

8 March 2022

## OVERVIEW OF THE NORMATIVE CHANGES INTRODUCED BY FSC FOLLOWING THE FSC STATEMENT ON MATERIAL FROM RUSSIA AND BELARUS

Following FSC's public statement released in the response to the Russian aggression on Ukraine, PSU has released a series of normative instruments to both implement measures related to FSC certificates and to disable the sourcing of controlled material from Russia and Belarus.

These measures complement and partly overlap with the measures anticipated earlier for Belarus following ASI's discontinuation of assurance services in that country as communicated on 4 March 2022.

### It starts with Controlled Wood

Controlled wood (CW) requirements explicitly require an assessment of whether a country's forest sector is associated with armed violent conflict:

*"2.1. The forest sector is not associated with violent armed conflict, including that which threatens national or regional security and/or is linked to military control."* (Indicator 2.1 in CW category 2 of FSC-PRO-60-002a)

A first and obvious step for FSC was to review the corresponding FSC risk assessments for Russia and Belarus. As a result, we concluded that a strong association between the forest sector and government exists in Russia and Belarus. Combined with their government's military action, 'specified risk' had to be concluded.

FSC further concluded that this risk cannot be mitigated by any other control measure than by avoiding to source material as controlled from these areas altogether. This conclusion and a credible implementation thereof required to stipulate much shorter timelines for changes to the FSC risk assessments to become effective for the sourcing companies as well as to provide a mandate for FSC International for making changes to such risk assessments and control measures directly.

As a result, the following changes have now been made to the CW framework:

1. **FSC-ADV-60-002-01** (NEW): allowing FSC International to amend FSC risk assessments, both National Risk Assessments (NRAs) and Centralized National Risk Assessments (CNRAs), and to introduce mandatory control measures in CNRAs.
2. **PSU-PRO-10-002 V2-0** (REVISED): a revised procedure for the development of CNRAs to reflect the possibility for the CNRA to provide mandatory control measures.
3. On the above basis, we have released:
  - a. **FSC-NRA-RU V3-0**: a revised NRA for Russia,
  - b. **FSC-CNRA-BY V2-0**: a revised CNRA for Belarus.

NOTE: In the CNRA, we have additionally revised the risk designation for indicator 2.2 due to the risk of ILO violations, as there are evidenced instances of such violations which, in combination with the inability to safely assess such instances, has resulted in ASI excluding Belarus from its assurance services.

4. **FSC-ADV-40-005-25** (NEW): to make sure that FSC risk assessments revised as per the above are used in a reasonably short timeframe to address the urgency aspect of the respective risks (30 days instead of 6 months). In addition, we clarified that the provisions for mandatory control measures also include CNRAs.

5. To ensure consistency between certification and accreditation requirements, we then issued an interpretation to **FSC-STD-20-011**, to clarify that when the NRA is mentioned in relation to control measures, it also includes CNRAs.

**The above changes mean that within 30 days organizations shall cease to source controlled material from Russia and Belarus.**

We believe that this timeframe is short enough to address the urgency of the situation and reduce the risk of forests being over-exploited to secure enough controlled material at the supplier's premises, while giving enough time for companies to adapt their due diligence systems.

### **Extraordinary risks relevant for CW affect forest management (FM/CoC) and chain of custody (CoC) certification**

Finally, we have introduced one generic advice note to address system-wide risks.

6. **FSC-ADV-20-001-12** (NEW): (see description below)

Considering the severity of risks identified through the existing CW requirements, we further analyzed whether these risks should be extrapolated to FM/CoC and CoC certification. We concluded that in the case of forest sector wide risk identified for CW Indicator 2.1 the FM/CoC or CoC certification of individual organizations cannot be considered a safeguard against such risk. Such risks are affecting our system integrity as a whole and seriously threaten our reputation, and hence require extraordinary integrity measures, such as the ability to suspend the certificates.

While such risks would normally be reflected in CW risk assessments (as the specified risk to violent armed conflict being the root cause of current measures), they could also arise from e.g., the lack of ability to provide assurance by ASI (like in the case of Belarus), or other extraordinary circumstances.

The above conclusions led us to introduce new general rules with the release of FSC-ADV-20-001-12, which requires CBs to suspend or withdraw certificates in the event of emerging extraordinary risks beyond the control of the individual organization – identified either through CW risk assessments or otherwise. The advice note further regulates which types of certificates are subject to the highest risks and therefore shall be suspended or withdrawn.

**In the case of Russia and Belarus, the above means that within 30 days all certificates, except for FM (with no trading of certified products), will have to be suspended for the time being.**

NOTE: However, because of ASI terminating their services in Belarus, the consequence of that termination is the corresponding reduction of CB geographic scopes, and ultimately the termination of FSC certificates in Belarus, regardless of the provisions for "suspension-withdrawal" above. This way, the above provisions for Belarus are overruled by consequences of the ASI termination of assurance services.

### **Additional measures**

FSC is considering waving the AAF for suspended certificates in Russia to acknowledge that the certificate holders are not responsible for the governmental actions. Upon confirmation of this measure, further normative instruments will be considered (e.g., an advice note to FSC's AAF policy).

FSC will further work on an FAQ document to comprehensively answer upcoming questions about the implementation of the changes described in this overview.

Finally, additional measures are being developed to address the situation in Ukraine, which will be released in the coming weeks. Please address any question on the implementation of the above changes to [psu@fsc.org](mailto:psu@fsc.org).