

Annex E Development guidance and examples of control measures (informative)

- 1 Control measures should be developed based on how the organization identifies the risk within its operations, and the accepted level of risk (according to the requirements) in the particular conditions in which the organization operates.
- 2 Different control measures can be established for different ownership structures, different groups of suppliers, different certificate holder types (e.g. primary vs. secondary manufacturers, pulp vs. round wood), etc²⁰.
- 3 The control measures implemented depend on the type of potential risk. Mitigation of some risks will require verification by a field visit to the harvesting sites, document control, or both.
- 4 Control measures may be accompanied by means of verification demonstrating their adequacy and/or effectiveness (e.g. records, documents, maps, site visits, interviews, etc.).
- 5 It is recommended that control measures comply with the SMART concept (specific, measurable, achievable, relevant and tangible):
 - Specific: Control measures should describe an action or actions required for risk mitigation;
 - Measurable: Control measures should specify outcomes or levels (i.e. thresholds) of performance that are measurable during an evaluation. The level of performance required should be clear (compare Clause 4.2 in this standard);
 - Achievable: Control measures should not contain elements that are not possible to implement in the organization's system;
 - Relevant: Control measures should only include elements that contribute to the mitigation;
 - Tangible: Control measures should be written in clear and consistent language that is free from subjective elements. The use of phrases such as 'substantial', 'appropriate to', 'minimize', 'wherever possible', 'thorough' or 'best available' should be avoided.
- 6 The outcome of a control measure should indicate how the control measure mitigates risk or allows confirmation that risk has been mitigated. In some cases the desired outcome will be implied by the control measure itself (see Table B). In other cases, it may be separately stated. For a specific example, see Box 4.
- 7 General examples of actions that may be taken as control measures are provided below. For specific examples of control measures for individual risk assessment indicators, see Table B.
 - a) Stakeholder consultation;
 - b) Expert engagement;
 - c) Document verification;
 - d) Supply chain audits;
 - e) Field verification at the supply unit level or supplier's site;

²⁰ See functional scale of risk assessment in *FSC-PRO-60-002a FSC National Risk Assessment Framework*.

- f) Third party verification, including specification of the parties required, and acceptable/exemplary methods of verification;
- g) Tests to confirm species and/or origin, such as DNA tests, isotope tests and fibre tests (e.g. to confirm the origin of species covered by CITES);
- h) Legally binding agreements related to risk mitigation (e.g. conformance commitments with procedures, right to audit at any time, obligations to provide information within a certain time frame) with suppliers and sub-suppliers;
- i) Risk mitigation training and capacity building of suppliers and sub-suppliers;
- j) Exclusion of suppliers.

Box 4: The establishment of control measures (example)

Indicator assessed as specified risk <i>(in the risk assessment)</i>	2.2 Labour rights are upheld including rights as specified in ILO Fundamental Principles and Rights at Work (<i>FSC-PRO-60-002a FSC National Risk Assessment Framework</i>).
Risk specification <i>(in the risk assessment)</i>	Discrimination of women in employment practices due to a documented salary gap between women and men in equal positions of employment.
Adequate action required	Stakeholder consultation
Control measure with the desired outcome	Stakeholder consultation confirms no financial discrimination of women by suppliers (NOTE: in case it is impossible to confirm that no discrimination exists, another control measure or control measures shall be established and implemented).

Table B. Examples of control measures for 'specified risk' for specific risk indicators (RAI – Risk Assessment Indicator as per *FSC-PRO-60-002a FSC National Risk Assessment Framework*).

RAI	Examples of control measures
1.1	<p>Land registry shall confirm ownership and validity of property deed.</p> <p>Tax authorities shall confirm valid tax registration.</p> <p>The business register provides evidence of valid business licenses to operate within the jurisdiction.</p> <p>In areas with land ownership conflicts, consultation with neighbours, local communities and others provides evidence that land tenure rights are well established.</p> <p>Stakeholder consultation provides evidence that the registration of the forest management enterprise has been granted following legally prescribed processes.</p> <p>Stakeholder consultation provides evidence that the legal status of the operation, or rights for conducting the established activities, are not subject to court orders or other legally established decisions to cease operations.</p> <p>The management contract or other agreements with the owner shall indicate clear management rights.</p> <p>Valid business registration documents shall exist.</p> <p>The issuance of legal rights and registration shall be subject to public disclosure prior to commencement of any activities within supply units.</p>

