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UNITED STATES

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## 2022 FSC US Controlled Wood Regional Meetings - Improving & Clarifying Risk Mitigation -

### Summary of Outputs<sup>1</sup>

#### Introduction & Background

With several years of experience with the innovative approach to Controlled Wood implemented in the US (i.e., risk designation, mitigation, and effectiveness monitoring at a landscape level), the FSC US Board of Directors wished to revisit its 2018 risk mitigation decisions sooner than when a full US Controlled Wood National Risk Assessment (NRA) revision process would be necessary.

The Board indicated that it would like an evaluation of FSC US's monitoring and evaluation efforts, certificate holder and partner experiences, as well as any additional new information that might suggest the need for a course correction in the short-term regarding risk mitigation. This revisitation also provided an opportunity to identify potential refinement needs for NRA risk designations to inform the NRA revision, when it occurs.

With these intentions, during the final months of 2022, FSC US hosted a kick-off engagement webinar, three regional meetings and an online discussion forum as part of an informed consultative process to help identify whether mitigation changes were needed, and if so, which ones.

- **November 22, 2022 - FSC online engagement session** – including a live review the overall process with stakeholders, answering questions, and receiving real-time feedback.
- **December 6, 2022 - (Portland, Oregon in-person meeting** – for Pacific Coast and Rocky Mountain Region Specified Risk Designations
- **December 13, 2022 (Asheville, North Carolina)** – for Appalachian Region Specified Risk Designations
- **December 14, 2022 (Atlanta, Georgia)** – for Southeast, Ozark-Ouachita, and Mississippi Alluvial Valley Region Specified Risk Designations

Participation throughout the informed consultative process included companies that are FSC certified and source Controlled Wood, Certification Bodies (auditors) and other environmental and social stakeholders actively working to advance responsible forest management.

*Drawing from meaningful feedback received across all engagements, **the US Controlled Wood approach/framework is perceived overall by stakeholders to be working, resulting in on-the-ground mitigation of risks that are both feasible and effective, with no immediate urgency for mitigation changes prior to the next scheduled NRA revision.***

<sup>1</sup> **NOTE:** This summary of outputs is NOT the equivalent of a “Controlled Wood Regional Meeting Report.” At this time, there are no changes being made to the normative elements of these reports. However, see the “Next Steps” section of this summary document for information on the process by which a decision about potential changes will be made.

This document summarizes in succinct form what Controlled Wood stakeholders believe is currently working about mitigation options, and what could be strengthened going forward. Thematic points noted are drawn from across consultative engagements, while pointing to regional distinction where relevant. Overall, outputs gathered will be invaluable in guiding next steps and the future NRA revision.

The engagement team wishes to express sincere appreciation and gratitude to all who offered their generous time, energy, and expertise to this endeavor.

## **What's working?**

### ***Feasibility through partnership***

Overall, the US approach/framework is perceived to be working and resulting in on-the-ground mitigation of risks (i.e., feasible and effective). The system doesn't require certificate holders to understand complex ecological or biological concepts due to expectations that they work with partners who do have this understanding. The perception of this is that's good, as it is not an area of expertise typically held by certificate holders with Controlled Wood in scope. The engagement and relationship-building that is occurring with NGOs is perceived from both sides to be very positive, efficient, and effective.

### ***Flexibility & versatility***

The flexibility that is provided in the overall framework and mitigation options is appreciated. This versatility means the system works for all certificate holders throughout the supply chain, regardless of size or potential impact on the risk. It also does not lock certificate holders into one approach – allowing certificate holders to adapt as their situation changes, or as needed to improve effectiveness, while still working to achieve the defined intent of the mitigation activities. Participants noted that feasibility was indicated by a) lack of certificate holders dropping due to implementation of the U.S. system, and b) lack of non-conformances received through audits.

### ***Quality education & outreach***

Regarding implementation of education and outreach mitigation options, materials being shared (particularly those developed by NGO partners) are perceived to be generally of good quality, further raising awareness and confidence in mitigation approaches. Participants indicated that the information in these materials is getting to the intended audiences. Some concern was expressed about the potential for audiences to receive materials from multiple sources, and the importance of consistent messaging in these situations. Others indicated that repetition of communication is valuable in underscoring the importance of what is being communicated (as long as messages do not conflict).

### ***Openness to engagement & feedback***

Meeting participants indicated appreciation of FSC US's openness to receiving feedback, and efforts to engage stakeholders in discussion on how to improve the system in the US. In turn, this opens possibilities of joint problem-solving and adaptation where needed. Some suggestions were made for even more frequent meetings (including the potential to address topics beyond Controlled Wood).

### ***Indirect benefits***

Participants described new and expanded partnerships between certificate holders and NGOs due to engagement for mitigation activities and resulting in increased communication about more than just Controlled Wood. Similarly, certificate holders reported increased communication with customers on issues that went beyond FSC and Controlled Wood.

## **What needs improvement?**

### ***Feedback on monitoring & effectiveness***

Meeting participants indicated a strong desire to receive feedback on monitoring and effectiveness of mitigation activities that will inform improvements to implementation. Participating certificate holders

indicated a desire to learn more about what has worked (e.g., particularly effective conservation initiatives), and how these approaches can be replicated (or enhanced) in other locations and/or by other certificate holders. They asked FSC US to help identify changes they can make that will improve outcomes, and a desire to see evidence of the linkage between what they are doing and on-the-ground change, particularly for Education & Outreach options. A small number of participants indicated some doubt over effectiveness of education and outreach mitigation, while others shared a perception that it is already evident.

