as well as legally required transport documents that accompany	N/A – covered by FM and controlled wood standards.		COVERED	The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements cover trade and transport.

				transport of wood from forest operations.				
1	5	3	Offshore trading and transfer pricing	The standard shall include requirements that ensure compliance with legislation regulating offshore trading. Offshore trading with related companies placed in tax havens – combined with artificial transfer prices – is a well-known way to avoid payment of legally prescribed taxes and fees to the country of harvest. Many countries have established legislation covering transfer pricing and offshore trading. It should be noted that only transfer pricing and offshore trading, as far as they are legally prohibited in the country, can be included here.	N/A – covered by FM and controlled wood standards		COVERED	The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers offshore trading and transfer pricing.
1	5	4	Customs regulations	The standard shall include requirements that ensure compliance with legislation covering areas such as export/import licenses, and product classification related to customs (codes, quantities, qualities and species).	COVERED	Clause 6.1 requires the organisation to “ensure that its FSC-certified products conform to all applicable timber legality legislation”. At a minimum, the organization shall: a. have procedures in place to ensure the import and/or export of FSC certified products by the organization conform to all applicable trade and customs laws (if the organization exports and/or imports FSC products)”	COVERED	The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements (Table A in Annex A) covers customs regulations.
1	5	5	CITES	The standard shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).	COVERED	Clause 6.1 requires the organisation to “ensure that its FSC-certified products conform to all applicable timber legality legislation”. At a minimum, the organization shall:	COVERED	The list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements covers CITES.

					<p>a. have procedures in place to ensure the import and/or export of FSC certified products by the organization conform to all applicable trade and customs laws (if the organization exports and/or imports FSC products)”</p> <p>A footnote states that “Trade and Customs Laws, include, but may not be restricted to:</p> <ul style="list-style-type: none"> <li>• Bans, quotas and other restrictions on the export of timber products (e.g. bans on the export of unprocessed logs or rough-sawn lumber)</li> <li>• Requirements for export licences for timber and timber products</li> <li>• Official authorisation that entities exporting timber and timber products may require</li> <li>• Taxes and duties applying to timber product exports”</li> </ul> <p>It is assumed that CITES would be covered by the first two points.</p>		
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					FSC-STD-40-004 Chain of Custody Certification		FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood	
P	C	I	Requirements	Guiding description of the criteria and sub criteria	Evaluation	Analysis	Evaluation	Analysis
2			Chain of Custody	The System shall include requirements to ensure that material included in the scope of certification/verification will not be mixed with material with unknown or non-COVERED material, irrespective of the method applied. The requirements				

				below therefore does not require tracking of all timber to the forest, but allows for risk based systems to assure that risks of contamination with illegal or unknown material is managed.				
2	1		The System shall require systematic processes to enable the identification of the country of origin of the material, and where applicable to a higher level of detail, such as the sub-national region or concession level.	Depending on the System's approach to tracking and sourcing, there shall be systems in place either to track all material (product certification systems) or to track and trace products to a level of detail appropriate to the level of risk identified in the supply chain (risk-based Due Diligence Systems).	PARTLY COVERED	Organisations shall collect and provide information on country of harvest (or more specific location details if required by legislation) to direct customers and/or any FSC-certified organizations further down the supply chain that need this information to comply with timber legality legislation, on request (FSC-STD-40-004 V3-0 6.1.b). However, systematic processes to proactively do this (rather than respond to customer requests) and always have the information on hand are not required.	COVERED	The standard FSC-STD-40-005 requires organisations to trace material back to the country of origin, or depending on the risk, to a smaller area with a homogenous risk designation, so that the risk related to the origin of the material can be known (See clauses 2.1 – 2.3).
2	2		The System shall require systematic processes to enable the identification of the species included in materials or products included in the scope of certification.	The names of the species of trees included in all products in the scope of certification shall be available and identified by common or trade name, as well as scientific name (genus and species).	COVERED	Organisations shall collect and provide information on species (common and scientific name) to direct customers and/or any FSC-certified organizations further down the supply chain that need this information to comply with timber legality legislation, on request (FSC-STD-40-004 V3-0 6.1.b). However, systematic processes to proactively do this (rather than respond to customer requests) and always have the information on hand are not required. This is seen as a weakness, but not an actual gap as such.	PARTLY COVERED	Information on species is only required when the species designates the product characteristics and/or when required by timber legality legislation (Clause 2.1). It shall be noted that CHs can only be certified against CW when also certified against the CoC standard, thus, in practice the requirement is captured for both standards by the CoC standard.

