

**Comparative analysis of the PEFC system
with FSC™ Controlled Wood requirements**

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Abbreviations	
CoC	Chain of Custody
CW	Controlled Wood
FM	Forest Management
HCVF	High Conservation Value Forest

Overview of certification standards used for the analysis	
PEFC ST 1003:2010	PEFC Global forest Management standard
PEFC ST 2002:2010	PEFC Chain of Custody standard
FSC-STD-30-010	FSC Controlled Wood Forest Management standard
FSC-STD-40-004	FSC Chain of Custody standard
FSC-STD-40-005	FSC standard for company evaluation of Controlled Wood
FSC-STD-40-005 Annex 3	Requirements for field auditing in case of unspecified risk evaluation

Disclaimer

This study has been prepared by NEPCon and funded by FSC international. The objective of the study was to conduct a comprehensive and objective evaluation the PEFC system's efficiency and ability to exclude material from unacceptable sources, as defined by the FSC Controlled Wood Standard (FSC-STD-40-005), in material sold with a PEFC claim.

Please note that the study does not cover all possible aspects of the PEFC certification system. An effort has been made to focus on the aspects most critically related to the study purpose.

NEPCon was selected to conduct this study due to the organisation's comprehensive experience with the two systems as well as competences within standard-setting and assurance processes. Apart from defining the scope of the study, FSC International has had no influence on the methodology used and the conclusions provided in the report.

EXECUTIVE SUMMARY

Exclusion of wood from Unacceptable Sources is a key aspect in maintaining the credibility of responsible forestry certification schemes. Both of the two major global forestry certification schemes, the Forest Stewardship Council™ (FSC™) and the Programme for Endorsement of Forest Certification Schemes (PEFC) allow mixing of non-certified wood or fibre into certified products carrying a 'mixed sources' claim.

However, in order to bring value to the respective eco-labels, it is vital that the schemes provide basic assurance for the exclusion of wood from unacceptable sources. FSC operates with the Controlled Wood system to minimise the risk of including wood from five categories of Unacceptable Sources into FSC products. Hence FSC needs to ensure that wood accepted as FSC Controlled Wood meets or exceeds the requirements of the FSC Controlled Wood system.

The purpose of this analysis was to evaluate the efficiency and ability of the PEFC system to provide assurance for the exclusion of controversial wood from PEFC certified products, as required by the FSC Controlled Wood system.

The evaluation was done as a comparison between the PEFC system and the FSC Controlled Wood requirements. The PEFC Forest Management standards, the PEFC Chain of Custody requirements and the PEFC assurance system were individually analysed and assessed against the FSC Controlled Wood requirements and FSC assurance system.

The scope of this study was solely to evaluate if PEFC certified wood meets or exceeds the requirements of FSC Controlled Wood. The present study can therefore not be used to make general claims comparing one system to the other.

The overall conclusion is that despite many similarities between the two systems, PEFC certified products do not currently offer adequate assurance for fulfilment of the FSC Controlled Wood requirements.

Issues of non-fulfilment of the FSC Controlled Wood requirements were found within all three evaluated aspects of the PEFC system. Whilst the conclusion with regard to the PEFC Forest Management standards varies between countries (some of the evaluated forest management standards do fulfil the Controlled Wood requirements), the result is unequivocal for the PEFC Chain of Custody and the PEFC assurance systems.

Forest Management

The evaluation found that three out of eighteen evaluated national PEFC Forest Management standards contain complete requirements to fulfil the FSC Controlled Wood requirements. The remaining national standards had issues of discrepancy with the FSC Controlled Wood system, in particular with respect to traditional and civil rights and forest conversion.

The new PEFC global forest management standard, providing the framework for future revisions of national PEFC FM standards, was found to have addressed most of these issues. However, a significant gap remains with respect to traditional and civil rights, where the PEFC requirements are limited to compliance with the local legislation. Violations of this aspect of the FSC Controlled Wood standard might occur in some countries without constituting a violation of the local law.

Chain of Custody

The analysis of the PEFC Chain of Custody system and the requirements pertaining to the exclusion of controversial wood shows significant and critical differences, leading to the conclusion that PEFC certified products do not qualify as FSC Controlled Wood. This is due to a number of aspects where PEFC does not offer assurance at the level required by the FSC Controlled Wood system:

- a. The definition of unacceptable sources applied by PEFC¹ has been expanded, but is still narrower than the one used by FSC, effectively limiting the assurance against violations regarding traditional and civil rights and High Conservation Value Forest to situations where the local legislation is violated.
- b. The requirements for risk assessment and transparency are significantly lower compared to the FSC Controlled Wood system. PEFC only has procedures in place for risk assessment pertaining to the legal right to harvest. Risk assessment is not required for the other aspects contained in the expanded PEFC definition of unacceptable sources. PEFC does not require third-party approval of risk assessments or that the risk assessments are made publicly available.
- c. There are no requirements for data collection which enable matching of volumes of certified material between the links in the chain of custody.
- d. PEFC does not impose detailed requirements for field verification in case the source is not classified as low risk.
- e. PEFC is endorsing national Chain of Custody systems which may differ significantly from the international PEFC Chain of Custody system including for requirements that are critical for the exclusion of controversial wood from the PEFC supply chain.

Assurance system

The assurance system adopted by PEFC does not currently offer the same level of assurance for the full and proper implementation of the standards compared to the FSC system. For example, while FSC operates with an accreditation organisation which has specialised competence within the FSC requirements, PEFC uses national accreditation bodies and does not have system specific requirements for accreditation bodies in place. Furthermore, the PEFC mechanism for monitoring and evaluation of the system's impact and performance at an international level is considered significantly weaker. The divergences seen within these aspects constitute a significant and fundamental difference in the way the PEFC and FSC systems operate.

The conclusions for the Chain of Custody and assurance aspects would exclude even wood certified under those PEFC national Forest Management schemes that do offer sufficient assurance with regard to their formal requirements, from qualifying as Controlled Wood.

Unless the wood is sourced directly from forest areas of low risk for all risk categories (in which case any non-FSC wood will pass as Controlled Wood), PEFC certified products thus do not offer adequate assurance under the FSC Controlled Wood system.

¹ Unacceptable Sources is termed Controversial Sources in the PEFC system.

INTRODUCTION

Does the PEFC certification system provide the same level of assurance for the exclusion of wood from Unacceptable Sources as the FSC Controlled Wood system? This question is asked by many companies producing FSC certified products and wishing to use PEFC certified material as equivalent to FSC Controlled Wood. This report analyses the two systems in order to evaluate if wood sold with the PEFC claim in fact meets or exceeds the FSC Controlled Wood (CW) requirements.

What is Controlled Wood?

FSC operates with five categories of controversial material, which must be excluded from FSC certified products. Controlled wood must meet the following basic requirements: 1) The origin of the material must be known and 2) The wood must not come from sources classified as controversial by FSC (see the table below).

Table 1. Definition of Unacceptable Sources according to FSC-STD-40-005

The five Controlled Wood risk categories
1: Illegally harvested wood
2: Wood harvested in violation of traditional and civil rights
3: Wood harvested in forests where globally significant 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.

Companies mixing FSC certified and non-certified material can control the non-certified material themselves according to FSC-STD-40-005 or purchase the material from forest management operations certified according to FSC-STD-30-010. If the origin documentation back to the forest level is available, any non FSC certified material (PEFC or not) from areas with "low risk" designation can be considered as controlled without additional activities. Material from "unspecified risk" areas shall thus at least comply with the requirements in Annex 3 of FSC-STD-40-005.

Similar in principle, different in the detail

When looking at the two systems from an overall perspective, they share many similarities. Both FSC and PEFC have specific national standards for forest management; a system for regulating the manufacturing of products and transfer of claims from the forest to the final product (Chain of Custody); specific rules for mixing uncertified material with certified material and a requirement for using third party accredited certification bodies. When it comes to the specific rules for mixing of certified material with non-certified, both systems have established rules to avoid that wood from unacceptable sources is entering into products carrying a certification claim.

While the two systems are built upon the same overarching principles, the differences lie in the details of the requirements and the supporting assurance systems. In order to evaluate the scope and significance of these differences, a detailed study has been conducted comparing the two systems' specific requirements in order to evaluate if they provide same level of assurance for the exclusion of controversial wood from certified products.

The purpose of this study is to evaluate if there is a similar level of assurance for the exclusion of controversial wood from certified products in the two systems. It has not been the intention to evaluate whether the PEFC system provides a guarantee against wood from controversial sources being sold with a certified claim. The FSC and PEFC systems both build on risk evaluation and sampling, and none of them can provide a full guarantee for the exclusion of controversial wood from all certified products.

The team behind this report

The study has been conducted by a team of NEPCon experts with a broad experience within the two systems as well as standard setting and assurance systems:



Peter Feilberg

Peter Feilberg is the CEO of NEPCon. He has been working with certification since 1994 and has comprehensive global field experience within both Forest Management and Chain of Custody Certification.

Mr. Feilberg has a unique experience base within standard setting processes for the forest sector. He has been involved in establishing national forest management standards, the FSC controlled wood standard and standards for legal conformance. He is a member of the ISEAL Alliance Assurance Committee.



Hando Hain

Hando Hain is the Chief Development Officer of NEPCon. He has extensive experience within Forest Management and Chain of Custody auditing and is a member of the FSC Chain of Custody certification working group. He has also overseen and implemented NEPCon's accreditation for providing PEFC Chain of Custody certification. Mr. Hain has a background within scientific research.



Christian Sloth

Christian Sloth is Verification Services Manager of NEPCon and leads the development of NEPCon's LegalSource program. Throughout the past decade, Mr. Sloth has been involved in the development of standards for legal conformance, including the Rainforest Alliance's Legality Verification program for product verification and NEPCon's LegalSource certification standard. The latter provides assurance for compliance with the EU Timber Regulation's requirements for due diligence. Mr. Sloth has comprehensive experience within auditing to legality conformance standards.



Debora van Boven-Flier

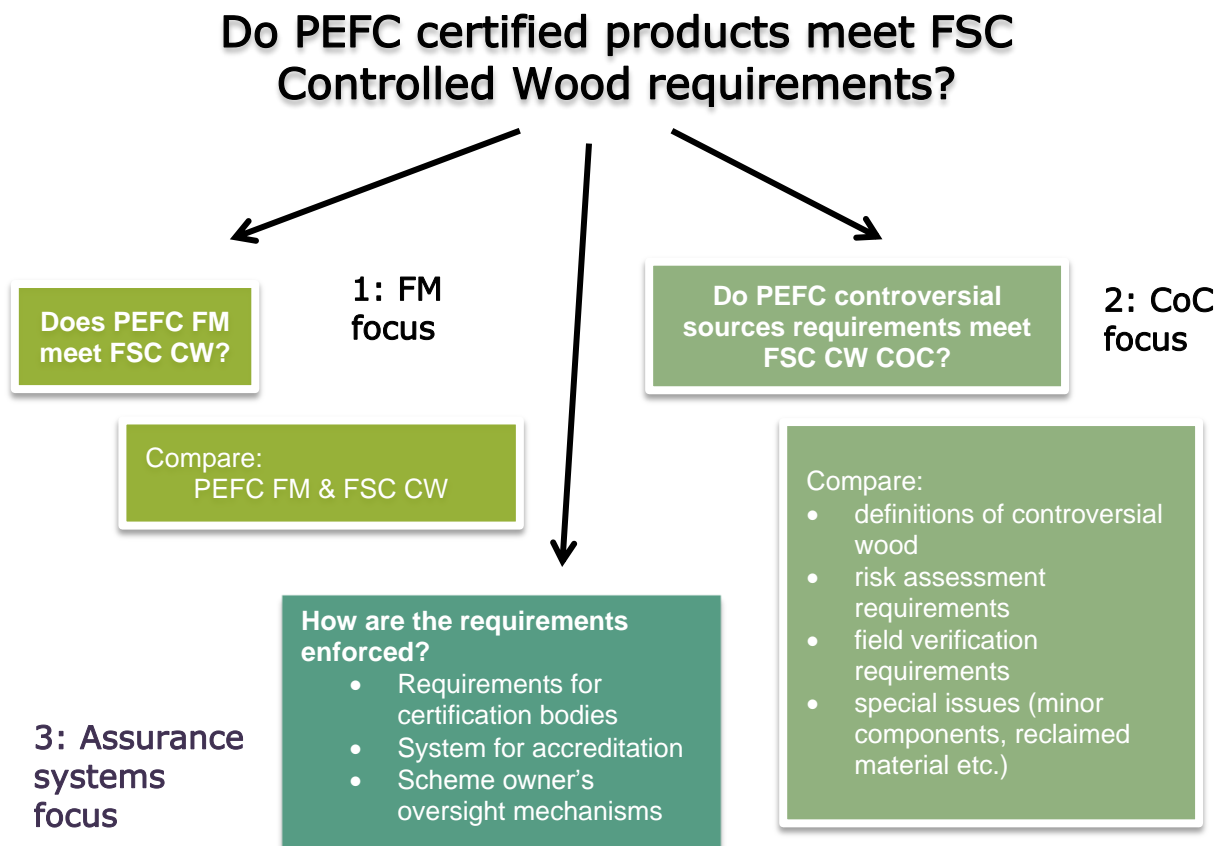
Debora van Boven-Flier is experienced within PEFC conformity assessments and she has participated actively in the development of the national Dutch PEFC Forest Management standards. She is a trained FSC and PEFC Chain of Custody auditor. Ms. Van Boven-Flier has also participated in several projects relating to the EU FLEGT program and FSC certification.

Methodology

The overall question for this study was divided into 3 topics focusing on different aspects of the standards and assurance system:

1. Do the requirements in the PEFC forest management standards cover applicable aspects of the FSC Controlled Wood requirements?
2. Do the PEFC rules for volume control, tracing and mixing input material ensure the same level of assurance for the exclusion of controversial wood from the supply chain?
3. Do the oversight and assurance systems of the two schemes provide the same level of assurance for the proper implementation of the requirements in practice?

Figure 1 below outlines the three components and how these aspects were examined.



FM = Forest Management. CoC = Chain of Custody.

Figure 1. Overview of the components of this analysis.

NOTE: This study only examined if wood carrying a PEFC claim fulfils the FSC Controlled Wood requirements. It has been outside the scope of this study to evaluate if products sold with the FSC claim fulfil applicable PEFC requirements. There may be areas where the PEFC system has stricter requirements than the FSC system, but this has not been the focus of the present report.

Colour legend of tables

Throughout this report, results are summarised in tables using colour coding for easy visual recognition. Three colours indicate various level of consistency between the FSC and PEFC systems.

Green	The PEFC standard or system covers the FSC requirements regarding the evaluated aspect. In the Forest Management comparison section, green colour is also used for areas which can be classified as low risk according to the FSC risk assessment indicators.
Orange	The PEFC standard or system does not cover (all) the FSC requirements regarding the evaluated aspect, resulting in a critical risk that wood from Unacceptable Sources, as defined by FSC, is accepted for inclusion in PEFC-certified products.
Yellow	The PEFC standard or system covers the FSC requirements to a significant extent; however there are details lacking, or the PEFC standard requirements are too subjective, making it difficult to draw a clear conclusion.

PART I: FOREST MANAGEMENT REQUIREMENTS

This part of the analysis is divided into two parts: 1. an examination of the national PEFC FM standards currently applicable in 19 countries, and 2. an analysis of the global PEFC FM criteria which were adopted in late 2010, forming an important framework for national FM standards in the future. Both aspects are considered important in order to assess and compare the assurance provided by the PEFC FM system to the FSC Controlled Wood system requirements.

1.1. Comparison with national PEFC Forest Management standards in selected countries

This part of the analysis explores whether material from forest operations certified to the current PEFC forest management standards can be considered to meet the FSC requirements for Controlled Wood.

For this purpose, it was necessary to establish whether the PEFC forest management standards require practices ensuring that no material considered controversial by FSC can originate from PEFC certified forests. Since the PEFC forest management requirements are different from country to country, separate analyses are required for individual countries.

PEFC forest certification can only be conducted in countries with endorsed national PEFC schemes, including PEFC national forest management standards. Until recently there was no global PEFC Forest Management standard, and the contents of the existing national PEFC forest management standard in each country was decided by the national PEFC representative.

In December 2010, PEFC International approved the global PEFC forest management standard (PEFC ST 1003:2010), which shall form the basis for all the national FM standards onwards from 12 May 2013. This standard is compared with the FSC controlled wood requirements later in section 1.2. The currently valid national PEFC forest management standards are however not yet taking this PEFC global standard into consideration. For each analysed country the comparison was thus done separately against existing, valid national PEFC forest management standard.

The FSC system includes two standards which are relevant in the context of the Controlled Wood requirements.

The FSC Controlled Wood standard FSC-STD-40-005 for company evaluation sets out the requirements for Chain of Custody certificate holders to control the non-certified material which is mixed with FSC certified material in order to reduce the risk that controversial material is mixed into FSC labelled products. The key requirements in this standard can be divided into three main areas:

1. The company shall know the forest origin of all the sourced material it wants to control;
2. A risk evaluation for each sourcing district shall be available indicating if the district can be considered as "low risk". Material from low risk districts can be used as controlled as long as there is documented proof that the material is indeed originating from the low risk district. Without a risk assessment indicating "low risk" status, the district has "unspecified risk" status for controversial material.
3. In districts with "unspecified risk", the company shall carry out field verification at the forest level to evaluate that the material is not controversial. Annex 3 in the FSC-STD-40-005 specifies the aspects which shall be checked in the field during the field verification.

FSC-STD-30-010 is the FSC Controlled Wood standard for forest management operations. This standard can be used by forestry managers who want to prove that material from the forests managed by them is not controversial according to FSC definitions. The uptake of this standard is rather low, since forest managers who undertake certification will normally get certified directly

against the full FSC forest management standard. 24 certificates were issued globally according to this standard as of 9th of April 2012. However the standard provides indicators for each of the five categories of controversial material, which the forest manager shall comply with. FSC-STD-30-010 consists of two main parts. The first part sets the overall quality requirements for the forest manager and also has requirements for stakeholder consultation. The second part includes indicators for each category of controversial material. It should be noted that the second part of FSC-STD-30-010 is almost same as the Annex 3 in FSC-STD-40-005 (the indicators which shall be checked during the field verification in areas of unspecified risk). Please see comparison of the controversial category requirements in both standards in Annex 1.

Selection of countries

Considering this, the comparison was made between national PEFC standards and the category requirements in Annex 3 of FSC-STD-40-005. The comparison was done for the countries chosen by FSC: Australia; Belarus; Brazil; Canada; Chile; Finland; Gabon; Germany; Malaysia; Poland; Russia; Sweden; UK; US.

PEFC Forest Management certification can only take place in countries which have an endorsed national PEFC scheme and PEFC forest management standard available. The sample was chosen among these countries to represent geographical differences and countries with different levels of corruption. Some of these countries have more than one PEFC forest management standard available. In Brazil and Chile, separate PEFC standards exist for the native forests and for the plantations. In Canada a separate standard exists for small forest areas. In the US, two different forest management standards are PEFC endorsed. In these cases all available PEFC national standards have been taken into considerations and analysed in comparison with the Annex 3 of FSC-STD-40-005. This resulted in all 18 PEFC endorsed forest management standards from 14 countries which were analysed. The technical comparison of the requirements was done on indicator level for each chosen country.

In some of the countries, certain CW categories may not be applicable and thus the PEFC FM standards cannot be expected to cover these aspects. For example, if indigenous groups do not exist in a country, this topic may not be covered in the national PEFC FM standard. Relying on the mere comparison of FSC CW categories with the standard would in this case result in a false conclusion that the PEFC standard does not take into consideration the potential impact of forestry activities on indigenous groups.

Using risk assessments

It is beyond the scope of this study to conduct a detailed evaluation on which issues are potentially applicable in each country and instead the comparison relies on the existing risk assessments. In countries where there is no official approved FSC risk assessment, the draft risk classification available in Global Forest Registry (www.globalforestregistry.org/) was used as the basis. In case of low risk classification, the risk category was considered non-applicable in a country. This approach is justified by the fact that any non FSC certified material (PEFC or not) from areas with "low risk" designation can be considered as controlled material in the FSC Controlled Wood system, as long as the origin at forest level is documented.

For some controversial material categories, Annex 3 of FSC-STD-40-005 specifically requires documented evidence to be maintained to prove compliance. The purpose of this requirement is to ensure that sufficient evidence is available and checked during the field verification audits. The audits are often done by companies themselves and they usually do not have any contractual relationship with the forest management unit.

In case of PEFC forest management audits the certification body has a contractual relationship with the forest manager and it is logical to assume that evidence of compliance will be checked and needs to be available. It is thus not reasonable to expect that the PEFC FM standards should

separately specify for each requirement that records to demonstrate compliance shall be maintained. This is also not specified in the FSC forest management principles and criteria; instead the related requirements to check evidence and do proper sampling are addressed in accreditation requirements for the certification bodies. Considering these aspects, it has not been considered to be a critical difference if the PEFC FM standards do not include an explicit wording that the records shall be maintained for 5 years to demonstrate compliance.

The table below summarises the results of comparing national PEFC FM standards with the FSC Controlled Wood requirements detailed in Annex 3 of FSC-STD-40-005. A detailed comparison at indicator level is provided in Annex 2.

Table 2. Coverage of the PEFC Forest Management standard compared to the five FSC Controlled Wood categories.

	Aspects which are either covered by the respective PEFC FM standard <u>or</u> where the risk for the controversial category is currently classified as low ² . The risk assessment is shown in parentheses.
	Aspects which are covered to some extent by the respective PEFC FM standards and where there is unspecified risk for sourcing controversial material.
	Aspects where the PEFC standard does not cover the FSC CW requirements and where there is unspecified risk for sourcing controversial material.

PEFC National FM Standard	FSC Unacceptable Sources Categories				
	Legality	Civil and human rights	HCVF	Conversion	GMO
Australia*	Covered (low risk)	ILO conventions not mentioned (low risk)	Covered (unspecified risk)	Mostly covered, not specified the conversion shall have substantial benefits (unspecified risk)	GMO usage is not prohibited (low risk)
Belarus	Covered (Unspecified risk)	Mostly covered, no info on resolution process for conflicts (unspecified risk)	Missing requirements for HCVF identification, consultation and maintaining the info. (low risk)	Not addressed. (low risk)	GMO usage not clearly prohibited (low risk)
Brazil (plantations)	Covered (unspecified risk)	ILO conventions not fully covered (unspecified risk)	Missing requirements on maintaining the HCVF info. (unspecified risk)	Not sufficiently covered. (unspecified risk)	GMO usage is not prohibited (low risk)

² in either FSC-approved Controlled Wood risk assessments, or in draft risk assessments published at the [Global Forest Registry](https://www.globalforestregistry.org/)

PEFC National FM Standard	FSC Unacceptable Sources Categories				
	Legality	Civil and human rights	HCVF	Conversion	GMO
Brazil (natural forests)	Covered (unspecified risk)	ILO conventions not fully covered (unspecified risk)	Missing requirements on consulting with stakeholders and maintaining the HCVF info. (unspecified risk)	Not sufficiently covered. (unspecified risk)	GMO usage is not mentioned (low risk)
Canada (Z809)	Mostly covered (low risk)	Not all ILO conventions are covered. (low risk)	No clear requirements for HCVF assessment and maintaining related info. (unspecified risk)	Partly covered but scale not limited. (low risk)	Covered (low risk)
Canada (Z804) (smallholders)	Mostly covered (low risk)	ILO conventions not covered. No requirements for conflict resolution. (low risk)	No requirements for assessment, consultation of maintaining related info. (unspecified risk)	Partly covered but scale not limited. (low risk)	GMO usage is not prohibited (low risk)
Chile* (plantations)	Covered (unspecified risk)	Covered (unspecified risk)	Covered (unspecified risk)	Covered (unspecified risk)	Covered (low risk)
Chile* (natural forests)	Covered (unspecified risk)	Covered (unspecified risk)	Covered (unspecified risk)	Covered (unspecified risk)	Covered (low risk)
Finland	Covered (low risk)	ILO 169 and conflict resolution process not covered. (unspecified risk)	Almost covered. Impact assessment and consultation required only in relation to roads. (unspecified risk)	Not covered (low risk)	GMO usage is not prohibited (low risk)
Gabon	Mostly covered (unspecified risk)	ILO 169 and indigenous groups not covered. (unspecified risk)	Mostly covered. No clear requirement for consultation when assessing presence of HCVF. (unspecified risk)	Covered (low risk)	Covered (low risk)

PEFC National FM Standard	FSC Unacceptable Sources Categories				
	Legality	Civil and human rights	HCVF	Conversion	GMO
Germany	Mostly covered (low risk)	Conflict resolution not covered. (low risk)	Not covered (low risk)	Not covered (low risk)	Covered (low risk)
Malaysia	Mostly covered (unspecified risk)	Covered (unspecified risk)	Covered (unspecified risk)	Covered (unspecified risk)	Covered (low risk)
Poland	Covered (unspecified risk)	Dispute resolution and ILO core principle not covered. (low risk)	Covered (unspecified risk)	Not covered (low risk)	Covered (low risk)
Russia	Covered (unspecified risk)	Several aspects not covered. No info on ILO 169. (unspecified risk)	Covered (unspecified risk)	Not covered (low risk)	Covered (low risk)
Sweden	Only partly covered (low risk)	ILO conventions not covered. Limited requirements for dispute resolution. (low risk)	Covered (unspecified risk)	Not covered (low risk)	Covered (low risk)
UK*	Mostly covered (unspecified risk) ³	ILO conventions not directly covered. (low risk)	Covered (low risk)	Mostly covered, no clear limit for scale. (low risk)	Covered (low risk)
US SFI 2010-2014	Covered (low risk)	ILO 169 and conflict resolution not covered. (low risk)	Covered (unspecified risk)	Not covered (unspecified risk)	Not covered (low risk)
US AFF 2010-2015 (ATFS)	Mostly covered (low risk)	ILO principles or conflict resolution not covered (low risk)	Covered (unspecified risk)	Not covered (unspecified risk)	Not covered (low risk)

*Countries marked with asterisk have an official national Controlled wood Risk Assessment approved by FSC International Centre.