1.2	<p>Proper legal procedures for obtaining concession licenses shall be followed. Valid concession license agreements shall exist. The process for obtaining concession licenses shall follow an open and transparent process based on clear criteria and shall be confined to eligible organizations. Stakeholder consultation provides evidence that legal procedures for obtaining concession licenses have been followed. Inspections of harvesting sites shall confirm that harvesting takes place within property limits (including felling, transport and log landings).</p>
1.3	<p>Approved forest management plans shall exist for the supply unit where the harvesting is taking place. Forest management plans shall contain all legally required information and procedures. Annual operating or harvesting plans shall be in place and be approved by legally competent authorities. Annual operating or harvesting plans shall contain information and procedures, according to all legal requirements. The contents of the operating and harvesting plans shall be consistent with approved forest management plans. Plans for carrying out harvesting operations shall be subject to public disclosure and objections prior to commencement if legally required. Harvesting restrictions shall be identified in management plans and maps if legally required. Harvesting inventories shall be conducted according to legal requirements. Field verifications shall indicate that harvesting plans are implemented in the field. Stakeholder consultation provides evidence that the forest management plan has been approved according to legally prescribed processes. The contents of the management plan shall be technically sound and consistent in meeting legal requirements.</p>
1.4	<p>Harvesting permits (licenses or similar legal documents governing the harvesting of forest resources) shall exist. Harvesting limits shall be clearly defined based on maps and quantities. Authorities shall confirm the validity of the harvesting permit. Stakeholder consultation provides evidence that the harvesting permit has been issued according to the relevant laws and regulations by the legally designated competent authority. Field inspection shall confirm that harvesting takes place within limits specified in the harvesting permit. Field inspection shall confirm that information regarding area, species, volumes and other information in the harvesting permit are correct and within the limits prescribed in the legislation. Field inspection shall confirm that all harvesting restrictions in the harvesting permit, such as buffer zones, protected trees, placement of logging trails, etc., are observed.</p>
1.5	<p>Receipts shall exist for payments (harvesting related royalties, relevant taxes, harvesting fees and other charges). Volumes, species, and qualities given in sales and transport documents shall match the paid fees. Classifications of species, volumes, and qualities shall match the royalties and fees paid. Authorities shall confirm that the operation has paid all applicable fees.</p>
1.6	<p>Sales documents shall include applicable sales taxes. Receipts for payments of sales taxes shall exist. Volumes, species, and qualities in sales and transport documents shall match the fees paid. Sales prices shall be in line with market prices. Harvested species, volume, and qualities shall match the sales documents. Authorities shall confirm that the operation is up-to-date regarding the payment of applicable sales taxes.</p>
1.7	<p>Volumes, species, and qualities in sales and transport documents shall match the paid fees. Classifications of species, volumes, and qualities shall match the royalties and fees paid. Authorities shall confirm that the operation is up-to-date regarding payments. Harvesting shall be conducted within the authorized boundaries of the supply unit. Harvesting shall not take place in areas where harvesting is legally prohibited. Tree species or selected trees found within the supply unit for which felling is prohibited shall be listed in operational plans. Harvesting restrictions shall be observed in the field. Tree species or selected trees found within the supply unit for which felling is prohibited shall be marked in the field. All legally protected areas (including species habitats) shall be included in the management plan or related documentation if required by the legislation. Legally established procedures for surveying, managing, and protecting endangered or threatened species within the supply unit shall be followed.</p>

