



Forest Stewardship Council®



# **Ecosystem Services Procedure: Impact Demonstration and Market Tools**


FSC-PRO-30-006 V1-1 EN


Title: Ecosystem Services Procedure: Impact Demonstration and Market Tools


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The Forest Stewardship Council (FSC) is an independent, not-for-profit, nongovernmental organization established to promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

The FSC vision is that the world's forests meet the social, ecological, and economic rights and needs of the present generation without compromising those of future generations.

## Foreword

The Forest Stewardship Council (FSC) Forest Stewardship Standards already require forest managers to maintain/conservate or enhance/restore ecosystem services and environmental values. They also require the managers of FSC-certified forests to identify, produce, or enable the production of diversified benefits and/ or products based on the range of resources and ecosystem services existing in the management unit. FSC forest management certification demonstrates compliance with Forest Stewardship Standards covering these and many other topics. This procedure offers something additional: a framework for verifying impacts and approving FSC ecosystem services claims that can be used by forest managers to access ecosystem services markets. Increased net revenue for forest managers through the use of these tools is one of the objectives of the FSC Global Strategic Plan 2015–2020. This commitment is part of a broader strategy to increase the market value of FSC.

Market research, study, and pilot testing carried out by FSC and its partners in the Forest Certification for Ecosystem Services (ForCES) project confirm that many forest managers are interested in communicating the site-level impacts of FSC certification, and that many market actors are willing to pay for a verification of these impacts on ecosystem services that goes beyond confirmation of compliance with forest management standards.

This procedure will help answer the global issue that forest governance and economic systems in many parts of the world provide greater incentives for deforestation, forest degradation, and related social inequities than they do for responsible forest management. FSC ecosystem services claims may offer forest owners and managers an additional incentive to become FSC certified rather than pursue the short-term economic benefits of forest degradation, and an added economic support for FSC certificate holders already managing their forests responsibly.

FSC ecosystem services claims will increase the confidence of governments, investors, and buyers in ecosystem services markets. Ecosystem services claims can also be used to demonstrate the impact made by investments in preserving ecosystem services and contributions towards the United Nations (UN) Sustainable Development Goals (SDGs). Ecosystem services claims for carbon capture and storage can also be used as evidence of contributions towards meeting commitments under Article 5 of the Paris Agreement under the UN Framework Convention on Climate Change.

This procedure is the foundation for FSC ecosystem services claims.

- Part I sets out the general requirements for forest managers to use this procedure.
- Part II sets out the forest management requirements originally included in FSC-STD-60-004 *International Generic Indicators*. These requirements are additional to the FSC national Forest Stewardship Standards and are intended to ensure comprehensiveness for ecosystem services markets. They have been transferred to this procedure to simplify the policy framework for ecosystem services claims.
- Part III sets out, in seven steps, the requirements for demonstrating the impacts of FSC-certified forest management on ecosystem services.
- Part IV sets out the requirements for forest managers, chain of custody certificate holders, and non- certificate holders to use FSC ecosystem services claims. This part describes four uses of ecosystem services claims:
  - promoting FSC-certified forests with verified ecosystem services impacts
  - promoting FSC-certified products with an FSC ecosystem services claim
  - promoting financial sponsorship of verified ecosystem services impacts
  - promoting ecosystem services impacts associated with external environmental assets.
- Part V sets out the requirements for certification bodies to verify the impacts demonstrated by FSC-certified forest managers and approve uses of FSC ecosystem services claims.

Over time, ecosystem services impacts verified using this procedure can be used to tell broader stories about impacts on FSC-certified forests at jurisdictional, regional, and global levels.

FSC ecosystem services claims are available to forest managers who are applicants for, or hold, a valid FSC forest management certificate. **The use of this procedure is voluntary, but the applicable requirements of Parts I, II, III, and IV are mandatory for organizations wishing to make use of the FSC ecosystem services claims described in Part IV.**

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## A Objectives

The objectives of this procedure are to:

- set out the requirements for FSC-certified forest managers to credibly demonstrate the impact of their activities on the maintenance, conservation, restoration, or enhancement of ecosystem services;
- provide FSC-certified forest managers with improved access to emerging ecosystem services markets through the use of FSC ecosystem services claims based on verified impacts;
- improve access to finance for validated ecosystem service restoration/enhancement impacts.

## B Scope

FSC forest management certificate holders shall comply with the applicable requirements of Parts I, II, III, and IV of this procedure when they want to demonstrate the positive impact of their forest management on ecosystem services and use FSC ecosystem services claims.

FSC chain of custody certificate holders shall comply with the requirements of Part IV of this procedure when they want to use FSC ecosystem services claims.

Certification bodies shall comply with the requirements of Part V of this procedure when they evaluate FSC certificate holders' compliance with Parts I, II, III, and IV. Evaluating compliance with this procedure is within the scope of FSC forest management accreditation. An audit by Accreditation Services International (ASI) is not required before the certification body evaluates compliance with this procedure; ASI will carry out surveillance of the certification body's compliance with Part V of this procedure through regular desk and witness audits.

This procedure may be used directly by its intended audience globally; there is no need for national adaptation.

All aspects of this procedure are considered to be normative, including the scope, effective and validity dates, references, terms and definitions, notes, tables, and annexes, unless otherwise stated.

## C Effective and validity date

|                    |                             |
|--------------------|-----------------------------|
| Approval date      | 23 December 2019            |
| Publication date   | 08 January 2021             |
| Effective date     | 08 April 2021               |
| Period of validity | until replaced or withdrawn |

## D References

The following referenced documents are relevant to the application of this document. For undated references, the latest edition of the referenced document (including any amendments) applies.

|                 |  |
|-----------------|--|
| FSC-STD-01-001  | <i>FSC Principles and Criteria for Forest Stewardship</i>  |
| FSC-STD-01-002  | <i>Glossary of Terms</i>   |
| FSC-STD-20-001  | <i>General Requirements for FSC Accredited Certification Bodies</i>  |
| FSC-STD-20-007  | <i>Forest Management Evaluations</i>   |
| FSC-STD-20-007a | <i>Forest Management Evaluations Addendum – Forest Certification Reports</i>   |
| FSC-STD-20-007b | <i>Forest Management Evaluations Addendum – Forest Certification Public Summary Reports</i>  |
| FSC-STD-20-011  | <i>Chain of Custody Evaluations</i>  |
| FSC-STD-40-004  | <i>Chain of Custody Certification</i>  |
| FSC-STD-50-001  | <i>Requirements for Use of the FSC Trademarks by Certificate Holders</i><br><i>FSC Trademark Use Guide for Promotional License Holders</i> |
| FSC-STD-60-004  | <i>International Generic Indicators</i>  |
| FSC-GUI-30-006  | <i>Guidance for Demonstrating Ecosystem Services Impacts</i>   |

## E Terms and definitions

Please refer to the FSC Style Guide for correct referencing sources. The FSC Glossary of Terms can be used as an example document. Please refer to the FSC Style Guide for correct referencing sources. The FSC Glossary of Terms can be used as an example document.

**Beneficiaries of the ecosystem service:** Any person, group of persons, or entity that uses or is likely to use the benefits obtained from nature provided by the management unit. Examples include, but are not restricted to, persons, groups of persons, or entities located in the neighborhood of the management unit. End-users such as consumers or indirect beneficiaries of carbon mitigation are not considered to be beneficiaries. The following are examples of beneficiaries of the ecosystem service:

- local communities
- Indigenous Peoples
- forest dwellers
- neighbors
- downstream water users
- tenure and use rights holders, including landowners.

(Source: adapted from FSC-STD-01-001 V5-0 *FSC Principles and Criteria for Forest Stewardship*)

For further guidance on how to identify the beneficiaries of the ecosystem services, please consult FSC- GUI-30-006 *Guidance for Demonstrating Ecosystem Services Impacts*.

**Best Available Information:** Data, facts, documents, expert opinions, and results of field surveys or consultations with stakeholders that are most credible, accurate, complete, and/or pertinent and that can be obtained through reasonable effort and cost, subject to the scale and intensity of the management activities and the Precautionary Approach. (Source: FSC-STD-60-004 *International Generic Indicators*)

**Conservation/protection:** These words are used interchangeably when referring to management activities designed to maintain the identified environmental or cultural values in existence over the long term. Management activities may range from zero or minimal interventions to a specified range of appropriate interventions and activities designed to maintain, or be compatible with maintaining, these identified values. (Source: FSC-STD-01-001 V5-0 *FSC Principles and Criteria for Forest Stewardship*)

**Contextual factors:** Socio-economic, institutional, and biophysical settings in which the organization operates, or management activities are implemented. These factors may support or hinder progress towards the realization of outcomes, and are generally not under the control of the organization.

**Ecosystem services:** FSC-STD-01-001 V5-0 *FSC Principles and Criteria for Forest Stewardship* defines ecosystem services as:

“The benefits people obtain from ecosystems. These include:

- a. provisioning services such as food, forest products and water;
- b. regulating services such as regulation of floods, drought, land degradation, air quality, climate, and disease;
- c. supporting services such as soil formation and nutrient cycling;
- d. cultural services and cultural values such as recreational, spiritual, religious and other non-material benefits.”

(Source: Based on R. Hassan, R. Scholes and N. Ash. 2005. *Ecosystems and Human Well-being: Synthesis*. The Millennium Ecosystem Assessment Series. Island Press, WashingtonDC)

When this procedure refers to ecosystem services, it refers to a specific subset of forest ecosystem services:

- carbon sequestration and storage
- biodiversity conservation
- watershed services
- soil conservation
- recreational services.

**Ecosystem services claim:** Assertion of a verified impact on ecosystem services, which can be used for the purpose of promotion or accessing markets for ecosystem services and may also be passed along the supply chain on sales and/or delivery documents of associated products.



**Environmental asset:** A legal commodity or tradable instrument representing an environmental outcome, such as a reduced emission of greenhouse gases ('carbon credit') or a restoration of wetlands within a wetlands compensatory mitigation scheme ('wetland credit'). (Source: adapted from Richardson, D. et al. [2017] *International Encyclopedia of Geography: People, the Earth, Environment and Technology*. Wiley- Blackwell)

In the context of this procedure, 'external' refers to environmental assets that are certified using a non-FSC scheme.

**Environmental registry:** An environmental registry is a tool for managing environmental assets. It allows participants to track environmental projects and to issue, transact, and retire serialized credits. (Source: adapted from a description of the Markit Registry; <http://www.markit.com/product/registry>, accessed 1 November 2017)

In the context of this procedure, an 'external registry' is a registry managed outside of FSC.

**Impact:** The long-term maintenance, conservation, enhancement, or restoration of ecosystem services, or benefits derived from them, which results, at least in part, from contributing management activities.

In this procedure, proposed impacts are not measured directly; the proposed impact is deemed to be achieved when the required results have been verified in accordance with this procedure.

**The organization:** The person or entity holding or applying for certification and therefore responsible for demonstrating compliance with the requirements upon which FSC certification is based. (Source: FSC- STD-01-001 V5-0 *FSC Principles and Criteria for Forest Stewardship*)

In this procedure, the term 'the organization' is used in Parts I, II, III, and V to refer to applicants and holders of FSC forest management certification.

**Outcome indicator:** Measure of ecological or social condition on the ground.

**Outcomes:** Ecological or social conditions on the ground that are direct consequences of the outputs and contribute to the proposed impact. For example, water body protected from cattle, change in area of forest sustainably managed (resulting from improved knowledge through training), erosion and sedimentation reduction (resulting from replanting on slopes).