2	3		<p>The System shall include clear and effective measures to prevent material from specified risk, unverified or potentially illegal sources from entering the supply chain.</p>	<p>Systems to assure segregation of materials from unknown or potentially illegal sources shall exist. This may be done via different types of systems, but there shall be a well-documented process to assure that materials are not mixed in cases where several different material categories (origins or risks) are handled.</p>	PARTLY COVERED	<p>The standard specifies three possible control systems for tracking and tracing material with an FSC claim, and contains requirements for each (See clause 2.1.2, and following clauses).</p> <p>However, the chain of custody system does not include any validation of volumes transferred from seller to purchaser, which is considered as a major gap in the System. Clause 1.7 states that "the organization shall support transaction verification conducted by its certification body and Accreditation Services International (ASI), by providing samples of FSC transaction data as requested by the certification body", however this is not systematically required of all certified organisations.</p>	COVERED	<p>Requirements for a due diligence system include an assessment of the risk of material being mixed with that of uncontrolled/unknown origin, and requires any risk to be mitigated before material can be used for FSC production (Clauses 1.1, 3.4, 3.5 &amp; 4.1).</p>
2	4		<p>Where applicable, the System shall require the tracking of certified or verified legal wood along the supply chain, using appropriate inventory methods and documented controls where necessary to ensure that risks of mixing are managed.</p>	<p>Chain of Custody system requirements shall be formulated and implemented to assure that material carrying the certification or verification claim can be traced through processing and transport.</p>	PARTLY COVERED	<p>The standard requires the organization to ensure that inputs used for FSC product groups remain clearly identifiable and separable by product group or, if identical inputs are used for more than one FSC product group, by their associated FSC claim (See clause 4.2.1).</p> <p>However, the chain of custody system does not include any validation of volumes transferred from seller to purchaser, which is considered as a major gap in the System. Clause 1.7 states that "the organization shall support</p>	PARTLY COVERED	<p>This standard outline requirements for a due diligence system, and this includes assessing and mitigating risk of material being mixed in the supply chain. Material can only be used as controlled wood, and enter the FSC system if there is no risk of mixing having taken place. However, this category is assessed as being 'not covered' because a Controlled Wood supply chain may include companies downstream that have a</p>

						transaction verification conducted by its certification body and Accreditation Services International (ASI), by providing samples of FSC transaction data as requested by the certification body”, however this is not systematically required of all certified organisations.	CoC certificate rather than a CW certificate; if so then the concerns above (on volume validation) still apply.
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**Various standards as cited in analysis**

P	C	I	Requirements	Guiding description of the criteria and sub criteria	Evaluation	Analysis
3			System requirements	The system shall include requirements for certified or verified organisations to have in place systems and procedures covering all requirements of the standard/requirements		
3	1		If the System includes an option to apply own-verification (using 1st, 2nd or 3rd parties), the System shall contain requirements to ensure consistent implementation of requirements at all levels included in the scope of the certification.	For companies implementing own-verification (1st, 2nd, or 3rd) systems (of sources or supply chains), the System shall include clear requirements for such systems and for oversight by the assurance provider of the scope and quality of their implementation. In cases where other 3rd party Systems are recognised by the System, it shall be clear on what basis recognition is done and how it is verified that other Systems assure conformance with the specific System requirements.	COVERED	FSC forest management, chain of custody and controlled wood forest management certification uses a 3rd party verification system. Controlled wood chain of custody certification involves the use of due diligence by the certified organisation - specific normative requirements for this are outlined in FSC-STD-40-005, and conformity to these requirements is verified by a 3rd party like the rest of the FSC system. Other 3rd party systems are not recognised within FSC.
3	2		The System shall ensure that the procedures of	There should be clear requirements in the System to require certified organisations	COVERED	Clause 7.4.1 of FSC-STD-60-004 (international generic indicators for FM) requires organisations’ management plans to be revised and updated periodically to incorporate monitoring results, including results of

