

# Benchmark summary

## Preferred by Nature Sustainability Framework, and the FSC standards

Last updated: 15 June 2022

### Objective

The [Sustainability Framework](#) has been developed by Preferred by Nature to explain what our organisation considers to be critical topics for sustainability. It covers four broad areas and includes sustainability criteria and related indicators for each. The generic framework is applicable to all commodities and both large and small organisations. It works as a single universal framework, which can be further adapted to each commodity and different types and sizes of operations, enabling relevant and focused application. Sustainability is a complex concept, and the Sustainability Framework has been developed as a practical tool, helping to define and align the approaches and serving as a guidepost in the sustainability journey. We have been inspired in developing the framework by many other likeminded organisations, working for a more sustainable future.



Preferred by Nature has reserved the use of our hummingbird sustainability seal for products, which comply with the Sustainability Framework. However, we seek to add value and not duplicate. We want to recognise the efforts already achieved under other sustainability schemes. The framework partly overlaps with several other sustainability schemes.

To enable certified companies to benefit from their existing certifications, the overlapping areas as well as gaps between the existing schemes and the Sustainability Framework need to be identified. Topics in the Sustainability Framework, which are not covered by the scheme, can then be verified as an add-on to the scheme requirements when organisations would like to use the Preferred by Nature seal and claim compliance with the Sustainability Framework.

We have developed a benchmarking guidance for the Sustainability Framework and are conducting comparison with some of the core scheme standards we are working with.

This document summarises the benchmark results for comparison with Forest Stewardship Council (FSC) standards for forest management (FM), the chain of custody (CoC) standard as well as the Controlled Wood (CW) standard. The evaluation covers all three of these standards to provide an overview of how companies using the Sustainability Framework to achieve their sustainability commitments, should manage areas of potential gaps if they already hold FSC certification or are sourcing FSC certified products.

This is relevant to forest managers certified against the FSC FM standard, as well as for companies further down-stream in the supply chain, sourcing FSC certified material. For companies sourcing FSC certified material, they would have to address potential gaps at forest level, as well as gaps found in the CW and CoC standards.

## About FSC

Forest Stewardship Council (FSC) certification aims to ensure sustainable forest management worldwide. FSC has developed a forest management sustainability standard through a stakeholder led process. The standard is a combination of globally applicable 10 Principles and related Criteria (FSC P&C) and International Generic Indicators (IGIs). FSC P&C and IGIs are the basis for developing national (or regional) forest management standards, which are the basis for auditing. In addition to the forest management standard, FSC provides certification against their chain of custody standard and their controlled wood standard. The controlled wood standard must be complied with for the timber that is mixed with certified products.

Compliance with the standards is checked by independent Certification Bodies (CBs), who must be accredited by Assurance Services International (ASI) to conduct FSC certification. Forest managers who comply with FSC requirements, can sell the timber as being FSC certified. Companies who purchase and process FSC certified material and want to sell it as being FSC certified, must have an FSC chain of custody (CoC) certificate. The FSC CoC standard focuses mainly on product traceability and integrity in product labelling, however it also has some requirements for social compliance by the entities in the supply chain.

FSC has three types of product claims and related labels:

- FSC 100% - Indicates all material is originating from FSC certified forest
- FSC Mix - Indicates products made from a mix of material from FSC certified forests and non-certified material. In case the other material is not recycled, it must comply with the FSC Controlled Wood standard.
- FSC Recycled – Indicates products from verified recycled material.

FSC is a member of ISEAL, an international umbrella organisation setting best practices for sustainability schemes.

## Preferred by Nature and FSC

Preferred by Nature has worked with FSC certification for several decades, initially as subcontractor to another accredited certification body and since 2014 as independently accredited certification body. We regard FSC forest management certification as a high bar sustainability scheme for sustainable forest management. We believe FSC certification is driving positive change in many parts of the world through the certification process. Among all the FSC certification bodies, Preferred by Nature has certified biggest share of the FSC certified forest area globally. We are active members of FSC community and are also participating in various technical FSC working groups. As of February 2022, Preferred by Nature is managing over 3 300 FSC CoC certificates and over 500 FSC FM certificates with total forest area of over 80 000 000 hectares.

## Benchmarking process summary

The benchmark process was conducted based on Preferred by Nature procedures for Sustainability Framework benchmarking. A summary of the process is given below.

For the FSC FM standard, we used the Forest Stewardship Council (FSC) global Principles and Criteria (P&C) and related International Generic Indicators (IGIs) as the basis for the benchmark. We realise national and interim standards may have additional details, however comparison against all national standards would not be feasible as part of this exercise.

The initial comparison was done on indicator level, comparing the coverage of Sustainability Framework indicators with the FSC international generic indicators. However, the objective is to clarify if the **intention of the criteria** in the Sustainability Framework is covered by FSC standard, and not to evaluate all the details or differences between individual indicators. We recognise that differences exist in the language used as well as in details on how the various sustainability topics are addressed. It would not be feasible to expect the indicators to fully align.