Overall *the HCVF category together with GMO usage* appears to be best covered by the PEFC standards. In 10 standards they were found to be sufficiently addressing the intention of relevant FSC requirements.

³ This category is marked with „unspecified risk“ at the country level, since in the official approved national FSC Controlled Wood Risk Assessment for the United Kingdom (see FSC-CWRA-006-GBR Version 2-1, available on <http://www.fsc-uk.org>), Northern Ireland is designated with „unspecified risk“ status in relation to illegally harvested wood. The rest of United Kingdom can be classified as “low risk” area in relation to this category.

Legal compliance is required by all reviewed standards; however several standards are not fully complying with FSC requirements due to FSC indicator 1.2 in Annex 3 (“The Company shall demonstrate that species and qualities harvested are classified correctly”). In some standards, this was not specifically articulated; however it could also be considered that a generally required full legal compliance also includes compliance in classification of species, volumes and qualities. One can argue that it is not reasonable to expect that this would be specifically separately written out. This is also why this category has many cases when the compliance has been concluded to be “mostly covered”. Still the exact definition and scope of legality is not specified in majority of PEFC standards and thus the question remains open if this is always fully overlapping with FSC definition. Since all components and aspects of legal compliance are not detailed either in FSC Principles and Criteria, a detailed analysis of each PEFC standard against the Table provided in relation to Legality in Annex 3 was not considered to be justified.

There is least consistency between PEFC FM standards and FSC Controlled Wood requirements in relation to *traditional and civil rights, including indigenous peoples’ rights*. Two main issues emerging were lack of focus on ILO conventions (related to Fundamental Principles and Rights and/or ILO convention 169 related to Indigenous and Tribal People) and lack of focus on conflicts resolution. It should be mentioned however that several countries under the evaluation have ratified the relevant ILO conventions. In these cases it can be assumed that compliance with the existing legislation will also ensure compliance with the relevant ILO conventions and this may be a reason why they are not specifically included in many PEFC FM standards.

A very significant gap also exists between the PEFC FM requirements and the FSC Controlled Wood requirements regarding *conversion*. Conversion appears to be rather weakly regulated by PEFC standards and only three evaluated standards were considered to meet the FSC requirements. In several cases there are some very general limitations on conversion; however the extent of conversion or the cases when it is allowed are usually not specified.

The figure below illustrates the above described conclusions. The blue columns indicate the number of PEFC national standards which were considered to fully meet the FSC CW requirements. The green columns indicate cases when the aspect is not considered critical in the area due to low risk designation. From the figure it visible that using the FSC risk designation significantly reduces the number of countries and categories where there is risk of controversial material.

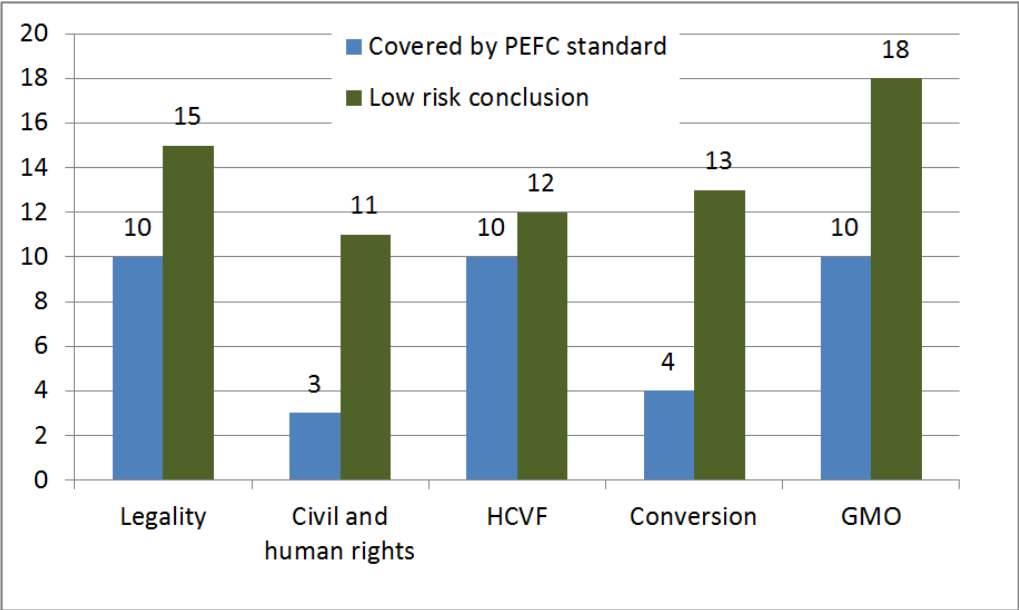


Figure 1: Number of standards covering FSC requirements (blue) and number of areas with overall low risk conclusion, either because the category is covered by PEFC or due to low risk designation according to FSC risk assessment (green).

1.2. Comparison of PEFC global Forest Management criteria

PEFC International has established a global PEFC forest management standard (PEFC ST 1003:2010), which shall form the basis for all national FM standards from 12 May 2013 onwards. Since this standard will directly impact all the national standards, it was compared with the requirements for field verification in Annex 3 of FSC-STD-40-005 (the FSC standard for company evaluation of Controlled Wood).

The table below presents the summarised results of this assessment. The FSC criterion on harvesting in violation of traditional and civil rights was not found to be fulfilled by the corresponding PEFC FM criteria, because it is limited to local legal requirements which may not be sufficiently strong in all countries. The PEFC global Forest Management criteria were found to comply with the remaining four FSC Controlled Wood criteria, although some aspects are not reflected in the same manner. The actual compliance at national level will depend on the national adaptation process in each country. A detailed comparison is available in Annex 3.

Table 2. Summary comparison results between FSC-STD-30-010 and PEFC ST 1003:2010

FSC requirements for controversial categories in Annex 3 of FSC-STD-40-005	PEFC global Forest Management standard PEFC ST 1003:2010
Illegally harvested wood	Complies, see indicators 5.1.3, 5.7.1 <i>The standard lacks the same wording and exclusive focus about the need to follow legal requirements in classifying the species and qualities, however it is expected that indicators 5.7.1 and 5.1.3 in combination will fulfil the intention of the FSC requirements.</i>
Wood harvested in violation of traditional and civil rights	Does not comply. See indicators 5.6.4, 5.6.12, 5.6.13, 5.7.1 <i>These PEFC requirements specifically mention tenure, land-use rights and indigenous people. However the compliance is limited to legal requirements, which may be not very strong in some countries.</i>
Wood harvested in forests in which high conservation values are threatened by management activities	Fully complies, see indicators 4.1d), 5.4.2, 5.1.2, 5.6.10, 5.4.2
Wood harvested in forests being converted to plantations or non-forest use	Fully complies, see indicators 4.1d), 5.1.11 <i>Conversion is allowed only in small proportion and it is not specified what a small proportion is. However in the full context of the relevant PEFC requirements, it is expected that the requirements meet the intention of the FSC requirements.</i>
Wood from forests in which genetically modified trees are planted	Fully complies, see indicators 4.1d), 5.4.7

1.3 PEFC Forest Management requirements compared to the FSC Controlled Wood requirements - summary

Except for few national PEFC Forest Management standards, neither the current national standards nor the new global PEFC Forest Management standard were found to fully meet the FSC Controlled Wood requirements.

The key aspect constituting a significant difference is the assurance provided for the exclusion of wood harvested in violation of traditional and civil rights. Several of the current national standards do not cover the ILO conventions, indigenous peoples' rights and/or dispute resolution. Whilst the new global Forest Management standard addresses the ILO conventions, the requirements for respecting traditional and civil rights are limited to those imposed by the local legislation.

The strength of this part of the PEFC Forest Management certification system will thus depend on the strength of the local laws as well as on the contents of the future national Forest Management standards, which may exceed the requirements of the global PEFC FM standard.

Of the 18 national PEFC Forest Management standards analysed, the standards of 3 countries – Chile, Germany and Sweden – were found to provide adequate assurance for all five FSC Controlled Wood risk categories. In these countries, aspects of unspecified risk were adequately covered by the PEFC Forest Management standards.

High Conservation Value Forest, Traditional and Civil Rights, and Conversion were the key areas of difference between the requirements of the analysed PEFC Forest management standards and the FSC Controlled Wood system.

PART II: CHAIN OF CUSTODY REQUIREMENTS

This part of the study covers the flow of products from the certified forest through the supply chain to the final products sold with certification claim. Both schemes have Chain of Custody standards for regulating the transfer of claims throughout the supply chain. These standards include specific requirements for traceability, mixing and volume tracking.

The FSC and PEFC traceability assurance systems

The basic approaches to regulate traceability, volume tracking and mixing prescribed by the two systems are almost identical. Both systems require a quality management system, verification of supplies, regulate the use of claims and prescribe rules for mixing of certified material with non-certified material. Furthermore, both systems include requirements with the aim to ensure that certain types of controversial material are excluded from products carrying a certification claim.

Both systems require that the organisations in the chain taking ownership of the certified material and selling the material with certification claim is covered by a Chain of Custody certification issued by a 3rd party accredited certification body. The certification is essentially verification by a 3rd party that the organisations have implemented a quality management system according to the Chain of Custody standards requirements. None of the schemes has currently established a supply chain wide volume tracking system following the volume flow in between the Chain of Custody certified operations. Volume tracking system is commonly used for social and environmental labelling system in the agricultural sector. FSC has announced that the organisation is in the process of developing such as system.

Global or local Chain of Custody standards

Both the FSC and PEFC chain of custody standards can be applied globally. Additionally, PEFC includes the option of endorsing national Chain of Custody standards. In order for a national Chain of Custody standard to be endorsed, it shall be evaluated as being in compliance with the international PEFC Chain of Custody certification standard. However, the current study showed that PEFC-endorsed, national Chain of Custody standards may deviate significantly from the international PEFC Chain of Custody standard.

The present study revealed that national PEFC Chain of Custody standards can differ significantly from the international standard, as regards requirements critical for ensuring that wood from controversial sources is kept out of the supply chain for products sold with a PEFC claim.

While the American SFI standard for forest management is endorsed by PEFC, the SFI Chain of Custody standard is not endorsed by PEFC and products certified under the SFI Chain of Custody standard cannot be sold with PEFC claim. The SFI requirements for Chain of Custody are significantly weaker than the global PEFC standard on areas critical for conformance with the controlled wood requirements. E.g. the SFI Chain of Custody standard allows wood from forest conversion to be used in products sold as SFI certified and it does not have any rules against the use of Genetically Modified Tree species. A detailed evaluation of the SFI Chain of Custody system was not part of this study.

The study is based on a point by point comparison of the specific requirements contained in the FSC Chain of Custody standard (FSC- STD-40-004 V2-1) and FSC Controlled Wood Standard (FSC-

STD-40-005 V2-1) to similar requirements in the PEFC Chain of Custody standard (PEFC ST 2002:2010).

In case of differences between the FSC and PEFC requirements it was evaluated if the difference posed a risk for contamination of PEFC certified material with material from Unacceptable Sources. Finally, the degree of risk was evaluated to be negligible, low or critical.

The following specific areas were considered important for the comparison between the FSC and PEFC Chain of Custody system:

1. The used terms and definition of Unacceptable Sources used by the two scheme owners.
2. The rules for mixing non-certified material in certified product groups.
3. The requirements for volume control through the supply chain.
4. Procedures for risk evaluation of sources
5. Procedures for risk mitigation in case of non-negligible risk

The tables included in the following sections provide a summary of the conducted analyses with focus on requirements critical for the avoidance of having wood from Unacceptable Sources entering the supply chain.

2.1. Basic requirements and definition of Unacceptable Sources

Both the FSC and PEFC system have special requirements and definition of wood from Unacceptable Sources which are not eligible for mixing with certified material during the production of product groups with certification claims. While FSC has 5 different categories, PEFC operates with 3 different main categories – see below.

Please note that the terms "Unacceptable Sources" is now used by FSC. "Controversial Sources" is used by PEFC and formerly also by FSC. Some FSC documents however still contain the previous term "Controversial Sources".

Table 4. Comparison of basic requirements and definition of Unacceptable Sources in the FSC Controlled Wood system and in the PEFC system.

FSC Requirement	PEFC equivalent	Comments and conclusion
<p>1.1 The company shall have a publicly available written policy commitment, endorsed by the most senior management level of the company, to implement its best efforts to avoid trading and sourcing wood or wood fibre (herein referred to as wood) from the following categories:</p>	<p>PEFC is not requiring a public policy from the certified operation. PEFC is requiring a supplier declaration according to Appendix 2, 2.1</p>	<p>The FSC requirement for a policy in itself does not provide strong assurance against controversial material entering the supply chain. The PEFC requirements for a supplier self-declaration provide only limited protection against e.g. illegal harvested wood. Organisations involved in trade of illegal harvested products are often involved in providing falsified documentation. The lack of requirement for a company policy may increase the risk of contamination of certified material with controversial material. However, the risk augmentation is not considered significant.</p>
<p>a) Illegally harvested wood;</p>	<p>(a) not complying with local, national or international legislation, in particular related to the following areas: - forestry operations and harvesting, including conversion of forest to other use - management of areas with designated high environmental and cultural values, - protected and endangered species, including requirements of CITES, - health and labour issues relating to forest workers, - indigenous peoples' property, tenure and use rights, - payment of taxes and royalties,</p>	<p>The PEFC definition fully covers and exceeds the FSC definition of legality.</p>
<p>b) Wood harvested in violation of traditional and civil rights;</p>	<p>The PEFC definition covers this aspect in case the rights are included in the legislation – see above.</p>	<p>The PEFC definition only covers indigenous peoples' rights and only in case these are covered by legislation. It does not cover other types of traditional and civil rights and it does not cover rights outside the legislation. This difference is evaluated to be critical.</p>

FSC Requirement	PEFC equivalent	Comments and conclusion
c) Wood harvested in forests where high conservation values are threatened by management activities;	The PEFC definition covers legal violation of management of areas with designated high environmental and cultural values.	The PEFC definition only covers cases where the environmental or cultural values are legally protected. The FSC definition also covers cases where harvesting is legal – but anyway threatening high conservation values independent on legal status. This difference in the definition is evaluated to be critical.
d) Wood harvested in forests being converted to plantations or non- forest use;	(c) Converting forest to other vegetation type, including conversion of primary forests to forest plantations.	The wording of the two systems is slightly different but the implication is very similar. None of the two systems allow conversion of forests into plantation or other uses.
e) Wood from forests in which genetically modified trees are planted.	Forest management activities which are: (b) utilising genetically modified organisms Note: The policy on the exclusion of material from genetically modified organisms remains in force until 31 December 2015.	The PEFC and FSC requirements are similar and the current PEFC definition is evaluated to cover the FSC definition. However, the exclusion of genetically modified organism is currently in force until the end of 2015. If this note remains effective – the PEFC definition will not cover GMOs after 2015 which will be a critical difference to the FSC requirements.

2.2. Eligible material in PEFC certified products

Both systems allow producers (and in some case also traders) to mix certified material with other types of material. Within the standards, certain materials are considered eligible for mixing with certified material without applying the requirements to control the material and without evaluating that it is not controversial. This section analyses these types of materials and compares the PEFC requirements with related FSC requirements. The requirements for controlling such non-eligible material are analysed in the following sections.

The types of non-certified material that can be used for manufacturing of certified products includes reclaimed material, co-products, material certified under other recognised schemes, as well as minor components.

In order to evaluate the risk of controversial material entering into certified products it has been evaluated whether the definition clearly excludes material considered controversial under the FSC Controlled Wood system, and if there is a described assurance mechanism ensuring that such material complies with the definition.

Table 5. Comparison of eligibility requirements for different materials under the FSC Chain of Custody system and the PEFC Chain of Custody system.

FSC Requirement	PEFC equivalent	Comments and conclusion
<p><i>FSC Reclaimed material definition</i> FSC distinguishes between post-consumer reclaimed and pre-consumer reclaimed material. Specific definitions are given in FSC-STD-40-007. Waste and offcuts from secondary manufactures can be considered as pre-consumer reclaimed, while co-products from primary manufactures and forestry waste cannot be considered as reclaimed. Any waste or faulty material from the manufacturing process that can be used for manufacturing on-site also cannot be considered reclaimed.</p>	<p><i>PEFC Recycled material</i> The PEFC ST 2002:2010 includes the following definition: Forest based material that is (a) Diverted from the waste stream during a manufacturing process. Excluded is utilisation of materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process that generated it. Excluded are by-products such as sawmilling by-products (sawdust, chips, bark, etc.) or forestry residues (bark, chips from branches, roots, etc.) as they do not represent "waste stream". and (b) Generated by households or by commercial, industrial and institutional facilities in their role as end-users of the product which can no longer be used for its intended purpose. This includes returns of material from the distribution chain.</p>	<p>The definition used for reclaimed/recycled material by the two organisations is almost identical. Both include postconsumer recycled material, waste from secondary industries, but exclude co-products/by-products from the primary industry. It seems to be generally accepted by both systems that reclaimed material from secondary manufacturers and further down the chain can be included in certified product groups without verification of the sources and controlled status. PEFC is considered to be equal to FSC as regards the definition of reclaimed material.</p>

FSC Requirement	PEFC equivalent	Comments and conclusion
<p><i>FSC Verification requirements for reclaimed</i> FSC-STD-40-007 defines the requirements for verification of reclaimed material, to ensure that the material is indeed reclaimed and also to determine if it is pre-consumer or post-consumer reclaimed. The requirements include:</p> <p>2.1 The organization shall conduct a validation process for its suppliers of reclaimed materials to determine whether the materials supplied are eligible to enter into FSC product groups.</p> <p>3.3 In cases where the classification of reclaimed materials as pre-consumer and/or postconsumer cannot be demonstrated through objective evidence upon receipt, the organization shall include the supplier in a "Supplier Audit Program".</p> <p>4.1 The organization shall perform regular (at least annual) on-site audits of the suppliers included in the Supplier Audit Program (including overseas suppliers) based on a sampling approach.</p>	<p><i>PEFC Verification for reclaimed material</i> PEFC ST 2002:2010 Annex 2 requires a due diligence system for avoidance of raw material from Controversial Sources. However, recycled material is not required to be covered by the due diligence system (1.1 a). The PEFC system currently does not have a required mechanism to verify the reclaimed status of material which is claimed to be reclaimed.</p>	<p>While the definition for reclaimed/recycled material is almost identical for the two certification systems, the PEFC system does not prescribe an assurance mechanism for verifying that material classified as reclaimed actually is pre-consumer or post-consumer reclaimed. This implies a higher risk that material which does not in fact meet the PEFC definition of reclaimed material, is considered to be reclaimed and mixed with certified material. The lack of assurance mechanism in the PEFC system is considered critical.</p>
<p><i>FSC Co-products Definition:</i> Co-product according to the FSC-STD-40-004 V2-1 is material produced during the process of primary manufacturing of another (principal) product, from the same input. Such materials are, for the purposes of this standard, classified depending on the material category from which they are (co-)produced.</p>	<p><i>PEFC Co-Products Definition.</i> PEFC has no definition for co-products. Products falling under the FSC definition are clearly excluded from the PEFC definition for reclaimed. It is assumed that the requirements for controlling co-products are the same as for other types of products.</p>	<p>PEFC handles co-products as other types of raw material and it is assumed that PEFC certified operations using co-products as raw material shall evaluate co-products according to the same due diligence system as for other non-certified virgin raw material. The lack of a clear PEFC definition of co-products is not considered to compose a risk.</p>

FSC Requirement	PEFC equivalent	Comments and conclusion
<p><i>FSC verification requirements for co-products:</i> FSC rules for co-products are defined in FSC-DIR-40-005 ADVICE-40-005-17. The requirements for co-products are differences in terms of document the origin of the co-product. For co-products it can be done by a legally effective and enforceable agreement with the supplier of the co-products that includes a statement on the sources of origin. Furthermore, in case of unspecified risk, the supplier shall commit to support the company in collecting the information to identify the forests of origin and the whole supply chain relating to that supply. Some companies are exempted from any verification of uncertified raw material until January 1st 2013.</p>	<p><i>PEFC Verification requirements for co-products:</i> PEFC has no special requirements for co-products. Raw material delivered as uncertified co-products shall be covered by same due diligence system as other uncertified raw-material.</p>	<p>Since PEFC handles uncertified co-products used as raw material the same way as other types of uncertified raw-material and it is covered by the due diligence requirements, it can be concluded that there is no risk related to the way PEFC handles co-products.</p> <p>As long as the FSC exemption for co-products is enforced (until January 1st 2013) the PEFC requirements related to co-products exceed the FSC requirements.</p>
<p><i>FSC Minor Components</i> The FSC Chain of Custody Standard include rules for Minor Components, which can compose up to 5% of a product and which are excluded from the controlled wood requirements. Surface veneer and CITES species cannot be included as minor components.</p> <p>FSC has announced that Minor Components shall be eliminated from the FSC system by the end of 2012.</p>	<p><i>PEFC Minor Component</i> The PEFC system does not include any exemption for minor components.</p>	<p>The PEFC requirements for minor components exceed the FSC requirements. Once FSC eliminates the use of minor components, which has been announced to take place by the end of 2012, the two systems will be equal in relation to this aspect.</p>

FSC Requirement	PEFC equivalent	Comments and conclusion
<p><i>Material certified under other endorsed/recognised Chain of Custody standards.</i> FSC does not recognise material certified under other standards than FSC.</p>	<p><i>Material certified under other endorsed/recognised Chain of Custody standards.</i> PEFC recognises other chain of custody standards as equal to the PEFC Chain of custody standard. A general review of PEFC recognised Chain of Custody standards has not been included in the scope of this study, but one recent PEFC endorsed Chain of Custody standard for Belarus was reviewed for actual compliance with the FSC requirements. According to PEFC's homepage: "<i>The scheme specific Belarusian Chain of Custody standard (STB P 2157-2011) was endorsed as being compatible with the international PEFC Chain of Custody standard by the PEFC General Assembly on 2nd November 2011</i>". According to the standard the definition of Controversial Sources is "<i>3.1.4 Controversial Sources: Raw material, illegal or unauthorised harvesting</i>". The definition used for Unacceptable Controversial Sources in Belarus is limited to legality and does not mention conversion and GMO as the definition in the PEFC standard. Further, the definition of legality in the Belarus standard is only focusing on legal rights to harvest, while the PEFC definition is much broader.</p>	<p>The PEFC endorsement of national Chain of Custody standards without requiring full compliance with the PEFC requirements in the international standard as documented with the Chain of Custody standard for Belarus is considered a major loophole in the PEFC system and has been evaluated to constitute a critical risk.</p>

2.3. The requirements for volume control through the supply chain.

Control of the volume of certified material flowing between the certified companies composes an important element in ensuring a robust chain of custody system. Both the FSC and PEFC system have chosen to focus the volume control mainly within the organisations taking ownership of the certified material and for evaluating and matching purchased volume, conversion factors and sold volume.

It is of equal important to evaluate the volume flow between certified operations. Does the volume sold by certified operations match the volume registered as purchased in the next link of the chain and what is the established mechanism to evaluate this?

The key questions in this connection are:

1. Is there a required system to ensure that purchase and sales volumes are periodically collected and maintained so that the information is available for verification between companies?

2. Is there a mechanism in place to ensure or allow the volumes to be compared between companies to ensure that the volume flow through the supply chain to the final products is credible?

Table 6. Comparison of volume control requirements in the FSC Chain of Custody system and the PEFC Chain of Custody system.

FSC Requirement	PEFC equivalent	Comments and conclusion
<p><i>Records of certified volume flow</i> The FSC Chain of Custody standard (FSC-STD-40-40) requires an annual summary of purchase and sales, which is collected by the certification body:</p> <p>5.2.2 For each product group the organization shall prepare annual volume summaries providing quantitative information for each material category received/used and product type produced/sold, as follows: a) inputs received; b) inputs used for production (if applicable); c) inputs still in stock; d) outputs still in stock; e) Outputs sold.</p>	<p>The PEFC Chain of Custody Standard does not currently include requirements for volume summaries.</p>	<p>The PEFC system lacks requirements for data collection which enables matching of volumes of certified material between the links in the chain. This lack is considered critical.</p>
<p><i>FSC's oversight of volume flow through the supply chain</i> The FSC system is currently not matching the volume flow through the supply chain on a systematic basis. In case of suspicion of fraud, the FSC accreditation organisation ASI has compared sales and purchase data from the required annual reports to verify if the volume matches. FSC has identified lack of consistent volume tracking through the supply chain as a weakness in the FSC system and is currently in the process of implementing an electronic volume tracking system which will be mandatory for all FSC certificate holders.</p>	<p><i>PEFC's oversight of volume flow through the supply chain.</i> Since PEFC has no requirements regarding volume summaries from certified operations, it is not possible to control the volume flow throughout the supply chain. Due to the PEFC setup with the use of national accreditation bodies, PEFC has no global oversight provider which could compare volume data if such records had existed.</p>	<p>The PEFC system lacks a system for matching the volume flow between the certified operations. This is considered as critical and raises doubts about the robustness of the PEFC Chain of Custody system.</p>

While neither FSC nor PEFC has a volume tracing system in place to enable easy verification that the volumes sold by one company do match the volumes purchased by another, the FSC system is a step ahead. In FSC system, it is required that purchase and sales volumes are collected annually and recorded by the certification bodies. This creates the basis and allows the volume summaries from different companies to be compared. Furthermore, FSC uses one global accreditation body, which can undertake the volume comparison in cases of alleged violations and has also done this in

some cases. In the PEFC system, this is very unlikely to happen since national accreditation bodies are used.

2.4. Procedures for risk evaluation of sources

The FSC and PEFC system both follow a risk based approach in order to evaluate the likelihood of material from Unacceptable Sources entering into the supply chain. Risk evaluation is a general accepted approach to use in connection with social and environmental certification schemes in order to optimise the use of resources required for implementing an assurance system.

Both systems have specific criteria for risk assessment and both systems require field verification in case the risk of sourcing wood from Unacceptable Sources reaches a certain threshold.