**Outputs:** Immediate and direct consequences from management activities implemented on the management unit. For example, meters of fence constructed, number of people trained, number of hectares of slopes replanted, proportion of management unit where exotic species have been removed.

**Restore/restoration:** These words are used in different senses according to the context and in everyday speech. In some cases, 'restore' means to repair the damage done to environmental values that resulted from management activities or other causes. In other cases, 'restore' means the formation of more natural conditions in sites that have been heavily degraded or converted to other land uses. In the *FSC Principles and Criteria for Forest Stewardship*, the word 'restore' is not used to imply the recreation of any particular previous, pre-historic, pre-industrial, or other pre-existing ecosystem. (Source: FSC-STD-01-001 V5-0 *FSC Principles and Criteria for Forest Stewardship*)

**Sponsor:** A person or organization that provides funds for a project or activity carried out by another.

In the context of this procedure, a sponsor financially supports an FSC forest management certificate holder by providing funds to finance or reward the ecosystem services impact. The sponsor may benefit from this transaction through promotion using FSC trademarks.

**Theory of change:** Comprehensive description and illustration of how and why a desired change is expected to happen in a particular context. (Source: adapted from The Centre for Theory of Change, Inc. [2016]; <http://www.theoryofchange.org/what-is-theory-of-change/>, accessed 1 November 2017)

**Validation:** In the case of a proposed restoration impact for which management activities have only recently started and an impact cannot yet be demonstrated, confirmation through evaluation by an FSC-accredited certification body that the organization complies with all other applicable requirements of this procedure and has a credible plan that is likely to lead to verification of impacts in the next main evaluation. (Source: adapted from *Glossary: CDM Terms*, Version 09.1. Clean Development Mechanism; [https://cdm.unfccc.int/Reference/Guidclarif/glos\\_CDM.pdf](https://cdm.unfccc.int/Reference/Guidclarif/glos_CDM.pdf), accessed 1 November 2017)

**Verification:** The periodic evaluation and ex-post determination by an FSC-accredited certification body that any proposed ecosystem services impacts have occurred. (Source: adapted from *Glossary: CDM Terms*, Version 09.1. Clean Development Mechanism; [https://cdm.unfccc.int/Reference/Guidclarif/glos\\_CDM.pdf](https://cdm.unfccc.int/Reference/Guidclarif/glos_CDM.pdf), accessed 1 November 2018)

**Verified impact:** An impact that has been verified by an FSC-accredited certification body according to Part V of this procedure.

## F Version history

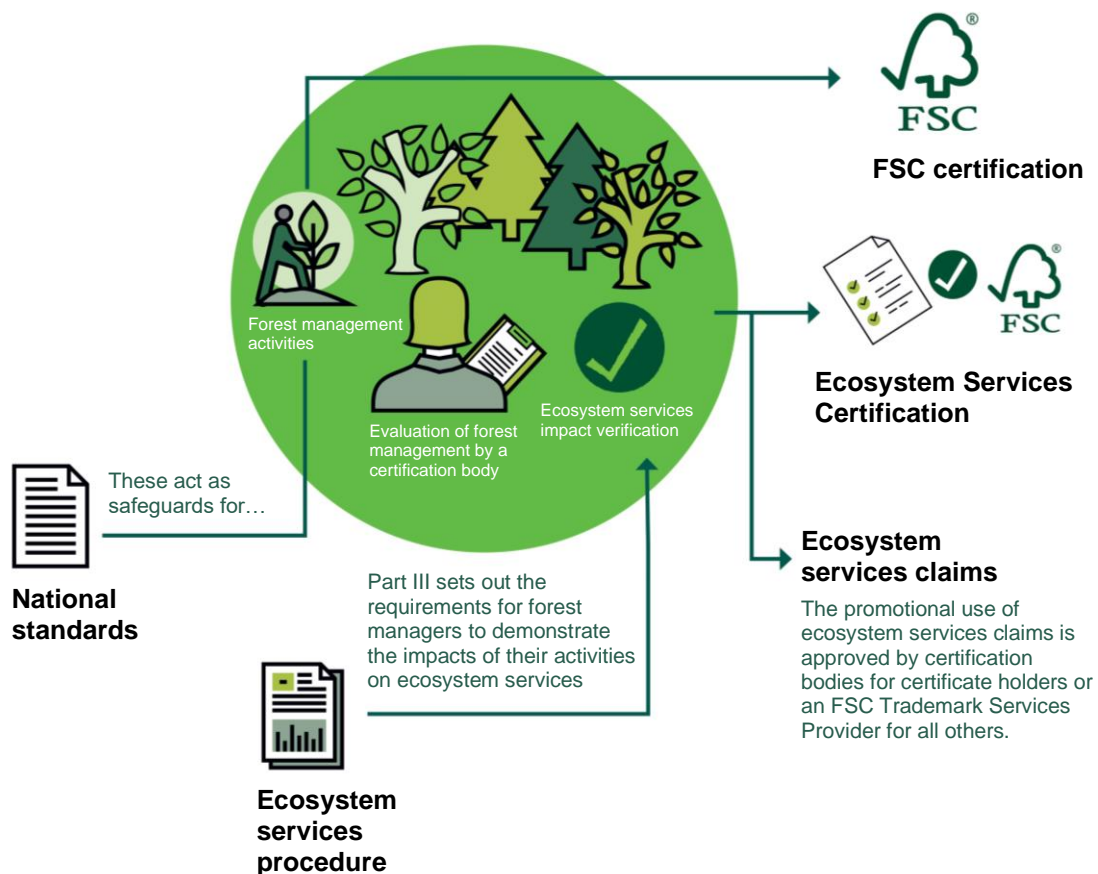
**FSC-PRO-30-006 V1-0 EN *Ecosystem Services Procedure: Impact Demonstration and Market Tools*:** Initial version. Approved by FSC Board of Directors in March 2018.

**FSC-PRO-30-006 V1-1 EN *Ecosystem Services Procedure: Impact Demonstration and Market Tools*:** Revised version. Small changes approved by the FSC Director General and administrative revisions approved by the PSU Director in December 2019.

Administrative revisions performed and small changes made, correcting errors in this procedure and improving its clarity.

## Part I: General Requirements

- 1.1 In order to comply with Parts I, II, III, and IV of this procedure, the organization shall be an applicant for or hold a valid FSC forest management certificate.
- 1.2 Failure to demonstrate an impact according to this procedure shall not affect the status of the FSC forest management certificate.
- 1.3 To demonstrate the impact of forest management activities on ecosystem services, the organization shall implement all of the seven steps described in Part III of this procedure (see Figure 1).
  - 1.3.1 One or more impacts may be proposed for one or more ecosystem services.
- 1.4 The demonstration of impacts, as described in Part III of this procedure, may be applied across several management units within a certified group.
  - 1.4.1 In group certification, designated requirements for ecosystem services can be applied at the group level. In such cases, membership rules shall clarify the division of responsibilities between group members and the group entity for demonstrating ecosystem services impacts.
  - 1.4.2 When only some of the members of the certified group decide to comply with this procedure, specific rules and identification systems shall be established to differentiate the members applying this procedure from the other members.
- 1.5 The organization shall record the information from each step in the relevant section of the Ecosystem Services Certification Document (ESCD) (Annex A).
  - 1.5.1 The organization shall make the ESCD available in at least one of the official language(s) of the country, or the most widely spoken language in the area in which the management unit is located;  
*NOTE: If the organization wishes to get support from FSC to implement the procedure or access ecosystem services markets, FSC may need to request a translation of the ESCD(s) into one of the official languages of FSC, at the expense of the organization.*
  - 1.5.2 The organization should develop an ESCD for each declared ecosystem service;
  - 1.5.3 The organization should send the ESCD(s) to the certification body 30 days prior to the start of the evaluation.
- 1.6 The organization shall update the ESCD at least every five years.
- 1.7 The organization may modify the layout and text of the ESCD if required to be in line with its specific corporate design and branding.



**Figure 1. The fit of the Ecosystem Services Procedure within the existing FSC assurance system:** FSC-accredited certification bodies evaluate conformance with the procedure at the same time as carrying out a forest management evaluation. Verified or validated ecosystem services claims are recorded in the Ecosystem Services Certification Document, which is published in the FSC public certificate database. Verified impacts give rise to ecosystem services claims, which can be used for promotional purposes.

## Part II: Additional management requirements for the proposed ecosystem services impacts

In addition to demonstrating compliance with Forest Stewardship Standards, organizations wishing to use FSC ecosystem services claims shall also comply with the additional management requirements described in this part. Some of these management requirements apply to any proposed impact (Section 2. Management requirements for all impacts), and some other requirements are specific for some of the proposed impacts (Section 3. Management requirements for specific proposed impacts).

The requirements listed in this section were originally included in Annex C of FSC-STD-60-004 *International Generic Indicators* as the requirements that FSC deemed necessary to be comprehensive in ecosystem services markets.

### 2 Management requirements for all proposed impacts

- 2.1 Peatlands are not drained.
- 2.2 Wetlands, peatlands, savannahs, or natural grasslands are not converted to plantations or any other land use.
- 2.3 Areas converted from wetlands, peatlands, savannahs, or natural grasslands to plantation since November 1994 are not certified, except where:
  - 2.3.1 The organization provides clear and sufficient evidence that it was not directly or indirectly responsible for the conversion; **or**
  - 2.3.2 The conversion is producing clear, substantial, additional, secure, long-term conservation benefits in the management unit; **and**
  - 2.3.3 The total area of plantation on sites converted since November 1994 is less than 5 per cent of the total area of the management unit.
- 2.4 Knowledgeable experts independent of the organization confirm the effectiveness of management strategies and actions to maintain and/or enhance the identified high conservation value areas.

### 3 Management requirements for all proposed impacts

#### **Requirements for impact ES1.3 (*Maintenance of an ecologically sufficient conservation area network*)**

- 3.1 The conservation area network, and conservation areas outside the management unit:
  - 3.1.1 Represent the full range of environmental values in the management unit;
  - 3.1.2 Have sufficient size or functional connectivity to support natural processes;

- 3.1.3 Contain the full range of habitats present for focal species and rare and threatened species; **and**
- 3.1.4 Have sufficient size or functional connectivity with other suitable habitat to support viable populations of focal species, including rare and threatened species in the region.
- 3.2 Knowledgeable experts independent of the organization confirm the sufficiency of the conservation area network.

**Requirement for impact ES1.4 (*Conservation of natural forest characteristics*) and 1.5 (*Restoration of natural forest characteristics*)**

- 3.3 Management activities maintain, enhance, or restore natural landscape-level characteristics, including forest diversity, composition, and structure.

**Requirement for impact ES1.6 (*Conservation of species diversity*) and 1.7 (*Restoration of species diversity*)**

- 3.4 Management activities maintain, enhance, or restore rare and threatened species and their habitats, including through the provision of conservation zones, protection areas, connectivity, and other direct means for their survival and viability.

**Requirements for impact ES2.1 (*Conservation of forest carbon stocks*)**

- 3.5 Forests are identified to be protected due to their carbon stocks, according to *FSC-GUI-30-006 FSC Guidance for Demonstrating Ecosystem Services Impacts*.
- 3.6 Management activities maintain, enhance, or restore carbon storage in the forest, including through forest protection and reduced impact logging practices for carbon, as described in *FSC-GUI-30-006 FSC Guidance for Demonstrating Ecosystem Services Impacts*.