This benchmark only summarises gaps in FSC standard compared with the Sustainability Framework, since the purpose of this benchmark is to provide add-on requirements for FSC certified companies, who also want to claim compliance with the Sustainability Framework. This is of course recognising that gaps exist also in the Sustainability Framework compared with FSC standard.

## Benchmark hierarchy and categorisation of conclusions

The benchmark results for the Sustainability Framework and FSC benchmark are presented on criteria level, using the colours as explained in Table 1, below.

**Table 1.** Classification of the benchmark results

Colour	Explanation	Conclusion for the purpose of Sustainability Framework coverage based on FSC audits.
	Fully covered. The contents and intention of <b>all indicators</b> in the Sustainability Framework are addressed. Differences may still exist in wording and structure of how topics are presented.	Considered to be covered by the benchmarked standard
	The <b>intention of the criterion is covered in general</b> . There may be differences or gaps in individual indicators within a criterion, but the overall intent of the relevant criterion is addressed in the benchmarked standard.	Considered to be covered by the benchmarked standard
	<b>Some aspects are not covered</b> which are considered important for the overall intent of the criteria. These aspects need to be considered additionally to the scheme requirements. In this case, we have specified the indicators from the Sustainability Framework that would need to be considered in addition to the scheme standard, for compliance with the Sustainability Framework.	Some aspects need to be verified in addition to scheme requirements.
	The core topic of the criteria <b>not addressed</b> in the benchmarked standard. The indicators of the Sustainability Framework need to be used to verify compliance.	The topic needs to be verified in addition to scheme requirements.
	The criterion is considered not applicable for the sector or commodity of the benchmarked standard. In some cases, the topic may be applicable in rare cases only, in which case we may still conclude that it is <b>not applicable</b> .	Not applicable for the benchmarked standard.

As a general note, the benchmark exercise seeks to evaluate if the overall intention of applicable criteria in the Sustainability Framework has been considered in the benchmarked standard, rather than detailing the individual indicator level differences.

## Benchmark results – summary

In this section we present a summary of the findings of the benchmarking of the three FSC standards. The summary is presented with findings at criterion level of the Sustainability Framework, with notes on potential gaps. For categories with orange or red conclusion, the specific indicators have been included, that need to be considered for additional verification.

### FSC Forest Management Standard

The table below presents a summary on to what extend the FSC FM standard (P&C and IGIs) are considered to align with the Sustainability Framework requirements. The focus in this benchmark has been interpreting the Sustainability Framework requirements as they relate to forest management activities.

Sustainability Framework Principles and Criteria	Status	Remarks on coverage in FSC IGI (FSC-STD-60-004 V2-0 EN)
<b>Principle 1</b> <b>Management and business practices are responsible</b> The benchmarking assessed 34 indicators. In general, Principle 1 of the Sustainability Framework is well aligned with FSC.		
1.1 Land tenure and management rights are secure		All indicators are fully reflected also in FSC requirements.
1.2 Management and operations are conducted responsibly		Due to FSC’s overall requirements on certified organisations related to their management of FSC certified forests, we find that the intent of the SF requirements is covered adequately by the FSC FM standard, except that the FSC standard does not mention armed conflict. Since this is a specific aspect, its relevant to consider in areas where this is a risk.  <i>Additional verification indicators:</i> 1.2.7 Harvest or trade of products do not contribute to armed conflict.
1.3 Taxes and fees are paid		The intention of this criterion is addressed. There is only one indicator that is not directly covered, related to the need of disclosure, or recording of established funds or assets.
1.4 Corruption and conflict of interest are avoided		The intention of this criterion is covered since the topic of corruption is included in the FSC IGIs. Partly covered or missing indicators include identification and declaration of conflict of interest, political contribution and campaign expenditures and corporate hospitality management.
1.5 Trade and transport are conducted legally and responsibly		The intention of this criterion is covered. There is only one indicator not directly addressed, regarding the maintenance of contracts with suppliers and buyers.
<b>Principle 2</b> <b>Peoples’ well-being and human rights are respected</b> 59 indicators were assessed. Majority of requirements are aligning, particularly child labour and community rights are fully covered. Few areas were identified, where some Sustainability Framework topics are not fully included, namely in relation to some safety aspects and employer provided housing.		
2.1 Child labour is not present, and		All indicators are fully reflected also in FSC requirements.

