

# NATIONAL RISK ASSESSMENT

## FREQUENTLY ASKED QUESTIONS

---

### GENERAL

#### WHAT IS CONTROLLED WOOD?

Controlled Wood is virgin wood or wood fibre that can be mixed with FSC certified material in the production of FSC Mix products.

FSC controlled wood has been verified as having a low risk of sourcing wood from any of the following unacceptable categories:

- Illegally harvested forests;
- Forests harvested in violation of traditional and civil rights;
- Forests in which high conservation values are threatened;
- Forests that are being converted to plantations or non-forest use; or
- Forests in which genetically modified trees are planted.

#### WHY DO WE NEED CONTROLLED WOOD?

Although FSC is the fastest growing forest certification system in the world, many forests still do not meet FSC's standards for healthy forests and strong communities, which is why Controlled Wood exists. FSC Controlled Wood verification provides an assurance that 100% of the virgin fibre mixed with FSC-certified and recycled fibre comes from a verified and approved source.

#### HOW IS CONTROLLED MATERIAL VERIFIED?

FSC's Controlled Wood standards define the minimum requirements that non-certified forests and fibre must meet in order to be mixed, under strict circumstances, with FSC-certified and/or recycled fibre.

- **FSC Controlled Wood Standard for Forest Management Enterprises (FSC-STD-30-010 V2-1) - Implemented by Forest Management Enterprises**  
This Standard specifies basic requirements applicable at the forest management unit level for forest management enterprises to demonstrate to a company or third party certification body that the wood supplied is controlled. It allows forest management enterprise to provide evidence that the wood they supply has been controlled to avoid wood from unacceptable sources.
- **Requirements for Sourcing FSC Controlled Wood (FSC-STD-40-005 V3-0) - Implemented by companies that want to source Controlled Wood.**  
This Standard has been designed to allow companies to avoid wood from unacceptable sources through a risk assessment and due diligence process. A risk

assessment must be undertaken on both the origin of material and mixing with ineligible material in the supply chain. The Standard is only applicable for organisations purchasing or selling material that does not already carry an FSC Controlled Wood claim.

## **WHAT IS A NATIONAL RISK ASSESSMENT?**

National Risk Assessments assess risks associated with the undesirable forestry activities on non FSC-certified lands, including illegal harvest, forest management that violates workers or Indigenous Peoples' rights or threatens high conservation values, conversion of forest to non-forest uses, and use of genetically-modified trees. In the Canada, the primary risks identified are related to Indigenous Peoples' rights, critical habitat for species at risk (including woodland caribou) and Intact Forest Landscapes. The FSC Canada National Risk Assessment identifies measures for how companies can mitigate these risks.

## **HOW IS IT DIFFERENT FROM BEFORE?**

### 1) Consistency:

Currently, certificate holders are required to complete their own risk assessments of the five Controlled Wood categories; covering the areas they source non-certified material from. This means that it was possible that two certificate holders identified different risks and different risk conclusions for the same supply area, which led to inconsistencies in company risk assessments across Canada. With the National Risk Assessment, a baseline conclusion of risk has been determined across the country.

### 2) Scale:

Company risk assessments are required to be completed for the Certificate Holder's supply area. This means that Certificate Holders are able to focus their risk assessments more locally, and incorporate more geographically specific evidence to lead to a risk conclusion. Conversely, the National Risk Assessment assesses risk across the entire country. This means that more wide-ranging, national-level information is considered, and as a result, a more coarse-scale conclusion of risk is determined.

### 3) Input:

In most cases, individual company risk assessments are not based on the same level of stakeholder and interested party input as the National Risk Assessment. The National Risk Assessment is developed based on the input from a chamber-balanced technical working group, and has undergone two rounds of public consultation. As such, risk conclusions reflect the input from a wide-range of interests and perspectives.

# DEVELOPMENT PROCESS

## HOW DID YOU DEVELOP THE NRA?

Canada's National Risk Assessment was developed over three years, by representatives of economic, environmental, social interest and Indigenous groups – equally balancing the views and knowledge of each group. The development process included extensive consultation with stakeholders and interested parties, including two formal public consultation processes.