**Requirements for impacts related to watershed services**

- 3.7 An assessment identifies:
  - 3.7.1 Hydrological features and connections, including permanent and temporary water bodies, watercourses, and aquifers;
  - 3.7.2 Domestic water needs for local communities and Indigenous Peoples within and outside of the management unit that may be impacted by management activities;
  - 3.7.3 Areas of water stress and water scarcity; **and**
  - 3.7.4 Consumption of water by the organization and other users.
- 3.8 Measures are implemented to maintain, enhance, or restore permanent and temporary water bodies, watercourses, and aquifers.
- 3.9 Chemicals, waste, and sediment are not discharged into water bodies, watercourses, or aquifers.

- 3.10 The management activities and strategies implemented by the organization respect universal access to water, as defined in UN Resolution 64/292: The human right to water and sanitation ([http://www.un.org/en/ga/search/view\\_doc.asp?symbol=A/RES/64/292](http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/64/292), accessed 1 November 2017).

### **Requirements for impacts related to soil conservation**

- 3.11 Vulnerable or high-risk soils are identified, including thin soils; soils with poor drainage and that are subject to waterlogging; and soils prone to compaction, erosion, instability, and run-off.
- 3.12 Measures are implemented to reduce compaction, erosion, and landslides.
- 3.13 Chemicals and waste are not discharged into soil.
- 3.14 Management activities maintain, enhance, or restore soil fertility and stability.

### **Requirements for impacts related to recreational services**

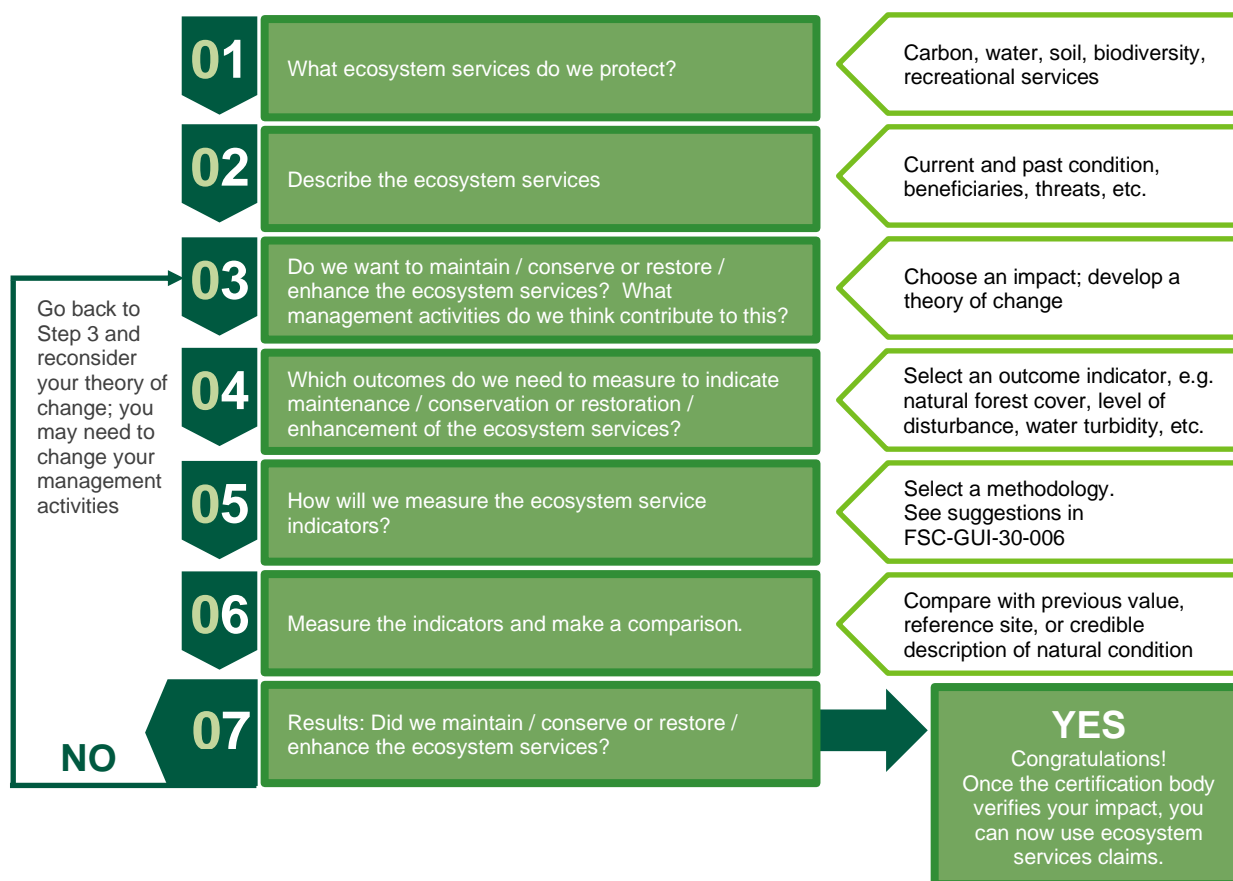
- 3.15 Measures are implemented to maintain, enhance, or restore:
- 3.15.1 Areas of importance for recreation and tourism, including site attractions, archaeological sites, trails, areas of high visual quality, and areas of cultural or historical interest; **and**
  - 3.15.2 Populations of species that are a tourist attraction.
- 3.16 The rights, customs, and culture of Indigenous Peoples and local communities are not violated by tourism activities.
- 3.17 Practices are implemented to protect the health and safety of tourism customers.
- 3.18 Health and safety plans and accident rates are publicly available in recreational areas and areas of interest to the tourism sector.
- 3.19 A summary is provided of activities that demonstrate prevention of discrimination based on gender, age, ethnicity, religion, sexual orientation, or disability.



## Part III: Impact demonstration

Part III describes the steps to be followed by the organization in order to demonstrate the impact of its management activities on ecosystem services. The steps are summarized in Figure 2 (see also Annex B as a key resource for many of the steps). Complying with the requirements of an FSC Forest Stewardship Standard means that an organization is in conformance with responsible forest management.

Demonstrating an impact according to this procedure means that the organization has measured specific positive outcomes compared with a reference level. It also means that the organization's management activities contribute directly to these measured outcomes. These management activities will meet or exceed the requirements of FSC Forest Stewardship Standards. The organization may not need to implement additional management activities in order to demonstrate an impact (i.e. it may already be doing everything that is required to achieve the impact); in this case, the organization only needs to implement this procedure to measure the required outcomes.



**Figure 2. The seven steps required to demonstrate ecosystem services impacts**



### Step 1: Declaration of the ecosystem service(s)

- 4.1. The organization shall declare the ecosystem service(s) for which an impact is proposed.
- 4.2. The organization shall briefly describe the legal tenure to manage, use, and/or receive payments for the declared ecosystem service.
- 4.3. The organization shall list any management objectives related to the declared ecosystem service(s), including any relevant objectives from the management plan.

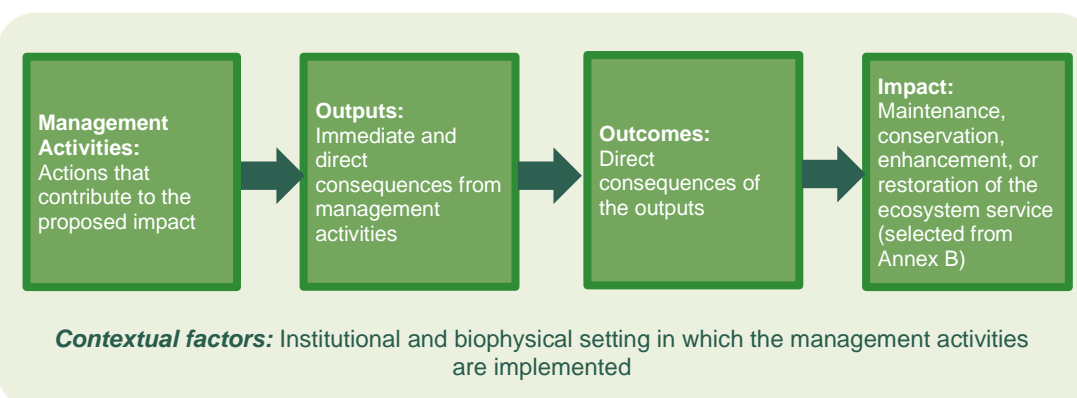
### Step 2: Description of the ecosystem service(s)

- 5.1 For each declared ecosystem service, the organization shall briefly describe:
  - 5.1.1 The current condition of the ecosystem service;
  - 5.1.2 The past condition of the ecosystem service, based on best available information;
  - 5.1.3 Areas within and outside of the management unit that contribute to the declared ecosystem service;
  - 5.1.4 Beneficiaries of the ecosystem service;
  - 5.1.5 Threats to the ecosystem service, both human-induced and of natural origin, within and outside of the management unit;
  - 5.1.6 A summary of culturally appropriate engagement with Indigenous Peoples and local communities related to the declared ecosystem service, including ecosystem services access and use, and benefit sharing, consistent with Principle 3 and Principle 4 of FSC- STD-01-001 *FSC Principles and Criteria for Forest Management*.

**Applicability NOTE:** *Small or low-intensity managed forests (SLIMF) are not required to comply with clause 5.1.2, unless required by the methodology used according to Step 5; and may describe only areas within the management unit to comply with Clauses 5.1.3 and 5.1.5.*

### Step 3: Theory of change: Linking management activities to impacts

#### Box 1. Definition and structure of a theory of change



**Figure 3. Basic structure of a theory of change**

A theory of change is a chain of results over time that shows how an organization expects its management activities to contribute to a desired impact.

The theory of change is built based on statements that link short-, medium-, and long-term results by following the structure 'if ... then'; i.e. if I do this management activity, then I will contribute to fulfilling this short-term output; if I achieve this short-term output, then I will contribute to fulfilling this medium-term outcome; if I achieve this medium-term outcome, then I will contribute to fulfilling (in other words, I have achieved) the long-term impact. In this procedure, the proposed impact is deemed to be achieved when the required results have been verified in accordance with this procedure. Figure 3 shows the basic elements of a theory of change.

**NOTE:** Two examples of completed theories of change are included in Annex C of this procedure.

- 6.1 For each declared ecosystem service, the organization shall propose one or more of the impacts from Annex B.
- 6.2 For each proposed impact, the organization shall develop a theory of change to describe the link between the contributing management activities and the proposed impacts, using Annex A as a template.
- 6.3 The organization shall specify in the theory of change:
  - 6.3.1 Any management activities that contribute to the proposed impact, including management activities to mitigate threats described in Clause 5.1.5;
  - 6.3.2 Outputs that result from the management activities; **and**
  - 6.3.3 Outcomes that result from the outputs.

**Applicability NOTE:** SLIMF may create a simplified theory of change that does not include outputs but links the management activities directly to outcomes.

- 6.4 The organization should incorporate any new management activities that contribute to the proposed impact in the monitoring plan of the management unit.
- 6.5 The organization shall identify and briefly describe any contextual factors that may influence the outcomes, e.g. the introduction of new legislation, or the presence of other water users.