A basic requirement for implementing a geographically based risk assessment is knowledge about the origin of the material being evaluated. PEFC uses supplier self-declarations combined with risk assessments in order to evaluate the reliability of information about the origin of the sourced material, while FSC requires documentation of origin.

The key issues in connection with risk assessment are:

1. *Clear documentation for the origin of the material.* In order to evaluate if sourced material originates from controversial forestry practices reliable information about the origin of the material needs to be available.
2. *Clear criteria for risk evaluation addressing the full definition of Unacceptable Sources.* In order to use risk assessment as an assurance tool to avoid wood from Unacceptable Sources, the risk evaluation needs to address all elements in FSC's definition of Unacceptable Sources.
3. *Third party approval of risk assessments.* Since the risk evaluation may be conducted by the company itself which clearly has an obvious interest in being able to use the supplied material, it is crucial that procedures exist for 3rd party review and approval of the risk classification.
4. *Transparency in terms of the identified risk level.* Transparency composes an important mechanism to ensure consistent implementation of the risk evaluation by making it possible for certified operations, certification bodies, scheme owners and stakeholders to compare the result of the evaluation and take action in case of inaccurate or conflicting results.

Below, these aspects are compared between the FSC and PEFC systems.

Table 7. Comparison of requirements for documenting origin and for evaluation of risk of sourcing controversial wood in the FSC Controlled Wood system and the PEFC Chain of Custody system.

FSC Requirement	PEFC equivalent	Comments and conclusion
<p><i>FSC requirements for origin documentation.</i> The FSC Controlled Wood standard (FSC-STD-40-005) section 8 requires that wood can be traced back to the district where it is harvested: b) Ensure that the documentation required demonstrating the district of origin of the wood supplied is maintained. This should include legally required transport documents and proof of purchase from the forest management unit of origin. c) specify and implement a regular audit process to verify the authenticity of the specified documentation to confirm the country and district of origin of the wood. The FSC system clearly requires documentation of the origin of the sourced material and that the authenticity of this documentation is verified.</p>	<p><i>PEFC requirement for origin documentation</i> PEFC requires that suppliers sign a self-declaration with a "commitment to provide information on the geographical origin" of the sourced material. This information is used to evaluate the risk in the supply chain (Appendix 2 in PEFC ST 2002:2010): 3.6 The organisation shall classify as "high" the likelihood at the supply chain level for all supplies where <i>none</i> of the indicators in below apply: 1. Supplies declared as certified against a forest certification scheme (other than PEFC endorsed) supported by a forest management or chain of custody certificate issued by a third party certification body. 2. Supplies verified by governmental or non-governmental verification or licensing mechanisms other than forest certification schemes focused on activities covered by the term Controversial Sources. 3. Supplies supported by verifiable documentation which clearly identifies all suppliers within the supply chain, forest management unit of the supply origin and provides sufficient evidence on compliance with legal requirements.</p>	<p>While FSC requires evidence on the origin of the supplied material, PEFC combines supplier self-declarations combined with an evaluation of the risk in the supply chain. Evidence of other 3rd party certification as well as governmental and non-governmental verification or licensing mechanism will result in low risk. The third indicator in the PEFC system is considered similar to the FSC requirement; Lack of a clear requirement to have documentation about the actual origin of the material in PEFC system is considered a critical risk, since the material may not in fact be originating from the regions for which the geographical risk assessment is made including being mixed with other controversial material in the supply chain.</p>

FSC Requirement	PEFC equivalent	Comments and conclusion
<p><i>FSC Criteria for risk assessment.</i> FSC has indicators for requirements for risk evaluation which are provided in Annex 2 of FSC-STD-40-005. The indicators for risk evaluation are separately developed for each of the 5 points in the FSC definition of Unacceptable Sources and include a number of indicators under each of them.</p>	<p><i>PEFC Criteria for Risk Assessment</i> PEFC's requirements for risk evaluation are covered in appendix 1 of PEFC ST 2002:2010. The requirements include 3 indicators for risk assessment:</p> <ol style="list-style-type: none"> 1. The actual corruption perception index (CPI) of the country presented by Transparency International (TI) is lower than 5.0. 2. The country / region is known as a country with low level of forest governance and law enforcement. 3. The organisation has received comments supported by reliable evidence from their customers or other external parties, relating to its supplies with respect to Controversial Sources, which have not been disproved by the organisation's own investigation. <p>Point 1 and 2 are very similar to the FSC requirements for risk assessment for legality. PEFC has no criteria for risk assessment covering forest conversion and GMO. Furthermore, the criteria for legality do not cover all aspects included in the PEFC definition.</p>	<p>The PEFC criteria for risk assessment are based on legality in a narrower sense than PEFC's own definition. Criteria for evaluating the risk of forest conversion and the use of Genetically Modified Organisms are lacking. The risk of receiving material from forest conversion or from GMO trees is not always related to legality. PEFC's risk based system for avoidance of material from Controversial Sources thus covers 1 out of the 3 categories in the PEFC definition of Controversial Sources. Even though the PEFC definition covers GMO and conversion, the PEFC system lacks a mechanism to exclude such material. This is considered as very critical for meeting PEFC's own requirements for Controversial Sources and the FSC requirements for controlled wood.</p>
<p><i>FSC Third party approval of risk classification.</i> FSC operates with two types of risk assessments. In countries where national risk assessment has been completed by a stakeholder committee and endorsed by FSC international, all companies shall follow the national risk assessments. In countries without official approved risk assessments, the company shall prepare this assessment, which shall then be reviewed by an FSC accredited certification body as to its technical sufficiency and/or adequacy.</p>	<p><i>PEFC Third party approval of risk classification.</i> PEFC has no specific requirement for certification bodies related to approval of risk assessments conducted by the companies. It is assumed that certification bodies will verify that the operation has procedures for risk assessment as a part of the certification process, but PEFC has no requirements for approval of the risk assessment by the certification body prior to sourcing from a new source. PEFC is not operating with PEFC endorsed risk assessments.</p>	<p>The PEFC system is lacking procedures for 3rd party approval and endorsement of risk evaluation prior to sourcing of material. Due to the companies' obvious strong interest in low risk classification, the lack of third party approval is considered critical.</p>

FSC Requirement	PEFC equivalent	Comments and conclusion
<p><i>FSC requirements for transparency of risk evaluations.</i></p> <p>FSC requires that summaries of company risk assessments are publicly available. The Certification Bodies are uploading the risk assessment summaries to the FSC database of certificate holders (info.fsc.org) after approval.</p>	<p><i>PEFC requirements for transparency of risk evaluations.</i></p> <p>PEFC risk assessments are not required to be publicly available.</p>	<p>Risk assessments for organisations certified according to the PEFC standards are not publicly available. PEFC has no alternative mechanism in place to ensure that the risk evaluation is consistently implemented and risks for Controversial Sources are efficiently identified. This is considered a critical risk.</p>

The current version of the PEFC Chain of Custody standard (PEFC ST 2002:2010) introduced a new and broader definition of Unacceptable Sources compared to the previous version. The definition of legality has been expanded from focussing on legal rights to harvest to include a broad range of legal aspects including environmental and social legislation. Furthermore, new categories covering the use of genetic modified tree species as well as conversion were added.

The procedures for risk evaluation however do not reflect this change in the definition of Unacceptable Sources. The procedure covers the previous, narrower definition of legality, while other elements of the PEFC controversial source definition are lacking. Even though PEFC has expanded the definition, the organisation has not established a process to enforce its proper use in risk assessments.

2.5. Procedures for risk mitigation in case of non-negligible risk

Both FSC and PEFC allow companies to source material from non-low risk areas in case risk mitigation actions take place. Audits of suppliers and sub-suppliers down to the forest management unit based on a sampling approach are expected by both systems.

The following aspects were considered in comparing the requirements for risk mitigation:

1. Procedures for sampling requirements
2. Threshold for failed samples. While the use of sampling is a recognised method to evaluate level of compliance in connection with field verification, it is important to define a threshold for acceptable level of failed samples (samples with identified non-conformance) before all wood from the region in question shall be rejected as controversial or a verification of all supplies shall be required.
3. Clear procedures for risk mitigation. Risk mitigation for Unacceptable Sources is complex and requires skills outside the normal competences expected from a certified operation. In order to ensure efficient field verification it is crucial to have clear procedures describing the expected method for field verification.
4. Third party evaluation of risk mitigation actions. Both FSC and PEFC accept 2nd party field verification conducted by the certified operation. The operation may have an obvious interest in showing that supplied material is coming from non-Unacceptable Sources. In order to address this conflict of interest a robust oversight mechanism by third party is needed.

Table 8. Comparison of requirements for risk mitigation in the FSC Controlled Wood system and the PEFC system.

FSC Requirement	PEFC equivalent	Comments and conclusion
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FSC Requirement	PEFC equivalent	Comments and conclusion
<p><i>FSC procedures for sampling requirements.</i> FSC requirement for sampling is defined in annex 3 of FSC-STD-40-005. 1.8. For each set of 'similar' Forest Management Units the company shall select at least 0.8 times the square root of the number of units for evaluation per annum. FSC has reduced sampling requirements for small properties.</p>	<p><i>PEFC procedures for sample requirements:</i> 4.3.3 The organisation shall determine a sample of high risk supplies to be verified by the verification programme. The size of the sample shall be at least the square root of the number of "high" risk supplies: ($y=\sqrt{x}$), rounded to the nearest whole number and the sample shall include all suppliers of the high risk supplies. Where the previous on-site inspections proved to be effective in fulfilling the objective of this document, the size of the sample may be reduced by a factor of 0.8, i.e.: ($y=0.8 \sqrt{x}$), rounded up to the next whole number.</p>	<p>While FSC requires samples based on number of Forest Management Units, PEFC requires samples based on supplies (deliveries). These are two different approaches where the FSC methods can require more samples in some situations (one supply consist of material from many Forest Management Units) and the PEFC in other situations (many supplies from a single management unit). The two approaches are evaluated to result in a similar level of assurance.</p>
<p><i>FSC Threshold for failed sample</i> The FSC system does not specify any threshold for failed samples. FSC-DIR-40-005 ADVICE-40-005-16 specifies that in case one sample fails to meet the requirement an additional sample shall be evaluated.</p>	<p><i>PEFC threshold for failed sample</i> PEFC does not include any threshold for failed samples.</p>	<p>None of the two systems include a threshold for failed samples which is considered as a major weakness for both systems. However, the two systems seem to be equally weak regarding this aspect.</p>
<p><i>FSC requirement for field verification</i> FSC has defined requirements for company field verification separately for each controversial wood category. The requirements are specified in FSC-STD-40-005 Annex 3. There are also general requirements applicable for all categories, including competence of auditors, records, stakeholder consultation and sampling rates.</p>	<p><i>PEFC requirements for field verification</i> The PEFC ST 2002:2010 Appendix 2 section 4.3 requires onsite inspection and specify the sampling rate and that organisation shall have sufficient "knowledge and competence in the legislation applicable". The PEFC system does not specify specific requirements for what needs to be checked during the field verification.</p>	<p>The PEFC standard requires legality competences. There are no competence requirements for other elements covered by the PEFC definition for Controversial Sources such as forest conversion and GMO. The PEFC system has also no detailed requirements for field verification (such as FSC poses in annex 3, part 2) and provides no guidance on how field verification is supposed to take place. This is considered as a critical risk in the PEFC system.</p>

FSC Requirement	PEFC equivalent	Comments and conclusion
<p><i>FSC requirements for third party evaluation of risk mitigation actions.</i></p> <p>FSC-STD-40-005 Annex 3 specifies that "field verification of performance by the FSC accredited Certification Body shall be required".</p> <p>Furthermore, FSC-DIR-40-005 establishes the minimum sampling rate for FSC accredited certification bodies conducting field verification of certified operations' risk mitigation actions.</p>	<p><i>PEFC requirements for third party evaluation of risk mitigation actions.</i></p> <p>The PEFC system has not specified requirement for oversight by certifiers of the operation's risk mitigation actions.</p>	<p>The PEFC system lacks requirements for field verification by third parties. No alternative mechanism is in place to verify and monitor proper implementation of the risk mitigation actions undertaken by the certified operations. This is considered a critical risk in PEFC system.</p>

As for the risk evaluation procedures, the requirement for risk mitigation seems not to have been updated to the current version of the PEFC definition for Controversial Sources. The risk mitigation procedures focus on legality only. For all categories the PEFC is lacking requirements and procedures for field verification, including 3rd party verification of the quality of the field verification.

2.6 Chain of Custody system summary

The comparison of the FSC and PEFC Chain of Custody system requirements, including requirements for the exclusion of unacceptable sources, shows significant and critical differences leading to the conclusion that material sold with a PEFC certified claim cannot automatically pass as FSC controlled wood.

The PEFC definition of Controversial Sources is narrower than the FSC definition. PEFC only covers violation of traditional and civil rights as well as high conservation values to the extent that these are covered by national legislation. Both of these aspects can be violated under the FSC Controlled Wood definition without violating the local law, and these situations are not covered by PEFC.

Even though the PEFC definition of Controversial Sources as such is significantly narrower than the FSC definition, the PEFC procedures for risk assessment does not reflect the full scope of the PEFC definition, but focus only on legal rights to harvest. Other aspects of the definition are not covered. While the definition of Controversial Sources has been updated and become more similar to FSC's definition of Unacceptable Sources in the latest version of the PEFC Chain of Custody standard, this has not been accompanied by enforcement procedures reflecting the expanded definition.

Furthermore, PEFC does not require third-party approval of risk assessments and does not require public access to the risk assessment. Considering certified operations' obvious interest in arriving at a "low risk" conclusion, this is considered as a critical weakness in the PEFC system.

In addition, PEFC has not established detailed field verification requirements in the case that the sources cannot be classified as low risk. The overall conclusion is that PEFC has added a requirement to avoid wood from Controversial Sources without including a proper mechanism to exclude it from the supply chain.

An additional point is that PEFC is endorsing national Chain of Custody systems which are significantly weaker than the international PEFC Chain of Custody system (as in Belarus for example). This further reduces the adequacy of PEFC certified material compared to the FSC Controlled Wood requirements.

While the definition of controversial sources has been updated and become more similar to FSC's in the latest version of the PEFC Chain of Custody standard, this has not been accompanied by enforcement procedures reflecting the expanded definition.

PART III: ASSURANCE SYSTEMS

The previous section has focused on comparing the standards for FSC Controlled Wood with applicable requirements in the PEFC standards. As important as the wording of the standard requirements, is the established mechanism to ensure that the requirements are actually followed by the certified operations and that they as worded constitute an effective tool to avoid wood from unacceptable sources entering the supply chain.

The key question is whether the assurance mechanisms established by the two systems are equally efficient in ensuring that that the requirements are implemented and followed on the ground by the certified operations.

Ideally, there would have been comprehensive studies conducted and results available by the scheme owners (PEFC and FSC) or third parties evaluating the efficiency of certified operations implementing the standard and the standards' efficiency in ensuring the exclusion of controversial material from certified products. It has been outside the scope of this study to collect and analyse available studies on the impact of the two schemes.

Social and environmental standards, such as the PEFC and FSC standards for forest management, are generally much more complex to evaluate and require special competences among certification bodies. Fulfilment of social and environmental requirements cannot be evaluated in a laboratory or by simple measuring methods. Credible assurance systems for social and environmental standards require special focus on competences of accreditation bodies and certification bodies as well as focus on calibration between different parties involved.

The ISEAL Alliance establishes codes of good practice that guide the owners of social and environmental certification schemes on the development of effective assurance mechanisms. ISEAL builds an understanding of good practices for standards systems and sets internationally applicable good practice guidance for the implementation of credible standards systems. These Codes of Good Practice are applied by leading standards systems and compliance is an ISEAL membership requirement.

In this section, the draft ISEAL Assurance Code has been used to guide the identification of assurance elements which need to be in place for ensuring an efficient enforcement of the requirements related to unacceptable sources. Furthermore, the ISEAL Impact Code has been used for assessing the impact evaluation done by the two schemes.

Due to the lack of research documenting the impact and effectiveness of the two systems' enforcement of the requirement on the ground, this study focuses on evaluating if the two systems have established robust assurance mechanisms to ensure the enforcement of the requirements by the certified operations and if the schemes have a system in place for evaluating this. As for the former part of the study, the main goal is to evaluate if the PEFC assurance system provides same level of assurance as the FSC system, with special focus on unacceptable sources.

This section is sub-divided into chapters, exploring the answers to following three questions:

1. Are there well-defined requirements for certification bodies covering all critical aspects of their activities?

2. Is there robust accreditation mechanisms ensuring consistent international implementation of certification bodies' activities?
3. Is there a mechanism which enables consistent follow-up on flaws and improve the scheme's efficiency? This includes feedback from accreditation bodies to scheme owners so that they have oversight of the scheme implementation as well as general transparency in the system to enable stakeholder comments for improvement.

3.1 Requirements for certification bodies

FSC as well as PEFC use third party accredited certification bodies as assurance providers to certified operations. Several of the certification bodies are accredited to both the FSC and PEFC scheme. The certification bodies play a core role in verifying that the standard requirements for forest management, chain of custody and Unacceptable Sources are followed by the certified operations which are making claims under the schemes.

Many scheme owners operating social and environmental standards are basing their assurance system on relevant ISO requirements, normally supplemented by scheme specific requirements. Whilst the ISO requirements for certification bodies are generally recognised as a good basis for managing the certification process, it is also evident that the ISO focus on systems has clear limitations when it comes to ensuring that performance related to social and environmental requirements is enforced on the ground. ISEAL aims at providing supplementary requirements for certification bodies focusing specifically on addressing the needs of social and environmental labelling systems.

Both the FSC and PEFC system base the assurance mechanism on relevant ISO standards such as the ISO Guide 65 (soon to be replaced by ISO 17065) for product certification, ISO 17021 for management system certification and ISO 17011 for accreditation of certification bodies. Thus, the same ISO standards form the basis of the FSC as well as the PEFC assurance systems.

FSC is a full member of ISEAL and as such bound to implement ISEAL's requirement for social and environmental scheme owners. Furthermore, FSC is externally reviewed for their compliance with the ISEAL requirements. PEFC states in the latest edition of its chain of custody standard (PEFC ST 2002:2010) that ISEAL requirements have been "considered", however it is not described to which degree the ISEAL requirements have been followed. As PEFC is not a member of ISEAL, there has been no ISEAL review of their compliance with ISEAL requirements.

Both systems have additional scheme specific requirements for certification bodies to complement the above mentioned ISO standards. FSC has developed a series of 8 comprehensive accreditation standards with specific requirements for certification bodies such as general requirements, stakeholder consultation, forest management and chain of custody evaluation, public summaries, and evaluation of FSC controlled Wood. Compared to this the PEFC additional requirements are minimal with about one page of scheme specific requirements in Annex 6 of the PEFC Technical Document. The annex 6 includes an option of national forest certification schemes to develop more specific guidance.

The following aspects have been evaluated in order to compare the two systems requirements for certification bodies:

1. Inclusion of basic ISO requirement for certification bodies?
2. Commitment to ISEAL requirements for Social and Environmental Labelling systems
3. Existence of scheme specific requirements proportionate to the complexity of the system.

Table 9. Comparison of requirements for certification bodies in the FSC and PEFC systems.

FSC Requirement	PEFC equivalent	Comments and conclusion
<p><i>FSC ISO requirements</i> FSC general requirements for FSC Certification Bodies are specified in FSC-STD-20-001. Certification bodies under FSC shall be accredited based on ISO Guide 65 and additional requirements are specified in a number of FSC Accreditation Standards. The FSC accreditation arm Accreditation Service International (ASI) operates on the basis of ISO 17011.</p>	<p><i>PEFC ISO requirements</i> The PEFC requirements for accreditation bodies are established in Annex 6 of the PEFC Technical Document. PEFC requires that certification bodies operate in compliance with ISO Guide 65 for product certification, ISO 17021 for management certification and ISO 19011 for audit process. Furthermore, accreditation shall be carried out in accordance with ISO 17011.</p>	<p>FSC and PEFC use the same ISO standards as the basis for their assurance system.</p>
<p><i>FSC ISEAL requirements</i> FSC is a membership organisation in ISEAL and as such is committed to follow relevant ISEAL requirements. FSC is reviewed as being in compliance with ISEAL requirements.</p>	<p><i>PEFC ISEAL requirements</i> PEFC is not committed to follow ISEAL requirements for social and environmental certification schemes. PEFC mentions that the organisation "considers" ISEAL requirements, but does not specify to which degree they are followed.</p>	<p>The lack of clear commitment on behalf of PEFC to follow ISEAL requirements by itself does not necessarily compose a weakness if PEFC had established alternative procedures in place to supplement the ISO requirements (see below). However, the lack of ISEAL commitment combined with the lack of scheme specific requirements for certification bodies is considered to be a weakness in the PEFC system.</p>
<p><i>FSC Scheme specific requirements</i> FSC has developed a series of 8 comprehensive accreditation standards with specific requirements for certification bodies such as general requirements, stakeholder consultation, forest management and chain of custody evaluation, public summaries, and evaluation of FSC controlled Wood.</p>	<p><i>PEFC Scheme specific requirements</i> PEFC has about one page of scheme specific requirements in Annex 6 of the PEFC Technical Document. The annex 6 includes an option of national forest certification schemes to develop more specific guidance.</p>	<p>PEFC is relying almost entirely on ISO standards which are well-known to have a strong focus on systems rather than focus on actual field enforcement of the certification requirements. Specific requirements for key aspects are lacking or poorly developed for the PEFC system. Considering the complexity and special features of social and environmental labeling schemes such as PEFC, the lack of scheme specific requirements for certification bodies is considered a critical weakness in the PEFC system which raises questions about the PEFC systems ability to enforce the requirements on the ground.</p>

PEFC's reliance on ISO standards for establishing the requirements for certification without additional scheme-specific requirements and without commitment to follow the ISEAL requirements for social and environmental labelling systems is questioning the ability of the system to ensure enforcement of the requirements in the field.

3.2 Systems for accreditation of certification bodies

A major difference between the two schemes is the mechanism used for approving and monitoring certification bodies and their implementation of the applicable requirements.

FSC is using one global accreditation body, Accreditation Services International (ASI), which monitors all accredited FSC certification bodies. ASI is owned by FSC and provides accreditation services also to other social and environmental labelling systems including Marine Stewardship Council and Aquaculture Stewardship Council. ASI is a member of the ISEAL Alliance and is required to be in compliance with the ISEAL requirements for Social and Environmental Labelling Systems.

PEFC is using national accreditation organisations, which shall be members of the International Accreditation Forum (IAF) or a member of IAF's recognised regional groups. Due to this there are several accreditation bodies approving the certifiers. Most of the accreditation bodies are working in a single or few countries or in a limited region.

Pros and cons of national versus international accreditation organisations

There are pros and cons with the two approaches. Using the national accreditation body ensures good knowledge of local conditions, legislation, language and culture. International accreditation body is more likely to have good knowledge of the scheme's requirements and is able to ensure consistent implementation of the requirements at global level.

For social and environmental standards, which require special knowledge and competence, especially in relation to auditing at forest level, an international accreditation body is better able to build in-house competences based on a larger number of accreditation audits being carried out for the specific scheme.

The complexity of the Social and Environmental standards such as the FSC and PEFC standards requires a high level of specialised competences and qualifications of the Accreditation Bodies. An international accreditation body conducting hundreds of audits of certification bodies yearly have a pool of staff specialised within the specific scheme requirements. Most national accreditation organisations will only conduct a few social and environmental scheme specific audits per year and will therefore not be able to build up the same level of scheme specific knowledge and competence.

In connection with establishment of the ISEAL Assurance Code the ISEAL Alliance evaluated different assurance models and concluded as follows:

In contrast to national accreditation, international accreditation is a better model for social and environmental standards systems. International accreditation bodies operate internationally in a particular sector, rather than nationally in a wide variety of sectors. This creates certain advantages including the ability to build greater expertise in evaluating assurance in specific sectors. Additionally, international accreditation bodies accredit certifiers worldwide, thus establishing a basis for equivalence and recognition of certificates issued by different assurance bodies around the world. ISEAL Assurance Code (Draft Mar 21st 2012).

In connection with the establishment of the EU Timber Regulation it was decided to establish a central recognition of assurance providers instead of using national accreditation bodies. The reason for this is to ensure a consistent EU-wide recognition process and harmonised implementation of the requirements. The EU Flower and the Nordic Swan – both government controlled environmental labels – are also building on assurance mechanisms which do not include national accreditation organisations.

It can be questioned if national accreditation provides sufficient assurance of the requirements' enforcement in all parts of the world. National accreditation is clearly most developed in Western countries with a low level of corruption and a high level of law enforcement. PEFC has during recent

years developed from covering mainly Western European certification systems to endorsing certification systems at all continents. Will a national accreditation body, located in a country without democracy and with high levels of corruption, ensure a credible accreditation mechanism?

Example: Belarus

For example, PEFC has recently endorsed the national PEFC Forest Management scheme in Belarus, where the national accreditation body accredited a structural unit under the Ministry of Forestry as a certification body.

In this case the accredited certification body is a structural unit in the same ministry which is supervising the management of state forests. Thus the certification body and the certified forest manager are part of the same governmental body, which obviously endangers an independent and objective certification process. The same structural unit was also taking a key role for developing the PEFC endorsed standard.

In short, the Ministry of Forestry developed a national PEFC Forest Management standard and was also accredited by another state controlled organisation to verify that the Ministry's own forest is in compliance with the Ministry's own standards. It should be underlined that Belarus is a country strictly controlled by the president.

Identifiers of credible assurance mechanisms

As outlined above, key issues to consider for a credible assurance mechanism include:

1. Scheme specific knowledge and competence of the accreditation body.
2. Knowledge to local conditions, legislation, language and culture
3. Consistent enforcement of the requirement on global scale.
4. Accreditation body/bodies' independence of the certification bodies and certified operation.

Table 10. Comparison of requirements for accreditation bodies in the FSC and PEFC systems.

