



REGULATORY MODULE

FSC-STD-01-004 Public consultation: 01 February – 01 March 2024



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Introduction

The purpose of this document is to provide an overview of public consultation materials. Please provide your feedback through the FSC online public consultation platform.

Welcome to the public consultation on the FSC Regulatory Module

What is the FSC Regulatory Module?

The EUDR (REGULATION EU 2023/1115 known as the European Union Deforestation Regulation) is a pivotal EU initiative to limit deforestation and degradation caused by forestry and agricultural activities all over the world. Recognizing the significance of aligning forest management practices with this regulatory landscape, FSC has developed the FSC Regulatory Module—a comprehensive and adaptive extension to existing certification standards.

The FSC Regulatory Module is a voluntary standard to be used in addition to current FSC certification requirements for forest management, chain of custody and controlled wood. It also covers the accreditation requirements for certification bodies to verify certificate holders' conformance against the certification requirements of the FSC Regulatory Module. Certificate holders who decide to get certified against this additional module will have a tool and additional independent assurance to support their efforts in demonstrating compliance with EUDR requirements. The module covers EUDR requirements relevant for each certificate type.

Who is the consultation for?

This consultation is open for all interested stakeholders. The requirements of the FSC Regulatory Module D1-0 are targeted for companies that either operate in or provide products for EU markets, and for the certification bodies auditing the implementation of these requirements. Please also see the next section for full picture of changes proposed that are also linked to the FSC Regulatory Module.

Other FSC consultations related to EUDR and the FSC Regulatory Module?

FSC has three related consultations open simultaneously between 1 Feb and 1 March 2024.

- 1) A consultation on FSC Regulatory Module.
- 2) A consultation on four Advice Notes on changes that are proposed for all certificate holders.
- 3) A consultation on Risk Assessments related to users of controlled wood and/or FSC Regulatory Module.

Stakeholders interested in the full scope of FSC alignment with the EUDR, including both system wide changes and the voluntary module, are invited to respond to all three consultations.

Stakeholders interested in changes proposed to general certification requirements, are invited to respond to consultations 2 and 3.

How to participate in the consultation?

It is not required to respond to all the questions in this consultation. You can focus on the questions of the sections that are most relevant to your knowledge, experience or interest.

Opening date: 01 February 2024

Closing date: 01 March 2024

Consultation materials:

FSC-STD-01-004 V1-0 D1-0 FSC Regulatory Module

FSC Regulatory Module Consultation Material

EUDR Aligned: FAQ on FSC Requirements

FSC Regulatory Module Information Booklet

Participant information

Please help us understand more about your background and interests by answering the following questions.

General

Please select the option(s) that you identify with to help us understand more about your background and interests:

- Certificate holder
- Environmental NGO
- Social NGO
- Certification Body
- Competent Authority
- Industry representative
- Government
- Consultant
- Promotional license holder
- Assurance Services International (ASI)
- FSC Network
- FSC International staff member
- Other

If you selected 'Other', please specify: _____

Are you an FSC member?

- Yes
- No

If yes, please specify your membership chamber and sub-chamber.

- Social North
- Social South
- Environmental North
- Environmental South
- Economic North
- Economic South

If you are an FSC Certificate Holder, please select the type(s) of your certification:

- FM,
- FM/CoC
- CW/FM
- CoC
- Project certification

Do you give your consent for being contacted by FSC via email?

- Yes
- No

Do you give your consent to share your contact details with other FSC stakeholders to connect you for working together on this subject matter?

- Yes
- No

Do you wish to be informed about the next steps of the development of the FSC Regulatory Module?

- Yes
- No

If you responded yes to any of the above, please provide your email address:

- Open field

EUDR connection

How familiar are you with the EU Deforestation Regulation (EUDR)?

5 (very familiar) to 1 (not at all):

- 5
- 4
- 3
- 2
- 1

How relevant is the EU Deforestation Regulation (EUDR) for you or your organization?