***Applicability NOTE:** To comply with clause 6.5, SLIMF may focus the identification and description of contextual factors on those that are local, such as the presence of other water users.*

#### **Step 4: Selection of outcome indicators**

- 7.1 For each proposed impact, the organization shall select one or more outcome indicators according to the requirements stipulated in the 'Outcome indicators required' column of Annex B, e.g. "The organization shall measure at least one outcome indicator to measure natural forest cover (1); and at least one outcome indicator to measure successful replanting activities (2)".
- 7.2 The organization shall select outcome indicators that are consistent with the outcomes from the theory of change developed according to Step 3.
- 7.3 For the selection of outcome indicators, the organization may:
  - 7.3.1 Select outcome indicators from the examples provided in Annex B; **or**
  - 7.3.2 Alternatively, based on evidence of relevance to the outcomes, select outcome indicators that are not provided as examples in Annex B.
- 7.4 For each outcome indicator chosen, the organization shall specify a verifiable target that represents a desired future value for the outcome indicator.
- 7.5 The organization shall justify the choice of the verifiable target.

***Applicability NOTE:** SLIMF are not required to comply with clauses 7.4 and 7.5.*

#### **Step 5: Methods**

- 8.1 To measure the values of the selected outcome indicator(s), the organization shall either:
  - 8.1.1 Choose an applicable methodology from FSC-GUI-30-006 *Guidance for Demonstrating Ecosystem Services Impacts*; **or**

- 8.1.2 Use another methodology that conforms to the following eligibility criteria:
  - 8.1.2.1 The methodology is suitable for the local context and the outcome indicator to be measured;
  - 8.1.2.2 The methodology is credible, based on best available information (e.g. there are publications that support the use of the methodology; or it has been validated through previous use; or it has been endorsed by experts);
  - 8.1.2.3 The methodology is objective and replicable, i.e. it yields similar results when applied by different observers in the same site under similar conditions.
- 8.1 The organization shall describe the methodology used to measure the values of the selected outcome indicator(s) in terms that are clear enough to facilitate evaluation.
- 8.2 The organization shall describe the collection and analysis of data, including:
  - 8.2.1 The data sources that were used (literature, interviews, field measurements, modelling, etc.);
  - 8.2.2 Sampling methods, including frequency and/or intensity;
  - 8.2.3 Any equipment used to measure the outcome indicator(s);
  - 8.2.4 A summary of any data analyses performed.

**NOTE:** Guidance for the collection and analysis of data is provided in FSC-GUI-30-006 Guidance for Demonstrating Ecosystem Services Impacts.

## **Step 6: Measurement and comparison of the value of outcome indicator(s)**

- 9.1 The organization shall measure the present value of each selected outcome indicator.
 

**NOTE:** The present value of the indicator should be recent enough that it reasonably approximates the current value of the indicator in the forest. The acceptable age of the measurement will depend on the outcome indicator being measured, and on the ecosystem service; a measurement within the last five years could be a reasonable reflection of the present value.
- 9.2 The organization shall, according to the specifications given in the 'Comparison' column of Annex B, compare the present value of each outcome indicator with the specified value.
- 9.3 When Annex B specifies the comparison of the present value of the outcome indicator to at least one prior measurement, the organization shall show in this comparison all previous measurements for which data is available.
- 9.4 The organization shall implement Clauses 9.1–9.2 at least every five years, unless more frequent measurements are required by the methodology used.

## Step 7: Statement of results

- 10.1 For each proposed impact the organization shall provide evidence that the present value of the selected outcome indicators meets the required result specified in the column 'Required result' of Annex B.
- 10.2 For each proposed impact, the organization shall describe how the result from Clause 10.1 contributes to the likelihood of achieving the proposed verifiable targets in the future.

*Applicability NOTE: SLIMF are not required to comply with clause 10.2.*

## 11 Validation option

- 11.1 As a first step towards verifying the proposed impact and having it verified, the organization may request to have a proposed impact validated.
- 11.2 The organization may request to have a proposed impact validated if:
- 11.2.1 The proposed impact is a restoration or enhancement of the ecosystem service;
  - 11.2.2 The management activities have started recently, and an impact cannot yet be demonstrated;
  - 11.2.3 The organization provides an initial measurement of the outcome indicator(s) according to clause 9.1;
  - 11.2.4 The organization complies with all applicable requirements of Part III of this procedure, with the exception of Clause 10.1 and 10.2; **and**
  - 11.2.5 The organization has a credible plan to comply with all applicable requirements of this procedure within five years or in the next re-evaluation.
- 11.3 The organization may not use ecosystem services claims as described in Part IV of this procedure for impacts that have been validated.

### Box 2. Validation option

The validation option can be helpful in securing finance for the future verification of the proposed impact. The organization may use the ESCD with the validated impacts as evidence to attract investors and funders, based on the credible plan developed by the organization to have the impacts verified at the next main evaluation.

## Part IV: Market tools: Using FSC ecosystem services claims

Part IV of the procedure introduces FSC ecosystem services claims and sets out the trademark and chain of custody requirements for their use. Ecosystem services claims can be used in different ways by forest management certificate holders and their customers, stakeholders, and sponsors to generate additional business value (see Figure 4).

For examples of business models using FSC ecosystem services, please visit [ic.fsc.org/ecosystems-services-for-forest-managers](https://ic.fsc.org/ecosystems-services-for-forest-managers) and [ic.fsc.org/ecosystems-services-for-buyers](https://ic.fsc.org/ecosystems-services-for-buyers).

- 12.1 The FSC ecosystem services claims may be used for the following purposes:
  - 12.1.1 **Promoting FSC-certified forests** with verified ecosystem services impacts (Section 13);
  - 12.1.2 **Promoting FSC 100% products** carrying FSC ecosystem services claims (Section 14);
  - 12.1.3 **Promoting financial sponsorship** of verified ecosystem services impacts (Section 15); and
  - 12.1.4 Promoting verified ecosystem services impacts associated with **external environmental assets** (Section 16).

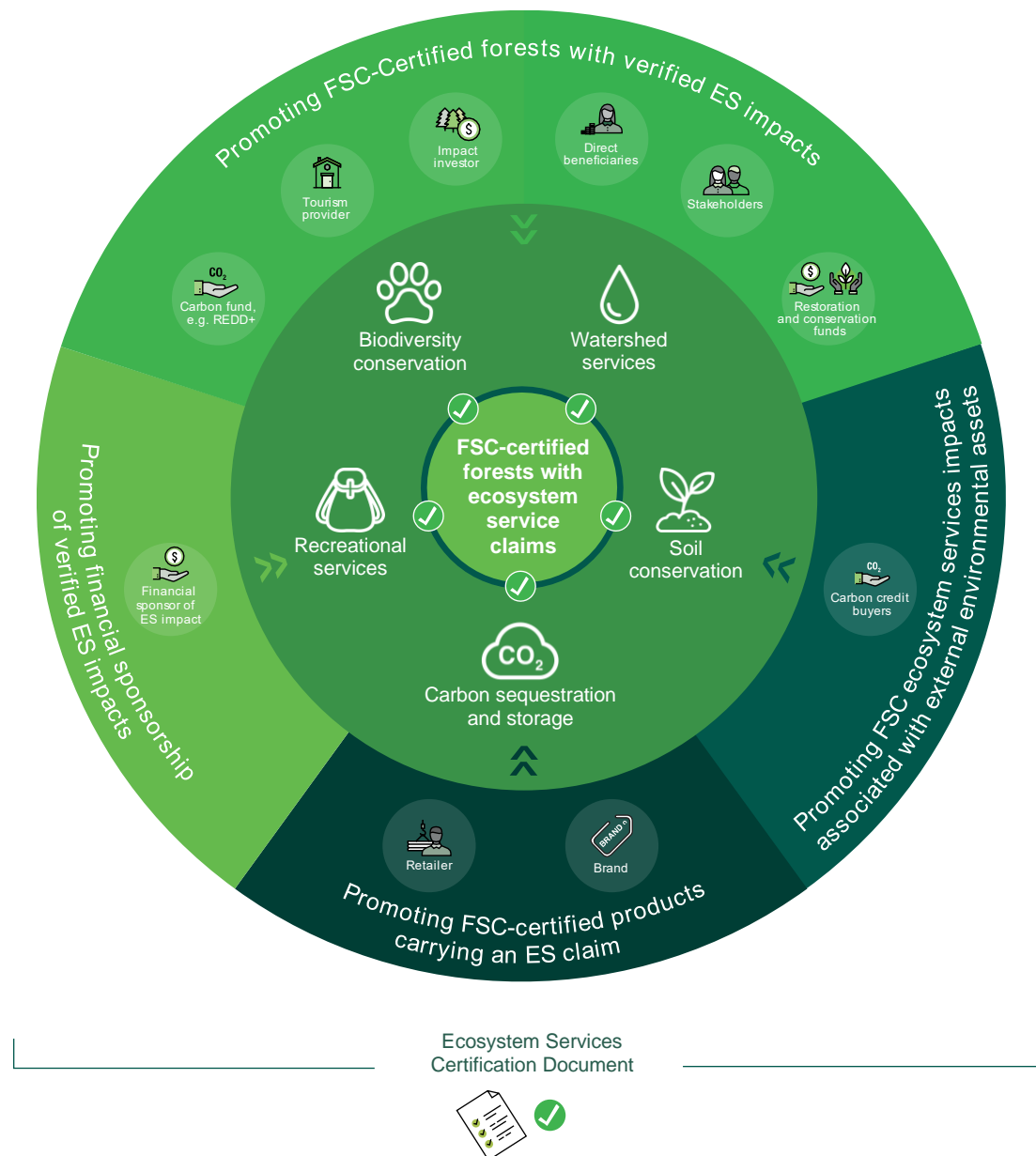
***NOTE:** References to FSC ecosystem claims may be made on an FSC 100% product outside the FSC label, or on separate promotional material. Communicating ecosystem claims through on-product labelling is currently being assessed by FSC.*

- 12.2 The FSC ecosystem services claim shall be any proposed impact from Annex B that has been verified by the certification body according to Part V of this procedure, e.g. 'Maintenance of water quality' (ES3.1).
- 12.3 For promotional purposes, FSC ecosystem services claims may also be described in summary form by using the phrase "verified positive impact" with reference to the ecosystem service(s) for which impacts have been verified.

**For example:** the claim 'Conservation of natural forest characteristics' (ES1.4) may also be more generally referred to as "Verified positive impact on biodiversity".

- 12.4 Organizations may make claims about multiple verified ecosystem services impacts.

**For example:** "from well-managed forests with verified positive impact on biodiversity and watershed services".



**Figure 4. Uses of the FSC ecosystem services claims:** The figure shows the four different uses of the FSC ecosystem services claims. Promotions can be made by the forest manager to attract funds, payments, and investments. Financial sponsors and buyers may in turn make promotions to generate business value. The Ecosystem Services Certification Document provides transparency.