employment of young workers is responsibly managed		
2.2 Modern slavery, forced or compulsory labour do not occur		The intention of this criterion is well covered although minor gaps in relation to specific indicators on prohibition of human trafficking and workers right to terminate their employment were found.
2.3 Workers' rights are respected		<p>FSC standard covers various topics under this criterion. Also, the FSC Policy of Association (PoA) applies, which furthermore references ILO Core Labour Conventions. However, we have included some areas here as additional things to verify that are not directly covered by the FSC IGIs.</p> <p><i>Additional verification indicators:</i></p> <p>2.3.4 Regular working hours of all workers does not exceed 48 hours per week, with at least one full day of rest for every six consecutive days worked.</p> <p>2.3.6 Overtime is voluntary and does not result in a work week exceeding 60 total hours, except under circumstances of shorter duration where additional labour is required.</p> <p>2.3.12 "Where migrant workers are hired, the following are ensured, in addition to the Frameworks other provisions related to human- and workers' rights :</p> <p>a) Migrant workers are legally authorized to enter, to stay and to engage in a remunerated activity in the area/country.</p> <p>b) Migrant workers and their families are free to travel and leave the area/country without restrictions, except those restrictions defined by law .</p> <p>c) Migrant workers are ensured of equality of opportunities and no less favourable treatment than local workers.</p>
2.4 Discrimination does not occur		All indicators are fully reflected also in FSC requirements.
2.5 All workers are remunerated in a responsible manner		The intent of this criterion is well covered although some minor gaps in relation to direct payment to workers and the requirements for provision of employer services to not exceed market prices, were found.
2.6 Workplaces are safe and healthy		<p>The intent of this criterion is in general well covered. The IGIs are lacking specific requirements for example about safety guards on equipment and machinery and first-aid equipment. The FSC IGI refers broadly to the ILO Code of Practice "Safety and health in forestry work"<sup>1</sup>. Also, these aspects are normally verified in FSC field audits in practice. We have however indicated one additional indicator that would be relevant to consider in addition to FSC requirements.</p> <p><i>Additional verification indicators:</i></p> <p>2.6.7 Expectant and nursing mothers are not engaged in activities that exposes them to risks to their health and safety.</p>
2.7 Employer provided housing is safe and hygienic		The topic of employer provided housing is not addressed in the FSC standard. We realize that in many cases this topic is not applicable for FSC forest management operations. However, there are also instances

<sup>1</sup> [https://www.ilo.org/global/topics/safety-and-health-at-work/normative-instruments/code-of-practice/WCMS\\_107793/lang--en/index.htm](https://www.ilo.org/global/topics/safety-and-health-at-work/normative-instruments/code-of-practice/WCMS_107793/lang--en/index.htm)

		<p>where long term logging camps are set up and where the related requirements would be relevant to consider.</p> <p><i>Additional verification indicators:</i></p> <p>2.7.1 Legal requirements related to housing of workers are complied with.</p> <p>2.7.2 Housing is offered to workers if no affordable or safe accommodation is otherwise available, especially in remote locations where commuting is not a viable option or where workers are expected to stay within the premises for extended period of time.</p> <p>2.7.3 If workers’ pay for an employer-provided housing, the cost of housing are commensurate with the pay and comparable to similar housing in the area/industry.</p> <p>2.7.4 Employer-provided housing are safe and hygienic.</p> <p>2.7.5 Employer provided housing have functioning emergency exits and first-aid supplies, fire detection and suppression equipment are in place and in working order and workers are competent to handle equipment in case of emergencies.</p> <p>2.7.6 Where workers, and their families, live in employer-provided housing the employer ensures that they have access to medical, educational, social services.</p>
2.8 Gender equality is maintained and protected		<p>The FSC standard contains a comprehensive set of requirements related to ensuring gender equality in the workplace, including ensuring a minimum of 6 weeks maternity leave, as well as paternity leave. There is a difference with Sustainability Framework, which includes a requirement for 4 weeks of paid leave. However, considering all the indicators in both standards collectively, the intention of the criterion is covered.</p> <p>With regards to the Sustainability Framework requirement to comply with legal requirements for maternity leave, FSC does include in Criterion 1.3, that management of forests shall comply with all “applicable laws”. The legal rights to maternity leave are therefore concluded to be covered by this. However, it is noted that the FSC definition of “applied laws, related to legal employment (as outlined in Principle 1, annex A, 3.5) specifies that applicable legislation relevant to legal employment is limited to “personnel involved in harvesting activities”, which would then exclude other staff of a forest operation.</p>
2.9 The rights of Indigenous Peoples are respected.		<p>The intention of this criteria is covered. There are some aspects in relation to the cultivation of a positive relationship with the Indigenous Peoples, which are not included in the FSC, however as there is generally strong focus on indigenous groups in FSC standard, the intent of the criterion is found to be covered.</p>
2.10 Community rights are respected.		<p>All indicators are fully reflected also in FSC requirements.</p>
<p><b>Principle 3</b> Nature and the environment are protected</p> <p>Although there are differences in details, no gaps were found in terms of the intention of the criterial. Some criteria in the Sustainability Framework have been considered not applicable for forest management operations. The protection of natural forests and other ecosystems and high conservation values are robustly covered. Use of chemicals and mitigation of its adverse impact is also well covered.</p>		