FSC Requirement	PEFC equivalent	Comments and conclusion
<p><i>FSC Knowledge/Competence of Accreditation Body</i> FSC is using Accreditation Service International (ASI) for accreditation of FSC certification bodies on a global scale under a direct contract with FSC. ASI has a global team of 8 staff members with the focus on FSC accreditation and surveillance of the 31 accredited FSC certification bodies. ASI is a full member of ISEAL and as such reviewed to operate in compliance with ISEAL requirements for social and environmental accreditation bodies.</p>	<p><i>PEFC Knowledge/Competence of Accreditation Bodies</i> PEFC is using national accreditation bodies for accreditation of PEFC certification bodies. In all 31 national accreditation bodies are providing PEFC accreditation for a total of 116 certification bodies. On average, an accreditation body accredits 3.6 PEFC certification bodies. 24 accreditation bodies have accredited 5 or less certification bodies and 7 have only accredited a single certification body.⁴</p>	<p>By using one global accreditation body, FSC has made it possible for ASI to build a high level of competence, knowledge and experience within the FSC scheme specific requirements. PEFC has by using national accreditation bodies each with very limited activities within accreditation to PEFC and other social and environmental scheme made it hard to build up experience and competences within the PEFC specific standards. This is considered as a critical weakness in the PEFC system.</p>
<p><i>FSC local knowledge</i> In order to ensure staff with specific knowledge to local conditions, legislation and language the FSC accreditation body ASI always includes a local expert on the team when doing witness audits of certification bodies.</p>	<p><i>PEFC Local Knowledge</i> Since PEFC uses national accreditation bodies these will have a high level of knowledge regarding local conditions, legislation and language.</p>	<p>Through the use of local accreditation bodies, PEFC ensures a high level of knowledge regarding local conditions, legislation and language. PEFC is considered to meet or exceed the FSC in this respect.</p>

⁴ Estimated based on information available on the PEFC homepage. The data on the homepage contain many inconsistencies. Same company or same accreditation body has been written many different ways. Efforts have been made to correct these data in the analysis.

FSC Requirement	PEFC equivalent	Comments and conclusion
<p><i>FSC Consistent enforcement</i> ASI is using one team which is responsible for audits of CBs at a global scale. Through calibration sessions ASI improves a consistent interpretation of the FSC requirements among the ASI staff. In case of doubt about the correct interpretation the FSC Policy and Standard unit is consulted. In case one team member is the lead auditor at a witness audit of a CB, another team member reviews and approves the report. Furthermore, ASI invites all FSC Accredited certification bodies to a yearly 3-days calibration meeting. The meeting includes staff from the FSC Policy and Standard unit who can provide additional clarification of standard interpretation. Finally, FSC has established an "FSC Standard Interpretations" section at the FSC homepage. The FSC Policy and Standard Unit uses this to public interpretation questions and official answers.</p>	<p><i>PEFC Consistent enforcement</i> PEFC is using national accreditation bodies. Although PEFC is publishing interpretation guidance on their homepage, there is no established mechanism for regular interactions between PEFC and the national accreditation bodies. In such situation there is no efficient system to calibrate the interpretation of PEFC standards between the different accreditation bodies and their auditors at a global scale, except from published guidance. Accreditation bodies can request clarifications from PEFC in interpretation of the requirements. Furthermore, some national PEFC representatives publish guidance.</p>	<p>PEFC's mechanism to ensure a consistent enforcement of the requirements between the different accreditation bodies is significantly weaker than the mechanism implemented by FSC. This is considered as a critical difference with the FSC system.</p>

FSC Requirement	PEFC equivalent	Comments and conclusion
<p><i>FSC Independence of accreditation bodies</i> ASI is a for profit company, founded and owned by the Forest Stewardship Council. ASI's Managing Director is responsible for the integrity of ASI's accreditation programme. He has the authority to make accreditation decisions and review organizational performance. He is supported by the Accreditation Committee reviews of ASI's assessment reports, ensuring that the assessment process provides enough information for sound accreditation decisions and that the recommendations included are justified. As such ASI is independent from the certification bodies and the certified operations.</p>	<p><i>PEFC Independence of accreditation bodies</i> PEFC uses national accreditation bodies which shall be members of International Accreditation Forum.</p>	<p>It is generally recognised that national accreditation bodies have a high degree of independence and impartiality in Western democratic countries with low levels of corruption. It can be questioned if the same degree of independence exists in countries with high levels of corruption and/or with governments not following basic democratic principles. E.g. in Belarus the state controlled accreditation organisation Gosstandart has accredited a structural unit under the Ministry of Forestry (Belgiproles), which is the only PEFC accredited certification body certifying forests that are managed by the ministry of forestry. Due to the approval of a national Belarusian PEFC Chain of Custody standard, the same state controlled body is also the only organisation able to conduct Chain of Custody assessments in Belarus, where most of the forest industry is controlled by the state. There is a clear lack of independence and impartiality. Cases such as Belarus indicate that it is doubtful if PEFC can ensure independence and impartiality in all countries. This is considered as a critical difference compared to FSC.</p>

3.3 Mechanisms for improving the scheme

The scheme owner as such has the ultimate responsibility for the credibility of the system including efficient enforcement of the schemes requirements and ensuring that the associated social and environmental claims are true. In order to fulfil this responsibility the scheme owner needs to have insight in the scheme's performance, monitor if the scheme performs as intended and take action to correct scheme's standards and assurance system when weaknesses are identified. This section will focus on the monitoring mechanism established by the two schemes.

Transparency in the certification process and accreditation process is an important mechanism to provide insight information to the performance of the scheme – both for the scheme owner and for 3rd party. In the FSC scheme ASI has direct access to all certification assessment reports conducted by accredited certification bodies. These are uploaded by the certification body to a central database managed by FSC. Furthermore, FSC requires public summaries of forest management assessment reports (including forest management operations certified according to controlled wood – FSC-STD-30-010) as well as controlled wood risk assessment summaries to be published at the FSC database. FSC has established specific requirements for the minimum content of these public

summaries. Furthermore, ASI is publishing summaries of forest management accreditation reports at their homepage. PEFC requires public summaries of forest management assessment reports, but has not clearly defined the minimum content in the international standard neither how the summaries shall be published. PEFC national representative can establish specific national requirements for public summaries. PEFC does not require companies risk assessment to be public and there are no public summaries of the accreditation reports.

By using a global accreditation body (ASI) with direct contractual and ownership relations to FSC, the scheme owner can request investigation of specific critical issues, request feedback or data related to system performance, request evaluation of volume flows between certified operations etc. The FSC approach gives the scheme owner (FSC) direct insight to information on the performance of the system as well as a tight control over the enforcement of the certification requirements. The PEFC model of using national accreditation organisations does not provide the PEFC scheme owner same amount of tools and options for gaining information about the scheme implementation, which will enable to implement targeted improvements. PEFC has no direct relation to the accreditation bodies. The PEFC accreditation bodies are not supposed to provide feedback to the scheme owner on issues related to the certification scheme. This does not necessary constitute a weakness if there is alternative mechanism in place to monitor the system performance on-the-ground.

Establishing an impact monitoring program is another way of monitor the performance of the scheme. ISEAL has published the Impact Code, which specifies general requirements for the development and implementation of monitoring and evaluation programmes by social and environmental standards systems. Implementing monitoring and evaluation programmes enable scheme owners to systematically collect analyse and report on data that will document the contribution of scheme towards long-term impacts. This will also facilitate learning and improvement of the scheme. As a member of ISEAL, FSC is required to follow the ISEAL Impact Code. The organisation has defined data that shall be collected by certification bodies and reported to FSC for impact monitoring. Furthermore, ASI is required to monitor and report to FSC on areas which FSC has identified as critical for the organisation. PEFC requires certification bodies to provide information regarding certified area and certified products.

When evaluating the scheme's oversight mechanism the following key questions have been evaluated:

1. Does the scheme have direct insight in the performance of the scheme through the accreditation process?
2. Does the scheme require transparency in the performance of the system through access to certification/accreditation reports and their public summaries?
3. Does the scheme have an impact monitoring system in place?

Table 11. Comparison of mechanisms for ensuring oversight, system efficiency and impact evaluation in the FSC and PEFC systems.

FSC Requirement	PEFC equivalent	Comments and conclusion
<p><i>FSC direct insight and control.</i> FSC has the direct ownership of ASI and a contractual relationship. The direct relationship between FSC and ASI gives FSC insight to information on the performance of the system as well as a tight control over the enforcement of the certification requirements.</p>	<p><i>PEFC direct insight and control</i> PEFC has no direct or contractual relationship with the national accreditation bodies. Accreditation findings are not reported to PEFC and PEFC cannot request the accreditation bodies to cover specific critical aspects of the PEFC system.</p>	<p>The lack of PEFC relationship to the accreditation bodies combined with lack of scheme specific accreditation standards (as concluded in section 3.1 above) is considered a critical weakness compared to the FSC scheme.</p>
<p><i>FSC transparency</i> All certification assessment reports are uploaded to the FSC database. All FSC accredited certification bodies shall public summaries of forest management certification report, control wood certification reports according to FSC-STD-30-010 as well as summary of risk assessment conducted according to FSC-STD-40-005. FSC has detailed requirements for the contents of both full certification reports as well as public summaries. These reports are stored in the FSC database. The FSC accreditation body ASI produces public summaries of accreditation audit reports related to forest management</p>	<p><i>PEFC transparency</i> PEFC has no access to certification assessment reports. Public summaries are required for forest management certification. PEFC has no detailed requirements for the content of public summaries and has no central database, where they are stored. National PEFC representatives may however provide additional specific guidance. PEFC's accreditation bodies are not producing any public summaries of their accreditation audit reports.</p>	<p>PEFC has very little or no insight into the on-the-ground performance of the PEFC scheme through certification assessment reports, accreditation reports and public summaries. This is considered as a critical weakness compared to the FSC system.</p>
<p><i>FSC Impact evaluation</i> FSC has established an impact evaluation program and requires FSC accredited certification bodies to collect specific information for this purpose. Furthermore, ASI is required to include evaluation of specific areas critical to the credibility of FSC in connection with audits of certification bodies. FSC is required to follow the ISEAL Impact Code as a member of the organisation.</p>	<p><i>PEFC Impact evaluation.</i> PEFC has not established a scheme wide impact evaluation program and is not requesting specific information to be collected for this purpose in connection with auditing. PEFC is not a member of ISEAL and as such is not required to follow the ISEAL Impact Code.</p>	<p>PEFC has no evaluation means to monitor the impact of the certification scheme. This is considered as a critical weakness compared to FSC.</p>

In general it can be concluded that PEFC's system for monitoring the implementation and impact of the scheme show significant weaknesses in several areas compared to the FSC system.

3.4 Assurance system summary

The PEFC scheme assurance system lacks a number of critical features that are expected from a global social and environmental labelling system.

For example, the scheme lacks system specific requirements for the certification bodies and the accreditation organisations. The PEFC system's use of national accreditation bodies also appears to be a less efficient approach to ensuring consistent and credible enforcement of the certification requirements on the ground.

Furthermore, PEFC lacks a system for evaluating the performance and impact of the scheme. PEFC has taken the role as standard setter, but has not taken on the responsibility for oversight with the enforcement of the requirements, which may reduce the ability of PEFC to ensure enforcement of the requirements on the ground.

PEFC has taken the role as standard setter, but it has not taken on the responsibility for oversight with the enforcement of the requirements and system's impact on the ground.

ANNEX 1 - Comparison of the field audit requirements in FSC-STD-40-005 Annex 3 and FSC-STD-30-010 Part II.

FSC-STD-30-010 Part 2.	FSC-STD-40-005 Annex 3, section B specific requirements
3. Illegally harvested wood	1. Illegally harvested wood
3.1. 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.	1.1. The Company shall demonstrate that the wood it sources was harvested in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the requirements outlined in Table 1 below.
3.2. All species, qualities and quantities shall be classified and measured according to legally prescribed or acceptable standards.	1.2 The Company shall demonstrate that species and qualities harvested are classified correctly.
4. Wood harvested in violation of traditional and civil rights	2. Wood harvested in violation of traditional and civil rights
4.1. There is evidence of no violation of the International Labour Office (ILO) Fundamental Principles and Rights at Work in the FMU.	[See below, covered by 2.2.]
4.2. No conflicts relating to land tenure or land use rights of traditional or indigenous peoples groups exist in the FMUs under control of the Forest Management Enterprise for which a resolution process has not been agreed by the main parties to the dispute (see section 4.4 below).	2.1. The Company shall demonstrate that there are no conflicts relating to land tenure or land use rights of traditional or indigenous peoples groups in the FMUs from which it is sourcing wood, which are of substantial magnitude; which involve a significant number of interests; and for which a resolution process has not been agreed by the main parties to the dispute (See Section 2.3 below).
4.3. There is evidence of no violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the FMUs under control of the Forest Management Enterprise.	2.2. The Company shall demonstrate that there is no evidence of violation of the International Labour Office Fundamental Principles and Rights at Work in the FMU or of the International Labour Office Convention 169 on Indigenous and Tribal Peoples.
4.4. The Forest Management Enterprise shall implement a consultation process to identify potential conflicts relating to land tenure or land use rights of traditional or indigenous peoples groups in the areas affected by the Forest Management Enterprise operations.	Not included under the category requirements. However the general point 1.5 in Annex 3 states the following: "The company shall specify and implement a regular (at least annual) verification audit process to confirm the authenticity of the specified documentation and other evidence. The audit process shall include consultation with relevant stakeholders, staff interview and field visits to harvesting sites."
4.5. In cases where a resolution process is in place (see section 4.2 above), the Forest Management Enterprise shall provide evidence of the process by which any disputes are being resolved, which demonstrates the broad support of the parties to the dispute, and which outlines an agreed interim process for addressing the dispute and for the management of the forest area concerned.	2.3. In cases where a resolution process is in place (See Section 2.1 above), the Company shall provide documented evidence of the process by which any disputes are being resolved, which demonstrates the broad support of the parties to the dispute, and which outlines an agreed interim process for addressing the dispute and for the management of the forest area concerned.
5. Wood harvested in forests in which high conservation values are threatened by management activities	3. Wood harvested in forests in which high conservation values are threatened by management activities

5.1. Forest management activities in the FMU shall not threaten high conservation values in accordance with section 5.2 below.	3.1. The Company shall demonstrate that forest management activities in the FMU do not threaten high conservation values in accordance with Section 3.2 below.
"5.2. The Forest Management Enterprise shall keep records of evidence to demonstrate compliance with Section 5.1 above. Evidence shall include but is not restricted to:	3.2. The Company shall keep records of evidence to demonstrate compliance with Section 3.1 above for minimum period of 5 years. Evidence shall include but is not restricted to:
a) Records of an assessment (e.g. ecological assessment, environmental impact assessment or wildlife census, social assessment) appropriate to the size of the FMU and intensity of management to identify the presence of high conservation values.	a) records of an assessment (e.g. rapid ecological assessment, environmental or social impact assessment or wildlife census) appropriate to the size of the FMU and intensity of management to identify the presence of high conservation values;
b) Evidence of consultation with stakeholders in relation to the precautionary measures, including NGOs and parties that are involved with or have an interest in the forest area with respect to social or environmental aspects. Where relevant, the assessment shall include consultation with representatives and members of communities and indigenous peoples living in or adjacent to the FMU.	b) Evidence of consultation with stakeholders, including NGOs and parties that are involved with or have an interest in the forest area, in relation to identifying HCVs and threats to them, with respect to social or environmental aspects. Where relevant, the assessment shall include consultation with representatives and members of communities and indigenous peoples living in or adjacent to the FMU;
c) A list of the high conservation values thus identified in the FMU, together with evidence indicating that high conservation values are not threatened in the FMUs."	c) A list of the high conservation values thus identified in the FMUs, together with evidence indicating that these high conservation values are not threatened in the FMUs.
6. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses	4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses
6.1. No conversion of natural and semi-natural forests and other wooded ecosystems such as woodlands and savannahs to plantations or non-forest uses take place, except as permitted by section 6.3 below.	4.1. The Company shall demonstrate that all types of natural and semi-natural forests and other wooded ecosystems such as woodlands and savannahs in the FMUs are not being converted to plantations or non-forest uses in accordance with the requirements outlined in Section 4.2 below, except as permitted by Section 4.3 below.
6.2. The Forest Management Enterprise shall keep records to demonstrate compliance with section 6.1 above.	4.2. The Company shall keep records of evidence to demonstrate compliance with Section 4.1 above for a minimum period of 5 years.
6.3. Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion:	4.3. Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion:
a) entails a very limited portion of the FMU	a. entails a very limited portion of the forest management unit;
b) does not occur on high conservation value forest areas,	b. does not occur on high conservation value forest areas; and
c) will enable clear, substantial, additional, secure long term environmental and social benefits across the FMU "	c. will enable clear, substantial, additional, secure long term environmental and social benefits across the forest management unit.
7. Wood from forest management units in which genetically modified trees are planted	5. Wood from forest management units in which genetically modified trees are planted
7.1. The Forest Management Enterprise shall ensure that no planted genetically modified (GM) trees are present in the FMU.	5.1. The Company shall ensure that no genetically modified trees are present in the FMUs from which it sources FSC Controlled Wood.
7.2. The Forest Management Enterprise shall keep records of and make available on request evidence to demonstrate compliance with section 7.1 above.	5.2. The Company shall keep records of evidence to demonstrate compliance with Section 5.1 above for a minimum period of 5 years.

ANNEX 2 – Detailed country level FM comparison results

Australia, Belarus, Brazil, Canada

Requirements in FSC Standard for Company Evaluation of FSC Controlled Wood (V2-0), Annex 3, Part B Specific requirements	Australian Forest Standard	National Forest Certification System of the Republic of Belarus	Brazil ABNT 15789:2004 Forest Management - Principles, criteria and indicators for native forests Brazil ABNT NBR 14789:2007 Forest Management - Principles, criteria and indicators for native forests	Canada Z809-09 Sustainable forest management Z804-08 Sustainable forest management for woodlots and other small forest areas
<p>1. Illegally harvested wood</p> <p>1.1. The Company shall demonstrate that the wood it sources was harvested in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the requirements outlined in Table 1 below.</p>	<p>Low risk on globalforestry.org.</p> <p>4.1.1 The forest manager shall define a forest management policy that includes a commitment to—</p> <ul style="list-style-type: none"> • compliance with relevant legislation and other requirements to which the forest manager subscribes; <p>4.1.2 The forest manager shall develop a forest management plan, or equivalent instruments, that—</p> <ul style="list-style-type: none"> • identifies applicable legal requirements and other external requirements to which the forest manager subscribes; 	<p>Unspecified risk on globalforestry.org.</p> <p>TKP 5.1.16-2008 4.1. The forest certification is based on [1] forest legislation of the Republic of Belarus, legislation on the environment protection, of the technical normative legislative regulating the reproduction, conservation and protection of forests, wood harvesting and procurement of other forest resources and criteria of sustainable forest management established in [2].</p> <p>STB 1681-2006 4.1.2 Forest inventory is realized by State Institution in all the forests of the Republic of Belarus as a unified system approved by the Government of the Republic of Belarus. Forestry and forest usage are forbidden without forest inventory [1].</p>	<p>Unspecified risk on globalforestry.org.</p> <p>15789:2004 Criterion 1.1 - The organization shall carry out the activities related to forest management, according to legislations and forest and current environmental regulations.</p> <p>14789:2004 Criterion 1.1 The organization must undertake the pertinent activities for establishing and managing forests in accordance with current legislation and other forest and environmental regulations applicable.</p>	<p>Low risk on globalforestry.org.</p> <p>Z809: 7.2 SFM policy Top management shall define and maintain the organization’s SFM commitment through policy statements and/or other documented public statements. The statement(s) shall contain a commitment to</p> <ul style="list-style-type: none"> (a) achieve and maintain SFM; (b) meet or exceed all relevant legislation, regulations, policies, and other requirements to which the organization subscribes; <p>7.3.3 Rights and regulations The organization shall</p> <ul style="list-style-type: none"> (a) respect the legal rights and responsibilities of other parties in the DFA that are not part of the certification applicant; (b) demonstrate that relevant legislation and regulatory requirements relating to ownership, tenure, rights, and responsibilities in the DFA have been identified and complied with; (c) demonstrate that Aboriginal title and rights, and treaty rights have been identified and respected; (d) demonstrate that the legal and constitutional rights (including those specified in the International Labour Organization [ILO] conventions to which Canada is a signatory [such as “Freedom of Association” and “Protection of the Right to Organize”]) and the health and safety of DFA-related workers are respected, and their contributions to SFM are encouraged; (e) demonstrate that the acquired and legal rights of private woodlot owners to set the values, objectives, indicators, and targets relating to their properties are respected; and (f) establish and maintain procedures to identify and have access to all legal and other requirements to which the organization subscribes that are applicable to the DFA. This includes requirements

				<p>related to ownership tenure, rights, and responsibilities in the DFA.</p> <p>7.5.1 Monitoring and measurement The organization shall ... (c) establish and maintain a documented procedure for periodically evaluating compliance with relevant legislation and regulations, and conformance with relevant policies applying to the DFA. If non-compliances or nonconformities are found, the organization shall address these through corrective and preventive actions;</p> <p><i>No specific information could be found that refers to harvesting in relation to legislation. However, many place the standard, it stated that all applicable legislation should be followed, and it is assumed that harvesting practices are part of this.</i></p> <p>Z804: 4.2 General requirements The woodlot owner/management organization shall meet the requirements of this Standard for the defined woodlot. These requirements include (a) compliance with applicable federal and provincial legislation as well as municipal regulatory requirements;</p>
<p>1.2 The Company shall demonstrate that species and qualities harvested are classified correctly.</p>	<p><i>The wording is not included as such, however it is expected that the intention of following point covers this.</i></p> <p>4.1.2 The forest manager shall develop a forest management plan, or equivalent instruments, that—</p> <ul style="list-style-type: none"> • identifies applicable legal requirements and other external requirements to which the forest manager subscribes; • description of the forest estate and values to be managed, including those important for the protection of social benefits; • rationale for the annual harvesting rates; 	<p>STB 1708 App A</p> <p>- 1.12 Forest inventory requirement and cycles are defined by legislation. Mapping and inventory data maintained in a GIS system by state authorities.</p> <p>- 11.10 Monitoring of forest resources is carried out as part of national system of environment monitoring.</p> <p>- 1.13 Use of information system (c.f. STB E171681)</p>	<p>15789:2004 Criterion 2.2 - The Forest operations shall be backed by sustainable forest management plans.</p> <p>i) existence of continuous forest inventory, adjusted to the planning, assessment of the harvesting and monitoring of the forest;</p> <p>14789:2004 Criterion 2.2 The Forest operations shall be backed by sustainable forest management plans.</p> <p>a) existence of a documented management plan with defined objectives, which is compatible to the scale of the enterprise, and which contains:</p> <ul style="list-style-type: none"> — management conditions according to regional and local circumstances; — silvicultural management scheme to be implemented; — justification of the economic viability of the management plans; — road network system; — age at planned harvest; — growth and production estimates by harvest product type; — maps or sketches of the forest management unit with indications of land use and occupation; — land survey data, classes and types of soils and vegetation, as well as available water resources; — existence of a multi-annual program for 	<p>Z809: <i>No specific information could be found that refers to species, qualities and quantities in relation to legislation, but compliance with legislation is clearly stated in several places in the standard and it is assumed that volume and species classification are part of this.</i></p> <p>Z804: 8.9 Record keeping The woodlot owner shall maintain records on (a) harvest quantities;</p>

			planting or re-planting, harvesting and maintenance; — contingency plans in the case of fires, disasters and fortuitous events; — continuous forest inventory; and	
2. Wood harvested in violation of traditional and civil rights	Low risk on globalforestry.org.	Unspecified risk on globalforestry.org.	Unspecified risk on globalforestry.org.	Low risk on globalforestry.org.
2.1. The Company shall demonstrate that there are no conflicts relating to land tenure or land use rights of traditional or indigenous peoples groups in the FMUs from which it is sourcing wood, which are of substantial magnitude; which involve a significant number of interests; and for which a resolution process has not been agreed by the main parties to the dispute (See Section 2.3 below).	4.8.1 The forest manager shall recognise the rights and responsibilities of Australia's Indigenous peoples based on their prior ownership of the forests, seas, coasts and waters. This shall include- • providing for significant Indigenous input into decision making; • support of Indigenous peoples' economic aspirations in sharing benefits from the management of forests and associated environments; and • recognition of Indigenous people's cultural and traditional customs and promote their eco-cultural sustainability. 4.2.3 The forest manager shall foster appropriate relationships in order to be a good neighbour. Good neighbour considerations shall include— • considering the impact of forest operations on neighbours; • notifying neighbours that may be directly affected and responsible authorities, where appropriate, before commencing forest operations; • taking appropriate actions to minimise any adverse impacts; and • employing appropriate mechanisms to resolve disputes and grievances.	STB 1708 1.1 "Rights to use land and forest should be properly legally drawn, forest fund areas should be appointed to a concrete juridical person managing a forestry. It is established: a) By the state certificate for the right of constant land area using, and when it is absent – by the decisions of local executive and administrative bodies about transferring of the area in using; b) By the charter of a juridical person; c) By contracts of renting an area of a forest fund; d) By special permissions (licences) for logging". Now amendments to STB 1708 are being made, and in abstract d) the word «for logging» will be replaced with the word «for forest using». Explanation: Besides, the project of forest organization and management includes a set of plan and map material with the borders of the territories which are appointed to a concrete juridical person, who is a forest manager, including on each forest area. Forest Code of the republic of Belarus Article 7. The right of ownership of forests and wood products" Forests in the republic of Belarus are the property of the state. The right to use the areas of a forest fund arises on the basis of the decisions of state bodies whose competence includes making of such decisions, a rent agreement, concession contracts, and also a logging ticket, a warrant and (or) a forest ticket.	15789:2004 Criterion 1.2 - The rights of the local, traditional, and indigenous populations, of using and occupying forestlands, shall be respected, according to the legislation in force. Indicators: a) evidence that the legal rights of the local, traditional, and indigenous populations are respected; b) evidence that the borders between neighbouring or bordering areas and the forest management area, are identified, delimited, and respected; NOTE In the case of the communities existing within the property, the area of forest management use should be delimited. c) existence of document of direct use, domain or land tenure, according to the current agrarian legislation; d) evidence that the organization acts in an effective form for the resolution of possible conflicts or legal disputes related to land tenure and losses inflicted to third parties. <i>Similar wording used in and 14789:2007.</i>	Z809: 7.3.3 Rights and regulations The organization shall (a) respect the legal rights and responsibilities of other parties in the DFA that are not part of the certification applicant; (b) demonstrate that relevant legislation and regulatory requirements relating to ownership, tenure, rights, and responsibilities in the DFA have been identified and complied with; (c) demonstrate that Aboriginal title and rights, and treaty rights have been identified and respected; (e) demonstrate that the acquired and legal rights of private woodlot owners to set the values, objectives, indicators, and targets relating to their properties are respected; 5.3 Process: Basic operating rules The organization shall demonstrate that (a) the public participation process works according to clearly defined operating rules that contain provisions on (vii) conflict of interest; (xiii) a dispute-resolution mechanism; and (xiv) a mechanism to measure participants' satisfaction with the process; and (b) the participants have agreed to the public participation process operating rules. Z804: <i>No information could be found related to conflicts on land tenure rights and how this should be dealt with.</i>
2.2. The Company shall demonstrate that there is no evidence of violation of the International Labour Office Fundamental Principles and Rights at Work in the FMU nor of the International Labour Office Convention 169 on Indigenous and Tribal Peoples.	<i>Compliance with ILO principles is not directly mentioned in the requirements. No information could be found on ILO Convention 169. However according to Australian Forest Standard (AFS), page 29 NOTE: requirements 4.9.3-4.9.5 provide a framework for forest managers to demonstrate respect for core International Labour Organisation (ILO) conventions.</i>	STB 1708-2006 5.4.4 Employees and their representatives shall be engaged in the development and analysis of the policy in the field of labour protection and notified on the changes affecting the health and safety at the workplaces as well as on the employee responsible for the labour protection <i>Extract from PEFC assessment report: 'However, ILO Committee of Experts and the ILO Committee of Freedom of Association have reported substantial failures in national legislation regarding Freedom of Association and Protection of the Right to Organize Convention. The trade unions are controlled by the state. Based on the</i>	The standards do not directly mention ILO conventions. However according to the official scheme documentation submitted to the PEFC council for endorsement: "All the Core ILO Conventions elements have been ratified by the country and implemented through the legislative framework". <i>Since the standards are lacking direct reference to these, the difference has still been considered potentially critical.</i>	Z809: 7.3.3 Rights and regulations The organization shall (d) demonstrate that the legal and constitutional rights (including those specified in the International Labour Organization [ILO] conventions to which Canada is a signatory [such as "Freedom of Association" and "Protection of the Right to Organize"]) and the health and safety of DFA-related workers are respected, and their contributions to SFM are encouraged; <i>Not all relevant ILO conventions are fully covered.</i> The Z809 standard does require the following: Element 6.1 — Aboriginal and treaty rights