### Box 3. Users and benefits of the ecosystem services claims

| Purpose   | Users and uses   | Benefits  |
|---|--|---|
| Promoting FSC-certified forests with verified ecosystem services impacts (Section 13)   | <p>Users: FSC forest management certificate holders</p> <p>Uses: Promote forests with verified ecosystem services impacts, for example by:</p> <ul style="list-style-type: none"> <li>• communicating on websites</li> <li>• sharing the ESCD with stakeholders, clients, etc.</li> <li>• producing leaflets, posters, videos</li> </ul> <p>Claim a contribution to the UN Sustainable Development Goals</p>     | <p>Improved relations with stakeholders</p> <p>New clients or premium prices for timber or non-timber products</p> <p>Payments from direct beneficiaries (e.g. downstream water users)</p> <p>Improved access to funding, sponsorships, and investments</p>                 |
| Promoting FSC 100% products carrying an FSC ecosystems services claim (Section 14)      | <p>Users: FSC forest management/chain of custody certificate holders and retailers</p> <p>Uses: Make ecosystem services claims on sales and/or delivery documents for FSC-certified forest products</p> <p>Promote FSC 100% products carrying ecosystem services claims with businesses and consumers</p> <p>Use information about FSC-verified ecosystem services impacts to assess supply chain footprints</p> | <p>New clients or premium prices for timber or non-timber products</p> <p>Providing messages about impacts that resonate with consumers</p> <p>Improved understanding of FSC by consumers</p> <p>Improved ability to meet commitments to reduce supply chain footprints</p> |
| Promoting financial sponsorship of verified FSC ecosystem services impacts (Section 15) | <p>Users: Sponsors</p> <p>Uses: Promote financial support in line with organizational commitments, e.g. with leaflets, posters, videos</p> <p>Demonstrate contributions to UN Sustainable Development Goals, etc.</p>  | <p>Demonstrating corporate social responsibility</p> <p>Providing messages about impacts that resonate with consumers</p> <p>Securing or diversifying business relationships with suppliers</p>   |



| Purpose  | Users and uses  | Benefits   |
|--|---|--|
| Promoting FSC ecosystem services impacts associated with external environmental assets registries (Section 16) | <p>Users: FSC forest management certificate holders who have been issued with an environmental asset by an external certification scheme, such as verified carbon units issued by Verified Carbon Standard or water benefit certificates certified by Gold Standard Foundation</p> <p>Uses: Add FSC certification and verified ecosystem services impacts as attributes of their environmental assets</p> | Premium prices for external assets   |
| Promoting FSC ecosystem services impacts associated with external environmental assets registries (Section 16) | <p>Users: Purchasers (and resellers) of environmental assets and the registries hosting them</p> <p>Uses: Promoting the FSC-verified ecosystem services impacts associated with the environmental assets</p>  | <p>Improved relations with stakeholders</p> <p>Access to a wider and bigger range of clients, etc.</p> |

## 13 Promoting FSC-certified forests with verified ecosystem services impacts

Once ecosystem services impacts have been verified, forest management certificate holders may use FSC trademarks to promote these impacts.

### Trademark requirements for forest management certificate holders

13.1 Forest management certificate holders may promote their forests and forest products for which ecosystem services impacts have been verified with FSC trademarks and with FSC ecosystem services claim(s) as indicated in Clauses 12.2 and 12.3.

13.1.1 Any additional explanation of the impact shall be consistent with the ESCD. Some examples are:

- The maintenance of water quality has been verified on this FSC-certified forest.
- Positive impact on watershed services has been verified on this FSC-certified forest.
- Restoration of species diversity has been verified on this FSC-certified forest. The abundance of [focal species] has increased and the area damaged by [pests] has decreased

[time frame] by introduction of [activities].

- 13.2 Forest management certificate holders may claim a contribution to the UN Sustainable Development Goals and targets corresponding to verified ecosystem services impacts as indicated in Annex B.

**For example:** The verified impact makes a contribution to Sustainable Development Goal 15 (Life on Land).

- 13.3 All applicable requirements for use of the FSC trademarks in FSC-STD-50-001 *Trademark Standard for Certificate Holders* shall apply.

**NOTE:** Without needing to implement Parts I, II, or III of this procedure, any FSC-certified forest could also claim a contribution to the UN Sustainable Development Goal target 15.2.1 (progress towards sustainable forest management) through indicator 15.2.1e: Forest area certified under an independently verified certification scheme.

#### Box 4. The United Nations Sustainable Development Goals

On 1 January 2016, the 17 UN Sustainable Development Goals (SDGs) encompassed by the 2030 Agenda for Sustainable Development – adopted by 193 world leaders in September 2015 at a historic UN Summit in New York – officially came into force. Over the next 15 years, countries will mobilize efforts to achieve these new Goals that apply universally to all, and aim to end all forms of poverty, fight inequalities and injustice, and tackle climate change, while ensuring that no one is left behind.

FSC helps achieve sustainable forest management in the world, one of the targets of SDG 15 (Life on Land). The broad environmental, social, and economic focus of the FSC forest stewardship principles also contribute to the SDGs focused on poverty, equality, natural resources, production and consumption patterns, decent work, climate change, inclusive and accountable societies, and global partnerships (see <https://ic.fsc.org/en/web-page/fsc-contributions-to-achieving-the-sustainable-development-goals>).

The impacts that can be verified using this procedure are linked to specific UN SDG Indicators in Annex B. Based on verified impacts, forest managers and their sponsors can use FSC trademarks to promote their contributions to these Goals.

## 14 Promoting FSC-certified products carrying an FSC ecosystems services claim

FSC trademarks may be used to promote FSC 100% products with associated ecosystem services claims.

### Chain of custody (CoC) requirements for forest management (FM)/CoC and CoC certificate holders

- 14.1 FM/CoC and CoC certificate holders may make ecosystem services claims about physical FSC-certified products from forests with verified ecosystem services impacts.
- 14.2 For the sale of physical forest products with ecosystem services claims, FM/CoC and CoC certificate holders shall add the specific ecosystem services claim(s) with the corresponding code indicated in Annex B (e.g.

ES1.1) to sales and/or delivery documents of the product, in addition to the FSC claim, and its certificate code, including in all cases the forest management certificate code(s) for the forest(s) from where all ecosystem services claims originate.

- 14.3 CoC certificate holders sourcing materials that carry FSC ecosystem services claims may pass this claim on to the next companies in the supply chain.
- 14.3.1 CoC certificate holders shall ensure that these materials are traceable and controlled during all stages of processing, storage, and commercialization.
- 14.3.2 The forest management certificate code shall be passed along with the FSC ecosystem services claim.
- 14.4 CoC certificate holders shall establish separate product groups for products that carry ecosystem services claims.
- 14.5 Only FSC 100% products with ecosystem services claims can be promoted as such.
- 14.6 CoC certificate holders shall identify products with ecosystem services claims on their material accounting records and volume summaries.

#### **Trademark requirements for chain of custody certificate holders**

- 14.7 CoC certificate holders may use ecosystem services claims for promoting eligible products as indicated in Clauses 12.2 and 12.3 only when all FSC certified content carries FSC ecosystem services claims.
- 14.8 Only ecosystem services for which impacts have been verified for all material sources may be claimed.

**For example:** A product is produced with material from two sources, one having verified impacts claims for biodiversity and watershed services and the other for biodiversity and soil. Only biodiversity may be included in product promotion.

- 14.9 When products are promoted as FSC-certified material with FSC ecosystem services claims, the ecosystem services claim(s) shall be always specified or described in summary form (see 12.2 and 12.3).

#### **For example:**

- This [product] is made of wood from FSC-certified forests with verified [restoration of native species].
  - This [product] is made of wood from FSC-certified forests with verified impact on [biodiversity].
- 14.10 Any additional explanation of the impact shall be consistent with the ESCD.
- 14.11 All requirements for use of the FSC trademarks in FSC-STD-50-001

*Trademark Standard for Certificate Holders shall apply.*

## **Requirements for non-FSC-certified trademark licensees promoting products**

- 14.12 Organizations that are not required to obtain CoC certification may apply for an FSC trademark licence with the national or regional trademark service provider to promote sales and use of FSC-certified products with ecosystem services claims in line with *FSC Trademark Use Guide for Promotional License Holders*.

## **15 Promoting financial sponsorship of verified FSC ecosystem services impacts**

Forest management certificate holders may use verified ecosystem services impacts to attract financial sponsorships that support and reward the forest manager for the impact, and to sustain it. In return, sponsors may use FSC trademarks to promote their contribution to the impact.

### **CoC requirements for FM and FM/CoC certificate holders**

- 15.1 For all sponsorships of FSC ecosystem services, FM and/or FM/CoC certificate holders shall fill in the form in Annex D of this procedure and submit it to their certification body, which will publish an updated summary of all sponsored ecosystem services impacts on the FSC database of registered certificates (info.fsc.org).
- 15.1.1 The form in Annex D may be submitted without the name of the sponsor if the sponsor prefers to remain anonymous.

### **Trademark requirements for sponsors**

- 15.2 Sponsors with an FSC trademark licence may promote sponsoring of verified ecosystem services claims with the FSC trademarks, as indicated in Clauses 12.2 and 12.3.
- 15.3 Any additional explanation of the impact shall be consistent with the ESCD.
- NOTE:** *If a sponsor does not have an FSC trademark licence through certification or trademark service, they may apply for one with the national or regional trademark service provider.*
- 15.4 The promotion shall be done in line with applicable trademark use requirements and shall specify the ecosystem service claims, the forest sponsored, and the duration or year of sponsorship.
- 15.5 Sponsors may also claim a contribution through sponsorship to UN Sustainable Development Goals and targets corresponding to verified ecosystem services impacts as indicated in Annex B.

#### **For example:**

- The verified impact makes a contribution to UN Sustainable Development Goal 15 (Life on Land), through a financial sponsorship of ecosystem services impact verified through FSC

certification.

## **16 Promoting FSC ecosystem services impacts associated with external environment assets registries**

In addition to being FSC certified, forest managers may also have certified environmental assets according to external schemes, such as carbon credits.

Attributing FSC certification and verified ecosystem services impacts to external environmental assets such as carbon credits can increase their value, especially if the verification pertains to additional ecosystem services (e.g. a biodiversity impact associated with a carbon credit). If buyers of these assets or the registries that list them wish to promote FSC certification or verified ecosystem services impacts as attributes of these assets, they will need to obtain an FSC trademark licence.

It is important for forest managers to recognize that if they choose to add information about FSC ecosystem services impacts within external registries, they will in a sense be transferring that ecosystem impact along with the external asset. It may be difficult for the organization to obtain sponsorships or attract price premiums on timber or non-timber forest products using ecosystem services claims if these claims have been sold along with an external environmental asset.

### **Trademark requirements for forest management certificate holders**

- 16.1 Forest management certificate holders may add FSC ecosystem services claims as additional information within registries for external environmental assets, such as verified carbon units certified by Verified Carbon Standard or water benefit certificates certified by Gold Standard Foundation.

### **Trademark requirements for purchasers of external environmental assets**

- 16.2 Individuals/institutions that buy external environmental assets with FSC ecosystem services claims included as additional information within a carbon credit registry or similar, do not need to obtain an FSC trademark licence in order to do so.
  - 16.2.1 Individuals/institutions that buy such assets shall have an FSC trademark licence to promote the purchase with the FSC trademarks beyond including it in a registry, sustainability report, or equal;
  - 16.2.2 The registries listing the environmental assets shall comply with Clause 16.2.1.

## Part V: Requirements for certification bodies

Part V contains the additional requirements with which certification bodies need to comply when evaluating organizations that are implementing this procedure.

It is structured following different aspects of the evaluation, which are further detailed in other FSC normative documents (referenced in brackets at the beginning of each section).