### ***Consistency in education & outreach approaches and materials***

Participants indicated that there have been inconsistent approaches to the education and outreach mitigation activities, including inconsistent levels of quality for the education materials. While some indicated that inconsistent approaches reflected the flexibility offered by the mitigation options, others suggested that it could lead to inconsistent messaging and confusion for the audiences' receiving materials. Numerous participants called on FSC US to drive the standardization of materials, including suggestions for FSC US to provide materials for all certificate holders (either developed in-house or by 3<sup>rd</sup> parties).

### ***Resources for implementation***

In addition to the above suggestions for FSC US to develop and maintain educational materials, participants indicated a general desire for FSC US to provide significantly more resources to support implementation of mitigation options, including references and information sources, templates, additional partnerships in areas where currently more limited, as well as online tools that certificate holders can use as part of mitigation implementation. Better use of technology was a general theme, with suggestions from development of video clips for training purposes, to apps that could be used by loggers to assist with providing information about origin, to refinement of specified risk areas.

### ***Conversion risk designation***

Conversion was a high priority topic at the Portland and Atlanta meetings. Many comments indicated a frustration with the designation of conversion as a risk, noting that sourcing of forest materials helps to incentivize forest management, which helps to keep forests as forests and is not itself a driver for conversion. Participants also shared a perception that it will continue to be difficult for certificate holders to have significant impact or effect significant change since they have no control over the drivers of conversion. Some participants suggested that it might be helpful to have additional mitigation options for the Conversion theme, particularly as "Education and Outreach" is perceived to be not as effective for the Conversion theme as for the high conservation value themes. One participant suggested that a completely different approach for conversion mitigation (compared with high conservation values) should be considered.

### ***Clarity of expectations***

Certificate holders indicated a desire to receive additional clarification on what exactly is expected of them, particularly related to frequency of action on their part (e.g., how often should they share information with identified audiences?). Other areas of clarification identified included: if/how to shift efforts if the certificate holder is seeing greater risk in some areas than others (or is an equal amount of effort expected everywhere, even if this is not as effective?); and the "limited and legal" guidance for forest conversion, which is perceived to be useful and necessary, but very vague and in need of refinement and definition. As previously noted, technology (i.e., web resources) could be used to harmonize resources for clarity of expectations with other resources for implementation provided by FSC US. Several participants also noted that clarification (i.e., streamlining and simplification), would also be appreciated in the "Controlled Wood Regional Meeting Reports," with an effort to focus them on the most important elements.

### ***Refinement of risk areas***

Participants indicated that some specified risk designations need refining, but that this is not perceived to be an urgent issue and therefore can wait for the next NRA revision. This included both better definition

(i.e., finer scale mapping) of spatial areas, and better definition of the high conservation values that are the focus of some specified risk areas (e.g., Mesophytic cove sites). Improvements in technology, including spatial data and spatial analysis techniques improved since the NRA was originally developed, were identified as likely being of significant help with this.

### ***Stability & predictability***

Many comments generally addressed the need for greater stability and predictability regarding Controlled Wood in the U.S. More specifically, participants identified concerns regarding differences in interpretation of the US system between auditors and between Certification Bodies, leading to inconsistent audits both from year to year for a particular certificate holder, and between certificate holders. For certificate holders, inconsistent expectations lead to additional burden associated with audits. For many participants, the concern about inconsistent interpretations extended even further to include differences between certificate holders, FSC US, Certification Bodies, ASI and FSC International, and to include differences in the level of understanding regarding the U.S. context. Overall, participants indicated a desire to see greater calibration on expectations between these different players, and efforts by FSC US to increase the understanding of the U.S. context by non-U.S. entities. Additionally, participants identified the necessity of the coming revision of the Controlled Wood Standard (FSC-STD-40-005) to address the infeasibility for U.S. certificate holders to have knowledge about specific areas of origin (i.e., address situations where supplier unwillingness to share information about sources of material due to antitrust concerns leads to inability to conform with the standard as written).

### **Regional Variation**

The input received across meetings (i.e., between regions) was very consistent at a high-level, including comments regarding conversion received from west coast and east coast participants. As would be expected, more specific detailed comments varied for different specified risk areas. One unique item was an indication at the Asheville meeting that mitigation activities are perceived to have already had an impact on the level of threat from forest management activities associated with high conservation values.

### **Next Steps**

At its April 2023 meeting, the FSC US Board of Directors will be asked to decide whether to initiate a formal, but focused, revision of the NRA and associated materials to make changes to expectations regarding risk mitigation (i.e., the control measures and/or mitigation options). The primary sources of information available to the Board to inform this decision will be the outputs from the FSC US monitoring and evaluation efforts, and inputs received from participants during the 2022 Controlled Wood Regional Meetings. While improvements are suggested in both of these information sources, neither indicate a critical failure of the US Controlled Wood system.

Regardless of the outcome of the upcoming Board decision, FSC US will initiate stakeholder outreach efforts in 2023 to identify and prioritize opportunities for FSC US to support risk mitigation. FSC US will then begin to implement priority opportunities as capacity and resources allow.

FSC US will support and coordinate stakeholder engagement in revision processes for the National Risk Assessment Framework (FSC-PRO-60-002a) in 2023, and for the Controlled Wood Standard (i.e., FSC-STD-40-005; Requirements for Sourcing FSC Controlled Wood) in 2024-2025. Stakeholders will be encouraged to apply for membership (once open) of the Technical Working Group that will be established for the Controlled Wood Standard revision, so that the U.S. context is well represented.

A full formal revision of the FSC US Controlled Wood National Risk Assessment, with consideration of the outcomes from the above processes, is anticipated to be initiated in 2024 or 2025.