5 (very relevant) to 1 (not at all relevant):

- 5
- 4
- 3
- 2
- 1

For CoC certificate holders: Which control systems are you currently using:

(Choose all that apply)

- Transfer
- Percentage
- Credit

Consultation Topics

General – Scope, Terms and Definitions

The scope explains the voluntary add-on nature of the standard, and specifies which sections are relevant to which type of certification.

The Terms and Definition section presents a comparison of key terms and definitions used in Regulation (EU) 2023/1115 and their counterparts in the FSC system.

The FSC definitions refer to existing definitions and where required, includes proposals for new definitions and interpretations. References to proposed Advice Notes are also provided (see consultation of the Advice Notes open in the consultation platform).

Questions for feedback:

How would you rate the clarity of the scope?

5 (very clear) - 1 (very unclear)

How would you rate the clarity of the comparison of the EUDR and FSC terminology?

5 (very clear) - 1 (very unclear)

Which specific aspects do you believe would benefit from additional clarification?

Choose all that apply:

- *General presentation of the comparison*
- *Explanations of FSC counterparts*
- *References to interpretations and advice notes*
- *Specific definitions (please provide the details below)*
- *Specific interpretations (please provide the details below)*
- *Other (please provide details below)*
- *No additional clarifications needed*

Please provide more detail to your response

Forest Management

Section 1 of the FSC Regulatory Module outlines specific requirements that forest management certificate holders opting for this module must follow in addition to the requirements of the applicable Forest Stewardship Standard.

The main elements covered by these requirements are the establishment of a due diligence system that includes information collection, risk assessments and risk mitigation measures, and the issuance of due diligence statements.

Risk assessments by forest managers

The EUDR requires due diligence to demonstrate that forest products are deforestation-free and have been produced in accordance to the relevant legislation of the country of production. FSC will offer a

simplified template for the forest managers to conduct their risk assessment. FSC requires that forest managers use the FSC Risk Assessment where available to that geographical area.

Please see also the consultation of the FSC Risk Assessments open in the consultation platform for providing feedback to the content of the assessments.

FSC certification as a risk mitigation measure

The risk assessment required by the EUDR can result in either no risk, negligible risk or non-negligible risk. In instances where a risk assessment results in a non-negligible risk, the forest manager is required to implement risk mitigation measures to lower the risk level into negligible risk before selling the products.

The FSC Regulatory Module considers FSC forest management certification to be an effective risk mitigation measure to achieve no or only a negligible risk level. Therefore, in practice, an FSC forest management certificate holder would not need to design nor implement any additional mitigation beyond what their forest management certification requires.

Controlled forest management

Organizations applying the recently published standard for controlled forest management certification <FSC-STD-30-010 V3-0 Controlled Forest Management> will be required to conform with the selected requirements of an applicable Forest Stewardship Standard. This will enable the organizations applying the version 3-0 of the standard to provide material conformant with the FSC Regulatory Module. The FSC Regulatory Module cannot be used by organizations that continue to apply the previous version of the controlled wood forest management standard (V2-0).

Forest Management Groups

Section 3 of the FSC Regulatory Module outlines additional requirements for Group Entities applying or maintaining FSC Forest Management (FM), Forest Management / Chain of Custody (FM/CoC) or Controlled Forest Management (CFM) group certification. These requirements are in addition to the requirements of the applicable Forest Stewardship Standard or the <FSC-STD-30-010 V3-0 Controlled Forest Management>, and the <FSC-STD-30-005 V2-0 Forest Management Groups>.

Questions for feedback:

1. How would you rate the clarity of the proposed additional requirements in forest management section?

5 (very clear) - 1 (very unclear)

2. Which specific aspects do you believe would benefit from additional clarification?

Select all that apply

- *due diligence*
- *information collection*
- *risk assessment*
- *risk mitigation measures*
- *due diligence statement*
- *simplified due diligence*
- *non-compliances*
- *other*

- *no additional clarifications are needed*

Please provide more details to your response

- 3. How much effort do you estimate it would require to implement the requirements from this section compared to the efforts that your organization would already implement to comply with EUDR without the module?**

5 (Efforts using the module go beyond efforts without using it) - 1 (Efforts using the module go below efforts without using it)

If you responded 4 or 5, please identify what additional actions you foresee.