### **17 Additional requirements related to forest management evaluations (FSC-STD-20-007 *Forest Management Evaluations*)**

- 17.1 The certification body shall evaluate compliance of the forest management organization with Parts I, II, and III of this procedure every five years or at each main evaluation.
- 17.2 The certification body shall include the declared ecosystem services and the requirements from Clause 17.1 in the audit plan and the sampling.
- 17.3 The certification body may carry out a surveillance evaluation to:
  - 17.3.1 Evaluate the correction of non-conformities identified in previous evaluations related to the requirements of Clause 17.1; **and**
  - 17.3.2 Evaluate significant changes in the ESCD, such as significant changes to the theory of change, the selected or measurement of outcome indicators, or the methodologies used.
- 17.4 The certification body should carry out the evaluation at the same time as conducting a forest management audit.
- 17.5 During successive evaluations, the certification body may decide not to evaluate all the requirements of this procedure, if there have been no changes since the last evaluation.

### **18 Additional requirements related to audit findings and decision-making (FSC-STD-20-001 *General Requirements for FSC Accredited Certification*)**

- 18.1 Audit findings shall be evaluated in accordance with FSC-STD-20-001 *General Requirements for FSC Accredited Certification*.

**NOTE:** In this procedure, a requirement is considered to be at the clause level (e.g. 1.2, 5.6), including all individual sub-clauses.

- 18.2 The certification body shall come to a decision that an ecosystem services impact proposed by the organization is verified if the organization complies with all applicable requirements in Parts I, II, and III of this procedure.

- 18.3 For each verified impact, the certification body shall:
- 18.3.1 Evaluate the use of ecosystem services claims and approve their use if the organization complies with the applicable requirements of Part IV of this procedure;
  - 18.3.2 Include 'ecosystem services' in the scope of the forest management certificate;
  - 18.3.3 Include the verified impact in the forest management certificate.
- 18.4 When the organization wishes to have a proposed impact validated, the certification body shall:
- 18.4.1 Evaluate the organization's compliance with Clause 11.2; **and**
  - 18.4.2 In successive evaluations, verify the organization's compliance with all applicable requirements of this procedure.
- 18.5 The certification body shall record any verified and/or validated ecosystem services impacts in the ESCD.
- 18.6 Non-conformities of the organization with this procedure shall lead to corrective action requests but shall not affect the forest management certification decision.
- 18.6.1 If non-conformities are not closed within the specified timeline, the certification body shall withhold or retract the verification or validation of the proposed ecosystem services impact, and any associated uses of ecosystem services claims from Part IV of this procedure;
  - 18.6.2 Each non-conformity shall be evaluated to determine whether it constitutes a minor or a major non-conformity according to FSC-STD-20-007 *Forest Management Evaluations*.
- 18.7 Each proposed impact shall be evaluated individually; some proposed impacts may be approved while others may not.

## **19 Additional requirements related to forest management certification reports (FSC-STD-20-007a *Forest Management Evaluations Addendum – Forest Certification Reports*)**

### **Content to add to forest management certification reports**

- 19.1 The certification report shall include an explicit statement of any ecosystem services impact verified or validated by the certification body in accordance with this procedure.
- 19.2 If more than one management unit is within the scope of the certificate, the certification report shall clearly indicate for which management units any impacts were verified or validated.



## **Group certification reports**

- 19.3 Certification reports for groups shall indicate, in addition to the content from Clause 19.1:
  - 19.3.1 The separation of responsibilities to demonstrate impact between the group entity level and the group member level;  
AND
  - 19.3.2 To which group members the verified or validated ecosystem services impact applies.

## **Surveillance reports**

- 19.4 The surveillance evaluation report shall indicate whether non-conformities with this procedure identified in previous evaluations have been corrected.

## **Forest management certification public summary reports (FSC-STD-20-007b *Forest Management Evaluations Addendum – Forest Certification Public Summary Reports*)**

### **Content**

- 19.5 The certification public summary report shall include the content described in Clause 19.1 – 19.3, excluding confidential information.
- 19.6 The certification body shall publish the evaluated ESCD, including the results of the evaluation and excluding confidential information, on the FSC database of registered certificates (info.fsc.org).
  - 19.6.1 A link or reference to the ESCD shall be included in the forest certification public summary report.
- 19.7 The certification body shall publish and periodically update, on the FSC database of registered certificates (info.fsc.org), a table of any sponsorships for the verified impacts, containing the following information:
  - 19.7.1 The verified impact that has been sponsored
  - 19.7.2 The number of sponsorships for each verified impact
  - 19.7.3 The year of each unique sponsorship.

## **20 Additional requirements for certification body personnel involved in certification activities (FSC-STD-20-001 *General Requirements for FSC Accredited Certification Bodies*)**

- 20.1 At least one member of the audit team shall be trained in the declared ecosystem service(s) or have proven competence based on past experience.



## Annex A. Template Ecosystem Services Certification Document

The Ecosystem Services Certification Document (ESCD) is the primary piece of evidence used by the certification body to assess compliance with the procedure. It will also contain all the information required for third parties to understand the impacts that have been demonstrated and the context of the forest management unit. Following the forest management evaluation, it will include a list of impacts that were validated or verified by the certification body. The ESCD will be uploaded by the certification body to the FSC certification database and will be available for download alongside certification report public summaries.

The ESCD is therefore a primary tool for providing transparency to the process and supporting communication to other parties about the impact that has been demonstrated. In some cases, it will be used to support promotion of FSC-certified forests with verified ecosystem services impacts; in other cases, the ESCD may be all that is required to secure a benefit, such as a grant, an investment, or a payment from a beneficiary, such as a downstream water user.

**Results of the evaluation (this page to be completed by the lead auditor, content of the ESCD after this page is completed by the certificate holder)**

|  |                                 |                                 |
|--|---------------------------------|---------------------------------|
| <b>Name of the certification body</b>  |                                 |                                 |
| <b>Name of the lead auditor</b>  |                                 |                                 |
| <b>Date of the evaluation of this document</b>   |                                 |                                 |
| <b>List of ecosystem services claims with ES impact code from Annex B<br/>(based on verified ecosystem services impacts)</b> |                                 |                                 |
| <b>List of validated ecosystem services impacts<br/>(when clause 11.2 applies)</b>   |                                 |                                 |
| <b>Date of verification or validation of the impact</b>  | <b>Approved on [dd.mm.yyyy]</b> | <b>Valid until [dd.mm.yyyy]</b> |
| <b>Signature of the lead auditor and seal</b>  | <b>Place of approval</b>        |                                 |
|  |                                 |                                 |

## Part I: Information regarding steps to demonstrating impact

### Step 1: Declaration of the ecosystem service(s)

#### 4.1. The organization shall declare the ecosystem service(s) for which an impact is proposed

*The organization shall choose one or more from among five ecosystem services: carbon sequestration and storage, biodiversity conservation, watershed services, soil conservation, and/or recreational services. The organization should develop an ESCD for each declared ecosystem service.*

- ☐ Biodiversity conservation (ES1)
- ☐ Carbon sequestration and storage (ES2)
- ☐ Watershed services (ES3)
- ☐ Soil conservation (ES4)
- ☐ Recreational services (ES5)

#### 4.2. The organization shall briefly describe the legal tenure to manage, use, and/or receive payments for the declared ecosystem service

*Describe relevant legislation relevant to the declared ecosystem service. This is particularly relevant in countries where forest managers have the right to harvest timber, but other services such as water and biodiversity are not included in their management rights. It is expected that the organization will provide a reference to the applicable law(s).*

*A law may not exist in the relevant jurisdiction. In this case, the organization is required to describe this situation.*

#### 4.3. The organization shall list any management objectives related to the declared ecosystem service, including any relevant objectives from the management plan

## Step 2: Description of the ecosystem service (it is recommended that you describe this step in approximately 1,000 words for all the clauses)

### 5.1.1 The current condition of the ecosystem service

### 5.1.2 The past condition of the ecosystem service, based on best available information (small and low-intensity managed forests are not required to comply with this clause unless required by the methodology used according to Step 5)

*This description should focus on describing the need and/or opportunity for current management activities to either restore or maintain the ecosystem services.*

### 5.1.3 Areas within and outside of the management unit that contribute to the declared ecosystem service (small and low-intensity managed forests are not required to describe areas outside the management unit unless required by the methodology used according to Step 5)

*Some examples of areas outside of the management unit are:*

- *Watershed services: upstream and/or downstream areas in a river, headwaters areas, wetlands, or water sources*
- *Recreational services: areas outside the management unit that are key tourist attractions or protected areas and/or features adjacent to the management unit that can enhance its tourist value, such as a beautiful mountain or lake that can be seen from the management unit.*

### 5.1.4 Beneficiaries of the ecosystem service

*The organization should describe only direct beneficiaries of the declared ecosystem service, such as communities whose drinking water is provided by the watershed service, human settlements that can benefit from a more stable soil, or local people working in the recreational services sector. Existing information from stakeholder consultations may be used to fulfil this clause.*

*End-users such as consumers or global beneficiaries of carbon mitigation should not be listed.*

**5.1.5 Threats to the ecosystem service, both human-induced and of natural origin, within and outside of the management unit (small and low-intensity managed forests need describe only threats within the management unit)**

*For example:*

- *Slash and burn activities outside may cause uncontrolled forest fires affecting carbon stocks, biodiversity, or recreational services*
- *Deforestation or forest degradation in the area could affect wildlife populations*
- *Development activities could affect water quality or hydrological systems*
- *Land conversion outside the management in mountainous areas may significantly affect soil conservation.*

**5.1.6 A summary of culturally appropriate engagement with Indigenous Peoples and local communities, related to the declared ecosystem service including ecosystem services access and use, and benefit sharing**

*This description may include stakeholder consultation; free, prior, and informed consent (FPIC) processes; engagement with communities and other organizations involved in activities related to the declared ecosystem service; disputes and dispute-resolution processes. In addition, this section may include how the organization plans to share benefits from the declared ecosystem service with Indigenous Peoples and local communities; how you plan to grant access and basic use of the ecosystem service to Indigenous Peoples and local communities.*

### Step 3: Theory of change: Linking management activities to impacts

#### **6.1 For each declared ecosystem service, the organization shall propose one or more of the impacts from Annex B**

*The impacts that can be demonstrated are listed in the five tables of Annex B.*

*Under each ecosystem service, there are several impacts to choose from. The choice of the impact is of great importance, as it influences the required information in terms of outcome indicators and the necessary comparisons to show evidence of impact.*

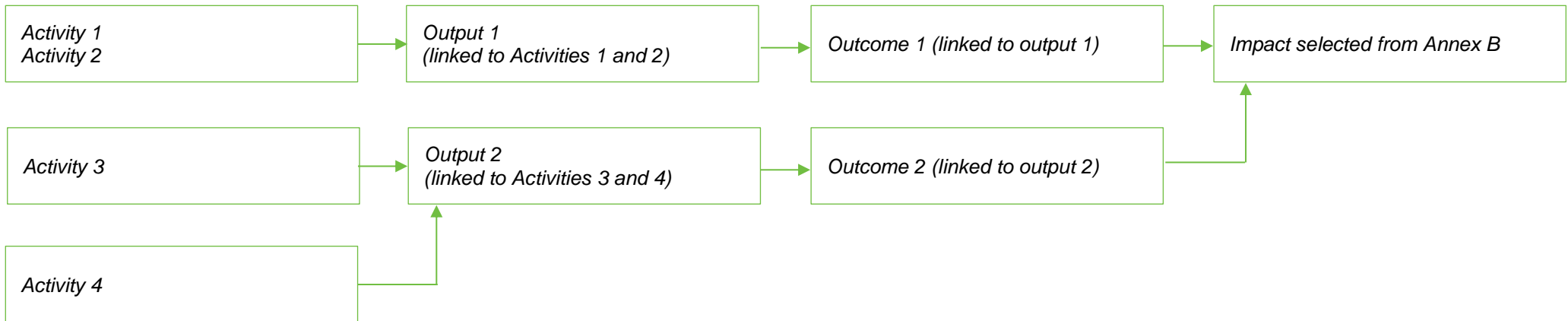
*For example, ES1.1 Restoration of natural forest cover or ES3.1 Maintenance of water quality.*