3.1 Natural forests or other natural ecosystems are protected from degradation and conversion.		The intention of this criterion is covered, although some differences in approach were found.
3.2 High Conservation Values (HCVs) are identified and protected.		All indicators are fully reflected also in FSC requirements.
3.3 Chemicals are used cautiously with minimal negative impacts.		FSC has overall a robust approach to the use of chemicals and the intent of the criterion is covered. The Sustainability Framework contains some additional areas of focus, including specific indicators to avoid risk and harm to pollinators from chemical use. The framework includes some additional focus on use of fertilizers, which is common in management of some types of plantations.
3.4 Waste is reduced and managed appropriately		The Sustainability Framework requirements for waste management are not considered to be applicable to forest management operations.
3.5 Water resources are protected and used efficiently		The Sustainability Framework has more detailed requirements in some areas, however as the generic framework could also be applied in agriculture, some indicators are less relevant in forest management. Most requirements are fully covered, except the legal requirements relating to surface and ground water use.
3.6 Soil is conserved and managed appropriately		The intention of this criterion is covered. Partly included aspects are related to details around water and wind erosion. Also, management of plant and animal material for soil biodiversity is not so directly addressed and it may be relevant in some cases.
3.7 Animal health and welfare is secure		The criterion is considered not to be generally applicable to forest management. In isolated instances, domesticated animals (e.g., horses) are used to aid with some forestry operations, however the share of these cases is so marginal, that it is not feasible to regulate this area for forestry operations in global requirements.
<b>Principle 4</b> <b>Climate impacts are reduced and mitigated</b> While several indicators are not directly covered, the principle needs to be considered in the broader context of sustainable forest management practices prescribed by FSC, which by large would have favourable climate impacts.		
4.1 Greenhouse gas emissions are reduced		The FSC standard does not include specific requirements for quantification, reduction, or offsetting of greenhouse gas emissions. Although it should be noted that some of it would be partly covered by the optional FSC module of ecosystem services which also covers climate impacts. However, we have concluded that in general sustainable forest management operations such as regulated by FSC, would not have significant negative climate impacts, if the entirety of FSC requirements is complied with and the forest areas are managed sustainably. We have thus concluded that the intention of this criterion is addressed through the entirety of the FSC requirements.
4.2 Climate change adaptation efforts are implemented proportionate to the risk		The FSC requirements do not include direct requirements related to climate adaptation considerations. This may be critical for forestry operations in some regions, especially in the areas where climate change is expected to impact viable species composition for sustainable forestry. The importance of climate adaptation



		<p>considerations is further emphasized by the fact that the decisions on species composition are made for long-term, making the stands vulnerable to climate change impacts, usually decades into the future.</p> <p>Additional verification indicators:</p> <p>4.2.1 The key risks for operations resulting or potentially resulting from climate change are identified.</p> <p>4.2.2 Measures for climate change adaptation are implemented for areas of high risk and proportionate to the scale of the operations and anticipated social, economic, and environmental impacts.</p>
<p>4.3 Efforts are taken for GHG removal and ecosystem restoration as appropriate</p>		<p>Any forest managers, who implements restoration as part of their forest management activities, would have to follow the whole FSC standard as far as it applies. We consider that this would also ensure that the intent of this criterion is fulfilled, through compliance with the FSC standard as a whole.</p>

## FSC standard for Chain of Custody

This section summarises the benchmarking results of the FSC Chain of Custody standard with the Sustainability framework. It is noted that the FSC CoC standard is primarily focused on evaluating the managing and transfer of claims about certified materials and related product volumes. The FSC CoC standard is thus primarily traceability and labelling standard rather than a sustainability standard. Still the standard contains some requirements related to environmental and social aspects of the companies handling certified products. This benchmark focuses only on these parts of the FSC CoC standard, since the other parts of the CoC standard (for example on volume tracking, labelling, invoicing) would not be relevant or comparable with the sustainability requirements in the Sustainability Framework.

The evaluation of the FSC CoC standard has been done to evaluate how the Sustainability Framework requirements applicable to processing are covered in the FSC CoC standard.

	Sustainability Framework Principles and Criteria	Status	Remarks on coverage in FSC CoC (FSC-STD-40-004 V3-1 EN)
<b>Principle 1</b>			
<b>Management and business practices are responsible</b>			
1.1	1.1 Land tenure and management rights are secure		<p>This criterion is partly covered; however, the CoC standard lacks a requirement for the operation to have legal rights to operate, which is considered of central importance.</p> <p><i>Additional verification indicators:</i> 1.1.3 Legally required rights to operate are in place and registered according to legal requirements.</p>
1.2	1.2 Management and operations are conducted responsibly		<p>Most aspects of this criterion are included, except that the standard does not mention armed conflicts. Since this is a specific aspect, its relevant to consider in areas where this is a risk.</p> <p><i>Additional verification indicators:</i> 1.2.7 Harvest or trade in products do not contribute to armed conflict.</p>
1.3	1.3 Taxes and fees are paid		<p>The CoC standard includes a generic clause on legal compliance, which could be interpreted to include also taxation. However, it does not regulate directly payment of taxes and thus additional verification indicators have been included.</p> <p><i>Additional verification indicators:</i> 1.3.1 Legal requirements for payment of royalties, land/area taxes and fees are complied with.</p>

