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Sent: 15 June 2021 18:53
To: Tom Elliott [REDACTED]
Cc: Karen Bennett Van der Westhuizen [REDACTED] Jeremy Harrison [REDACTED]
Nikolay Shmatkov [REDACTED]
Subject: RE: Information in our upcoming report pertaining to your organisation

Dear Mr Lawson,

Thank you for your letter dated 7 June 2021 and for giving us the opportunity to comment on the information relating to FSC. We appreciate that you are willing to include our comments in the upcoming report of the study.

Attached is an overview of the work Forest Stewardship Council (FSC) has done to address system integrity risks around sanitary fellings in Russia over the past year.

Best regards

Kim

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How FSC addresses weak forest law enforcement in Russia

FSC is aware of the risks associated with partial certification in forests within countries where local law enforcement is weak. We acknowledge that this potentially poses a risk to FSC System Integrity and we are looking at ways of mitigating these risks in different ways. The risk of weak law enforcement around forest leases (concession licenses) is captured in the FSC Russia National Country Risk Assessment. In addition, FSC is operationalizing a risk-based intervention procedure which will enable FSC and its assurance partners to address assurance risks by country and supply chain and adjust our mitigation protocols accordingly.

The annual audits of FSC-certified forest management units are performed by third party certification bodies (CBs) accredited by Assurance Services International (ASI). CBs rely on national forest management experts who in turn use the nationally available information, documentation and tools to complete their audits. Principle 1 of the FSC framework focuses more specifically on legality of forest management operations and complements national law enforcement.

Though FSC is not directly accountable for non-compliance of third parties, it has strict rules in place governing the relationship between certification bodies and certified businesses. These rules are set in the FSC standard FSC-STD-20-001 V4-0 General Requirements for FSC Accredited Certification Bodies.

Additionally, new technologies are being applied to improve the overall assurance and integrity of the FSC system to give the market greater confidence in FSC products/ material. To give some examples, randomized checks are performed through [Wood ID](#) to detect the timber species and origin and [Transaction Verification](#) is carried out to investigate false FSC claims between businesses in high-risk supply chains. The latter is evolving into a more systematic approach through [Blockchain](#), currently being piloted in Ukraine and China, allowing the tracing of all transactions in real time through a database open to all relevant parties for each specific FSC supply chain. FSC has also expanded its capabilities to detect and respond to risks through more integrated digital solutions, such as [FSC GIS and Earth Observation Portal](#) and [Digital Audit Reporting](#).

In some cases where certification bodies (CBs) overlook or miss non-compliance, FSC can bring the evidence to their attention. This has recently happened in the case of Ukraine where **nine certificates were suspended due to sanitary logging** taking place during the silence period. You can see more information [about this here](#).



FSC's priority is to prevent risks of systematic illegal salvage logging in FSC-certified forests and is urgently developing and testing measures to combat this practice:

- FSC is leading studies to understand the scale of the problem and the loopholes and find ways of addressing them whenever possible through the revision of its standards and assurance processes to further improve its system integrity.
- FSC is working with certification bodies to strengthen the control over the sanitary logging processes, for example by organizing workshops to identify high-risk cases such as felling in protected areas, to increase the efficiency of the field checks as well as transparency by publishing materials on sanitary logging.
- FSC is cooperating with the Federal Forestry Agency to make the information about sanitary wood more transparent so this problem can also be tackled by them.

The Russian FSC Board and Standard Development Group (SDG) also developed additional measures to further ensure the legality of timber from salvage felling in Russia. According to the measures proposed, certification bodies and certificate holders (when procuring controlled wood) would have to verify in field or check on satellite images that allocation of salvage felling was properly authorized. All controversial cases would have to be thoroughly checked or excluded from harvesting to avoid such timber in an FSC supply chain. Certification bodies would also have to assure that certificate holders' measures to verify the legality of salvage logging are effective. The Russian SDG is considering making it obligatory for certificate holders to publish information about sanitary logging such as the sites and volumes of timber.

Connection to retailers

FSC is a robust certification scheme with standards ensuring that the forest is conserved in the long-term setting the bar much higher than the national law. The annual audits of FSC-certified forest management units are performed by third party certification bodies in the country accredited by Assurance Services International (ASI) who rely on national experts who in turn use the nationally available information and documentation.

Retailers sourcing wood from FSC-certified forests and supply chains lower the level of risk of illegal timber entering their supply chain because the extra level of scrutiny and assurance involved in adhering to the FSC standards. Increased transparency for retailers on FSC supply chains will, in the near future, be further bolstered through the introduction of Blockchain, as mentioned above.



Russia is a high-risk country in terms of corruption risks, so retailers must perform additional due diligence, similarly to other companies importing wood or wood products from Russia to the EU, to comply with the EUTR or other international regulations which aim at reducing the risk of illegal timber entering the EU/UK/US market.

FSC and timber regulation

FSC certification is the most robust and effective risk mitigation tool that complements and supports due diligence obligations requested by EUTR.

Using the FSC system effectively can help operators to undertake due diligence because often FSC supply chains have better transparency of source as well as mitigate risks of illegal timber because of the [additional scrutiny involved in FSC supply chains](#).

As an organization, FSC does not “lobby” for a ‘green lane’, contrary to some allegations. This is also reflected in [FSC’s official communication](#). FSC is aware that some FSC members and certificate holders, especially from industry do continue to lobby for FSC certification to be given a ‘green lane’. We would like to categorically re-state that these stakeholders by no means represent FSC when doing this.