	Nature protection regulations such as those related to protected areas, set-aside areas, protected species, and hunting shall be enforced.
1.8	Harvesting shall be conducted within the authorized boundaries of the supply unit. Harvesting shall not take place in areas where harvesting is legally prohibited. Tree species or selected trees found within the supply unit for which felling is prohibited shall be listed in operational plans. Harvesting restrictions shall be observed in the field. Tree species or selected trees found within the supply unit for which felling is prohibited shall be marked in the field.
1.9	All legally protected areas (including species habitats) shall be included in the management plan or related documentation if required by the legislation. Legally established procedures for surveying, managing, and protecting endangered or threatened species within the supply unit shall be followed. Nature protection regulations such as those related to protected areas, set-aside areas, protected species, and hunting shall be enforced.
1.10	Environmental and/or Social Impact Assessments shall be in place and approved by the legally competent authority if legally required. Requirements for environmental monitoring shall be met. Environmental restrictions, such as requirements related to soil damage, buffer zones, retention trees, seasonal restrictions, etc., shall be followed in the field.
1.11	Occupational health and safety requirements shall be observed by all persons involved in harvesting activities. Interviews with staff and contractors shall confirm that legally required protection equipment is required/provided by the organization.
1.12	Persons involved in harvesting activities shall be employed under a formal contract, if legally required. Persons involved in harvesting activities shall be covered by obligatory insurance. Persons involved in harvesting activities shall hold the required certificates of competence for their job function. Legally established minimum salaries shall be the minimum paid to persons involved in harvesting activities. Salaries shall be paid officially and shall be declared by the employer according to requirements for persons involved in harvesting activities. Minimum age requirements shall be observed for all persons involved in harvesting activities. Minimum age requirements shall be observed for all persons involved in hazardous work. Stakeholders provide evidence that forced or compulsory labour is not involved in harvesting activities.
1.13	Stakeholder consultation provides evidence that customary rights are upheld during harvesting activities. Experts are engaged to determine specific legal obligations regarding traditional and human rights, and to ensure that the legislation consulted is current (considers most recent amendments) and considers judicial decisions relevant to the interpretation of legal obligations.
1.14	Stakeholder consultation provides evidence that legal requirements related to FPIC were upheld regarding forest management rights. Experts are engaged to determine specific legal obligations regarding traditional and human rights, and to ensure that the legislation consulted is current (considers most recent amendments) and considers judicial decisions relevant to interpreting legal obligations.
1.15	Stakeholder consultation provides evidence that the legally established rights of Indigenous Peoples or traditional peoples are not being violated. Experts are engaged to determine specific legal obligations regarding traditional and human rights, and to ensure that the legislation consulted is current (considers most recent amendments) and considers judicial decisions relevant to interpreting legal obligations.
1.16	Products shall be correctly classified (species, quantities, qualities, etc.) on sales documents, custom declarations and other legally required documents.
1.17	Species and product types shall be traded legally. Required trade permits shall exist and be documented. All required transport documents shall exist and be stored. Volume, species and qualities shall be classified according to legal requirements. Documents related to transportation, trade or export shall be clearly linked to the specific material in question. Trade documents shall allow material to be traced back to its origin. FLEGT licenses shall be used for legality verification.
1.18	If illegal in the country of the supplier or sub-supplier, the products shall not have been traded through countries known to be 'tax havens'. There shall be no illegal manipulation in relation to transfer pricing.

1.19	Sourcing controlled wood shall take place in compliance with the legality framework identified for the area. Products shall be correctly classified (type, custom code, species, quantities, qualities, etc.). All required import and export permits shall be in place.
1.20	All cross border trade of CITES-listed species shall be documented and accompanied by required export, import, and re-export certificates issued by the competent authorities (CITES Management Authorities).
2.1	The organization is not involved in the trade of conflict timber. Documentation of origin shall confirm that forest products do not originate from areas of conflict timber.
2.2	Field verification according to the requirements for controlled wood category 2 in the standard <i>FSC-STD-30-010</i> . Interviews with management and workers to assess awareness of labour laws and adherence to regulations.
2.3	Stakeholder consultation provides evidence that harvesting takes place with respect to social rights. This includes forest dependent communities and civil society, as well as national and international NGOs that monitor the status of social rights in the area under consideration. [Examples of stakeholder consultation: active consultation methods, e. g., as used in Santa Catarina Natural Resource Management and Rural Poverty Reduction Project (Brazil) ²¹ : This project used innovative consultation methods based on expert facilitators familiar with the communities being consulted.] Field verification according to the requirements for controlled wood category 2 in the standard <i>FSC-STD-30-010</i> . Written agreement (including Community Protocol ²²) and/or other means of demonstration shall confirm FPIC is given. Community Protocols are implemented (confirming, e.g. FPIC being given). [Examples of Community Protocols implementation: natural Justice (Lawyers for Communities and the Environment) has pioneered this concept, and has helped communities to develop protocols to ensure benefit sharing relating to plant genetic resources for food and agriculture (Peru); protect indigenous territory (Panama); and protect sacred natural sites (Africa). This concept has been included within the Nagoya Protocol on Access and Benefit Sharing, under the Convention on Biological Diversity.] Social Responsibility Agreements (SRAs) that outline the organization's (certified organizations, forest managers) agreed obligations towards Indigenous Peoples, traditional peoples, and/or local communities with traditional rights are signed. [Examples of usage: IIED has produced a report documenting the use of SRAs in Ghana, highlighting lessons learned ²³ .] Document verification confirms implementation of social rights including the social rights of women and children. Document verification confirms that the rights of Indigenous Peoples, traditional peoples, and/or local communities are respected and upheld. Verification of documents establishing legal ownership and tenure rights (e.g. property deed, management contracts, or other agreements). Interviews with representatives of IP/TP/local communities to assess awareness of their rights and whether they were respected.
3.0	No control measures (indicator serves for risk assessment purpose only).
3.1-3.6	Consultation with experts (who meet requirements provided in Annex C of this standard) confirms that material is sourced from areas where HCVs are not threatened by management activities or consultation with experts results in the implementation of management actions that mitigate the risk of threats to HCVs.
3.1	Harvesting does not take place where species concentrations are likely to occur. Tree species protected under HCV category 1 are not harvested. Consultation with experts (who meet the requirements provided in Annex C of this standard) confirms a lack of species concentration within the sourcing area.