			<p>1.3.2 Legal requirements for payment of value-added taxes and/or other sales taxes are complied with.</p> <p>1.3.3 Legal requirements for payment of income and profit taxes are complied with.</p> <p>1.3.4 Legal requirements for payment of transport, trade and/or export taxes are complied with.</p> <p>1.3.3 Legal requirements for payment of income and profit taxes are complied with.</p>
1.4	1.4 Corruption and conflict of interest are avoided		<p>The topic is not regulated in the FSC COC standard.</p> <p><i>Additional verification indicators:</i></p> <p>1.4.1 Legal requirements relating to bribery, fraud and corruption are complied with.</p> <p>1.4.2 Payment of or accepting bribes or other forms of corruption does not take place.</p> <p>1.4.3 Business integrity is ensured by avoiding all forms of bribery and corruption</p> <p>1.4.4 Corporate hospitality, including the exchange of gifts, is managed according to best practices, including that the hospitality:</p> <ul style="list-style-type: none"> <li>a) be for a legitimate business purpose, which may include developing business relationships;</li> <li>b) not include public officials from which a decision regarding any license, permit, authorisation or any other official act or decision is pending;</li> <li>c) be given in an open and transparent manner;</li> <li>d) and not include cash, loans or cash equivalents (such as gift certificates or vouchers).</li> </ul> <p>1.4.5 Conflicts of interest are identified, managed, and declared.</p> <p>1.4.6 Political contributions and campaign expenditures are publicly disclosed.</p>
1.5	1.5 Trade and transport are conducted legally and responsibly		<p>The intention of this criterion is addressed through a legal compliance clause, although the COC standard lacks some details in relation to contracts and timely payments to suppliers.</p>
<p><b>Principle 2</b>  <b>Peoples' well-being and human rights are respected</b></p>			
2.1	2.1 Child labour is not present, and employment of young workers is responsibly managed		<p>This criterion is fully covered.</p>
2.2	2.2 Modern slavery, forced or compulsory labour do not occur		<p>The intent of this criterion is covered. The aspects which have some more details in the Sustainability Framework are related to human trafficking (partly covered by FSC Policy of Association) and workers' rights to leave the workplace after work hours.</p>

2.3	2.3 Workers' rights are respected		<p>The FSC standard includes requirements related to freedom of association and collective bargaining as well as discrimination and any forms of forced labour. There is also a general legal compliance requirement. FSC Policy of Association (PoA) applies also for COC operations. However few aspects, which are relevant and are not directly covered include working hours, rest time and overtime as well as specifics related to migrant workers.</p> <p><i>Additional verification indicators:</i></p> <p>2.3.4 Regular working hours of all workers does not exceed 48 hours per week, with at least one full day of rest for every six consecutive days worked.</p> <p>2.3.6 Overtime is voluntary and does not result in a work week exceeding 60 total hours, except under circumstances of shorter duration where additional labour is required.</p> <p>2.3.12 "Where migrant workers are hired, the following are ensured, in addition to the Frameworks other provisions related to human- and workers' rights :</p> <p>a) Migrant workers are legally authorized to enter, to stay and to engage in a remunerated activity in the area/country.</p> <p>b) Migrant workers and their families are free to travel and leave the area/country without restrictions, except those restrictions defined by law .</p> <p>c) Migrant workers are ensured of equality of opportunities and no less favourable treatment than local workers.</p>
2.4	2.4 Discrimination does not occur		This criterion is fully addressed.
2.5	2.5 All workers are remunerated in a responsible manner		<p>Some important gaps in relation to legal and other requirements related to wage payments were found.</p> <p><i>Additional verification indicators:</i></p> <p>2.5.1 Legal requirements related to wages and other payments, such as social insurance, are complied with.</p> <p>2.5.2 The remuneration received for a standard workweek by a worker in a particular place is sufficient to afford a decent standard of living for the worker and their family.</p> <p>2.5.3 Wages meet or exceed minimum industry standards or other recognized industry wage standards.</p>
2.6	2.6 Workplaces are safe and healthy		Due to the combination of several factors being not addressed in the FSC COC standard, additional indicators have been added that would be relevant to consider.

			<p><i>Additional verification indicators:</i></p> <p>2.6.3 Indoor workplaces are hygienic with adequate lighting, temperature, ventilation, sanitation, drinking water, sanitary facilities, as well as break facilities, and food storage.</p> <p>2.6.7 Expectant and nursing mothers are not engaged in activities that exposes them to risks to their health and safety.</p> <p>2.6.8 Emergency exits, fire detection, emergency alarms and fire suppression equipment are in place, visible and in working order and workers are competent to handle equipment and react to emergencies.</p> <p>2.6.9 Workers have access to appropriate first-aid equipment, as well as medical services in case of emergencies.</p>
2.7	2.7 Employer provided housing is safe and hygienic		<p>The topic of employer provided housing is not addressed in the FSC COC requirements. While in most cases it would not be applicable, it may be relevant for some operations.</p> <p><i>Additional verification indicators:</i></p> <p>2.7.1 Legal requirements related to housing of workers are complied with.</p> <p>2.7.2 Housing is offered to workers if no affordable or safe accommodation is otherwise available, especially in remote locations where commuting is not a viable option or where workers are expected to stay within the premises for extended period of time.</p> <p>2.7.3 If workers’ pay for an employer-provided housing, the cost of housing are commensurate with the pay and comparable to similar housing in the area/industry.</p> <p>2.7.4 Employer-provided housing are safe and hygienic.</p> <p>2.7.5 Employer provided housing have functioning emergency exits and first-aid supplies, fire detection and suppression equipment are in place and in working order and workers are competent to handle equipment in case of emergencies.</p> <p>2.7.6 Where workers, and their families, live in employer-provided housing the employer ensures that they have access to medical, educational, social services.</p>
2.8	2.8 Gender equality is maintained and protected		<p>There are some critical aspects missing related to maternity leave.</p> <p><i>Additional verification indicators:</i></p>