- 4. Do you agree with the general proposal of using FSC Risk Assessments to support EUDR risk assessment requirements?**

5 (fully agree) – 1 (fully disagree)

- 5. How would you rate the usefulness of FSC providing a template for conducting the risk assessments, in particular when the relevant FSC Risk Assessment is not available?**

5 (very useful) – 1 (not at all useful)

- 6. Do you agree that FSC Forest Management Certification can be considered an effective risk mitigation measure to achieve no or only a negligible risk level?**

5 (fully agree) – 1 (fully disagree)

If you have selected 1, 2 or 3, please explain your rationale

- 7. Organizations applying the recently approved standard for controlled forest management certification <FSC-STD-30-010 V3-0 Controlled Forest Management> seeking conformance with the FSC Regulatory Module, will be required to conform with the requirements listed in Part 1 Applicable Forest Stewardship Standard. Do you think there is any relevant requirement missing?**

Yes

No

I do not know

Please provide details to your response

- 8. How would you rate the clarity of the requirements for Forest Management Groups (section 3 in the FSC Regulatory Module)?**

5 (very clear) - 1 (very unclear)

Please provide details to your response

- 9. Do you think there is any relevant requirement missing?**

- Yes

- No
- I do not know

Please provide details to your response

10. Please share any additional comments on the forest management section. If applicable, please refer to the specific section or clause your comments relate to.

Chain of Custody

Part 2 of the FSC Regulatory Module outlines specific requirements chain of custody certificate holders opting for the module need to demonstrate conformity with, in addition to the requirements of the applicable standards.

The main elements covered by these requirements are the establishment of a due diligence system that includes information collection, risk assessments and risk mitigation measures, and the issuance of due diligence statements.

Verification of the supply chain

Conformity with the FSC Regulatory Module does not require that all the links in the supply chain are verified against the FSC Regulatory Module. The burden of collecting and verifying the data is with the organization and could take place with or without FSC tools, provided they are in line with the due diligence requirements. Organizations could use the 'Regulatory' claim in their sales documents and make general promotional claims about their use of FSC system (see also Section 7.1 in the FSC Regulatory Module).

Clause 4.5.7 of the FSC Regulatory Module introduces the concept of a 'fully verified supply chain' (please see also Terms and definitions section of the standard), so that certificate holders can be recognized and benefit from a specific promotional statement regarding traceability and verification of the whole supply chain. FSC has considered different options by which this material could be identified by the certificate holder and passed through the supply chain (1. 'Regulatory' claim for individual application of the Module, not fully verified supply chain; 2. 'Regulatory+' for fully verified supply chain), a reference or observation in sales documentation, a validation in FSC Blockchain, or a combination of these.

Questions for feedback:

- 1. How would you rate the clarity of the chain of custody certification section?**
5 (very clear) - 1 (very unclear)
- 2. Which specific aspects do you believe would benefit from additional clarification?**
Select all that apply:
 - Applicability note
 - CoC management system
 - material sourcing and handling
 - FSC material and product records
 - Sales

- *Compliance with timber legality legislation*
- *Establishment of product groups*
- *Due diligence system (DDS)*
- *Other*
- *No clarifications are needed*

Please provide more details to your response.

3. How much effort do you estimate it would require to implement the requirements from this section compared to the efforts that your organization would already implement to comply with EUDR without the module?

5 (Efforts using the module go beyond efforts without using it) - 1 (Efforts using the module go below efforts without using it)

If you responded 4 or 5, please explain your rationale:

4. In order to increase transparency and consistency of assessments carried out by certification bodies under the FSC Regulatory Module, FSC may consider including a public summary report in the FSC database. To what extent do you support corrective action requests (CARs) being available in such report? Note: The report shall not contain any confidential or sensitive information.

5 (fully agree) – 1 (fully disagree)

Please briefly explain your rationale.

5. To what extent do you agree that the ‘fully verified supply chain’ should be introduced?

5 (fully agree) – 1 (fully disagree)

Please provide more details to your response.

