



Promoting responsible forest management practices

Supporting sustainable forest management

Preferred by Nature is an international non-profit organisation that promotes the sustainable use of natural resources worldwide. We work with global systems for certification of responsible forestry and the Forest Stewardship Council[™] (FSC[™]) is one of our core services. FSC is the most experienced and trusted certifier in the world. We hold accreditation for FSC Forest Management and FSC Chain of Custody certification services.

We have been working on sustainable land use and climate-friendly solutions for 30 years in 100+ countries. We engage with private and public forest owners and managers.

Our clients range from smallholdings less than a hectare in area to key suppliers of globally leading companies. To date, we have certified more than 33 million hectares of forest lands and farms around the world. These forests are located around the world, from Europe, Africa, the Americas, Asia, and Oceania.

What is FSC Forest Management certification?

FSC Forest Management (FM) certification constitutes the most fundamental part of the FSC scheme. Its main purpose is to create recognition for responsible forest management through rigorous standards, thirdparty auditing, and eco-labelling.

Committing to FSC forest management certification involves adhering to <u>10 principles</u>, ensuring your forest is managed in an economically viable, environmentally friendly, and socially beneficial manner.

Among other aspects, FSC requires you to comply with national and international legislation, respect local user rights, maintain the forest's biodiversity and ecological functions, secure your operation's long-term economic viability, and ensure proper planning and monitoring of forestry operations. To verify your compliance with FSC's criteria, auditors need to conduct a thorough assessment of your performance against all relevant FSC criteria.

FSC Forest Management certification can offer you:

	Access to new market	The FSC FM certificate allows you to secure and expand your access to attractive markets and benefit from the growing global demand for sustainably sourced wood.
Ĵ Ĵ	Enhanced reputation	With this, you will receive independent verification of your commitment to responsible forestry practices.
Ż	Building trust	The FSC label is one of the world's most trusted marks for sustainable forestry. It signals your commitment to sustainable forest management.
Ŵ	Make a real difference	You will follow responsible forestry practices proven to help fight climate change and protect biodiversity.







In addition, we have been engaged by FSC to conduct Controlled Wood Risk Assessments for 48 countries for Category 1 (legality), 4 (conversion) and 5 (Genetically Modified Organisms), and for 20 countries for Category 3 (High Conservation Values).

Working with the systems

Preferred by Nature is actively engaged in the FSC system at both global and local levels. For example, we actively participate in key FSC policy working groups and processes, and we regularly provide analytical inputs and risk assessments at FSC's request. We have also developed interim FSC standards for forest management certification in 41 countries*.

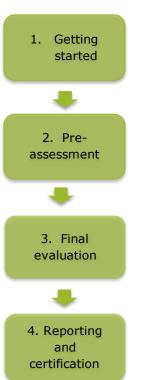
Our experience working within the FSC system thus extends to both strategic and practical levels. We use our insight to develop projects that support the credibility and accessibility of forest certification.

* In the process of being phased out and replaced by new FSC National Forest Management standards or Interim Nation FSC standards.

FSC certificates are issued for five years. An initial assessment is conducted as a basis for certification, and subsequent annual audits are required to maintain the certificate.



What does the certification process entail?



Once you have signed the <u>certification</u> and trademark license agreements, you need to prepare for certification. To comply with FSC's requirements you need to prepare documents, set up systems, assign responsibilities and train your staff. Preferred by Nature assigns a contact person for you who is available throughout the certification process.

The next step is pre-assessment which can help you to prepare for certification. It entails an initial review of your forest management and identifies gaps in your systems. In FM certification pre-assessment is mandatory for all plantations larger than 10,000 ha, all non-plantation forest types larger than 50,000 ha, and operations containing high conservation values. Special requirements apply to Small or Low Intensity Managed Forests (SLIMFs).

We conduct a stakeholder consultation at minimum 6 weeks before the evaluation for FM or 30 days for Controlled Wood FM. FM assessments are always conducted on-site, with a typical duration of 2-5+ workdays, depending on your operation's size, accessibility, and complexity. Interviews and public meetings, document reviews, and field visits are common parts of an onsite audit.

We prepare a report presenting the audit results. Any non-conformities are described, and major issues need to be corrected before the certificate can be issued. The report is quality reviewed, and you are invited to comment. Based on a positive certification decision, the certificate is issued and made visible on the FSC database.

www.preferredbynature.org/certification/fsc





FSC Forest Management Q&A

What are the key roles and responsibilities within the FSC system?

FSC is an international organisation that owns the FSC system and develops the certification standards and requirements that certified companies need to follow. FSC certification bodies are accredited by FSC's system accreditation body Assurance Services International (ASI) and need to follow accreditation rules published by FSC International Center.

Which certification standards apply to my organisation?

The global FSC Principles and Criteria define sound forest management at the global level and the international generic indicators are used to adapt indicator requirements at the national or regional level. In many countries, national FSC forest management standards are in place.

In countries without FSC-approved national forest stewardship standards, Interim National Standards are developed from the International Generic Indicators and used by certification bodies as the basis for evaluation and certification.

Additional standards, policies, and procedures cover aspects such as Non-timber Forest Products, Chain of Custody for forest operations, group forest certification, partial certification of large ownerships, Small or Low Intensity Managed Forests (SLIMF), the excision of areas from the scope of certification, pesticides use, or the use of FSC trademarks for labelling or promotion.