		<p><i>interviews, non-organized employees are sometimes treated in a discriminatory way.'</i></p> <p><i>ILO convention 169 is not addressed in the standard, however there are no indigenous groups in Belarus and thus this aspect is not applicable.</i></p>		<p>Recognize and respect Aboriginal title and rights, and treaty rights. Understand and comply with current legal requirements related to Aboriginal title and rights, and treaty rights.</p> <p>Element 6.2 — Respect for Aboriginal forest values, knowledge, and uses</p> <p>Respect traditional Aboriginal forest values, knowledge, and uses as identified through the Aboriginal input process.</p> <p>Z804: <i>ILO is not referred to in this standard. No information could be found on Fundamental Principles and Rights at Work.</i></p>
<p>2.3. In cases where a resolution process is in place (See Section 2.1 above), the Company shall provide documented evidence of the process by which any disputes are being resolved, which demonstrates the broad support of the parties to the dispute, and which outlines an agreed interim process for addressing the dispute and for the management of the forest area concerned.</p>	<p>4.2.3 The forest manager shall foster appropriate relationships in order to be a good neighbour. Good neighbour considerations shall include—</p> <ul style="list-style-type: none"> • employing appropriate mechanisms to resolve disputes and grievances. <p><i>The wording of FSC indicator in this case is more detailed, however the PEFC standard addresses the intention.</i></p>	<p><i>No information could be found on having a resolution process in place in case of conflicts.</i></p>	<p>15789:2004 Criterion 1.2 - The rights of the local, traditional, and indigenous populations, of using and occupying forestlands, shall be respected, according to the legislation in force.</p> <p>Indicators:</p> <p>d) evidence that the organization acts in an effective form for the resolution of possible conflicts or legal disputes related to land tenure and losses inflicted to third parties.</p> <p><i>Similar wording used in and 14789:2007.</i></p>	<p>Z809: 5.3 Process: Basic operating rules The organization shall demonstrate that (a) the public participation process works according to clearly defined operating rules that contain provisions on</p> <ul style="list-style-type: none"> (vii) conflict of interest; (xiii) a dispute-resolution mechanism; and (xiv) a mechanism to measure participants' satisfaction with the process; and <p>(b) the participants have agreed to the public participation process operating rules.</p> <p>7.5.3 Records The organization shall establish and maintain procedures for the identification, maintenance, and disposal of SFM requirement records. ... Records shall be maintained, in a manner appropriate to the system and to the organization, to demonstrate conformance to the requirements of this Standard.</p> <p>Z804: <i>No information could be found on providing evidence of the process by which any disputes are being resolved.</i></p>
<p>3. Wood harvested in forests in which high conservation values are threatened by management activities</p>	<p>Unspecified risk on globalforestry.org.</p>	<p>Low risk on globalforestry.org.</p>	<p>Unspecified risk on globalforestry.org.</p>	<p>Unspecified risk on globalforestry.org.</p>
<p>3.1. The Company shall demonstrate that forest management activities in the FMU do not threaten high conservation values in accordance with Section 3.2 below.</p>	<p>4.3.3 The forest manager shall implement practices to support the protection and maintenance of Significant Biological Diversity Values likely to be affected by forest operations.</p> <p>Planning and implementation of forest operations shall be consistent with those specified in recovery/action plans or equivalent instruments and prescriptions for management and conservation of threatened (including vulnerable, rare or endangered) species and ecological communities developed under Commonwealth, State and Territory legislative processes.</p> <p>Where management practices are being developed for new identifications and listings of threatened (including vulnerable, rare or endangered) species and ecological communities, the forest manager shall minimise adverse impacts by ensuring the planning and implementation of</p>	<p>4.3. Forest protection is based on forest's biological, ecological, economic and social importance. Combined system of managerial and preventive measures, measures on fire suppression, on fighting against forest infringements is carrying out by legal entities who administer forestry under control of specialized services created by Ministry for Forestry (further Minleshoz) on local and republican level.</p> <p><i>The indicator is rather limited in its ability to ensure that all HCVF are sufficiently taken into consideration and is focused on specific narrow issues like forest fire and violations. It is concluded that this does not sufficiently cover the intention of indicator 3.1. See also information under indicator</i></p>	<p>ABNT NBR 15789 Criterion 3.3 - The forest operations shall be carried out considering the protection of the remaining ecosystems. Unique ecosystems with environmental, archaeological, historic cultural, or social importance have to be preserved.</p> <p>Indicators:</p> <ul style="list-style-type: none"> a) existence of procedures for the conservation of flora and fauna within its natural habitat; b) existence of protection procedures in case of the occurrence of endemic species, rare or endangered in the forest management area; c) existence of mapping, demarcation and protection of historic, archaeological sites of 	<p>Z809: Element 1.4 — Protected areas and sites of special biological and cultural significance Respect protected areas identified through government processes. Co-operate in broader landscape management related to protected areas and sites of special biological and cultural significance. Identify sites of special geological, biological, or cultural significance within the DFA, and implement management strategies appropriate to their long-term maintenance.</p> <p>Z804: 7.1.1 General The woodlot management plan shall include</p>

	<p>forest operations follows recognised interim guidelines and takes account of known information and relevant specialist advice.</p>	<p>3.2.</p>	<p>cultural or social value; d) identification of the existing conservation units in the influence area of the enterprise; e) existence of clear definition, mapping, and documentation of the permanent preservation areas and of the legal reserve, within the forest management area.</p> <p>See Criterion 3.2 in 14789:2007.</p>	<p>conserving biological diversity by maintaining integrity, function, and diversity of living organisms and the complexes of which they are part. 7.1.2 Protection and promotion of biodiversity The woodlot owner shall (a) maintain or enhance the diversity of wildlife habitat and stand conditions on the woodlot through the use of appropriate strategies, including silvicultural treatments and harvesting operations; (b) protect fish habitat; (c) identify known sites with special habitat features and protect them from damage during forest management operations; (d) exercise due diligence to obtain information on the existence of any species at risk on the property and take the necessary precautions to ensure that the species and their critical habitat are not harmed; (e) protect wetlands and associated watercourses during forest operations; (f) maintain the presence of wildlife habitat such as older forest age classes, and large standing and downed dead wood; and (g) not introduce invasive alien trees or other species.</p>
<p>3.2. The Company shall keep records of evidence to demonstrate compliance with Section 3.1 above for minimum period of 5 years. Evidence shall include but is not restricted to: a) records of an assessment (e.g. rapid ecological assessment, environmental or social impact assessment or wildlife census) appropriate to the size of the FMU and intensity of management to identify the presence of high conservation values; b) evidence of consultation with stakeholders, including NGOs and parties that are involved with or have an interest in the forest area, in relation to identifying HCVs and threats to them, with respect to social or environmental aspects. Where relevant, the assessment shall include consultation with representatives and members of communities and indigenous peoples living in or adjacent to the FMU; c) a list of the high conservation values thus identified in the FMUs, together with evidence indicating that these high conservation values are not threatened in the FMUs.</p>	<p>Ad a): 4.3.1 The forest manager shall actively identify and assess the significance of biological diversity values and structural elements (such as standing and fallen dead wood and hollow bearing trees) to support the maintenance and protection of identified Significant Biological Diversity Values. The assessment of the significance of biological diversity values shall be based on existing relevant knowledge and forest planning instruments and shall be undertaken in a regional context. Ad b): 4.1.1 The forest manager shall define a forest management policy that includes a commitment to— • consideration of the views of stakeholders. 4.2.1 The forest manager shall identify and establish contact with relevant stakeholders, including groups and individuals who have environmental, economic, social or indigenous interests that are directly affected by or with an interest on the management of the defined forest area. Ad c): 4.3.1 The forest manager shall actively identify and assess the significance of biological diversity values and structural elements (such as standing and fallen dead wood and hollow bearing trees) to support the maintenance and protection of identified Significant Biological Diversity Values. 4.3.3 Where management practices are being developed for new identifications and listings of threatened (including vulnerable, rare or endangered) species and ecological communities, the forest manager shall minimise adverse impacts by ensuring the planning and implementation of forest operations follows recognised interim guidelines and takes account of known information and relevant specialist advice.</p>	<p>Ad a): <i>No information could be found that addresses assessments (ecological, environmental, social)</i> Ad b): <i>No information could be found on stakeholder consultation</i> Ad c): <i>No information could be found on developing a list of High Conservation Values (HCVs).</i></p>	<p>Ad a): <i>This is not specifically aimed at HCV's but environmental impact assessments are always required:</i></p> <p>ABNT NBR 15789 Criterion 2.1 - The organization shall adopt strategies oriented towards sustainable use and management of forest resources. Indicators: a) existence of procedures aimed at: - identifying all environmental aspects that can be influenced and the resulting impacts; - characterising and analysing the significant environmental impacts; - establishing measures for turning positive environmental impacts; - establishing measures for avoiding, mitigating or compensating significant negative environmental impacts caused by forest management activity; - monitoring the implementation of measurements in order to avoid, mitigate, or compensate significant negative environmental impacts caused by forest management activity.</p> <p>Ad b): <i>no information could be found on consulting with the stakeholders on precautionary measures</i> Ad c): <i>no information could be found on making an actual list of High Conservation Values (HCVs).</i></p>	<p>Ad a): <i>No information could be found specifically for assessment: ecological, EIA, social etc.)</i> Ad b): Z809 6.1 DFA-specific performance requirements The organization, working with interested parties in the public participation process at each stage, shall establish DFA-specific performance requirements that address the SFM elements in Clause 6.3, as follows: (a) for each element, one or more DFA-specific values shall be identified; (b) for each value, one or more objectives shall be set; (c) for each value, one or more meaningful indicators shall be identified, including core and locally selected indicators. Indicators shall be quantitative where feasible; (d) for each indicator, data on the current status shall be provided, and one appropriate target shall be set. Each target shall specify acceptable levels of variance for the indicator and clear time frames for achievement. A clear justification shall be provided for why the targets have been chosen; (e) one or more strategies shall be identified and elaborated for meeting identified targets; and (f) forecasts shall be prepared for the expected responses of each indicator to applicable strategies, and the methods and assumptions used for making each forecast shall be described. The work shall be recorded and summarized in the SFM plan. During plan implementation, measurements shall be taken for each indicator at appropriate times and places. Measurement results</p>

			<p>In 14789:2007 Ad a) Criterion 3.2 Forest operations shall be undertaken with protection of remaining ecosystems taken into consideration. Unique ecosystems of environmental, archaeological, historical, cultural or social importance shall be preserved. f) identification of the existing conservation units in areas influenced by the production activity; and</p> <p>Ad b): Criterion 5.2 The organization shall implement dissemination and communication programs for stakeholders. a) existence of procedures or instruments for clearly and objectively disseminating information regarding activities and means of operation of the forestry enterprise; b) evidence of implemented programs to promote communication on matters of common interest of the organization and stakeholders, both internally and externally; c) evidence of the receipt, analysis and response to questions and of adapting conciliatory measures aimed at resolving any disputes between the representatives of the forest management unit and the interested parties, both externally and internally; and d) evidence of good relations with the organizations that represent local society, with government agencies and with related entities.</p> <p>Ad c): <i>no information could be found on making an actual list of High Conservation Values (HCVs).</i></p>	<p>shall be interpreted in the context of the forecasts in the SFM plan. See Figure A.4 for an illustration of the relationship of values, objectives, indicators, and targets. See Clauses 7.5.1 and 7.6 for information on adaptive management. Z804: The following requirement applies for managers 7.6.3 Woodlot management organizations The woodlot management organization shall (a) notify affected parties, including Aboriginal peoples, about plans to pursue certification and shall invite comments; and (e) approach relevant government authorities and Aboriginal peoples to determine whether there are any known sites of cultural significance on defined woodlots that would require special management approaches. <i>No information could be found that addresses the requirement for woodlot owners.</i> Ad c): No information could be found that a list of High Conservation Values (HCVs) shall be prepared.</p>
4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses	Unspecified risk on globalforestryregistry.org.	Low risk on globalforestryregistry.org.	Unspecified risk on globalforestryregistry.org.	Low risk on globalforestryregistry.org.
4.1. The Company shall demonstrate that all types of natural and semi-natural forests and other wooded ecosystems such as woodlands and savannahs in the FMUs are not being converted to plantations or non-forest uses in accordance with the requirements outlined in Section 4.2 below, except as permitted by Section 4.3 below.	<p>4.3.2 The forest manager shall not convert native vegetation to plantation forest cover or non-forest cover except in the limited circumstances, as follows: a) Infrastructure development either required by legislation or regulation, or ancillary to the approved forest management plan or equivalent instrument under requirement 4.1.2, or b) Small-scale clearing (less than 10%, up to a limit of 40 hectares on a single forest management unit) with appropriate offsets.</p> <p>In any of these circumstances, the forest manager shall ensure that the following: 1. Planning (identification and assessment) and practices (operations and monitoring) support the protection and maintenance of Significant Biological Diversity Values and</p>	<i>No information could be found addressing the issue of conversion.</i>	<i>No information could be found addressing this issue, except for the following:</i> ABNT NBR 15789 - P1, C1.1.b (Annex 6). b) existence of records that prove fulfilment of legislation and of other regulations applicable to the activities carried out in the forest management area. According to the Brazilian legal system, the selective cutting of native forest tree species, in natural forests, has to be done in conformity to Federal Decree 5.975, published in 30 November, 2006. In the case Management Plans for concessions of Federal Public Forests, Federal Law 11.284 (2 March, 2006) is applicable. A Sustainable Forest Management Plan	<p>Z809: Element 4.2 — Forest land conversion Protect forest lands from deforestation or conversion to non-forests, where ecologically appropriate.</p> <p>Z804: 7.4.2 Maintenance of productive forest land The woodlot owner shall minimize deforestation or conversion to non-forest use and shall manage the defined woodlot as productive forest land to maintain its role in carbon sequestration.</p>

	<p>that, as a minimum, conversion occurs only where it does not involve occurrences of—</p> <ul style="list-style-type: none"> • threatened (including vulnerable, rare or endangered) or regionally significant ecosystems or ecological communities; • old-growth forest; and • important habitat of threatened (including vulnerable, rare or endangered) or regionally significant species <p>2. No native vegetation community, ecological community or ecosystem becomes depleted, or qualifies as threatened (endangered, vulnerable or rare) in accordance with Commonwealth, State and Territory legislation, regulation or species recovery plans.</p>		<p>(PMFS) has to be prepared by the organization interested and submitted to the Brazilian Institute of the Environment (IBAMA) or the State Environmental Agency for examination and approval previous to any harvesting operations.</p> <p>Any land conversion for other uses requires authorization from environmental authorities (SISNAMA).</p> <p><i>Conversion is not covered in In 14789:2007.</i></p>	
<p>4.2. The Company shall keep records of evidence to demonstrate compliance with Section 4.1 above for a minimum period of 5 years.</p>	<p><i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i></p>	<p><i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i></p>	<p><i>Not specified in the standards, however for the reasons explained in the report, this is not considered to be a critical difference.</i></p>	<p>Z809: 7.5.3 Records The organization shall establish and maintain procedures for the identification, maintenance, and disposal of SFM requirement records. Records shall be maintained, in a manner appropriate to the system and to the organization, to demonstrate conformance to the requirements of this Standard.</p> <p>Z804: 8.9 Record keeping The woodlot owner shall maintain records on (a) harvest quantities; (b) silvicultural treatments; (c) road construction and water crossings; (d) damage from pests/fires; (e) efforts to communicate with affected parties, including comments received and responses provided; (f) training; and (g) audit results. The woodlot owner shall store all relevant documents in a secure place.</p>
<p>4.3. Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion:</p> <ol style="list-style-type: none"> entails a very limited portion of the forest management unit; does not occur on high conservation value forest areas; and will enable clear, substantial, additional, secure long term environmental and social benefits across the forest management unit. 	<p><i>Ad a):</i> 4.3.2 The forest manager shall not convert native vegetation to plantation forest cover or non-forest cover except in the limited circumstances, as follows: b) Small-scale clearing (less than 10%, up to a limit of 40 hectares on a single forest management unit) with appropriate offsets.</p> <p><i>Ad b):</i> 4.3.2 The forest manager shall not convert native vegetation to plantation forest cover or non-forest cover except in the limited circumstances, as follows: a) Infrastructure development either required by legislation or regulation, or ancillary to the approved forest management plan or equivalent instrument under requirement 4.1.2, or b) Small-scale clearing (less than 10%, up to a limit of 40 hectares on a single forest management unit) with appropriate offsets. In any of these circumstances, the forest manager shall ensure that the following:</p>	<p><i>No information could be found in the standard addressing the issue of conversion.</i></p>	<p><i>Ad a):</i> <i>Ad b):</i> <i>Ad c):</i></p> <p><i>No information could be found addressing this issue, besides this:</i> ABNT NBR 15789 - P1, C1.1.b (Annex 6). b) existence of records that prove fulfilment of legislation and of other regulations applicable to the activities carried out in the forest management area. According to the Brazilian legal system, the selective cutting of native forest tree species, in natural forests, has to be done in conformity to Federal Decree 5.975, published in 30 November, 2006. In the case Management Plans for concessions of Federal Public Forests, Federal Law 11.284 (2 March, 2006) is applicable. A Sustainable Forest Management Plan (PMFS) has to be prepared by the</p>	<p>Z809: 6.3.2.4 Element 4.2 — Forest land conversion Protect forest lands from deforestation or conversion to non-forests, where ecologically appropriate.</p> <p>Z804: 7.4.2 Maintenance of productive forest land The woodlot owner shall minimize deforestation or conversion to non-forest use and shall manage the defined woodlot as productive forest land to maintain its role in carbon sequestration.</p> <p><i>Ad a): No specific information was found that addressed this issue.</i> <i>Ad b): No specific information was found that address this issue.</i> <i>Ad c): No specific information was found addresses this issue.</i></p>

	<p>1. Planning (identification and assessment) and practices (operations and monitoring) support the protection and maintenance of Significant Biological Diversity Values and that, as a minimum, conversion occurs only where it does not involve occurrences of—</p> <ul style="list-style-type: none"> • threatened (including vulnerable, rare or endangered) or regionally significant ecosystems or ecological communities; • old-growth forest; and • important habitat of threatened (including vulnerable, rare or endangered) or regionally significant species <p>2. No native vegetation community, ecological community or ecosystem becomes depleted, or qualifies as threatened (endangered, vulnerable or rare) in accordance with Commonwealth, State and Territory legislation, regulation or species recovery plans.</p> <p><i>Ad c): Not addressed, since forest conversion is discouraged.</i></p>		<p>organization interested and submitted to the Brazilian Institute of the Environment (IBAMA) or the State Environmental Agency for examination and approval previous to any harvesting operations.</p> <p>Any land conversion for other uses requires authorization from environmental authorities (SISNAMA).</p>	
5. Wood from forest management units in which genetically modified trees are planted	Low risk on globalforestregistry.org.	Low risk on globalforestregistry.org.	Low risk on globalforestregistry.org.	Low risk on globalforestregistry.org.
5.1. The Company shall ensure that no genetically modified trees are present in the FMUs from which it sources FSC Controlled Wood.	<p>4.3.6 Forest managers managing plantations shall evaluate the impact of introduced species, provenances or populations, and constrain their spread where necessary to protect the ecological integrity of adjacent native vegetation. Forest managers managing plantations shall ensure that all dealings with live viable organisms that have been modified by gene technology comply with the law and that any licensed release within the defined forest area is in accordance with a publicly available ecological risk management strategy. Commercial use of such organisms shall be preceded by authorised field trials that demonstrate practicality of the risk management strategy.</p> <p>NOTE 2: This requirement recognises, but is not limited to, community concerns about use of genetically modified organisms particularly regarding environmental risk, such as from gene transfer to native populations, and also the potential environmental benefits, such as through reduced reliance on chemicals, and seeks to balance these interests.</p> <p><i>This requirement leaves room for genetically modified organisms and does NOT ensure that no GM trees are present in the FMU.</i></p>	<p>6.9.2 Basic requirements to forestry planning and management which provide execution of the criterion:</p> <ul style="list-style-type: none"> - to exclude use of alien and genetically modified organisms in the cases when the absence of their influence on forest ecosystems and genetic cleanliness of local species is not proved and negative influence on them is not excluded. <p><i>Although strongly discouraged, the usage of GMO organisms is not clearly and unambiguously prohibited.</i></p>	<p><i>No information was found in the standards prohibiting the use of GMO-s.</i></p>	<p>Z809: Element 1.3 — Genetic diversity Conserve genetic diversity by maintaining the variation of genes within species and ensuring that reforestation programs are free of genetically modified organisms.</p> <p>Z804: <i>No information was found on genetically modified trees.</i></p>
5.2. The Company shall keep records of evidence to demonstrate compliance with Section 5.1 above for a minimum period of 5 years.	<i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i>	<i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i>	<i>Not specified in the standards, however for the reasons explained in the report, this is not considered to be a critical difference.</i>	<p>Z809: 7.5.3 Records The organization shall establish and maintain procedures for the identification, maintenance, and disposal of SFM requirement records. These records shall include training records and the results of audits and reviews. SFM requirement records shall be</p> <ul style="list-style-type: none"> (a) legible; (b) identifiable; (c) traceable to the activity involved; and (d) stored and maintained such that they are readily retrievable and protected against damage, deterioration, or loss.