## WHO WAS INVOLVED IN DEVELOPING THE NRA?

FSC Canada convened an eight-member technical working group who provided strategic and technical direction for the new National Risk Assessment in Canada. The group was comprised of two members from each chamber (Indigenous, Social, Environmental, and Economic).

# TRANSITION

## WHAT DOES THIS MEAN FOR EXISTING CERTIFICATE HOLDERS?

As of the effective date of June 26, 2019, certificate holders will have six months (by December 26, 2019) to implement the new National Risk Assessment.

## HOW LONG DO CERTIFICATE HOLDERS HAVE TO INTEGRATE THE NEW RISK ASSESSMENT IN ITS DUE DILIGENCE SYSTEM?

Certificate Holders must adapt their Controlled Wood Due Diligence System within 6 months of the approval of the National Risk Assessment [by December 26, 2019).

## WHAT IS A DUE DILIGENCE SYSTEM?

Due diligence system (DDS) is a system of measures and procedures to minimize the risk of sourcing material from unacceptable sources. A DDS contains the following three elements: obtaining information, risk assessment, and risk mitigation (when needed).

## **DOES IT MEAN ALL CERTIFICATE HOLDERS HAVE TO BE RE-AUDITED WITHIN 6 MONTHS OF THE PUBLICATION OF THE NATIONAL RISK ASSESSMENT?**

No. Certificate Holders can integrate the results of the National Risk Assessment into their Due Diligence System without a formal audit by their Certifying Body. The regular rules for annual audits would still apply.

## **AT WHICH STEP OF THE SUPPLY CHAIN CAN CONTROL MEASURES BE IMPLEMENTED? CAN ONLY THE ORGANIZATION IN CHARGE OF FOREST MANAGEMENT PLANNING IMPLEMENT CONTROL MEASURES?**

All Chain of Custody Certificate Holders sourcing from specified risk areas are required to implement control measures to demonstrate how the identified risk is mitigated, prior to sourcing. Recognizing that in most cases, Chain of Custody certificate holders do not manage the forest from which they source, control measures have been designed to provide feasible options for Certificate Holders at different points along the supply chain.

## **DO ALL CHAIN OF CUSTODY CERTIFICATE HOLDERS ALONG A SUPPLY CHAIN SOURCING FROM A SPECIFIED RISK AREA NEED TO APPLY CONTROL MEASURES?**

All Chain of Custody Certificate Holders sourcing from specified risk areas are required to implement control measures to demonstrate how the identified risk is mitigated, prior to sourcing. Recognizing that in most cases, Chain of Custody certificate holders do not manage the forest from which they source, control measures have been designed to provide feasible options for Certificate Holders at different points along the supply chain.

## **WHAT IS THE DIFFERENCE BETWEEN A MANDATORY CONTROL MEASURE AND A RECOMMENDED CONTROL MEASURE?**

If mandatory control measures are identified in the National Risk Assessment, Certificate Holders must attempt to demonstrate implementation of those control measures, as applicable. Mandatory control measures can only be replaced by alternative control measures under a specific set of circumstances. [Refer to FSC-STD-40-005 V3-1 section 4.12 and 4.13 for details.](#)

Recommended control measures provide some guidance to certificate holders as to how the identified risk may be mitigated. There are no restrictions on the process for replacing recommended control measures with alternative control measures, so long as they are sufficient to mitigate the risk.

## **HOW OFTEN WILL THE NATIONAL RISK ASSESSMENT BE UPDATED?**

Updates of the National Risk Assessment shall be implemented according to needs and at least every 5 years. Updates may include but are not limited to: update of links of information sources, adding information sources and amending typographic or translation mistakes.

In cases when there is clear and undisputable evidence requiring a change of risk determination and/or change of mandatory risk mitigation means, FSC Canada will undergo a more formal review and revision. Examples of clear and undisputable evidence may include but are not limited to: changes in legislation, results of complaints handled at the international level and newly published scientific evidence.

## **WHO DO I CONTACT FOR MORE INFORMATION ON THE NRA?**

Please contact Vivian Peachey, Director of Standards, [v.peachey@ca.fsc.org](mailto:v.peachey@ca.fsc.org)