Which trademarks can we use?



The FSC logo and trademarks can be applied to certified products and used for promotional purposes if you are FSCcertified and have signed an FSC Trademark License Agreement.

Any public trademark usage shall be submitted to us for approval prior to publication.

What is the cost structure?

AAF Categories of Forest Management	Per ha Rate (USD)
SLIMF	zero
Natural Forest - Community Forestry	zero
Natural Forest - Conservation purposes	\$ 0.0001
Natural Forest - Tropical	\$ 0.0020
Natural Forest - Boreal	\$ 0.0035
Natural Forest - Temperate	\$ 0.0045
Plantations	\$ 0.0200

The total certification cost consists of the costs related to the auditing services and the FSC Annual Accreditation Fee (AAF). The auditing fee is specified in the proposal. It depends on your operation's size, geographic locations, and the complexity of factors such as forestry activities, high conservation values, stakeholder relations, etc. The FSC AAF fee is determined based on 7 different categories reflecting forest type, management objectives, productivity and scale.

A fixed rate of USD 10 is generated by each certificate and an additional per hectare fee is calculated on top of this rate. Different per-hectare rates are used for the different forest management categories. Certificates fully qualifying as SLIMF or Community Forestry are completely free of charge, i.e. their area is not included into the per ha calculation and no fixed per certificate rate shall be applied.

What about confidentiality?

To check correct accounting for certified volumes, our auditors will need access to confidential information, including commercial information. The confidentiality of your data is secured, and our staff and auditors are bound by strict confidentiality requirements. All FSC FM certificates are however publicly listed in the FSC database (<u>http://info.fsc.org/</u>) along with a summary of the audit report. This includes information about the scope of your certificate, basic company details and context, a summary of your forest management plan,





the audit process, and the main audit results, including any non-conformity reports.

How do I maintain my certificate?



You need to comply with the certification requirements to remain certified. This is verified through annual audits. Preferred by Nature helps you stay up to speed on the requirements by providing regular updates on system changes. If nonconformities are identified in your system, you must take appropriate and effective action to address these.

To secure the integrity of the FSC system, rigorous requirements apply to the follow-up on nonconformities, which are graded as major or minor. Minor issues are commonly verified during the next annual audit; if they have not been insufficiently addressed, they are upgraded to major. Major nonconformities must be addressed within a maximum three months, thus requiring an additional audit to verify your timely compliance.

When can certification be refused?

Certification is refused when Preferred by Nature concludes that the audited company does not meet the standard's requirements.

When is certification suspended?

Your certification may be suspended for the following reasons, 1. five or more major nonconformities are found during an annual audit, 2. failure to address one or more major/critical nonconformities by the specified timeline¹, 3. serious breaches of the certification requirements, 4. lack of payment of applicable fees and invoices, 5. lack of willingness to plan and undergo scheduled audits, 6. Force Majeure situations (e.g.

natural disasters, political unrest that forces the operation to shut down, etc.).

A suspended certificate may be reinstated when the company has addressed the issues that led to the suspension, and we have conducted an audit verifying conformance within the required timeline.

When is certification terminated?

Your certificate may be terminated for the following reasons: 1. Failure to sufficiently address the issues leading to suspension within the suspension period, 2. Deliberate fraud or serious breaches of the certification requirements, 3. Failure to undergo renewed assessment within the suspension period after addressing the issues leading to suspension and 4. Failure to undergo a renewed assessment before certificate expiration.

If a certificate has been terminated, the company needs to undergo a renewed assessment to have a new certificate issued. It is not possible to reinstate the previous certificate.

After a certificate has been suspended or terminated, the company may not make any claims about conformance with the certification standard(s) and may not sell previously labelled products until certification trademarks are removed.



1) or 10 calendar days after the deadline of the nonaddressed nonconformity (situation 2).

¹ We are obliged to suspend the certificate immediately, i.e. within 10 calendar days after the decision is taken, but not later than 30 days after the audit closing meeting (situation





Can I change the scope of the certification?

As a certificate holder, you may expand or change the scope of your certification in conjunction with your annual audit or in between audits. An additional audit is usually required for scope changes outside the scheduled annual/certification audits. Depending on the nature of the change, it may be either an on-site or/and desk audit.

What are the rights and duties of applicants and clients?

To learn about Preferred By Nature's clients' rights and duties, please check, the <u>Certification Agreement.</u>

What is the procedure for complaints and appeals?

For complaints management, all complaints and appeals will be processed using the Preferred by Nature's <u>Dispute Resolution Policy</u>.

What about impartiality and confidentiality?

Preferred by Nature's Quality Management System includes <u>several policies</u> that allow our organisation to provide assurance services credibly in compliance with accreditation requirements. These include the <u>Impartiality Policy</u>, which ensures impartiality, transparency and independence in all of our activities, and the <u>Confidentiality Policy</u>, describing our rigorous approach to safeguarding confidential data and information provided by our clients.

For more information:

With 30 years of experience, we have certified and verified various organisations and businesses against FSC standards. For more information and to get started on your sustainability journey, please visit https://preferredbynature.org/certification/fsc.

FSC[™] A000535/ FSC accredited certification body