				Their retention times shall be established and recorded. Records shall be maintained, in a manner appropriate to the system and to the organization, to demonstrate conformance to the requirements of this Standard.
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Chile, Finland, Gabon, Germany

Requirements in FSC-STD-40-005 Annex 3, Part B Specific requirements	CERTFOR Standard sustainable forest management for plantations January 2007 CERTFOR Sustainable forest management standard for native forests January 2007 Chile	Finland PEFC Finland Standard #6 Criteria for Certification; level of holding of forest holdings of individual owners.	Gabon Gabonese Forest Certification Scheme	Germany PEFC D 1002:2009
1. Illegally harvested wood	Unspecified risk on globalforestregistry.org.	Low risk on globalforestregistry.org.	Unspecified risk on globalforestregistry.org.	Low risk on globalforestregistry.org.
1.1. The Company shall demonstrate that the wood it sources was harvested in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the requirements outlined in Table 1 below.	Native: 8.1.1 The FMU responsible managers know, respect and apply the law and regulations in their activities, including the: forestry, environmental, labour, sanitary, taxing, transport and the use and rights to land ownership, among others. 8.1.2 Corrective measures are applied, in case of failure to comply with laws and regulations. 8.1.3 All forest management activities in the FMU are regulated by management plans approved by the authority, and have the corresponding environmental and sectoral authorizations. 8.1.4 The FMU responsible managers comply with the policies, procedures; instructions subscribed or internally defined practice codes. 8.1.5 All taxes, permits, patents, royalties, fees, rights and other charges are paid timely and regularly. Plantation: Forest managers know and respect national legislation applicable to their activities. 8.1.1 The FMU managers know and apply the law and regulations in their activities, including among others the following: forestry, environmental, labour, sanitary, taxes, transport and the use and rights to land ownership. 8.1.2 There is no evidence of failures in compliance with the laws. 8.1.3 All forest management activities in the FMU are regulated according to management plans approved by the corresponding authority. 8.1.4 Forest managers comply with the policies, the procedures and instructions of subscribed or self defined practice codes.	#5 and #6: Criterion 1 Activities in the forests of individual owners shall comply with the forest, environmental and labour legislation in force and the related international agreements that Finland has ratified.	Annex IV: Criteria 2.1 The management of forest complies with all laws and with all the international treaties Gabon has signed.	<i>General reference in the standard:</i> Legal and other requirements, the forest owner is obliged to obey, shall be followed. These requirements are for instance: a) Legislation referring to international conventions (e.g. Convention on Biological Diversity, Kyoto Protocol and Carbon Sinks, Convention on CITES, Biosafety Protocol, Core ILO conventions). b) the relevant national and state legislation and c) all relevant contractual obligations of the forest owners as signatory (e.g. agreements on tariffs).
1.2 The Company shall demonstrate that species and qualities harvested are classified correctly.	Native: 1.2.1 The SFM Master Plan contains a detailed description of the FMU management objectives,	#6 Criterion 5: A holding-level forest management plan shall be valid for the forests of individual forest owners. The forest management plan shall include previously known	Annex IV Indicator 2.3.1 The pre-harvest inventory is efficiently carried out, in conformity with the standards in force, and at least three months	<i>This is not specifically addressed in the standard, however overall legal compliance would mean also compliance in legal classification of species,</i>

	<p>its silvicultural specs, the cash flow, a description of the environment and social elements of the FMU and a mitigation proposal of possible environmental and social impacts.</p> <p>V1: The existence of a SMF Master Plan, containing at least the forest management objectives, a resource description and the main activities to be carried out.</p> <p>V2: The existence of a stand map indicating priority use and a qualitative resource characterization.</p> <p>V3: The existence of a quantified forest inventory for commercial production areas.</p> <p>Plantation: 1.2.1 There is a comprehensive management plan for the FMU. V1: Existence of a management plan containing at least: management objectives for the forest resource, a general description of the resources of the FMU and a description of the principle forestry activities to be carried out. 1.2.2 The management plan includes a description of the environmental and social factors that must be considered in forest management. V1: An inventory or characterisation of native forests and other native vegetation.</p>	<p>valuable natural sites and monuments of antiquity in addition to wood production aspects. The drafting of the plan shall take into account alternative uses of forests according to the management objectives of the forest owner.</p> <p>11) Holding-level forest management planning contains the forest resource data of the forest stand specific inventory and of holding specific data drawn from the regional summary data on forest resources. This data is compiled into a holding level forest management plan. Continuously updated holding-level forest management plans, which have been updated annually according to completed measures and other relevant information, are included in the area of holding-level forest management planning. Web-based forest management plan is also considered as a holding-level forest management plan. Holding-level forest management plan must include, as forest production factors, stand specific data on trees and soil, needs of silvicultural treatments, and allowable cut.</p>	<p>before harvesting.</p> <p><i>The exact points in the FSC standard are not covered and although it is expected that PEFC criterion 2.1. together with 2.3.1 will assure conformance, this difference is worth noting.</i></p>	<p><i>volumes and qualities. Still this difference is worth noting.</i></p>
2. Wood harvested in violation of traditional and civil rights	Unspecified risk on globalforestry.org.	Unspecified risk on globalforestry.org.	Unspecified risk on globalforestry.org.	Low risk on globalforestry.org.
<p>2.1. The Company shall demonstrate that there are no conflicts relating to land tenure or land use rights of traditional or indigenous peoples groups in the FMUs from which it is sourcing wood, which are of substantial magnitude; which involve a significant number of interests; and for which a resolution process has not been agreed by the main parties to the dispute (See Section 2.3 below).</p>	<p>Native: 8.3.4 Lands and forest boundaries administered by the FMU are legally defined and in case of conflict agreements have been sought or the procedures established in the law have been followed. V1: There is no evidence of boundaries conflicts or these are in being resolved by negotiation or trial.</p> <p>Plantation: 8.4.3 The boundaries of lands and forests administered by the FMU are legally determined. In the case of conflicts the procedures established by the law have been searched or followed. V1: There are no conflicts about boundaries or these are in the process of being resolved by negotiation or judicial process.</p>	<p>#5, criterion 29: In the Sámi Homelands the management and use of areas and natural resources administered by the State shall be organized in such a way that they ensure the facilities for Sámi culture and traditional livelihoods.</p> <p><i>No information could be found on managing conflicts with an agreed resolution process.</i></p>	<p>Annex IV Indicator 4.1.1 The legal and customary rights of local populations for ownership, use and tenure of their forest land and resources shall be clearly defined, acknowledged and respected.</p> <p>Indicator 4.2.2 The procedure for dialogue and the resolution of conflicts is functional both between stakeholders and within each stakeholder body.</p> <p>Indicator 4.2.3 All stakeholders participate in the control of natural resources management, on the basis of a protocol accepted by all.</p>	<p>Section 6.10: The public has free access to the forests for recreation purposes. Limitations are permissible especially for the protection of the ecosystem and for the reasons of forest and game management, for the protection of forest visitors, to avoid considerable damages or safeguarding important interests of the forest owner. Forest management shall respect the recreational function and the aesthetic value of the forest.</p> <p><i>No specific requirements exist in the standard in relation to possible conflicts or how the resolution process.</i></p>
<p>2.2. The Company shall demonstrate that there is no evidence of violation of the International Labour Office Fundamental Principles and Rights at Work in the FMU nor of the International Labour Office Convention 169 on Indigenous and Tribal Peoples.</p>	<p>Regarding ILO Fundamental Principles and Rights Native: 8.2.2 The responsible forest managers for the FMU know about the implications of the ILO convention applicable in Chile and have implemented appropriate methods to ensure that their clauses are respected.</p> <p>Plantation:</p>	<p>Criterion 1 Activities in the forests of individual owners shall comply with the forest, environmental and labour legislation in force and the related international agreements that Finland has ratified. (Finland has ratified all core ILO conventions in relation to Fundamental Principles and rights)</p> <p><i>The standard does not have requirements to comply with ILO convention 169 in relation to indigenous peoples.</i></p>	<p>Annex IV Sub indicator 4.1.3.3 The ILO conventions ratified by Gabon are known and applied by managers. (Gabon has ratified all core ILO conventions related to Fundamental Principles and Rights).</p> <p><i>No requirements could be found which are aimed at the rights of indigenous and tribal peoples, except a very general criterion 4.3 "The share of</i></p>	<p><i>Core ILO conventions are mentioned in the introduction of the standard:</i> Legal and other requirements, the forest owner is obliged to obey, shall be followed. These requirements are for instance: a) legislation referring to international conventions (e.g. Convention on Biological Diversity, Kyoto Protocol and Carbon Sinks, CITES, Biosafety Protocol, Core ILO conventions.</p>

	<p>8.2.2 Forest managers have knowledge of the implication of the conventions of the ILO applicable in Chile and have implemented appropriate methods to ensure that their clauses are respected.</p> <p>Regarding ILO conventions. Native: 8.2.2 The responsible forest managers for the FMU know about the implications of the ILO convention applicable in Chile and have implemented appropriate methods to ensure that their clauses are respected. V1: The FMU responsible managers have access to ILO conventions 87, 98 and 138. V2: There is evidence of fulfilment of such conventions.</p> <p>Plantations: 8.2.2 Forest managers have knowledge of the implication of the conventions of the ILO applicable in Chile and have implemented appropriate methods to ensure that their clauses are respected. V1: Forest managers have access to ILO conventions 87, 98 and 138. V2: There is evidence of fulfilment of such conventions.</p>		<p><i>benefits derived from forests is considered to be satisfactory by all stakeholders." This is not considered sufficient to cover the possible forestry impacts to indigenous groups.</i></p>	<p><i>Indigenous groups are not considered to be applicable in Germany.</i></p>
<p>2.3. In cases where a resolution process is in place (See Section 2.1 above), the Company shall provide documented evidence of the process by which any disputes are being resolved, which demonstrates the broad support of the parties to the dispute, and which outlines an agreed interim process for addressing the dispute and for the management of the forest area concerned.</p>	<p>Native: 6.2.2 The FMU responsible managers are keen to resolve the existing conflicts regarding property and land use rights with indigenous peoples, through the legally established mechanisms. V1: There is a meetings record between the FMU personnel with the pertinent official organizations and communities that inform their complaints through the established mechanisms. V2: Proceedings of the agreements. V3: Backup document of the sale or agreed legal land transfer to pertinent official organizations.</p> <p>Plantation: 6.1.2 There is a register of declared agreements and documented commitments with indigenous communities. V1: Register of agreements and obligations between the FMU and the indigenous communities. V2: Register of traditional rights of accesses and use of resources, that have been elaborated with consultation to the indigenous communities. V3: Forest managers have held documented meetings with indigenous communities.</p>	<p><i>No information could be found on a resolution process.</i></p>	<p>IV.6 The Sustainable Forest Management Policy of the Certified Body Modes of Proof of the Sustainable Forest management System: - The administration unit of the certified body will guarantee continual updating of technical and administrative documentation relating to sustainable forest management. Access to this information will be easy and available at any moment; - Documented operational procedures will define the technical modalities kept by the company in order to guarantee sustainable forest management of exploited resources; - Records show proof that sustainable forest management is operational.</p> <p>Indicator 4.2.3 All stakeholders participate in the control of natural resources management, on the basis of a protocol accepted by all.</p> <p>Annex IV: Indicator 4.2.1 The concessionaire sets up "ad hoc bodies" for consultation and negotiation with local populations. Sub Indicator 4.2.1.1. At the seat of the enterprise there is an agent responsible for relations with the villagers Sub Indicator 4.2.1.2. Associate structures are</p>	<p><i>The standard does not specifically cover a resolution process to solve conflicts.</i></p>

			implemented in villages and representatives with social legitimacy are chosen.	
3. Wood harvested in forests in which high conservation values are threatened by management activities	Unspecified risk on globalforestry.org.	Unspecified risk on globalforestry.org.	Unspecified risk on globalforestry.org.	Low risk on globalforestry.org.
3.1. The Company shall demonstrate that forest management activities in the FMU do not threaten high conservation values in accordance with Section 3.2 below.	<p>Native: CRITERION 2.3 Environmental priority areas have been identified in the FMU. These include rare habitats, critical habitats for species in a conservation category, areas of a high scientific research value, high value areas for local communities and others. (The classification of an area as of environmental priority, may include any habitat type, it is not exclusively oriented towards a forestry ecosystem). CRITERION 2.4 Environmental priority areas aimed at production have a special management in a precautionary context focus.</p> <p>Plantations: CRITERION 2.1 Plantations will not be established on lands covered by native forest or other types of high environmental value vegetation, or covered by commercially productive native forests. CRITERION 2.3 High environmental value areas are managed so as to maintain the biodiversity they provide. 2.3.1 There is a Conservation Plan for high environmental value areas. 2.4.3 Measures are taken to avoid the large scale invasion of exotic/alien invasive species into high environmental value areas. 3.2.4 The plantations and native forests within high conservation value areas are protected from grazing and browsing by cattle. 3.2.5 Plantations and native forests within high conservation value areas are protected from illegal harvesting and timber theft.</p>	#5 criterion 9: Conservation value of protected areas or areas belonging to Natura 2000 network shall not be deteriorated by forestry measures.	<p>Annex IV: Indicator 3.3.1 At the forest concession level, values for high conservation of different areas are defined and localised. Specific measures are defined for each of this area within the context of precautionary principle.</p> <p>Indicator 3.3.2 Adequate procedures and guidelines exist and are implemented to identify and protect, in a manner which is representative of the diversity of habitats, and at a scale adapted to the subject to be preserved The fauna and flora species in danger, rare and threatened; The components of particular biological interest such as reproduction sites, rare habitats and key species.</p>	<p>The only reference to protection or management of biodiversity is made in 4.9, 4.10 and 5.1 through to 5.5. <i>No mention of management or protection of social values is made.</i></p> <p><i>This is not considered sufficient to cover fully the FSC indicator.</i></p>
3.2. The Company shall keep records of evidence to demonstrate compliance with Section 3.1 above for minimum period of 5 years. Evidence shall include but is not restricted to: a) records of an assessment (e.g. rapid ecological assessment, environmental or social impact assessment or wildlife census) appropriate to the size of the FMU and intensity of management to identify the presence of high conservation values; b) evidence of consultation with stakeholders, including NGOs and parties that are involved with or have an interest in the forest area, in relation to identifying HCVs and threats to them, with respect to social or environmental	<p>Ad a): Native: 1.2.1 V5: The existence of a record of environmental priority and biodiversity conservation areas. V6: Identification of possible significant social and environmental impacts. V7: A written proposal for environmental and social impacts mitigation. Plantations: 1.2.2 The management plan includes a description of the environmental and social factors that must be considered in forest management. V1: An inventory or characterisation of native forests and other native vegetation. V2: A register of high conservation value areas. V3: Identification of possible social impacts.</p>	<p>Ad a): <i>Only with regards to new forest roads, impact assessments is required:</i> #5 Criterion 15: Forest road plans shall include an environmental impact assessment. The plans for new, permanent forest roads drafted by forest organisations shall include a study on environmental values. The forest road network master plan, in which the traffic needs and the environmental impacts have been evaluated, is taken into consideration in construction of new, permanent forest roads.</p> <p>Ad b): <i>Only with regards to new forest roads, consultation process is required:</i> #5 Criterion 29, indicator 7) Environmental impact assessment of forest road construction in Sámi Homeland includes an estimate on the impacts of construction to Sámi culture and traditional livelihoods. Construction of forest roads on Sámi Homeland shall be integrated with the interests of Sámi culture, livelihoods and nature values as consulted with the Sámi</p>	<p>Ad a): IV.3 Social and Environmental Impact Study The certification applicant must evaluate the social and environmental impacts of its activities. A social and environmental impact study must be adapted to a scale and intensity of the operations of forest management and integrated in an adequate fashion to system management. The evaluations must include considerations at the landscaping level as well as the impact of a wood processing plant put in place. Annex IV: Indicator 3.3.1 At the forest concession level, values for high conservation of different areas are defined and localised. Specific measures are defined for each of this area within the context of precautionary principle.</p>	<p>Ad a): There are no requirements in the standard that the FME carries out assessments of conservation values. Section 5.1 mentions: All protective functions shall be taken into account in forest management in an appropriate way.</p> <p><i>This is not considered sufficient to meet the FSC requirements.</i></p> <p>Ad b): <i>There are no related requirements in the standard.</i></p> <p>Ad c): <i>There are no such requirements in the standard.</i></p>

<p>aspects. Where relevant, the assessment shall include consultation with representatives and members of communities and indigenous peoples living in or adjacent to the FMU;</p> <p>c) a list of the high conservation values thus identified in the FMUs, together with evidence indicating that these high conservation values are not threatened in the FMUs.</p>	<p>Ad b):</p> <p>Native:</p> <p>2.3.1 Managers responsible for forest management in the FMU have inquired data sources, to support environmental priority areas identification.</p> <p>V1: National and international sources have been consulted, such as the CONAMA's Priority Sites Maps, CONAF State Protected Areas Map, CONAF's Red Books, SERNATUR's tourist areas and centres Atlas; WWF's Temperate Forest Atlas, IUCN's red list, among others.</p> <p>V2: Public consultation with local communities or indigenous people has been carried out.</p> <p>V3: Consultation has been conducted with universities.</p> <p>Plantation:</p> <p>1.6.2 Environmental impact evaluations include procedures for consulting interested and affected parties. The concerns of interested and affected parties are taken into account.</p> <p>V1: There are registers of the consultation process, when large scale application of new technologies, species or variety of species could affect the local community.</p> <p>V2: There are no claims from the community for the application of new technologies.</p> <p>Ad c):</p> <p>Native:</p> <p>1.2.1 V5: The existence of a record of environmental priority and biodiversity conservation areas.</p> <p>Plantations:</p> <p>1.2.2 The management plan includes a description of the environmental and social factors that must be considered in forest management.</p> <p>V2: A register of high conservation value areas.</p>	<p>Parliament and in Skolt region with the Skolt Council.</p> <p>Ad c): #5 criterion 9: Conservation value of protected areas shall be safeguarded. Conservation value of protected areas or areas belonging to Natura 2000 network shall not be deteriorated by forestry measures.</p> <p>Indicators:</p> <p>Forest authorities and forest organisations operating in the area are aware of the locations of protected areas and areas belonging to Natura 2000 network. Other actors committed to forest certification have the site information as deemed relevant.</p> <p>Regional environmental authorities have not discovered significant deterioration of conservation values of protected areas originating from forestry operations taking place outside protected areas.</p> <p>Regional environmental authorities have not discovered significant deterioration originating from forestry operations of conservation values of Natura 2000 areas. Forestry operations in Natura areas are bound by the law under which the Natura area is established. In addition, the use and management plan, or equivalent, prepared by an environmental authority together with land owner shall be complied with.</p> <p>Definitions</p> <p>23)</p> <p>Protected areas referred to in the criterion are the nature conservation areas established according to the Nature Conservation Act.</p>	<p>Indicator 3.3.2</p> <p>Adequate procedures and guidelines exist and are implemented to identify and protect, in a manner which is representative of the diversity of habitats, and at a scale adapted to the subject to be preserved The fauna and flora species in danger, rare and threatened; The components of particular biological interest such as reproduction sites, rare habitats and key species.</p> <p>SI 3.3.2.1.</p> <p>Sensitive areas selected during the ecological diagnostic and assessments are included in the protected zones.</p> <p>SI 3.3.2.2.</p> <p>There is a map on different protected zones and forest pockets not to be exploited.</p> <p>SI 3.3.2.3.</p> <p>The limits of protected zones are clearly defined and marked in the field.</p> <p>SI 3.3.2.4.</p> <p>Standardized data on fauna and flora are available.</p> <p><i>Ad b): This requirement is not addressed within the standard.</i></p> <p>Ad c): SI 3.3.2.1.</p> <p>Sensitive areas selected during the ecological diagnostic and assessments are included in the protected zones.</p> <p>SI 3.3.2.2.</p> <p>There is a map on different protected zones and forest pockets not to be exploited.</p> <p>SI 3.3.2.3.</p> <p>The limits of protected zones are clearly defined and marked in the field.</p> <p>SI 3.3.2.4.</p> <p>Standardized data on fauna and flora are available.</p>	
<p>4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses</p>	<p>Unspecified risk on globalforestry.org.</p>	<p>Low risk on globalforestry.org.</p>	<p>Low risk on globalforestry.org.</p>	<p>Low risk on globalforestry.org.</p>
<p>4.1. The Company shall demonstrate that all types of natural and semi-natural forests and other wooded ecosystems such as woodlands and savannahs in the FMUs are not being converted to plantations or non-forest uses in accordance with the requirements outlined in Section 4.2 below, except as permitted by Section 4.3 below.</p>	<p>Native:</p> <p>2.1.1 The area occupied by native forest will not be substituted by exotic species plantations, agricultural crops, pasture land for cattle rising, or for any other change in land use that might eliminate it.</p> <p>Plantations:</p> <p>Criterion 2.1 Plantations will not be established on lands covered by native forest or other types of high environmental value vegetation, or covered by commercially productive native forests.</p> <p>2.1.3 Plantations shall not replace native forests</p>	<p><i>No information could be found on a conversion of forests and other wooded ecosystems to plantations or non-forest uses.</i></p>	<p>Annex IV</p> <p>Subindicator 3.2.2.1 The conversion of forest to plantations or to non-forestry utilization forms of land-use shall not be encouraged, except in circumstances where the conversion:</p> <ul style="list-style-type: none"> - is related to a seriously degraded area/zone or a tiny part of the forest <p>Annex IV - ATO / ITTO Principles, Criteria and Indicators used to assess Gabonese forests management</p> <p>PAFC Gabon – Gabonese Forest Certification Scheme page 112</p> <p>management unit</p> <p>- does not take place in areas of the forest with a</p>	<p>1.3 Wood coming from the conversion of forests (change of utilization) must not be sold as „PEFC certified“, as far as the clearing is not authorised by nature conservation and forest law.</p> <p><i>The indicator suggests that material from conversion in compliance with legislation can be sold as PEFC certified.</i></p>

	or other vegetation of high environmental value.		high conservation interest; - will ensure a clearly defined, substantial and additional conservation benefits to the forest management unit over a long-term period.	
4.2. The Company shall keep records of evidence to demonstrate compliance with Section 4.1 above for a minimum period of 5 years.	<p>Native: 2.1.1 The area occupied by native forest will not be substituted by exotic species plantations, agricultural crops, pasture land for cattle rising, or for any other change in land use that might eliminate it. V1: There are Land Use maps with evidence that exotic species plantations, agricultural crops, pasture land for cattle rising, or for any other use in the FMU were not established in areas where there was native forests. V2: There is no field evidence of native forest substitution by exotic species plantations, agricultural crops, pasture land for cattle rising or for any other change in land use.</p> <p>Plantations: 2.1.3 Plantations shall not replace native forests or other vegetation of high environmental value. V1: There is evidence that no substitution have been made in the areas mentioned before.</p>	<i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i>	IV.6 The Sustainable Forest Management Policy of the Certified Body Modes of Proof of the Sustainable Forest management System: - Records show proof that sustainable forest management is operational.	<i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i>
4.3. Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion: a. entails a very limited portion of the forest management unit; b. does not occur on high conservation value forest areas; and c. will enable clear, substantial, additional, secure long term environmental and social benefits across the forest management unit.	<i>As visible above, conversion is not allowed under any circumstances.</i>	<i>Conversion is not covered by the standard.</i>	<p><i>Ad a):</i> Annex IV Subindicator 3.2.2.1 The conversion of forest to plantations or to non-forestry utilization forms of land-use shall not be encouraged, except in circumstances where the conversion: - is related to a seriously degraded area/zone or a tiny part of the forest</p> <p><i>Ad b):</i> Subindicator 3.2.2.1 The conversion of forest to plantations or to non-forestry utilization forms of land-use shall not be encouraged, except in circumstances where the conversion: - does not take place in areas of the forest with a high conservation interest;</p> <p><i>Ad c):</i> Subindicator 3.2.2.1 The conversion of forest to plantations or to non-forestry utilization forms of land-use shall not be encouraged, except in circumstances where the conversion: - will ensure a clearly defined, substantial and additional conservation benefits to the forest management unit over a long-term period.</p> <p>Although the exact threshold is not numerically set, the intention of "tiny part" is considered similar to FSC intention.</p>	<p>Indicator 1.3 states: 1.3 Wood coming from the conversion of forests (change of utilization) must not be sold as „PEFC certified“, as far as the clearing is not authorized by nature conservation and forest law.</p> <p><i>No additional conditions are given for conversion and points a, b and c in the FSC standard are not addressed.</i></p>
5. Wood from forest management units in which genetically modified trees are planted	Low risk on globalforestregistry.org.	Low risk on globalforestregistry.org.	Low risk on globalforestregistry.org.	Low risk on globalforestregistry.org.
5.1. The Company shall ensure that no genetically modified trees are present in the FMUs from which it sources FSC	<p>Native: 1.5.3 Genetically Modified Organisms (GMO) are not used in the FMU.</p>	# 5, criterion 14 Gene modified material or other material, which is not approved by the authority, shall not be used in seeding and planting.	IV.2.3 Genetically Modified Organisms All use of genetically modified organisms (GMO) is systematically prohibited for all PAFC Gabon	4.5 Genetically modified organisms are not used

Controlled Wood.	Plantations: 1.6.3 Until the next Standard streamlining, no new species or variety shall be used in plantations, that come from Genetically Modified Organisms (GMO).		certification. Annex IV Subindicator 3.3.4.3 The use of genetically modified organisms shall be prohibited.	
5.2. The Company shall keep records of evidence to demonstrate compliance with Section 5.1 above for a minimum period of 5 years.	Native: 1.5.3 Genetically Modified Organisms (GMO) are not used in the FMU. V1: Managers responsible for forest management in the FMU demonstrate a reasonable knowledge about GMOs characteristics and the reasons for which the international community has forbidden its use in forestry. V2: There is no evidence of GMOs presence in the FMU. Plantations: 1.6.3 Until the next Standard streamlining, no new species or variety shall be used in plantations, that come from Genetically Modified Organisms (GMO). V1: There is no evidence of commercial plantations originated with GMOs.	<i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i>	IV.6 The Sustainable Forest Management Policy of the Certified Body Modes of Proof of the Sustainable Forest management System: - Records show proof that sustainable forest management is operational.	<i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i>

Malaysia, Poland, Russia, Sweden

Requirements in FSC-STD-40-005 Annex 3, Part B Specific requirements	Malaysia Malaysian criteria and indicators for forest management certification MC&I 2002	Poland PEFC FM Poland	Russia RUSSIAN FOREST MANAGEMENT STANDARD FCR-ST-01-2006	Sweden PEFC-SWE-002 The Swedish PEFC standard
1. Illegally harvested wood	Unspecified risk on globalforestry.org.	Low risk on globalforestry.org.	Unspecified risk on globalforestry.org.	Low risk on globalforestry.org.
1.1. The Company shall demonstrate that the wood it sources was harvested in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the requirements outlined in Table 1 below.	1.1 Forest management shall respect all national and local laws and administrative requirements.	Criterion 1.c 4. Compliance with regulations of law protecting forests and wooded land from their appropriation for non-forest purposes.	1.1 Forest management shall comply with federal laws and laws of the subjects of the Russian Federation	PEFC SWE 002:3 (V2) 'The objectives of forestry activities shall support multiple-use forestry and be in line with Swedish legislation.' PEFC SWE 001:3 (V2) 3.3 Work environment Swedish PEFC-certified companies shall work for a good and secure work environment within the framework of current legislation and good practice of the respective line of business. <i>There is no clear overall requirement to comply with all relevant and applicable forestry related legislation.</i>
1.2 The Company shall demonstrate that species and qualities harvested are classified correctly.	7.1 The management plan and supporting documents shall provide:- b) Description of the forest resources to be managed, environmental limitations, land use and ownership status, socio-economic conditions, and a profile of adjacent lands. <i>The exact points in the FSC standard are not covered and although if full complied with, point 1.1. will result also in compliance with this point, this difference is worth noting.</i>	Criterion 1 B Quantitative indicators, 1. Description of used forest area. No. Indicator Description Measurement unit 1 Total forest area and changes over last 5 years [ha/%] 2 Forest area by age class structure and changes over last 5 years [ha/class] 3 Forest area by forest site type [ha] 4 Reforestation area by origin (artificial, natural) [ha] 5 Forest area on post-agricultural land [ha] 6 Forest area by species and changes over last 5 years [%] 7 Area of fast growing tree plantations [ha] 8 Share of forest area with outdated (older than 10 years)	6.4.3. During forestry operations information is collected and assessed by the following indicators: - ratio of actual harvest and allowable cut through final and intermediate cutting operations; - ratio of areas of clear and selective cuttings and the dynamics of this value; - forest areas and the share of economically valuable species; - volume of harvested forest products; - change of mean annual increment;	PEFC SWE 001:3 (V2) 8.1 Forest management plan Requirements for general information that must be included in a forest management plan -Information on what forest holdings are part of the management unit - Time for undertaking of the inventory - Commentary to the holding (general description, presence of conservation values etc.) - Area (total area, area of productive as well as non-productive forest land - Age class distribution