6. Currently, Clause 4.5.7 states the Regulatory+ is optional for use in cases of a ‘fully verified supply chain’. This creates the possibility of suppliers not identifying it for all products, and thus, restraining organizations further down the supply chain from using/benefiting the claim and promotional statements. Would you support the requirement to be mandatory?

Yes / no / neutral

7. Which method would you consider to be the preferred way to establish a ‘fully verified supply chain’?

Choose all that apply:

- *New claim (e.g., Regulatory+/REG+) for the sales documents*
- *A description (e.g., observation, note) in sales documents*
- *Use of FSC blockchain*
- *Other*

Please provide more details to your response.

8. **Please share any additional comments on the chain of custody section. If applicable, please refer to the specific section or clause your comments relate to.**

Project Certification

1. **How would you rate the clarity of the project certification section?**

5 (*very clear*) - 1 (*very unclear*)

2. **Which specific aspects do you believe would benefit from additional clarification?**

Select all that apply:

- *Administrative requirements*
- *Material sourcing and handling*
- *Sales*
- *Project statement*
- *Compliance with timber legality legislation*
- *Due diligence system (DDS)*
- *Other*
- *No clarifications are needed*

Please provide more details to your response.

3. **How much effort do you estimate it would take to implement the requirements in this section?**

5 (*substantial*) - 1 (*minimal*)

4. **How much effort do you estimate it would require to implement the requirements from this section compared to the efforts that your organization would already implement to comply with EUDR without the module?**

5 (Efforts using the module go beyond efforts without using it) - 1 (Efforts using the module go below efforts without using it)

5. If you responded 4 or 5, please explain your rationale:

6. **To increase transparency and consistency of assessments carried out by certification bodies under the FSC Regulatory Module, FSC may consider including a public summary report in the FSC database. To what extent do you support corrective action requests (CARs) being available in such report?** Note: The report shall not contain any confidential or sensitive information.

5 (*fully agree*) – 1 (*fully disagree*)

Please briefly explain your rationale.

7. **Please share any additional comments on the project certification section. If applicable, please refer to the specific section or clause your comments relate to.**

Controlled Wood

Part 6 of the FSC Regulatory Module applies to organizations sourcing controlled material within their certification scope and cross-references to Part 4 of this standard. With the introduction of due diligence system (DDS) requirements related to chain of custody certification (FSC-STD-40-004), certificate holders with FSC-STD-40-005 included in their scope and opting for this module, will be required to conform with the additional provisions under this section, and thus adapting their current DDS.

The section also highlights changes that allows users to use FSC Risk Assessment Framework for conducting risk assessment and determining risk designations at each indicator level.

1. How would you rate the clarity of the controlled wood section?

5 (very clear) - 1 (very unclear)

2. Please provide more details to your response in terms of understanding about requirements towards conducting risk assessment as per the <FSC-PRO-60-006b Risk Assessment Framework>.

3. Which specific aspects do you believe would benefit from additional clarification?

Please provide more details to your response.

Trademark use

Part 3 of the FSC Regulatory Module outlines requirements that certificate holders must follow to use the FSC trademarks to promote products in the scope of the FSC Regulatory Module.

Questions for feedback:

1 How would you rate the clarity of the trademark use section?

5 (very clear) - 1 (very unclear)

2 Which specific aspects do you believe would benefit from additional clarification?

3 Clauses 7.1.2. and 7.1.3 present promotional statements that may be used by certificate holders to promote products in the scope of the FSC Regulatory Module. Would you be interested to use these statements?

Yes/No/Maybe

Please briefly explain your rationale.

4 Please share any additional comments on the trademark section. If applicable, please refer to the specific clause your comments relate to.

Accreditation requirements

Part 4 of the FSC Regulatory Module contains the accreditation requirements that certification bodies must follow for those certificate holders that include the FSC Regulatory Module in their scope of certification. The main element covered by these requirements is the verification of the certificate holders' due diligence system.

