



## **FREQUENTLY ASKED QUESTIONS POLICY FOR ASSOCIATION V3**

October 2022



**FORESTS  
FOR ALL  
FOREVER**<sup>TM</sup>

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# INTRODUCTION

The revised Policy for Association V3 becomes effective 1 January 2023.

Through this set of Frequently Asked Questions (FAQs), find out more about the main changes introduced for the Policy for Association, a key policy that protects the reputation and integrity of the FSC system.

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## 1. WHAT IS THE POLICY FOR ASSOCIATION?

The Policy for Association is one of the tools protecting the reputation of the FSC system. It sets out a commitment to avoid engaging in destructive activities, like deforestation or human rights violations, that go against FSC's mission and values.

Anyone who joins FSC makes this commitment for themselves and for other organizations in their corporate group, for operations that have FSC certification and operations that don't.

The policy helps FSC identify situations where there is serious inconsistency in performance: FSC-certified and performing well in some organizations or operations, involved in destructive activities in others.

In a world where companies frequently operate as part of larger groups, FSC's ability to take action against wrongdoing outside operations that have FSC certification is vital to protect the reputation and integrity of the FSC system.

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## 2. WHY WAS THE POLICY REVISED?

**Policy for Association** has been in place for over 10 years. In this time, expectations on issues like deforestation and corporate responsibility towards environmental and social factors have changed. During this time, while implementing the policy, FSC also gained experience on what works and areas needing further work. The revised Policy for Association updates the scope of application and unacceptable activities, improves the clarity of requirements that organizations associated with FSC need to fulfil and ensures alignment of the provisions with other policies and procedures.

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## 3. WHAT ARE THE MAIN CHANGES?

As compared to the current version of Policy for Association, the main changes include moving the scope of responsibility from ownership-based to control-based, extending the recognition of unacceptable activities from forest level to the forest product sector, introducing proactive screening and aligning the threshold for conversion.

### **Defining the broader responsibility**

Corporate groups often comprise of multiple legal entities. In the past, FSC only considered organizations connected by similar ownership as part of the same

corporate group. In the revised version of the Policy for Association, FSC significantly broadens this definition. Connection by control will be the main perspective when determining a corporate group. Hence, the Policy for Association will apply to more organizations in a corporate group: not only those connected by a majority owner but also other types of control.

Control includes but is not limited to ownership. In this way, the revised Policy for Association prevents organizations from circumventing FSC guidelines by simply changing the ownership of legal entities and/or management units. For examples regarding the scope of control, please look at the [information booklet](#).

### **Scope of unacceptable activities expanded**

Policy for Association sets out six unacceptable activities that organizations commit to avoid. The policy covers issues that threaten FSC's mission. So, the areas and sectors where the policy applies also align with where FSC promotes its mission.

Version 2 of the Policy focuses on unacceptable activities in forests and forestry operations. But since the policy was last updated, FSC has introduced stronger requirements for operations outside forests.

Version 3 ensures that the Policy for Association continues to apply to areas and sectors most relevant to FSC's mission. In particular, there is an increased focus on the forest products sector, for issues like human rights and illegal trade.

### **Introduction of proactive screening of organizations**

The revised PfA introduces information disclosure requirements and screening process, thus allowing for earlier detection of organizations not committed to FSC values while strengthening FSC's ability to protect its reputation.

### **Aligned approach to conversion of forests**

Definitions and thresholds of conversion of natural forests as an unacceptable activity are now aligned with concepts developed in the process to define FSC's position to conversion. This positions FSC more firmly as a global agent against deforestation.

#### 4. HOW IS THE POLICY IMPLEMENTED?

There are three documents that are used to implement provisions of the Policy for association.

##### **Disclosure requirements (FSC-PRO-10-004 V2-0)**

This is a procedure for screening organizations that join FSC for compliance with Policy for Association. It sets out FSC's objectives and the general approach proposed for screening organizations. This includes the kind of information organizations need to share with FSC during their application for an FSC certificate or for FSC membership. This will allow FSC to proactively identify potential risks of violations of the PfA, instead of operating mainly reactively as so far. The procedure was approved at the same time with the revised policy but will only become effective July 2023 and be applicable for organizations that will associate with FSC after that time.

##### **Processing FSC Policy for Association Complaints (FSC-PRO-01-009 V4-0)**

The procedure for responding to breaches of the Policy for Association sets out the principles and the process to address allegations and complaints about violations of the Policy for Association. It defines how the allegations are assessed, the different tools used to resolve the issue and roles and responsibilities from the submission to decision making.

##### **Policy for Association and FSC Remedy Framework (FSC-PRO-01-004 V1-0)**

When organizations are found to be in violation of Policy for Association, FSC may terminate all contractual relationships with them. This is known as disassociation.

Ending disassociation requires remedy and organizational improvement. The process and requirements for that are defined by FSC Remedy Framework and comprise the fulfillment of core and additional requirements. FSC Remedy Framework covers remedial action for the unacceptable activities included in Policy for Association.

The framework is under development at the time of the publication of the revised PfA but is expected to be completed and become effective mid-2023.

**5. WHAT IMPACTS DO THE CHANGES HAVE ON ALREADY ASSOCIATED ORGANIZATIONS?**

Currently associated organizations will have to monitor and ensure conformance of more legal entities in their corporate group based on extended scope that applies not only to those entities connected by a majority ownership but also to those connected by other types of control. Any sanctions will also impact more entities in the group than currently.

Associated organizations will need to check and monitor forest products sector and any forest operations' conformance with the PfA in addition to forestry, as the scope of the unacceptable activities will be extended accordingly.

On the other hand, currently associated organizations gain additional assurance that the reputation of the FSC system will be better protected than before when a wider scope of organizations and operations are included in the PfA. The new approach has been widely supported in public consultations, so the added benefits of the extended scope are considered to outweigh the possible additional effort in ensuring conformance.

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**6. IS THE NEW VERSION USED TO ASSESS VIOLATIONS THAT TOOK PLACE BEFORE 2023?**

In case there is evidence of unacceptable activities that took place before the version 3 effective date in January 2023, they will be assessed based on the previous version 2 of the policy that was effective at the time. In other words, the new version 3 will be used for activities from 1 January 2023 onward, and the version 2 will be used for activities before that time.

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**7. HOW WILL THE SCREENING TAKE PLACE AND WHO WILL DO IT?**

The procedure defines the basic process and disclosure requirements for the screening. It does not provide a detailed methodology or technology for how the screening process looks when implemented, which will be developed as part of implementation in 2023. The procedure will become effective in July 2023 allowing for testing before wider adoption.

With hundreds of organizations joining FSC each month, it is clear that screening will need to be risk-based and automated. FSC will be responsible for developing and implementing the process. In case of identified high risks with substantial evidence, the procedure for processing complaints and allegations (FSC-STD-01-009) is used.



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