			certified organisations are evaluated and revised - when necessary - on a regular basis.	to regularly review the proper functioning of their own procedures. Ensuring the continued implementation of procedures is important to the on-going ability of the organisation to meet certification requirements.		<p>certification audits, evaluation results, stakeholder engagement results, new scientific and technical information, and changing environmental, social, or economic circumstances. The frequency of revision should be based on existing planning cycles and the source and significance of the information received from monitoring, evaluation and engagement.</p> <p>FSC-STD-30-010 does not contain direct requirements for the evaluation and revision of the organisation's procedures. However, the organisation is required to have in place procedures covering the requirements of the standard, and it is considered that annual auditing of these by CBs in fact meet this requirement.</p> <p>Clause 1.6 of FSC-STD-40-005 requires the organisation to review and, if necessary, revise its DDS at least annually, and whenever changes occur that affect the relevance, effectiveness, or adequacy of the DDS. Clauses 1.7 and 1.8 require the organisation to implement internal audits of its DDS at least annually to ensure that it is being implemented correctly, and to document the scope, dates, and staff involved in internal audits, respectively.</p> <p>Chain of custody (FSC-STD-40-004) requires companies to maintain their procedures covering all applicable standards up-to-date. And this is checked once a year during annual surveillance audits. Clause 1.1.b of FSC-STD-40-004 V3-0.</p>
3	3		The System shall ensure that whenever there is a change in the risk related to illegal harvest, trade or transport in a verified supply chain - or a supply chain covered by a DDS - the risk shall be assessed and mitigated.	There should be clear requirements embedded in the System to ensure that any procedures applied by certified companies are able to efficiently address changes to supply chains. Changes in supply chains may introduce new risks and these should be dealt with prior to including products from these new supply chains in the scope of the certification.	COVERED	FSC-STD-40-005 uses a risk assessment approach. It requires the organization to review, and if necessary, revise its DDS at least annually, and whenever changes occur that affect the relevance, effectiveness or adequacy of the DDS (clause 1.6), and to enforce its suppliers to notify it of any changes that may affect a risk designation or the mitigation of risk, such as changes in species, origin and supply chain (clause 2.4).
4			Transparency	System standards and requirements shall be publicly available		
4	1		The system shall ensure that standards and requirements for certified		COVERED	All FSC normative requirements are available on the FSC Document Centre: <a href="https://ic.fsc.org/en/document-center">https://ic.fsc.org/en/document-center</a>

			organisations are publicly available.				
5			Auditing process (assurance provider requirements)	Compliance with the system is audited regularly.			
5	1		System shall ensure that assurance provider have in place and implement procedures for audits, including field visits, that include frequency of audits (minimum annually)		COVERED	The standard <i>FSC-STD-20-001 General requirements for FSC accredited certification bodies</i> , as well as the corresponding accreditation standard for each FSC certification standard, contains the relevant requirements for all certification bodies operating FSC accredited certification programmes. It states that "Surveillance evaluations of FSC clients shall take place at least once per calendar year and additionally for chain of custody audits not later than fifteen (15) months after the last audit" (clause 4.7.1).	

## About

### Supporting Legal Timber Trade

Supporting Legal Timber Trade is a joint project run by NEPCon with the aim of supporting timber-related companies in Europe with knowledge, tools and training in the requirements of the EU Timber Regulation. Knowing your timber's origin is not only good for the forests, but good for business. The joint project is funded by the LIFE programme of the European Union and UK aid from the UK government.



NEPCon (Nature Economy and People Connected) is an international, non-profit organisation that builds commitment and capacity for mainstreaming sustainability. Together with our partners, we foster solutions for safeguarding our natural resources and protecting our climate.

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