			<p>2.8.4 Legal requirements related to maternity leave are complied with.</p> <p>2.8.5 Pregnant women who are permanent workers shall have 4 weeks maternity leave, with pay or access to similar income.</p>
2.9	2.9 The rights of Indigenous Peoples are respected		This criterion is not considered relevant for CoC operations.
2.10	2.10 Community rights are respected		<p>Some critical aspects are missing including legal compliance of local community rights, identification of communities affected by operations and provision of employment to them. Protection of cultural sites and resources for cultural value and basic needs is covered by FSC Policy of Association.</p> <p><i>Additional verification indicators:</i></p> <p>2.10.1 Reasonable opportunities for employment, training and other services are made available to local communities.</p>
<p><b>Principle 3</b> Nature and the environment are protected</p>			
3.1	3.1 Natural forests or other natural ecosystems are protected from degradation and conversion.		Not applicable for processing.
3.2	3.2 High Conservation Values (HCVs) are identified and protected.		Not applicable for processing.
3.3	3.3 Chemicals are used cautiously with minimal negative impacts.		<p>FSC COC standard does not cover precautionary use of chemicals.</p> <p><i>Additional verification indicators:</i></p> <p>3.3.1 Legal requirements relating to chemical use and storage are complied with.</p> <p>3.3.2 Prohibited chemicals are not used.</p> <p>3.3.3 Where chemicals are used, they are used in ways that ensure minimal adverse impacts on people and the environment.</p> <p>3.3.4 The use of chemicals is monitored and minimised.</p> <p>3.3.5 Chemical drift, run-off or spills are effectively avoided and controlled.</p>
3.4	3.4 Waste is reduced and managed appropriately		<p>The topic is not addressed in the FSC COC Standard and thus additional indicators have been included.</p> <p><i>Additional verification indicators:</i></p> <p>3.4.1 Legal requirements relating to waste management are complied with.</p> <p>3.4.2 Wastewater from operations is not discharged into the surrounding environment, including aquatic ecosystems, unless it has undergone treatment to reach a safe level.</p>

			<p>3.4.3 Untreated sewage is properly disposed of to avoid negative effects on surrounding environment, including aquatic resources.</p> <p>3.4.4 Waste storage, treatment and disposal practices do not pose health or safety risks to people, or natural ecosystems.</p> <p>3.4.5 Waste is not burned, except in incinerators technically designed for the specific waste type.</p> <p>3.4.6 Waste is managed in order to ensure reduction, recycling, reusing, and safe disposal based on the toxicity of the materials.</p>
3.5	3.5 Water resources are protected and used efficiently		<p>The topic is not applicable for most timber industries, but for some operations it may still be relevant. Since this topic is not addressed in the FSC COC standard, it should be considered for those types of industries, where there can be risks related to excessive use of water or pollution on water sources (e.g., related to pulp and paper production).</p> <p><i>Additional verification indicators:</i></p> <p>3.5.1 Legal requirements for use of surface or ground water are complied with.</p> <p>3.5.2 Water usage is optimised and negative impacts on production and the surrounding environment reduced.</p>
3.6	3.6 Soil is conserved and managed appropriately		This criterion is not applicable for processing.
3.7	3.7 Animal health and welfare is secure		The criterion is not applicable to for processing.
<b>Principle 4</b>			
<b>Climate impacts are reduced and mitigated</b>			
4.1	4.1 Greenhouse gas emissions are reduced		<p>In the FSC COC Standard, the topic related to GHG reductions is not covered. Additional indicators have been added.</p> <p><i>Additional verification indicators:</i></p> <p>4.1.1 Significant greenhouse gas emission sources are identified, considering management practices, land-use change, energy, sourcing and use of materials.</p> <p>4.1.4 Efforts are taken to reduce emission of greenhouse gases resulting from activities, meeting at minimum the industry sector best practices and considering best available technology.</p> <p>4.1.6 If offsetting is used, the carbon credits are from carbon projects independently verified against credible carbon offsetting standards representing genuine, additional and permanent reductions and avoiding leakage and double counting.</p>



			4.1.7 If applicable, national and/or international regulations concerning emission reduction targets for applicable climate change factors and actions are complied with.
4.2	4.2 Climate change adaptation efforts are implemented proportionate to the risk		This criterion is not applicable to processing.
4.3	4.3 Efforts are taken for GHG removal and ecosystem restoration as appropriate		This criterion is not applicable to processing.

## FSC Controlled Wood standard for sourcing

The table below presents a summary of the benchmark of the FSC Controlled Wood standard for sourcing (FSC-STD-40-005) against the Sustainability Framework.