		<p>forest management plan (simplified forest management plan) [%]</p> <p><i>Although the FSC indicator is not included as such, there is requirement for compliance as well as correct registration and overview of all forest resource including species and volumes.</i></p>	<ul style="list-style-type: none"> - volumes of reforestation; - species, age and yield class structure of forests; - protected areas by category; - volumes of biotechnical operations; - volumes and types of forest protection and conservation measures; - dynamics of changes in composition of protected species; 2.3.3. Data collection needed to monitor the following indicators: ratio of actual and estimated timber harvest volumes through of final and intermediate cutting operations, ratio of areas of partial and clearcuts, volume of forest resource removal, average growth dynamics, volumes of reforestation by types and methods; species, age and qualitative structure of growing stock; volumes of biotechnical works; volume and types of forest protection and conservation measures, dynamics of areas not covered by forest (logged areas, fire sites, dead stands, etc.). 	<ul style="list-style-type: none"> - Distribution of tree species - Description of compartments - Summary of classification of forestry objectives - Thematic map of proposed forestry activities <p><i>Info about forest resources shall be available, however combined with the conclusion above for FSC indicator 1.1., it can be said that this is not sufficiently covered in the Swedish PEFC standard.</i></p>
2. Wood harvested in violation of traditional and civil rights	Unspecified risk on globalforestry.org.	Low risk on globalforestry.org.	Unspecified risk on globalforestry.org.	Low risk on globalforestry.org.
<p>2.1. The Company shall demonstrate that there are no conflicts relating to land tenure or land use rights of traditional or indigenous peoples groups in the FMUs from which it is sourcing wood, which are of substantial magnitude; which involve a significant number of interests; and for which a resolution process has not been agreed by the main parties to the dispute (See Section 2.3 below).</p>	<p>2.1 Clear evidence of long-term forest use rights to the land (e.g. land title, customary rights, or leased agreements) shall be demonstrated.</p> <p>3.1 Indigenous peoples shall control forest management on their lands and territories unless they delegate control with free and informed consent to other agencies.</p> <p>3.3 Sites of special cultural, ecological, economic or religious significance to indigenous peoples shall be clearly identified in cooperation with such peoples, and recognized and protected by forest managers.</p> <p>3.3.2 Availability of appropriate mechanisms for conflict resolution.</p>	<p>Criterion 1 (C) Descriptive indicators 1. Regulated property rights and clarified status of land tenure and use.</p> <p>Criterion 6. (A) Operational level guidelines. b. Property rights to all forest areas shall be expressly determined, clearly defined and documented.</p> <p><i>No information could be found on a dispute resolution process to solve potential conflicts.</i></p>	<p>1.4.1. There are duly documented tenure (lease) and use rights to forest resources</p> <p>1.4.2. There are available documented tenure and use rights to forest resources for a minimum period of 5 years from the date of the issue of the certificate.</p> <p>1.4.3. Established dispute resolution mechanism for disputes over tenure claims and use right to forest resources.</p>	<p>PEFC SWE 001:3 (V2) Appendix D Policy for balancing the interests of Forestry and Reindeer herding</p> <p>The various considerations made in Sweden regarding the legal, customary and traditional rights such as outlined in ILO 169 and the UN Declaration on the Rights of Indigenous Peoples has guided the development of this policy.</p> <p>Boundaries and rights for tenure and use rights of Sami are defined in Swedish common law:</p> <p>3. Boundaries and areas for reindeer herding in the winter</p> <p>The boundaries that apply to year-round herding are defined in the Swedish Reindeer Herding Act (Rennäringslagen). The boundaries for reindeer herding in the winter are based on Swedish common law (sedvanerätt). In some areas of the counties Dalarna, Härjedalen and Norrbotten the boundaries for reindeer herding rights have been determined by means of judicial decisions.</p> <p>In February 2006 a Government Commission for fixing the boundaries for reindeer herding (chaired by Mr. Jan Alvå) presented a proposal for different kinds of boundary entitled "The Sami people's common law grounds" (Samernas sedvanemarker, SOU 2006:14). The proposed boundaries are shown in the attached map (figure 1). Swedish PEFC has taken the proposed boundaries for winter grazing into account. However, both parties /sectors should have the right to call for judicial review of these boundaries.</p>
<p>2.2. The Company shall demonstrate that there is no evidence of violation of</p>	<p><i>Regarding ILO Fundamental Principle and Rights 1.3.1 Forest managers are aware of all binding</i></p>	<p><i>The ILO conventions related to Fundamental Principles and Rights are not directly covered in the standard.</i></p>	<p>1.3.4. There is evidence of no violations of labour guarantees and social obligations in</p>	<p><i>The Swedish standard does not have a clear reference and requirements in relation to ILO conventions related to</i></p>

<p>the International Labour Office Fundamental Principles and Rights at Work in the FMU nor of the International Labour Office Convention 169 on Indigenous and Tribal Peoples.</p>	<p><i>international agreements such as CITES, core ILO Conventions, ITTA, and Convention on Biological Diversity.</i></p> <p>4.3 The rights of workers to organize and voluntarily negotiate with their employers shall be guaranteed as outlined in Conventions 87 and 98 of the International Labour Organization (ILO).</p> <p>4.3.1 Provisions for workers to freely organize into Union of their own choice in accordance with ILO Convention No. 87.</p> <p>4.3.2 Provisions for workers the right to organize and undertake collective bargaining leading to agreements in accordance with ILO Convention No. 98 – The Right to Organise and Collective Bargaining Convention, 1949 - Articles 1 and 2, ILO Convention No. 111 – Discrimination (Employment and Occupation), 1958 - The Right to Equal Treatment, ILO Convention No. 100 – Equal Remuneration, 1951 - The Right to Equal Pay.</p> <p><i>Principle 3 is addressing several kinds of Indigenous people's rights:</i></p> <p>The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognized and respected.</p> <p>3.1 Indigenous peoples shall control forest management on their lands and territories unless they delegate control with free and informed consent to other agencies.</p> <p>3.1.1 Availability of documentation of the customary rights of indigenous people's lands within relevant national and regional legal frameworks.</p> <p>3.1.2 Management of such lands is controlled by indigenous people unless they delegate control with free and informed consent to other agencies.</p> <p>3.1.3 Availability of appropriate mechanisms to resolve any conflicts and grievances between parties involved.</p> <p>3.2 Forest management shall not threaten or diminish, either directly or indirectly, the resources or tenure rights of indigenous peoples.</p> <p>3.2.1 Forest management practices in indigenous people's lands recognized within relevant national and regional legal frameworks should not threaten or diminish, either directly or indirectly, their resources or tenure rights.</p> <p>3.3 Sites of special cultural, ecological, economic or religious significance to indigenous peoples shall be clearly identified in cooperation with such peoples, and recognized and protected by forest managers.</p> <p>3.3.1 Availability of appropriate procedures within current administrative processes for identifying and protecting such sites and provisions for rights of access to these sites by indigenous people within relevant national and state legal</p>	<p><i>As there are no indigenous people in Poland, this part is not applicable.</i></p>	<p>relation to workers.</p> <p>1.3.5. The applicant does not use forced, compulsory, labour or foreign citizens and persons without citizenship not registered according to the established procedures.</p> <p>1.5.5. Available mechanism to reveal and prevent unauthorized activities on the applicant's territory</p> <p><i>There is no direct reference to ILO conventions and some aspects of the Fundamental Principles and Rights (child labour and discrimination) are not specifically covered by the standard. Although child labour can be considered not applicable in Russia, the same cannot be said with confidence about discrimination.</i></p> <p><i>There is no information about ILO convention 169 in the standard.</i></p>	<p><i>Fundamental Principles and Rights.</i></p> <p>PEFC SWE 001:3 (V2) Appendix D Policy for balancing the interests of Forestry and Reindeer herding</p> <p>The various considerations made in Sweden regarding the legal, customary and traditional rights such as outlined in ILO 169 and the UN Declaration on the Rights of Indigenous Peoples has guided the development of this policy.</p> <p>Boundaries and rights for tenure and use rights of Sami are defined in Swedish common law:</p> <p>3. Boundaries and areas for reindeer herding in the winter</p> <p>The boundaries that apply to year-round herding are defined in the Swedish Reindeer Herding Act (Rennäringslagen). The boundaries for reindeer herding in the winter are based on Swedish common law (sedvanerätt). In some areas of the counties Dalarna, Härjedalen and Norrbotten the boundaries for reindeer herding rights have been determined by means of judicial decisions.</p> <p>In February 2006 a Government Commission for fixing the boundaries for reindeer herding (chaired by Mr. Jan Alfvå) presented a proposal for different kinds of boundary entitled "The Sami people's common law grounds" (Samernas sedvanemarker, SOU 2006:14). The proposed boundaries are shown in the attached map (figure 1). Swedish PEFC has taken the proposed boundaries for winter grazing into account. However, both parties /sectors should have the right to call for judicial review of these boundaries.</p> <p>PEFC SWE 002:3 (V2)</p> <p>6.3.8 The Sami people (Lapps) and reindeer herding</p> <p>The relationship between reindeer herding and forestry is based on mutual respect, and on striking a balance between the different forms of land use existing in northern Sweden. Efforts to collaborate at the local level and to take heed of local needs must be used to find the most appropriate solutions, such as the avoidance of heavy scarification on lichen-rich soils, being aware of hanging lichen in woodland, and being alive to and attentive of other sensitive sites. The starting point for family-enterprise forestry is the agreement and policy contained in the document, Family-enterprise forestry and reindeer herding—working together in the North (November 2000).</p> <p>PEFC SWE 001:3 (V2) Appendix D5</p> <p>The directly certificated forest owners and certification umbrellas within Swedish PEFC have responsibility for jointly inviting the Sami reindeer herding communities to discussions and collaboration and then act in accordance with the agreements reached. This will involve a very heavy work load and a great deal of time. In places where such dialogue and collaboration have not yet begun this process shall be launched without unnecessary delay.</p>
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	<p>frameworks or by mutual agreement.</p> <p>3.3.2 Availability of appropriate mechanisms for conflict resolution.</p> <p>3.4 Indigenous peoples shall be compensated for the application of their traditional knowledge regarding the use of forest species or management systems in forest operations. This compensation shall be formally agreed upon with their free and informed consent before forest operations commence.</p> <p>3.4.1 Availability of documentation, if any, of traditional forest-related knowledge and practices of indigenous people in the use of forest species or management systems in forest operations.</p> <p>3.4.2 Availability of appropriate mechanisms and compensation for the commercial utilization of traditional forest-related knowledge and practices of indigenous people in accordance with existing legislation or by mutual agreement.</p>			
<p>2.3. In cases where a resolution process is in place (See Section 2.1 above), the Company shall provide documented evidence of the process by which any disputes are being resolved, which demonstrates the broad support of the parties to the dispute, and which outlines an agreed interim process for addressing the dispute and for the management of the forest area concerned.</p>	<p>2.3 Appropriate mechanisms shall be employed to resolve disputes over tenure claims and use rights. The circumstances and status of any outstanding disputes will be explicitly considered in the certification evaluation. Disputes of substantial magnitude involving a significant number of interests will normally disqualify an operation from being certified.</p> <p>2.3.1 Records of all disputes over tenure and use rights are maintained for areas in the PRFs for Peninsular Malaysia and forest management areas for Sabah and Sarawak</p> <p>2.3.2 Availability of appropriate mechanisms to resolve such disputes.</p>	<p><i>No information was found regarding a resolution process.</i></p>	<p>1.4.3. Established dispute resolution mechanism for disputes over tenure claims and use right to forest resources.</p> <p>Verifiers:</p> <p>1.4.3.1 Maps.</p> <p>1.4.3.2. Field inspection</p> <p>1.4.3.3. Dispute resolution mechanism for disputes over tenure and use rights to forest resources</p> <p>1.4.3.4. Minutes of meetings held to resolve disputes over tenure and use rights to forest resources</p> <p>1.4.3.5. Interviews with indigenous community</p> <p>1.4.3.6. Interview with the Federal Supervisory Natural Resources Management Service and FMU personnel</p> <p>1.4.3.7. Interview with adjacent owners and forest users</p> <p>1.4.3.8. Interview with representatives of indigenous peoples</p> <p>1.4.3.9. Interview with lease holders</p>	<p>PEFC SWE 001:3 V2 6. Disputes</p> <p>In the event of disputes between the forestry and reindeer herding interests, these shall be handled by Swedish PEFC after it has received notice from either party or from the two parties jointly. This will be done in accordance with the established rules laid down in the Swedish PEFC Technical Document.</p> <p><i>There are no direct requirements for the forest owners to follow in case of conflicts or to have related procedures in place.</i></p>
<p>3. Wood harvested in forests in which high conservation values are threatened by management activities</p>	<p>Unspecified risk on globalforestryregistry.org.</p>	<p>Unspecified risk on globalforestryregistry.org.</p>	<p>Unspecified risk on globalforestryregistry.org.</p>	<p>Unspecified risk on globalforestryregistry.org.</p>
<p>3.1. The Company shall demonstrate that forest management activities in the FMU do not threaten high conservation values in accordance with Section 3.2 below.</p>	<p><i>Principle 9 is addressing all these issues:</i></p> <p>Principle 9: Maintenance of High Conservation Value Forests</p> <p>Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.</p>	<p>Criterion 4 (A) Operational level guideline: Terrestrial inventory and mapping of forest resources shall include ecologically important biotopes. This shall include protected, rare, sensitive or representative forest ecosystems, as well as habitats of endangered or threatened species and endemic species, as defined in national reference lists of protected and endangered species. These activities shall pay special attention to riparian areas, wetland biotopes and other areas of special ecological importance, including various forms of protected genetic in situ resources.</p> <p>(B) Quantitative indicators</p> <p>1. Forest area under environmental protection.</p> <p>No. Indicator Description Measurement unit</p> <p>31 Protected forest area (by type). [ha]</p>	<p>2.2.2. High conservation value areas, protected forests of Group 1 and specially protected sites where final cutting is prohibited are excluded from the allowable cut for final cutting.</p> <p>2.2.2.1. Forest inventory</p> <p>2.2.2.2. Forest management plan</p>	<p>6.4.3 Land having a high environmental value</p> <p>As regards woodland having a high environmental value, special procedures must be applied to prevent felling being carried out that contravenes legislation or regulations, or is in conflict with the spirit of the certification scheme.</p>

		<p>32 Forest area under area protection form, including: [ha] Forest area within national parks [ha] Forest area within landscape parks [ha] Forest area within protected landscape areas [ha] Area of "Natura 2000" [ha] Total area of nature reserves / strict protection [ha] / [ha] 33 Nature monuments [register items] (C) Descriptive indicators 2. Participation in development of guidelines and instructions ensuring that forest management plans include conservation of representative, rare and sensitive forest ecosystems, threatened species, index species, key species and their living populations as well as other activities provided for in nature conservation plans.</p>		
<p>3.2. The Company shall keep records of evidence to demonstrate compliance with Section 3.1 above for minimum period of 5 years. Evidence shall include but is not restricted to: a) records of an assessment (e.g. rapid ecological assessment, environmental or social impact assessment or wildlife census) appropriate to the size of the FMU and intensity of management to identify the presence of high conservation values; b) evidence of consultation with stakeholders, including NGOs and parties that are involved with or have an interest in the forest area, in relation to identifying HCVs and threats to them, with respect to social or environmental aspects. Where relevant, the assessment shall include consultation with representatives and members of communities and indigenous peoples living in or adjacent to the FMU; c) a list of the high conservation values thus identified in the FMUs, together with evidence indicating that these high conservation values are not threatened in the FMUs.</p>	<p>Ad a): 9.1 Assessment to determine the presence of the attributes consistent with High Conservation Value Forests will be completed, appropriate to scale and intensity of forest management. Ad b): 9.1.1 Forest managers should conduct an assessment of HCVFs in accordance with relevant national and regional legal and regulatory frameworks, appropriate to scale and intensity of forest management operations in the PRFs for Peninsular Malaysia and forest management areas for Sabah and Sarawak, and in consultation with relevant stakeholders and experts. 9.2 The consultative portion of the certification process must place emphasis on the identified conservation attributes, and options for the maintenance thereof. Ad c): 9.3 The management plan shall include and implement specific measures that ensure the maintenance and/or enhancement of the applicable conservation attributes consistent with the precautionary approach. These measures shall be specifically included in the publicly available management plan summary.</p>	<p>Criterion 4 (A) Operational level guideline: Terrestrial inventory and mapping of forest resources shall include ecologically important biotopes. This shall include protected, rare, sensitive or representative forest ecosystems, as well as habitats of endangered or threatened species and endemic species, as defined in national reference lists of protected and endangered species. These activities shall pay special attention to riparian areas, wetland biotopes and other areas of special ecological importance, including various forms of protected genetic in situ resources. (B) Quantitative indicators 1. Forest area under environmental protection. No. Indicator Description Measurement unit 31 Protected forest area (by type). [ha] 32 Forest area under area protection form, including: [ha] Forest area within national parks [ha] Forest area within landscape parks [ha] Forest area within protected landscape areas [ha] Area of „Natura 2000“ [ha] Total area of nature reserves / strict protection [ha] / [ha] 33 Nature monuments [register items] (C) Descriptive indicators 2. Participation in development of guidelines and instructions ensuring that forest management plans include conservation of representative, rare and sensitive forest ecosystems, threatened species, index species, key species and their living populations as well as other activities provided for in nature conservation plans.</p>	<p>Ad a): 6.3.2. Environmental impact assessment, ecological assessment of forest management plans and/or plans of final cutting operations or harvesting plan of certified area with regard to rare (protected) forest resources involved in economic activity are carried out. Ad b): 4.1.2. As the consultative portion of the certification process, the attributes of high conservation value forests are identified 4.1.4. Available practical guidelines for identifying and establishing HCVF use regime. Ad c): Indicator 4.1.6. HCVF are identified or being identified. Verifiers: 4.1.6.1. Interviews with the management of the applicant 4.1.6.2. The list of attributes of HCVF 4.1.6.3. Certificates, descriptions and provisions for HCVF 4.1.6.4. Forest inventory documentation 4.1.6.5. Interviews with the applicant’s personnel</p>	<p>Ad a): Requirements for general information that must be included in a forest management plan - Information on what forest holdings are part of the management unit - Time for undertaking of the inventory - Commentary to the holding (general description, presence of conservation values etc.) Ad b): Ad c): PEFC SWE 001:3 (V2) Assessment of conservation values Methodology to assess the prerequisites for biological diversity of a particular area, as reflected in the presence of necessary substrates and qualities of a biotope for different organisms to exist. Certification of a forest holding in accordance with the Swedish PEFC standard requires the drawing up of a forest management plan, suitably adapted for the purposes of certification, no later than 5 years from the date of certification. During the five-year period when there may not yet be such a forest management plan in place, the forest owner must apply a general routine for the assessment of conservation values in every area where harvesting is planned. In case of high conservation values in an area, a more thorough assessment shall be undertaken, in accordance with a special routine. One way of doing this, suitable for most forest owners and other actors in forestry, is to systematically assess the prerequisites for biological diversity of a particular area, as reflected in the presence of necessary substrates and qualities of a biotope for different organisms to exist. The methodology applied for assessment of conservation values must be evaluated and approved by the certifier. The certifier shall also ensure that the methodology is applied in an accurate manner. A detailed description of the methodology must be in place and demonstrated upon request. Completed assessments of conservation values need not be available to the public.</p>
4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses	Unspecified risk on globalforestryregistry.org.	Low risk on globalforestryregistry.org.	Low risk on globalforestryregistry.org.	Low risk on globalforestryregistry.org.
4.1. The Company shall demonstrate	6.10 Forest conversion to plantations or non-	Criterion 1 (A) OPERATIONAL LEVEL GUIDELINES	2.8.10. Conversion of forest lands into non-	2.6 Conversion of forest land

<p>that all types of natural and semi-natural forests and other wooded ecosystems such as woodlands and savannahs in the FMUs are not being converted to plantations or non-forest uses in accordance with the requirements outlined in Section 4.2 below, except as permitted by Section 4.3 below.</p>	<p>forest land uses shall not occur, except in circumstances where conversion:- a) entails a very limited portion of the forest management unit; and b) does not occur on high conservation value forest areas; and c) will enable clear, substantial, additional, secure, long-term conservation benefits across the forest management unit.</p>	<p>a. Sustainable and multifunctional forest management aims at maintaining and increasing forests and other wooded areas, enhancing their economic, ecological, social and cultural values and expanding and increasing the quality of forest resources.</p> <p><i>However, no information could be found directly related to conversion of forests.</i></p>	<p>forest lands is performed after affirmative results of the assessment and approvals of the authorities in accordance with legislation. Verifiers: 2.8.10.1. Assessment results and documented approvals of the authorities 2.8.10.2. Copy of conversion documentation from the land register. 2.8.10.3. Decision of a government body on land conversion.</p> <p><i>There is room in the standard for conversion of forests to non-forest uses and the scale is not limited.</i></p>	<p>Conversion of forest land to other land use shall only be made by way of exception, where such conversion is consistent with current legislation, and after all necessary permissions have been obtained and consultation undertaken. Examples of exceptions may be cases where conversion aims at development of infrastructure related to forestry or society at large, research, improvement of recreational values, or preservation or development of cultural values or biological diversity.</p>
<p>4.2. The Company shall keep records of evidence to demonstrate compliance with Section 4.1 above for a minimum period of 5 years.</p>	<p><i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i></p>	<p><i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i></p>	<p>2.8.10. Conversion of forest lands into non-forest lands is performed after affirmative results of the assessment and approvals of the authorities in accordance with legislation. Verifiers: 2.8.10.1. Assessment results and documented approvals of the authorities 2.8.10.2. Copy of conversion documentation from the land register. 2.8.10.3. Decision of a government body on land conversion.</p>	<p><i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i></p>
<p>4.3. Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion: a. entails a very limited portion of the forest management unit; b. does not occur on high conservation value forest areas; and c. will enable clear, substantial, additional, secure long term environmental and social benefits across the forest management unit.</p>	<p>6.10 Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion:- a) entails a very limited portion of the forest management unit; and b) does not occur on high conservation value forest areas; and c) will enable clear, substantial, additional, secure, long-term conservation benefits across the forest management unit. 6.10.1 Conversion of forest area to plantations, consistent with the provisions of relevant national and regional legal frameworks and policies, should provide substantial, additional, secure and long term benefits across the forest management unit.</p>	<p><i>Ad a):</i> <i>Ad b):</i> <i>Ad c):</i></p> <p><i>These requirements are not addressed.</i></p>	<p><i>Ad a): No information could be found on a limitation to scale of the conversion.</i> <i>Ad b):</i> 4.2.1. Special use conditions for the identified HCVFs are established according to their categories. 4.2.2. Specially Protected Nature Areas (SPNA) and candidate SPNA are excluded from transportation network plans as well as from industrial exploration of natural resources. 4.3.1. The forest management plans include measures for maintenance and conservation of HCVF. <i>The standard does not exclude conversion on high conservation value forest areas, but other sections require maintenance of the HCVF areas.</i></p> <p><i>Ad c):</i> 2.8.10. Conversion of forest lands into non-forest lands is performed after affirmative results of the assessment and approvals of the authorities in accordance with legislation. Verifiers: 2.8.10.1. Assessment results and documented approvals of the authorities 2.8.10.2. Copy of conversion documentation from the land register. 2.8.10.3. Decision of a government body on land conversion. <i>Authorities have to approve the conversion of forests to plantation or non-forest uses, but this is not related to clear, substantial,</i></p>	<p><i>The standard does not contain clear requirements or information in relation to the allowed scale of conversion, does not state that it shall not happen on HCVF areas and also does not cover the aspects mentioned under point c.</i></p> <p>2.6 Conversion of forest land Conversion of forest land to other land use shall only be made by way of exception, where such conversion is consistent with current legislation, and after all necessary permissions have been obtained and consultation undertaken. Examples of exceptions may be cases where conversion aims at development of infrastructure related to forestry or society at large, research, improvement of recreational values, or preservation or development of cultural values or biological diversity.</p>

			<i>additional, secure long term environmental and social benefits across the FMU.</i>	
			<i>There is room in the standard for conversion of forests to non-forest uses and the limitations set by FSC are not sufficiently covered.</i>	
5. Wood from forest management units in which genetically modified trees are planted	Low risk on globalforestry.org.	Low risk on globalforestry.org.	Low risk on globalforestry.org.	Low risk on globalforestry.org.
5.1. The Company shall ensure that no genetically modified trees are present in the FMUs from which it sources FSC Controlled Wood.	6.8 Use of biological control agents shall be documented, minimized, monitored and strictly controlled in accordance with national laws and internationally accepted scientific protocols. Use of genetically modified organisms shall be prohibited.	Criterion 4.A.c Natural regeneration of native species, ensuring appropriate quality and quantity of forest resources, shall be preferred. For reforestation and afforestation, origins of native species and local provenances that are well adapted to site conditions shall be preferred. Non-native species may only be introduced if their impacts on the ecosystem and on the genetic integrity of local provenances and adaptation capability have been evaluated. Introduction to forest ecosystems of genetically modified organisms (excluding natural selection) is not allowed.	3.7.11. Genetically modified organisms are not used.	PEFC SWE 002:3 (V2) Section 2.3 Genetically modified reproductive material shall not be used while awaiting an environmental impact analysis and a decision in principle by the PEFC General Assembly.
5.2. The Company shall keep records of evidence to demonstrate compliance with Section 5.1 above for a minimum period of 5 years.	<i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i>	<i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i>	<i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i>	<i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i>