#### **6.2 For each proposed impact, the organization shall develop a theory of change to describe the link between management activities and the impacts, using Annex A as a template**

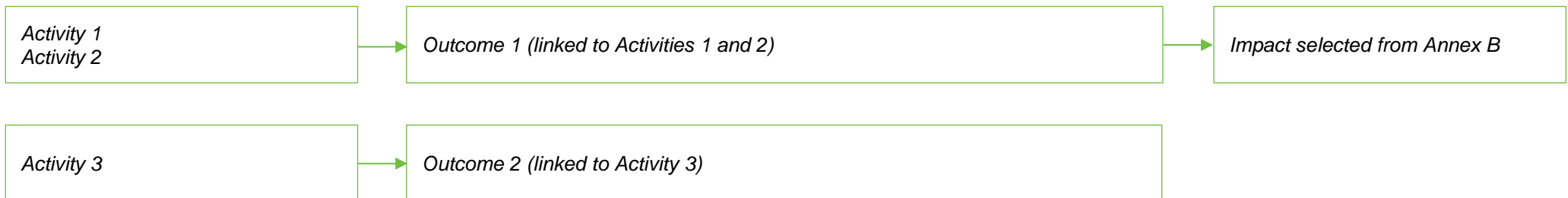
*Follow the template below to develop a theory of change (Clause 6.2)*

| Management activities<br>(Clause 6.3.1) | Outputs<br>(Clause 6.3.2, SLIMF are not required to include the outputs in their theory of change) | Outcomes<br>(Clause 6.3.3) | Impact<br>(Clause 6.1) |
|---|--|----------------------------|------------------------|
|---|--|----------------------------|------------------------|

### Example 1



### Example 2 (SLIMF)



**6.5 The organization shall identify and briefly describe any contextual factors that may influence the outcomes, e.g. the introduction of new legislation, or the presence of other water users (SLIMF may focus on local contextual factors)**

*Some examples:*

- *Political change or introduction of new legislation*
- *Safety and other events such as wars or violent conflicts*
- *Occurrence of natural disaster or change in climate*
- *Overlapping tenure of the management unit by other users*
- *Land rights in the country*
- *Other users of the ecosystem services in the area.*

#### Step 4: Selection of outcome indicators

|                            |  |  |
|----------------------------|--|--|
| <b>Impact (Clause 6.1)</b> | <b><i>For each proposed impact, the organization shall select one or more outcome indicators according to Clauses 7.1, 7.2, and 7.3)</i></b>                                   | <p><b>7.4</b> <i>For each outcome indicator selected, the organization shall specify a verifiable target(s) that represents a desired future value for the outcome indicator (SLIMF are not required to comply with Clause 7.4)</i></p> <p><i>The verifiable target may come from the forest management plan</i></p> |
| <b><i>Impact 1</i></b>     | <p><i>Outcome indicator for Outcome 1 (selected from Annex B or an alternative outcome indicator)</i></p> <p><i>Link to the outcomes presented in the theory of change</i></p> | <p><i>Verifiable target for the outcome indicator</i></p> <p><i>Link to the outcomes presented in the theory of change</i></p>   |
| <b><i>Impact 2</i></b>     | <p><i>Outcome indicator (selected from Annex B or an alternative outcome indicator)</i></p> <p><i>Link to the outcomes presented in the theory of change</i></p>               | <p><i>Verifiable target for outcome indicator</i></p> <p><i>Link to the outcomes presented in the theory of change</i></p>   |



**Step 5: Methods (it is recommended that you describe this step in approximately 500 words for all the clauses)**

**8.1 To measure the values of the selected outcome indicator(s), the organization shall either:**

**8.1.1 Choose an applicable methodology from FSC-GUI-30-006 *Guidance for Demonstrating Ecosystem Services Impacts*; or**

**8.1.2 Use another methodology that conforms to the following eligibility criteria.**

**8.1.2.1 The methodology is suitable for the local context and the outcome indicator to be measured**

*Brief justification:*

*The organization is not required to fill out this section if it has chosen a methodology from FSC-GUI-30-006.*

**8.1.2.2 The methodology is credible, based on best available information (e.g. there are publications that support the use of the methodology; it has been validated through**

*Brief justification:*

*The organization is not required to fill out this section if it has chosen a methodology from FSC-GUI-30-006.*

**8.1.2.3 The methodology is objective and replicable, i.e. it yields similar results when applied by different observers in the same site under similar conditions**

*Brief justification:*

*The organization is not required to fill out this section if it has chosen a methodology from FSC-GUI-30-006.*

## Step 5: Methods (it is recommended that you describe this step in approximately 1,000 words)

### 8.2 The organization shall describe the methodology used to measure the values of the selected outcome indicator(s), in terms that are clear enough to facilitate evaluation

*The organization should refer to FSC-GUI-30-006 for recommended methodologies and could also refer to external methodologies, books, or articles. Provide a brief description below.*

### 8.3 The organization shall describe the collection and analysis of data, including:

#### 8.3.1 The data sources that were used (literature, interviews, field measurements, modelling, etc.)

*Brief description:*

#### 8.3.2 Sampling methods, including frequency and/or intensity

*Brief description:*

#### 8.3.3 Any equipment used to measure the outcome indicator

*Brief description:*

#### 8.3.4 A summary of any data analysis performed

*Brief description:*

## Step 6: Measurement and comparison of the value of the selected outcome indicator(s)

### 9.1 The organization shall measure the present value of each selected outcome indicator

*Write down the specific measure you are using of the present value, e.g. tonnes of above-ground forest carbon stocks across the forest management unit as measured in 2016 (within the last two years).*

### 9.2 The organization shall, according to the specifications in the 'Comparison' column of Annex B, compare the present value of each outcome indicator with the specified value

*Write down the comparison value chosen from Annex B. Be specific, e.g. previous measurement of above-ground carbon stocks across the management unit in 2005; or allowable turbidity, as set out in the Environmental Protection Agency water quality standards.*

**Step 7: Statement of results (it is recommended that you describe this step in approximately 500 words for all the clauses)**

| <b>Impact<br/>(Clause 6.1)</b>  | <b>Outcome<br/>indicator<br/>(Clause 7.1)</b>     | <b>Present value of<br/>the outcome<br/>indicator<br/>(Clause 9.1)</b>  | <b>Value of the<br/>comparison<br/>(Clause 9.2)</b> | <b>Required result<br/>(Annex B)</b>   | <b>Results (Clause 10.1)</b>   |
|---|---|---|---|--|--|
| <i>Impact 1</i>   | <i>List the selected<br/>outcome indicator(s)</i> | <i>Record the present<br/>value of the<br/>outcome<br/>indicator(s)</i> | <i>Record the value of<br/>the comparison</i>       | <i>Re-state the<br/>required result<br/>from Annex B</i>   | <p><i>Describe the evidence that shows the required<br/>result has been met.</i></p> <p><i>Provide detailed evidence summarizing reports or<br/>the results for each outcome indicator.</i></p> <p><i>The organization may provide additional evidence<br/>as an attachment.</i></p> |
| <p><b>10.2 For each proposed impact, the organization shall describe how the results from Clause 10.1 contribute to the likelihood of achieving the proposed verifiable targets in the future</b></p> |   |   |   |  |  |
| <p><b>Verifiable target 1</b></p> <p><b>Verifiable target 2</b></p>   |   |   |   | <p><i>Describe how the result for each outcome indicator is consistent with<br/>achieving the verifiable target in the future.</i></p> |  |
|   |   |   |   | <p><i>Describe how the result contributes to achieving the verifiable target in the<br/>future for impact 2.</i></p>                   |  |

## Part II: Management information

### Name of the forest management organization

### Location of the management unit

*If there is more than one management unit, please indicate the location of all management units to which this ESCD applies.*

Coordinates of the management unit:

### Type of certification

*Please tick all the options that apply to the management unit*

Tenure management:

- ☐ Community ☐ Public/state ☐ Private  
☐ Concession ☐ Indigenous ☐ Low intensity ☐ Small producer

Tenure ownership:

- ☐ Community ☐ Public/state ☐ Private ☐ Indigenous

Type of certificate:

- ☐ Individual ☐ Management group

### Characteristics of the certificate

*Please give the following information:*

Management units (name and numbers): [ ]

Management unit area (in hectares): [ ]

Number of members (if applicable): [ ]

FSC certificate code (if applicable): [ ]

First issue date (if applicable): [ ]

Last issue date (if applicable): [ ]

Expiry date (if applicable): [ ]

### Organization contact information

*Please provide relevant contact information:*

Email: [ ]

Postal address: [ ]

Telephone number: [ ]

Contact name: [ ]

## Annex B. Possible impacts, and measures to demonstrate them

Annex B contains mandatory requirements to comply with Part III of this procedure. There is one table for each ecosystem service, identified by different colours. Within each table, the different impacts that can be proposed by the organization are identified by a number and a name, e.g. Impact ES1.1: Restoration of natural forest cover (Clause 6.1).

The first column (*Outcome indicators required*) indicates the type(s) of outcome indicator(s) that have to be selected for each impact. It is mandatory for the organization to choose the type and number of indicators included in this column (Clause 7.1).

The second column (*Examples of outcome indicators*) provides some examples of outcome indicators that can be used by the organization (Clause 7.3.1).

The third column (*Measure*) contains the measurement(s) that the organization shall carry out; in most cases, this is the present value of the outcome indicator (Clause 9.1).

The fourth column (*Comparison: Compare present value to*) indicates what the measure has to be compared to (Clauses 9.2–9.3). The result of this comparison has to comply with the requirements indicated in the fifth column (*Required result*) (Clause 10.1).