It is relevant to note that the CW standard 40-005 is used to evaluate companies that apply a risk-based approach to sourcing non-certified material. This means that the timber sourced using this standard is not evaluated against conformance indicators, but against risk assessment indicators, focusing on identifying broadly where risks may or may not exist. In case of risks, these need to be mitigated. Some of the conformance indicators of the Sustainability Framework, which are specific to actions taken by land managers, are not directly reflected in the risk assessment indicators of the CW standard. In the benchmark we have sought to differentiate between conformance type indicators of the Sustainability Framework and the risk indicators of the CW standard, to evaluate which areas are considered to be covered by the risk indicators, even where there is no direct indicator match in the Sustainability Framework.

The FSC CW standard FSC-STD-40-005 aims to avoid timber from controversial sources and forest management operations. Although it is used by industries who are sourcing non-certified timber, the focus of this standard is on forest management level. It is thus not regulating any sustainability issues in the supply chain companies. This is different from the FSC COC standard, which applies directly to FSC COC certified companies and includes some sustainability related requirements for those companies themselves.

Sustainability Framework Principles and Criteria	Status	Remarks on coverage in FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood
<b>Principle 1</b>		
<b>Management and business practices are responsible</b>		
1.1 Land tenure and management rights are secure		The intention of this criteria is covered. Some indicators in relation to land tenure rights and dispute resolution were found partly included.
1.2 Management and operations are conducted responsibly		The intention of this criterion is considered covered, although some aspects are covered partly or missing. Examples include Sustainability Framework requirements related to disclosure of information related to business transactions as avoidance of corruption, protection of anonymity of whistle-blowers and human rights defenders.
1.3 Taxes and fees are paid		The CW standard does include risk indicators directly related to the issues of tax payments (including royalties, harvesting fees, income tax, value added tax) and thus the topic of taxes and the intent of this topic is covered. The one missing aspect is in relation to payment of taxes specific to transport and trade.
1.4 Corruption and conflict of interest are avoided		The CW risk indicators include evaluation of the risk of corruption. While some aspects that are included in the Sustainability Framework, are not mentioned, we conclude that the core intention of the criterion is included.
1.5 Trade and transport are conducted legally and responsibly		The intention of this criteria is covered. There are two indicators not addressed directly, regarding the maintenance of contracts with suppliers and buyers and timely payment to them.

		However, since they are very specific, it is considered that the CW standard covers relevant risks.
<b>Principle 2</b>		
<b>Peoples' well-being and human rights are respected</b>		
2.1 Child labour is not present, and employment of young workers is responsibly managed		The intention of this criteria is addressed under the second category of controlled wood - Wood harvested in violation of traditional and human rights, through risk indicator 2.3. (In annex A). While several details in the Sustainability Framework are not specified directly in the CW standard, the CW standard also refers to ILO Fundamental Principles and Rights at Work, which also contains further details on child labour and further references.
2.2 Modern slavery, forced or compulsory labour do not occur		Similar to the point above, the intention of this criteria is covered through the second category of CW risk assessments.
2.3 Workers' rights are respected		<p>The CW risk criteria cover directly topics related to freedom of association and collective bargaining. Also, it refers to ILO Fundamental Principles and Rights at Work, which include regulations about some aspects in the Sustainability Framework. However, there are some important areas missing, notably in relation to working hours and migrant workers.</p> <p><i>Additional verification indicators:</i></p> <p>2.3.4 Regular working hours of all workers shall not exceed 48 hours per week, with at least one full day of rest for every six consecutive days worked.</p> <p>2.3.6 Overtime is voluntary and does not result in a work week exceeding 60 total hours, except under circumstances of shorter duration where additional labour is required.</p> <p>2.3.12 Where migrant workers are hired, the following are ensured, in addition to the Frameworks other provisions related to human- and workers' rights:</p> <p>a) Migrant workers are legally authorized to enter, to stay and to engage in a remunerated activity in the area/country.</p> <p>b) Migrant workers and their families are free to travel and leave the area/country without restrictions, except those restrictions defined by law.</p> <p>c) Migrant workers are ensured of equality of opportunities and no less favourable treatment than local workers</p>
2.4 Discrimination does not occur		The intention of this criteria is covered via the reference in CW category 2 to ILO core conventions.
2.5 All workers are remunerated in a responsible manner		The intention of this criteria is covered via the reference in CW category 2 to ILO core conventions.
2.6 Workplaces are safe and healthy		The intention of this criteria is covered by the indicators in CW category 1 relating to legal requirements for health and safety, as well as the reference to ILO fundamental conventions in CW category 2.
2.7 Employer provided housing is safe and hygienic		<p>The issue of employer provided housing is not addressed in the FSC CW requirements. This is not applicable in many cases, however in some cases long term logging camps in remote location are set up and housing provided.</p> <p><i>Additional verification indicators:</i></p>