US (SFI); US(ATFS); UK

Requirements in FSC-STD-40-005 Annex 3, Part B Specific requirements	US SFI 2010-2014	US AFF 2010- 2015 Standards (ATFS)	UK United Kingdom Woodland Assurance Standard
1. Illegally harvested wood	Low risk on globalforestry.org.	Low risk on globalforestry.org.	Unspecified risk on globalforestry.org.
1.1. The Company shall demonstrate that the wood it sources was harvested in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the requirements outlined in Table 1 below.	The standard Principles for sustainable forestry states that "Program Participants shall have a written policy (or policies) to implement and achieve the following principles": 9. Legal Compliance To comply with applicable federal, provincial, state, and local forestry and related environmental laws, statutes, and regulation. The standard also requires that participants 'take appropriate steps to comply with...applicable laws and regulations' but does not require compliance with these laws. Also the standard objectives require: Objective 14. Legal and Regulatory Compliance Compliance with applicable federal, provincial, state and local laws and regulations. Objective 14 is applicable to both Sourcing and forest land management. Performance Measure 14.1. Program Participants shall take appropriate steps to comply with applicable federal, provincial, state and local forestry and related social and environmental laws and regulations.	Performance measure 2.1: Forest owner must comply with all relevant federal, state, county, and municipal laws, regulations, and ordinances.	1.1.1 There shall be compliance with the law. There shall be no substantiated outstanding claims of non-compliance related to woodland management.
1.2 The Company shall demonstrate that species and qualities harvested are classified correctly.	2.4.1 At the point of sale or transfer of the certified products to another entity, the organization shall provide the customer with a document verifying conformance with the chain of custody requirements. This can be in the form of, but not limited to, an invoice, bill of lading, shipping	<i>This is not specifically addressed in the standard, however overall legal compliance would mean also compliance in legal classification of species, volumes and qualities. Still this difference is worth noting.</i>	<i>The standard does not specifically require this, however full legal compliance as required with indicator listed under 1.1 would also mean that this requirement is met. The difference is still relevant to be noted here.</i>

	document, letter, or other forms of communications between the organisation and the customer. Objective 1.3. A forest inventory system and a method to calculate growth and yield, .		
2. Wood harvested in violation of traditional and civil rights	Low risk on globalforestry.org.	Low risk on globalforestry.org.	Low risk on globalforestry.org.
2.1. The Company shall demonstrate that there are no conflicts relating to land tenure or land use rights of traditional or indigenous peoples groups in the FMUs from which it is sourcing wood, which are of substantial magnitude; which involve a significant number of interests; and for which a resolution process has not been agreed by the main parties to the dispute (See Section 2.3 below).	<i>No requirements related to conflicts or solving them were found in the standard.</i>	<i>No requirements related to conflicts or solving them were found in the standard.</i>	1.1.3 Legal ownership or tenure can be proved. 1.1.4 In the case of a significant dispute, legal documents such as title deeds, a solicitor's letter or land registry records shall be produced. 7.4.3. The owner/manager shall respond constructively to complaints and shall follow established legal process should this become necessary.
2.2. The Company shall demonstrate that there is no evidence of violation of the International Labour Office Fundamental Principles and Rights at Work in the FMU nor of the International Labour Office Convention 169 on Indigenous and Tribal Peoples.	Performance Measure 14.2. Program Participants shall take appropriate steps to comply with all applicable social laws at the federal, provincial, state and local levels in the country in which the Program Participant operates. Indicators: 1. Written policy demonstrating commitment to comply with social laws, such as those covering civil rights, equal employment opportunities, anti-discrimination and anti-harassment measures, workers' compensation, indigenous peoples' rights, workers' and communities' right to know, prevailing wages, workers' right to organize, and occupational health and safety. 2. Forestry enterprises will respect the rights of workers and labour representatives in a manner that encompasses the intent of the International Labour Organization (ILO) core conventions. <i>Compliance with ILO convention 169 is not mentioned in the standard.</i>	<i>The Fundamental Principles and rights are not covered by the standard.</i> <i>Compliance with ILO convention 169 is not mentioned in the standard.</i>	<i>The UK standard does not have a clear reference and requirements in relation to ILO conventions related to Fundamental Principles and Rights.</i> <i>Indigenous people are not addressed in the standard, however this is not considered applicable in UK.</i>
2.3. In cases where a resolution process is in place (See Section 2.1 above), the Company shall provide documented evidence of the process by which any disputes are being resolved, which demonstrates the broad support of the parties to the dispute, and which outlines an agreed interim process for addressing the dispute and for the management of the forest area concerned.	<i>No requirements in relation to resolution process in case of conflicts were found.</i>	<i>No requirements in relation to resolution process in case of conflicts were found.</i>	<i>There are no indigenous or tribal people in the UK, however the standard does not have requirements in relation to conflict resolution process.</i>
3. Wood harvested in forests in which high conservation values are threatened by management activities	Unspecified risk on globalforestry.org.	Unspecified risk on globalforestry.org.	Low risk on globalforestry.org.
3.1. The Company shall demonstrate that forest management activities in the FMU do not threaten high conservation values in accordance with Section 3.2 below.	<i>The SFI Principles for Sustainable Forestry contain the following principle 6, which is considered to cover more or less the same intention as the FSC CW standard.</i> 6. Protection of Special Sites To manage forests and lands of special significance (ecologically, geologically or culturally important) in a manner that protects their integrity and takes into account their unique qualities. This principle is further elaborated on in Objective 6.	<i>The AFF standard contains "standard 7" that make use of the term "Special Sites".</i> In addition indicator 1.1.2 includes reference to HCVF. Indicator 1.1.2: Management plans must: clearly state landowner's objectives, describe desired forest condition, include management activities aimed at reaching the desired forest condition and landowner's objectives, document a feasible strategy for activity implementation, and include a tract map accurately depicting significant forest related resources. Where present, and relevant to the property, the plan must address the following resource elements: forest health, soil, water, wood and fibre production, threatened and endangered species, special sites, invasive species, integrated pest management, and high conservation value forests. Where present, relevant to the property, and consistent with landowner's objectives, the plan preparer may consider, describe and evaluate the following resource elements: fire, wetlands, desired species (fish, wildlife	6.1.2 Areas designated as Special Areas for Conservation, Special Protection Areas, Ramsar Sites, National Nature Reserves, Sites of Special Scientific Interest or Areas of Special Scientific Interest shall be managed in accordance with plans agreed with nature conservation agencies, and shall be marked on maps. 6.1.3 Valuable woodland and other semi-natural habitats (e.g. moorland, heathland, wood pasture and grassland) which have been colonised, planted, or incorporated into plantations, but which have retained their ecological characteristics (or have a high potential to be restored), shall be identified and restored or treated in a manner that does not lead to further loss of biodiversity or cultural value.

		and plant), recreation, aesthetic quality, biomass and carbon. Standard 7: Protect Special Sites Special sites are managed in ways that recognize their unique historical, archaeological, cultural, geological, biological or ecological characteristics.	
3.2. The Company shall keep records of evidence to demonstrate compliance with Section 3.1 above for minimum period of 5 years. Evidence shall include but is not restricted to: a) records of an assessment (e.g. rapid ecological assessment, environmental or social impact assessment or wildlife census) appropriate to the size of the FMU and intensity of management to identify the presence of high conservation values; b) evidence of consultation with stakeholders, including NGOs and parties that are involved with or have an interest in the forest area, in relation to identifying HCVs and threats to them, with respect to social or environmental aspects. Where relevant, the assessment shall include consultation with representatives and members of communities and indigenous peoples living in or adjacent to the FMU; c) a list of the high conservation values thus identified in the FMUs, together with evidence indicating that these high conservation values are not threatened in the FMUs.	<i>Ad a): This is considered to be covered by Performance Measure 6.1:</i> Program Participants shall identify special sites and manage them in a manner appropriate for their unique features. <i>Ad b): Indicator 1: Use of information such as existing natural heritage data, expert advice or stakeholder consultation in identifying or selecting special sites for protection.</i> <i>Ad c): This is considered covered in Performance Measure 6.1.</i> Program Participants shall identify special sites and manage them in a manner appropriate for their unique features.	<i>Due to the fact that AFF is aimed at small holder forest operations the definition of HC VF in the standard includes the following:</i> “Due to the small scale and low-intensity of family forest operations, informal assessment of HC VF occurrence through consultation with experts or review of available and accessible information is appropriate”. This is considered to meet the intention of HC VF when taking into consideration the small scale of managers addressed by this PEFC standard.	<i>Ad a):</i> 6.6.1 a) Areas and features of high conservation value having particular significance for: i. biodiversity including sites important for endangered but mobile species, and/or ii. natural processes in critical situations shall be identified by reference to statutory designations at national or regional level and/or through assessment on the ground. <i>Ad b):</i> 6.6.1 c) There shall be evidence of ongoing communication and/or consultation with statutory bodies, local authorities, wildlife trusts and other relevant organisations. <i>Ad c):</i> 6.6.1 b) The identified areas, species and features of high conservation value shall be maintained and, where possible, enhanced.
4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses	Unspecified risk on globalforestregistry.org.	Unspecified risk on globalforestregistry.org.	Low risk on globalforestregistry.org.
4.1. The Company shall demonstrate that all types of natural and semi-natural forests and other wooded ecosystems such as woodlands and savannahs in the FMUs are not being converted to plantations or non-forest uses in accordance with the requirements outlined in Section 4.2 below, except as permitted by Section 4.3 below.	<i>Objective 2 of the SFI standard includes:</i> Performance Measure 2.1. Program Participants shall promptly reforest after final harvest. Indicators: 1. Designation of all harvest areas for either natural regeneration or by planting. 2. Reforestation, unless delayed for site-specific environmental or forest health considerations or legal requirements, through planting within two years or two planting seasons, or by planned natural regeneration methods within five years. <i>However there is no direct prohibition of conversion in the SFI standard that could be considered to cover the FSC CW requirements.</i>	<i>The AFF standard includes following:</i> Standard 3: Reforestation and Afforestation Forest owner completes timely restocking of desired species of trees on harvested sites and non-stocked areas where tree growing is consistent with land use practices and the forest owner’s management objectives. Performance Measure 3.1 Reforestation or afforestation must be achieved by a suitable process that ensures adequate stocking levels. Indicator 3.1.1 Harvested forest land must achieve adequate stocking of desired species reflecting the forest owner’s management objectives, within five years after harvest, or within a time interval as specified by applicable regulation. <i>However there is no direct prohibition of conversion in the standard that could be considered to cover the FSC CW requirements.</i>	3.3.3 Woodland areas shall be converted to areas used solely for Christmas tree production only where conversion is consistent with other requirements of this certification standard, including the need to leave open space, and in accordance with any approved FC or DARD management plan, or when clearance is required for non-forestry reasons such as a wayleave agreement. Christmas trees shall be grown using traditional, non-intensive techniques. 3.5.1 Conversion to non-forested land shall take place only in certain limited circumstances as set out in this requirement. The new land use shall be more valuable than any type of practicably achievable woodland cover in terms of its biodiversity, landscape or historic environment benefits, and conditions a, b, c and d shall be met: a) The woodland is not identified as of high conservation value in section 6.1.1. b) There is no evidence of unresolved substantial dispute. c) Conversion and subsequent site management protect and substantially enhance at least one of the following: i. The status and condition of UK Biodiversity Action Plan priority species and habitats. ii. Important landscape features and character. iii. Important historic environment features and character. d) The subsequent management of the converted area shall be integrated with the rest of the woodland management.
4.2. The Company shall keep records of evidence to demonstrate compliance with Section 4.1 above for a minimum period of 5 years.	<i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i>	<i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i>	<i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i>

<p>4.3. Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion:</p> <ul style="list-style-type: none"> a. entails a very limited portion of the forest management unit; b. does not occur on high conservation value forest areas; and c. will enable clear, substantial, additional, secure long term environmental and social benefits across the forest management unit. 	<p><i>No limitations or conditions are given for conversion and points a, b and c from the FSC standard are not addressed in the reviewed PEFC standard.</i></p>	<p><i>No limitations or conditions are given for conversion and points a, b and c from the FSC standard are not addressed in the reviewed PEFC standard.</i></p>	<p><i>Ad a): No information could be found that it shall only entail a very limited portion of the WMU.</i></p> <p><i>Ad b): 6.3.1 a) Woodland identified in section 6.1.1 shall not be converted to plantation or non-forested land. Areas converted from semi-natural and ancient seminatural woodlands after 1985 shall not normally qualify for certification. Certification may be allowed in circumstances where sufficient evidence is submitted to the certification body that the owner/manager is not responsible directly or indirectly for such conversion.</i></p> <p><i>Ad c):</i></p> <p><i>3.5.1 Conversion to non-forested land shall take place only in certain limited circumstances as set out in this requirement. The new land use shall be more valuable than any type of practicably achievable woodland cover in terms of its biodiversity, landscape or historic environment benefits, and conditions a, b, c and d shall be met:</i></p> <ul style="list-style-type: none"> <i>a) The woodland is not identified as of high conservation value in section 6.1.1.</i> <i>b) There is no evidence of unresolved substantial dispute.</i> <i>c) Conversion and subsequent site management protect and substantially enhance at least one of the following:</i> <ul style="list-style-type: none"> <i>i. The status and condition of UK Biodiversity Action Plan priority species and habitats.</i> <i>ii. Important landscape features and character.</i> <i>iii. Important historic environment features and character.</i> <i>d) The subsequent management of the converted area shall be integrated with the rest of the woodland management.</i>
<p>5. Wood from forest management units in which genetically modified trees are planted</p>	<p>Low risk on globalforestry.org.</p>	<p>Low risk on globalforestry.org.</p>	<p>Low risk on globalforestry.org.</p>
<p>5.1. The Company shall ensure that no genetically modified trees are present in the FMUs from which it sources FSC Controlled Wood.</p>	<p><i>The standard does not include a provision which prohibits the use of GMOs. Objective 15, Indicator 2 actively opens up for the potential to carry out research on GMOs: "Research on genetically engineered trees via forest tree biotechnology shall adhere to all applicable federal, state, and provincial regulations and international protocols".</i></p>	<p><i>The AFF standard does not include a provision which prohibits the use of GMOs.</i></p>	<p>5.3.1 Genetically modified organisms (GMOs) shall not be used.</p>
<p>5.2. The Company shall keep records of evidence to demonstrate compliance with Section 5.1 above for a minimum period of 5 years.</p>	<p><i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i></p>	<p><i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i></p>	<p><i>Not specified in the standard, however for the reasons explained in the report, this is not considered to be a critical difference.</i></p>

ANNEX 3 – Detailed comparison results for FSC-STD-40-005 Annex 3 Part B (FSC Controlled Wood standard for CoC operations) and PEFC ST 1003:2010 (PEFC global criteria for forest management)

Requirements in FSC-STD-40-005 Annex 3, Part B Specific requirements	PEFC ST 1003_2010
1. Illegally harvested wood	
<p>1.1. The Company shall demonstrate that the wood it sources was harvested in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the requirements outlined in Table 1 below.</p>	<p>5.7.1 Forest management shall comply with legislation applicable to forest management issues including forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous people; health, labour and safety issues; and the payment of royalties and taxes. Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p>
<p>1.2 The Company shall demonstrate that species and qualities harvested are classified correctly.</p>	<p>5.1.3 Inventory and mapping of forest resources shall be established and maintained, adequate to local and national conditions and in correspondence with the topics described in this document.</p> <p><i>The standard lacks a focus on the need to follow legal requirements when classifying species and qualities; however it is expected that indicators 5.1.3 in combination with 5.7.1 will fulfil the intention of the FSC requirements.</i></p>
2. Wood harvested in violation of traditional and civil rights	
<p>2.1. The Company shall demonstrate that there are no conflicts relating to land tenure or land use rights of traditional or indigenous peoples groups in the FMUs from which it is sourcing wood, which are of substantial magnitude; which involve a significant number of interests; and for which a resolution process has not been agreed by the main parties to the dispute (See Section 2.3 below).</p>	<p>5.7.1 Forest management shall comply with legislation applicable to forest management issues including forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous people; health, labour and safety issues; and the payment of royalties and taxes.</p> <p><i>This indicator specifically mentions tenure and land-use rights and indigenous people; however the compliance here relates to legal compliance in that respective country. The legislation in some countries may not necessarily exist in relation to this issue or may not meet the FSC requirements. This is considered a critical difference.</i></p>
<p>2.2. The Company shall demonstrate that there is no evidence of violation of the International Labour Office Fundamental Principles and Rights at Work in the FMU nor of the International Labour Office Convention 169 on Indigenous and Tribal Peoples.</p>	<p>5.6.12 Working conditions shall be safe, and guidance and training in safe working practices shall be provided to all those assigned to a task in forest operations. Note: Guidance for specifying national standards can be obtained from the ILO Code of Good Practice: Safety and Health in Forestry Work.</p> <p>5.6.13 Forest management shall comply with fundamental ILO conventions. Note: In countries where the fundamental ILO conventions have been ratified, the requirements of 5.7.1 apply. In countries where a fundamental convention has not been ratified and its content is not covered by applicable legislation, specific requirements shall be included in the forest management standard.</p> <p>5.6.4 Forest management activities shall be conducted in</p>

	<p>recognition of the established framework of legal, customary and traditional rights such as outlined in ILO 169 and the UN Declaration on the Rights of Indigenous Peoples, which shall not be infringed upon without the free, prior and informed consent of the holders of the rights, including the provision of compensation where applicable. Where the extent of rights is not yet resolved or is in dispute there are processes for just and fair resolution. In such cases forest managers shall, in the interim, provide meaningful opportunities for parties to be engaged in forest management decisions whilst respecting the processes and roles and responsibilities laid out in the policies and laws where the certification takes place.</p> <p>5.6.4 Forest management activities shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO 169 and the UN Declaration on the Rights of Indigenous Peoples, which shall not be infringed upon without the free, prior and informed consent of the holders of the rights, including the provision of compensation where applicable. Where the extent of rights is not yet resolved or is in dispute there are processes for just and fair resolution. In such cases forest managers shall, in the interim, provide meaningful opportunities for parties to be engaged in forest management decisions whilst respecting the processes and roles and responsibilities laid out in the policies and laws where the certification takes place.</p>
<p>2.3. In cases where a resolution process is in place (See Section 2.1 above), the Company shall provide documented evidence of the process by which any disputes are being resolved, which demonstrates the broad support of the parties to the dispute, and which outlines an agreed interim process for addressing the dispute and for the management of the forest area concerned.</p>	<p>5.6.4 Forest management activities shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO 169 and the UN Declaration on the Rights of Indigenous Peoples, which shall not be infringed upon without the free, prior and informed consent of the holders of the rights, including the provision of compensation where applicable. Where the extent of rights is not yet resolved or is in dispute there are processes for just and fair resolution. In such cases forest managers shall, in the interim, provide meaningful opportunities for parties to be engaged in forest management decisions whilst respecting the processes and roles and responsibilities laid out in the policies and laws where the certification takes place.</p>
<p>3. Wood harvested in forests in which high conservation values are threatened by management activities</p>	
<p>3.1. The Company shall demonstrate that forest management activities in the FMU do not threaten high conservation values in accordance with Section 3.2 below.</p>	<p>5.4.2 Forest management planning, inventory and mapping of forest resources shall identify, protect and/or conserve ecologically important forest areas containing significant concentrations of:</p> <ul style="list-style-type: none"> a) protected, rare, sensitive or representative forest ecosystems such as riparian areas and wetland biotopes; b) areas containing endemic species and habitats of threatened species, as defined in recognised reference lists; c) endangered or protected genetic in situ resources; and taking into account d) globally, regionally and nationally significant large landscape areas with natural distribution and abundance of naturally occurring species. <p>Note: This does not necessarily exclude forest management activities that do not damage biodiversity values of those biotopes.</p>
<p>3.2. The Company shall keep records of evidence to demonstrate compliance with Section 3.1 above for minimum period of 5 years. Evidence shall include but is not restricted to:</p> <ul style="list-style-type: none"> a) records of an assessment (e.g. rapid ecological assessment, 	<p>4.1 d) require record-keeping that provides evidence of compliance with the requirements of the forest management standards.</p> <p>Ad a): 5.1.2 Forest management shall comprise the cycle of inventory and planning, implementation, monitoring and evaluation, and shall include an appropriate assessment of the social, environmental and economic impacts of forest management operations. This shall form a basis for a cycle of continuous</p>

<p>environmental or social impact assessment or wildlife census) appropriate to the size of the FMU and intensity of management to identify the presence of high conservation values;</p> <p>b) evidence of consultation with stakeholders, including NGOs and parties that are involved with or have an interest in the forest area, in relation to identifying HCVs and threats to them, with respect to social or environmental aspects. Where relevant, the assessment shall include consultation with representatives and members of communities and indigenous peoples living in or adjacent to the FMU;</p> <p>c) a list of the high conservation values thus identified in the FMUs, together with evidence indicating that these high conservation values are not threatened in the FMUs.</p>	<p>improvement to minimise or avoid negative impacts.</p> <p>Ad b): 5.6.10 Forest management shall provide for effective communication and consultation with local people and other stakeholders relating to sustainable forest management and shall provide appropriate mechanisms for resolving complaints and disputes relating to forest management between forest operators and local people.</p> <p>Ad c): 5.4.2 Forest management planning, inventory and mapping of forest resources shall identify, protect and/or conserve ecologically important forest areas containing significant concentrations of:</p> <p>a) protected, rare, sensitive or representative forest ecosystems such as riparian areas and wetland biotopes;</p> <p>b) areas containing endemic species and habitats of threatened species, as defined in recognised reference lists;</p> <p>c) endangered or protected genetic in situ resources; and taking into account</p> <p>d) globally, regionally and nationally significant large landscape areas with natural distribution and abundance of naturally occurring species.</p>
<p>4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses</p>	
<p>4.1. The Company shall demonstrate that all types of natural and semi-natural forests and other wooded ecosystems such as woodlands and savannahs in the FMUs are not being converted to plantations or non-forest uses in accordance with the requirements outlined in Section 4.2 below, except as permitted by Section 4.3 below.</p>	<p>5.1.11 Conversion of forests to other types of land use, including conversion of primary forests to forest plantations, shall not occur unless in justified circumstances where the conversion:</p> <p>a) is in compliance with national and regional policy and legislation relevant for land use and forest management and is a result of national or regional land-use planning governed by a governmental or other official authority including consultation with materially and directly interested persons and organisations; and</p> <p>b) entails a small proportion of forest type; and</p> <p>c) does not have negative impacts on threatened (including vulnerable, rare or endangered) forest ecosystems, culturally and socially significant areas, important habitats of threatened species or other protected areas; and</p> <p>d) makes a contribution to long-term conservation, economic, and social benefits.</p> <p><i>What a 'small proportion' is has not been specified which may lead to significant conversion in some cases under the label of "small proportion"; however in the full context of this indicator, it is expected that the requirements meet the intention of the FSC requirements.</i></p>
<p>4.2. The Company shall keep records of evidence to demonstrate compliance with Section 4.1 above for a minimum period of 5 years.</p>	<p>4.1 d) require record-keeping that provides evidence of compliance with the requirements of the forest management standards.</p>
<p>4.3. Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion:</p> <p>a. entails a very limited portion of the forest management unit;</p> <p>b. does not occur on high conservation value forest areas; and</p> <p>c. will enable clear, substantial, additional, secure long term environmental and social benefits across the forest management unit.</p>	<p>5.1.11 Conversion of forests to other types of land use, including conversion of primary forests to forest plantations, shall not occur unless in justified circumstances where the conversion:</p> <p>a) is in compliance with national and regional policy and legislation relevant for land use and forest management and is a result of national or regional land-use planning governed by a governmental or other official authority including consultation with materially and directly interested persons and organisations; and</p> <p>b) entails a small proportion of forest type; and</p> <p>c) does not have negative impacts on threatened (including vulnerable, rare or endangered) forest ecosystems, culturally and socially significant areas, important habitats of threatened species or other protected areas; and</p>

	<p>d) makes a contribution to long-term conservation, economic, and social benefits.</p> <p><i>What a 'small proportion' is has not been specified which may lead to significant conversion in some cases under the label of "small proportion"; however in the full context of this indicator, it is expected that the requirements meet the intention of the FSC requirements.</i></p>
<p>5. Wood from forest management units in which genetically modified trees are planted</p>	
<p>5.1. The Company shall ensure that no genetically modified trees are present in the FMUs from which it sources FSC Controlled Wood.</p>	<p>5.4.7 Genetically-modified trees shall not be used. Note: The restriction on the usage of genetically-modified trees has been adopted based on the Precautionary Principle. Until enough scientific data on genetically-modified trees indicates that impacts on human and animal health and the environment are equivalent to, or more positive than, those presented by trees genetically improved by traditional methods, no genetically-modified trees will be used.</p>
<p>5.2. The Company shall keep records of evidence to demonstrate compliance with Section 5.1 above for a minimum period of 5 years.</p>	<p>4.1 d) require record-keeping that provides evidence of compliance with the requirements of the forest management standards.</p>

About NEPCon

NEPCon is an international, non-profit organisation that works to ensure responsible use of natural resources and secure sustainable livelihoods worldwide. We aim to transform land-use, business practice and consumer behaviour through the delivery of credible certification services as well as our involvement in innovation projects.

By engaging with companies, organisations and governments, we empower people to be part of the solution in tackling some of the greatest environmental threats facing mankind - including climate change and biodiversity loss. All of our services enable our customers to communicate their commitments to their clients and the public.

FSC™, SmartLogging, carbon forest verification and timber legality verification services are provided in collaboration with the Rainforest Alliance. NEPCon is accredited for PEFC Chain of Custody certification (DANAK reg.no.7029).

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