²¹ World Bank. 2002. Brazil - Natural Resource Management and Rural Poverty Reduction Project - Santa Catarina. Washington, DC: World Bank.
<http://documents.worldbank.org/curated/en/2002/03/1752396/brazil-natural-resource-management-rural-poverty-reduction-project-santa-catarina>.

²²Community Protocols are documents produced by communities that set out how the communities expect other stakeholders to engage with them, based on an assertion of their customary rights. For more information, see <http://naturaljustice.org>.

²³Ayine, D, 2008. Developing Legal Tools for Citizen Empowerment: Social Responsibility Agreements in Ghana's Forestry Sector. IIED. <http://pubs.iied.org/pdfs/12549IIED.pdf>

	<p>Forest management plans exist and include professional inventory of threatened species as well as relevant management measures which ensure that the risk of management activities threatening species survival is lowered (e.g. set aside areas have been identified). HCVs are recognized and protected during management activities. Field sampling of logging areas. Timber tracking systems.</p>
3.2	<p>Existing legal protection of HCVs is effective in the sourcing area. Inspection of management plans. Forest management activities do not cause fragmentation of large landscape forests.</p>
3.3	<p>Consultation with experts (who meet requirements provided in Annex C of this standard) confirms the protection of endangered ecosystems within the sourcing area. Consultation with experts relevant for the sourcing area confirms that forest management practices implemented in the sourcing area do not threaten HCVs. Forest management plans exist and include a professional review of endangered ecosystems along with relevant management measures to ensure that forest management activities do not threaten species survival (e.g. set aside areas have been identified, adaptive management such as selective harvesting has been planned). Sourcing from forest areas where forest managers supplying controlled wood are capable of identifying unmapped occurrences of these values and protecting these values from threats. Pre-harvest HCV inventory of the supply unit(s) and neighbouring sites is implemented and confirms that planned management activities do not pose a threat to the HCVs. HCVs are recognized and protected during management activities. Field sampling of logging areas. Timber tracking systems. Verification of location records (GPS techniques, geo-reference of harvesting sites).</p>
3.4	<p>In some cases, where local communities depend on water from forest areas and there is no regulatory capacity to protect access to potable water, consultation with stakeholders and FPIC may be required by NRAs. Techniques to prevent damage to, or impoverishment of, resources are used. Establishment of buffer zones, equipment exclusions, improved road building including stream crossing, harvesting takes place only when soil is frozen. Selective felling systems are used.</p>
3.4-3.6	<p>Stakeholder consultation provides evidence that FPIC is given by Indigenous Peoples, traditional peoples, and/or local communities with traditional rights in forestry operations in the sourcing area.</p>
4.1	<p>Binding written agreements with suppliers shall mitigate the risk that material supplied originates from forest areas converted into plantation or non-forest use, or shall assure that material originates from acceptable sources of conversion (e.g. conversion that results in conservation benefits, SLIMF sources with maximum size, publicly approved changes in zoning in urban areas, etc.). Verification of permits for harvest from an appropriate authority that indicates conversion does not take place, or only acceptable conversion takes place. Verification of enforcement of the agreement and procedures related to conversion. The organization's sourcing policy commits to no conversion from natural forests to plantations or non-forest use exists and is communicated to suppliers. Document verification. Training of suppliers. Interviews with forest managers. Field visits to harvesting sites. Stakeholder consultation provides evidence that suppliers are not engaged in forest conversion. Species sourced do not occur in forests threatened by conversion in the sourcing area.</p>
5.1	<p>Species identified as potential GM tree 'species' are excluded from sourcing in the supply chains. Supply units that contain GM trees are excluded from sourcing. Testing for wood from GM trees at the point of reception is implemented. Field verification confirms that no GM trees are sourced. Verification of documents of seedling origin. Verification of documents' veracity and quality.</p>