		<p>2.7.1 Legal requirements related to housing of workers are complied with.</p> <p>2.7.2 Housing is offered to workers if no affordable or safe accommodation is otherwise available, especially in remote locations where commuting is not a viable option or where workers are expected to stay within the premises for extended period of time.</p> <p>2.7.3 If workers’ pay for an employer-provided housing, the cost of housing are commensurate with the pay and comparable to similar housing in the area/industry.</p> <p>2.7.4 Employer-provided housing are safe and hygienic.</p> <p>2.7.5 Employer provided housing have functioning emergency exits and first-aid supplies, fire detection and suppression equipment are in place and in working order and workers are competent to handle equipment in case of emergencies.</p> <p>2.7.6 Where workers, and their families, live in employer-provided housing the employer ensures that they have access to medical, educational, social services.</p>
2.8 Gender equality is maintained and protected		The intention of this criteria is covered by the indicators of CW category 2, which mentions the ILO fundamental conventions.
2.9 The rights of Indigenous Peoples are respected.		The intent of this criterion is covered. Most requirements in relation to FPIC of Indigenous Peoples, respectful and culturally appropriate interaction with them and avoidance of negative impact are partly included. The indicator regarding knowledge of their rights to resources and land is fully covered. The need to enhance positive relationship with indigenous groups is not included.
2.10 Community rights are respected.		The overall intention of this criterion is addressed. However, some indicators are only partly covered in relation to legal recognition of community rights, protection of sites and resources (HCV 5) and cultural preservation (HCV 6).
<p><b>Principle 3</b> Nature and the environment are protected</p>		
3.1 Natural forests or other natural ecosystems are protected from degradation and conversion.		<p>The CW standard evaluates only the general risk of deforestation in a country or region, and it is therefore not necessarily excluding timber from conversion, though the risk of this may be assessed. Importantly and different from the FSC forest management requirements, there is no backward time limit for timber from plantations established on land that has been converted from natural forest to plantation, to be used.</p> <p><i>Additional verification indicators:</i></p> <p>3.1.2 Where conversion of natural forests or other natural ecosystems have taken place within the last 10 years, restoration activities are implemented to compensate for past ecosystem loss in line with the Preferred by Nature Restoration Standard</p> <p>3.1.3 There has been no deforestation or forest degradation after 31<sup>st</sup> December 2020.</p>

3.2 High Conservation Values (HCVs) are identified and protected.		This criterion is fully covered.
3.3 Chemicals are used cautiously with minimal negative impacts.		The intent of this criterion is covered through risk indicators related to legal requirements for environmental management.
3.4 Waste is reduced and managed appropriately		The Sustainability Framework requirements for waste management are not considered to be applicable to forest management operations.
3.5 Water resources are protected and used efficiently		The overall intent of this criterion is included. In the FSC CW Standard, legal requirements related to water usage, protection of natural water bodies and maintenance of water quality are partly covered.
3.6 Soil is conserved and managed appropriately		The intent of this criterion is covered through risk indicators related to legal requirements for environmental management. The Sustainability Framework includes some indicators related to soil management; however, these are more relevant in agricultural operations.
3.7 Animal health and welfare is secure		The criterion is considered not to be generally applicable to forest management. In isolated instances, domesticated animals (e.g., horses) are used to aid with some forestry operations, however the share of these cases is so marginal, that it is not feasible to regulate this area for forestry operations in global requirements.
<b>Principle 4</b>		
<b>Climate impacts are reduced and mitigated</b>		
4.1 Greenhouse gas emissions are reduced		<p>In the FSC CW Standard, requirements related to GHG emission mitigation, offsetting and soil carbon maintenance are not covered. Since the CW standard is significantly more limited than FSC forest management standard, it cannot be concluded that it avoids timber originating from forest areas with significant GHG emissions (for example from areas where drainage is causing significant climate impacts).</p> <p><i>Additional verification indicators:</i></p> <p>4.1.1 Significant greenhouse gas emission sources are identified, considering management practices, land-use change, energy, sourcing and use of materials.</p> <p>4.1.2 Efforts are taken to reduce emission of greenhouse gases resulting from activities, meeting at minimum the industry sector best practices and considering best available technology.</p> <p>4.1.3 Where applicable the amount of soil carbon is maintained or increased over the long term.</p> <p>4.1.4 If offsetting is used, the carbon credits are from carbon projects independently verified against credible carbon offsetting standards representing genuine, additional and permanent reductions and avoiding leakage and double counting.</p>

		<p>4.1.5 If applicable, national and/or international regulations concerning emission reduction targets for applicable climate change factors and actions are complied with.</p>
<p>4.2 Climate change adaptation efforts are implemented proportionate to the risk</p>		<p>This criterion is not covered. The FSC CW requirements do not include requirements or risk indicators in relation to climate adaptation.</p> <p><i>Additional verification indicators:</i></p> <p>4.2.1 The key risks for operations resulting or potentially resulting from climate change are identified.</p> <p>4.2.2 Measures for climate change adaptation is implemented for areas of high risk and proportionate to the scale of the operations and anticipated social, economic, and environmental impacts.</p>
<p>4.3 Efforts are taken for GHG removal and ecosystem restoration as appropriate</p>		<p>The FSC CW standard does not regulate restoration and GHG sequestration activities. However, the restoration efforts are not mandatory in the Sustainability Framework. This criterion would hence not be applicable in cases when restoration activities are not implemented. In the cases when restoration is undertaken, the risk for severe violation would be rather low on global level. We have thus considered this criterion as not applicable for the CW benchmark.</p>