Questions for feedback (CBs and ASI)

1. How would you rate the clarity of this section?

5 (*very clear*) - 1 (*very unclear*)

2. Which specific aspects do you believe would benefit from additional clarification?

3. How feasible is the verification of the accreditation requirements?

5 (*highly feasible*) - 1 (*not feasible*)

If you responded 1 or 2 (not feasible) to the previous question, please explain your rationale:

4. How much additional time (in hours) would you estimate is needed to audit the FSC Regulatory Module?

- a) for an FM operator
- b) for a FM trader
- c) for an CoC operator
- d) for a CoC trader

5. Certification bodies are asked to evaluate the relevance, effectiveness, and adequacy of the clients DDS. This includes that a sample of the clients' data (e.g. to the plot of land) needs to be verified, to confirm that correct information has been collected. What criteria would you as certification body use to sample and verify the data (e.g. drawing from your experience in evaluating DDS for Controlled Wood)?

6. The transition timeline will differ between the FSC Regulatory Module and the systemic changes. The FSC Regulatory Module will become effective immediately on 1 July 2024 so that certificate holders applying the module can implement the requirements and tools immediately and this includes requests to certification bodies (CBs) for approval of risk assessments for CoC. There will be no transition timeline for the Regulatory Module.

The systemic changes will also become effective immediately for those certificate holders that are applying the module. For all other certificate holders, the systemic changes will only become effective on 1 October 2024. The transition timeline for the systemic changes will end on 1 April 2026, following the default 18-month timeline. The application of the FSC Regulatory Module will require a scope extension of the certificate holders implying that CBs will at minimum need to conduct a desk check of the certificate holders' procedures. FSC is expecting CBs to be prepared to evaluate certificate holders from the effective date onwards. **What are the implications for you as CBs?**

7. Section 10.5 introduces the requirements for the evaluation of the due diligence system (DDS) by the certification body for chain of custody (FSC-STD-40-004) and project certification (FSC-STD-40-006), which is an adaptation of the requirements currently present in Section 6 of FSC-STD-20-011, regarding the evaluation of controlled wood according to FSC-STD-40-005.

Considering the level of alignment, there may be different ways to present/indicate the requirements, and which may be more or less user-friendly, e.g., maintain the full set of requirements, so that the wording is explicit in the same document (current scenario); create a crosswalk table identifying the applicable clauses and the required amendments within the standard.

Which would be your preferred option?

- Full set of requirements in the Regulatory Module
- Crosswalk table
- Other

Please provide more details to your response:

8. **Box 1, under Section 10.3 includes examples of major nonconformities to the requirements of the FSC Regulatory Module. Do you foresee any concerns with the examples provided (e.g., auditability)? What additional examples could to be included?**

General feedback

Background and description of the issue the question(s) relate to

Questions for feedback (for all stakeholders):

1. **How helpful is the regulatory module add-on to certification requirements as written here, as a tool to support achieving compliance with EUDR?**
5 (very helpful) - 1(very unhelpful)

Please provide more detail to your response:

2. **How likely are you to adopt the add-on module to support compliance of your products with the EUDR?**
5 (very likely) - 1(very unlikely)

Please provide more detail to your response:

3. **How easy is it to understand how the additional requirements relate to relevant certification requirements and to relevant EUDR requirements in the way the FSC Regulatory Module is presented now?**
5 (very easy) - 1(very difficult)

4. **Is there something missing in the FSC Regulatory Module in terms of support in achieving compliance with the EUDR that should be considered in FSC requirements?**
Yes/No/Do not know

If yes, please provide more detail to your response:

5. **Any other feedback regarding the FSC Regulatory Module:**
-

THANK YOU

Thank you for your time and contributions!

On behalf of FSC, thank you very much for your participation in this consultation.

Your feedback is very valuable in helping FSC shape the FSC Regulatory Module

Please note, it is possible to make changes to your responses during the entire period that the consultation is open. Even if you have submitted a response, you can return and edit it until the closing time of the consultation period.

Once this public consultation closes, on the 1 March 2024, the FSC Secretariat will proceed to analyze the feedback you and other interested stakeholders submitted.



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