The final column (*UN Sustainable Development Goals*) provides a link between each impact and the Sustainable Development Goals. This may be used for communication and marketing purposes (Clause 13.2).

| ES1: BIODIVERSITY CONSERVATION   |  |                                    |  |  |  |
|--|--|------------------------------------|--|--|--|
| Outcome indicators required  | Examples of outcome indicators (select at least one or select an alternative based on evidence)  | Measure                            | Comparison: Compare present value to   | Required result                                  | UN Sustainable Development Goals   |
| Impact ES1.1: Restoration of natural forest cover  |  |                                    |  |  |  |
| Within the first 10 years following the start of implementation of management activities to restore natural forest cover:  |  |                                    |  |  | Goal 15: Life on Land<br><br>15.1.1 Forest area as a proportion of total land area<br><br>15.2.1 Progress towards sustainable forest management<br><br>15.3.1 Proportion of land that is degraded over total land area |
| The organization shall measure at least one outcome indicator to measure natural forest cover (1);<br>AND<br>at least one outcome indicator to measure successful reforestation/ restoration activities (2)<br>1. Natural forest cover | <ul style="list-style-type: none"><li>Natural forest cover on the whole management unit</li><li>Degraded forest area as a proportion of total land area</li></ul>  | Present value of outcome indicator | At least one previous measurement  | Condition is stable or improving                 |  |
| AND  |  |                                    |  |  |  |
| 2. Successful reforestation/restoration activities   | <ul style="list-style-type: none"><li>Degraded/deforested area with successfully established native tree seedlings</li></ul>   | Present value of outcome indicator | Zero activity  | Condition is improving                           |  |
| After 10 years following the start of implementation of management activities to restore natural forest cover:   |  |                                    |  |  |  |
| The organization shall measure at least one outcome indicator to measure natural forest cover (1);<br>AND<br>At least one outcome indicator to measure stand-level forest composition and structure (2)<br>1. Natural forest cover     | <ul style="list-style-type: none"><li>The extent of natural forest on the whole management unit</li><li>Forest area as a proportion of total land area</li></ul>   | Present value of outcome indicator | At least one previous measurement  | Condition is improving                           |  |
| AND  |  |                                    |  |  |  |
| 2. Stand-level forest composition and structure for the whole management unit  | <ul style="list-style-type: none"><li>Forest age class</li><li>Forest or ecosystem structure</li><li>Native species assemblage</li><li>Forest density</li><li>Amount of standing and fallen deadwood</li></ul> | Present value of outcome indicator | At least one previous measurement and a description of the natural condition | Condition is improving towards natural condition |  |



| ES1: BIODIVERSITY CONSERVATION  |   |                                    |   |                     |  |
|---|---|------------------------------------|---|---------------------|--|
| Outcome indicators required   | Examples of outcome indicators<br>(select at least one or select an alternative based on evidence)  | Measure                            | Comparison:<br>Compare present value to | Required result     | UN Sustainable Development Goals   |
| <b>Impact ES1.2: Conservation of intact forest landscapes</b>   |   |                                    |   |                     |  |
| The organization shall select at least one outcome indicator to measure the extent of intact forest landscapes on the management unit | <ul style="list-style-type: none"> <li>• Area of intact forest landscapes</li> <li>• Area of intact forest landscape cores</li> <li>• Area of protected intact forest landscapes</li> </ul> | Present value of outcome indicator | The value on 1 January 2017 or earlier  | Condition is stable | <b>Goal 15:</b> Life on Land<br>15.1.1 Forest area as a proportion of total land area<br>15.1.2 Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type<br>15.2.1 Progress towards sustainable forest management<br>15.3.1 Proportion of land that is degraded over total land area |

## ES1: BIODIVERSITY CONSERVATION

| Outcome indicators required  | Examples of outcome indicators (select at least one or select an alternative based on evidence)   | Measure                            | Comparison: Compare present value to  | Required result  | UN Sustainable Development Goals  |  |
|--|---|------------------------------------|---|--|---|--|
| Impact ES1.3: Maintenance of an ecologically sufficient conservation area network  |   |                                    |   |  |   |  |
| The organization shall select at least one outcome indicator to measure the size or connectivity of the conservation areas network (1) ;<br>AND<br>at least one outcome indicator to measure the representativeness of the conservation areas network (2)<br>1. Size or connectivity of the conservation areas network | <ul style="list-style-type: none"><li>Area of the conservation areas network within and outside the management unit (including representative sample areas, conservation zones, protection areas, connectivity areas, and high conservation value areas)</li><li>Connectivity of the conservation areas network</li><li>Connectivity to conservation areas outside the management unit</li><li>Connectivity to habitat outside the conservation areas network</li></ul> | Present value of outcome indicator | Based on best available information a description of the size or connectivity of conservation areas required to support natural processes and viable populations of focal species | Size or connectivity of the conservation areas network, together with conservation areas and suitable habitat outside the management unit, is similar to the description | Goal 15: Life on Land<br><br>15.1.2 Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type<br><br>15.2.1 Progress towards sustainable forest management |  |
| AND  |   |                                    |   |  |   |  |
| 2. Representativeness of the conservation areas network  | <ul style="list-style-type: none"><li>Presence of natural environmental values</li><li>Area of available habitat</li><li>Suitability of habitat</li><li>Connectivity of habitat within and outside the management unit</li></ul>  | Present value of outcome indicator | Based on best available information a description of the range of natural environmental values and habitats present within the management unit                                    | Conservation areas network is representative of the full range of natural environmental values and habitats found in the management unit                                 |   |  |

## ES1: BIODIVERSITY CONSERVATION

| Outcome indicators required   | Examples of outcome indicators (select at least one or select an alternative based on evidence)   | Measure  | Comparison: Compare present value to   | Required result  | UN Sustainable Development Goals  |  |
|---|---|--|--|--|---|--|
| Impact ES1.4: Conservation of natural forest characteristics  |   |  |  |  |   |  |
| The organization shall select either: at least one outcome indicator to measure anthropogenic disturbance at the landscape level (1);<br>AND either (2) or (3):<br>at least one outcome indicator to measure landscape-level forest composition and structure (2);<br>OR<br>at least one outcome indicator to measure stand-level forest composition and structure (3)<br><br>1. Anthropogenic disturbance at the landscape level | <ul style="list-style-type: none"><li>• Level of disturbance</li><li>• Road density</li><li>• Level of fragmentation</li><li>• Patch size</li><li>• Proportion of native species</li></ul>  | Present value of outcome indicator                                 | At least one previous measurement  | Condition is stable or improving   | <b>Goal 15:</b> Life on Land<br><br>15.1.1 Forest area as a proportion of total land area<br>15.2.1 Progress towards sustainable forest management<br>15.3.1 Proportion of land that is degraded over total land area |  |
|   |   |  | AND  |  |   |  |
|   |   |  | The average level of disturbance in the ecological region  | The management unit has less anthropogenic disturbance than the average in the ecological region           |   |  |
| AND   |   |  |  |  |   |  |
| 2. Landscape-level forest composition and structure for the whole management unit   | <ul style="list-style-type: none"><li>• Forest age class</li><li>• Forest or ecosystem structure</li><li>• Species assemblage</li><li>• Proportion of native tree species</li><li>• Forest density</li></ul>  | Present value of outcome indicator and at least one previous value | A natural reference area OR based on best available information a description of a natural condition | Present value on management unit is similar to the reference area OR the similarity is stable or improving |   |  |
| OR  |   |  |  |  |   |  |
| 3. Stand-level forest composition and structure for the whole management unit   | <ul style="list-style-type: none"><li>• Forest age class</li><li>• Vertical structure of the stand</li><li>• Horizontal structure of the stand</li><li>• Proportion of native species</li><li>• Amount of standing and fallen deadwood and/or other important natural microhabitats</li></ul> | Present value of outcome indicator and at least one previous value | A natural reference area OR based on best available information a description of a natural condition | Present value on management unit is similar to reference area OR the similarity is stable or improving     |   |  |

## ES1: BIODIVERSITY CONSERVATION

| Outcome indicators required   | Examples of outcome indicators (select at least one or select an alternative based on evidence)   | Measure  | Comparison: Compare present value to   | Required result   | UN Sustainable Development Goals  |
|---|---|--|--|---|---|
| Impact ES1.5: Restoration of natural forest characteristics   |   |  |  |   |   |
| The organization shall select either: at least one outcome indicator to measure anthropogenic disturbance at the landscape level (1);<br>AND either (2) or (3):<br>at least one outcome indicator to measure landscape-level forest composition and structure (2);<br>OR<br>at least one outcome indicator to measure stand-level forest composition and structure (3)<br><br>1. Anthropogenic disturbance at the landscape level | <ul style="list-style-type: none"><li>• Level of disturbance</li><li>• Road density</li><li>• Level of fragmentation</li></ul>  | Present value of outcome indicator                                 | At least one previous measurement  | Condition is improving                                    | <b>Goal 15:</b> Life on Land<br><br>15.1.1 Forest area as a proportion of total land area<br><br>15.2.1 Progress towards sustainable forest management<br><br>15.3.1 Proportion of land that is degraded over total land area |
| AND   |   |  |  |   |   |
| 2. Landscape-level forest composition and structure for the whole management unit   | <ul style="list-style-type: none"><li>• Forest age class</li><li>• Forest or ecosystem structure</li><li>• Proportion of native tree species</li><li>• Species assemblage</li><li>• Forest density</li></ul>  | Present value of outcome indicator and at least one previous value | A natural reference area OR based on best available information a description of a natural condition | Similarity to reference area or description is increasing |   |
| OR  |   |  |  |   |   |
| 3. Stand-level forest composition and structure for the whole management unit   | <ul style="list-style-type: none"><li>• Forest age class</li><li>• Vertical structure of the stand</li><li>• Horizontal structure of the stand</li><li>• Proportion of native species</li><li>• Amount of standing and fallen deadwood and/or other important natural microhabitats</li></ul> | Present value of outcome indicator and at least one previous value | A natural reference area OR based on best available information a description of a natural condition | Similarity to reference area or description is increasing |   |

## ES1: BIODIVERSITY CONSERVATION

| Outcome indicators required  | Examples of outcome indicators (select at least one or select an alternative based on evidence)   | Measure                            | Comparison: Compare present value to  | Required result  | UN Sustainable Development Goals   |
|--|---|------------------------------------|---|--|--|
| Impact ES1.6: Conservation of species diversity  |   |                                    |   |  |  |
| The organization shall select either (1) and (3) OR (2) and (3):<br>one outcome indicator to measure the native species diversity (1);<br>OR<br>at least one outcome indicator to measure the abundance or viability of focal species or rare and threatened species (2);<br>AND<br>at least one outcome indicator to measure habitat availability within the management unit for focal species or rare and threatened species (3)<br>1. Native species diversity. | <ul style="list-style-type: none"><li>Indices of species assemblage or composition (e.g. birds, mammals, trees, fish, beetles)</li><li>Proportion of species classified as at risk</li></ul>          | Present value of outcome indicator | One previous measurement AND a natural reference area OR based on best available information a description of a natural condition | Present value is similar to reference area OR description of natural condition; similarity is stable or increasing | <b>Goal 15:</b> Life on Land<br><br>15.1.2 Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type<br><br>15.2.1 Progress towards sustainable forest management<br><br>15.3.1 Proportion of land that is degraded over total land area<br><br>15.5.1 Red List Index |
| OR   |   |                                    |   |  |  |
| 2. Abundance or viability of focal species or rare and threatened species  | <ul style="list-style-type: none"><li>Abundance of selected species</li><li>Availability of selected species for sustainable traditional use</li></ul>  | Present value of outcome indicator | At least one previous measurement OR minimum viable population for the species  | Condition is stable or improving OR abundance is equal to or greater than the minimum viable population            |  |
| AND  |   |                                    |   |  |  |
| 3. Habitat availability within the management unit for focal species or rare and threatened species  | <ul style="list-style-type: none"><li>Area of available habitat</li><li>Suitability of habitat</li><li>Habitat connectivity</li><li>Area protected from illegal hunting and illegal logging</li></ul> | Present value of outcome indicator | At least one previous measurement   | Condition is stable or improving   |  |

## ES1: BIODIVERSITY CONSERVATION

| Outcome indicators required  | Examples of outcome indicators (select at least one or select an alternative based on evidence)   | Measure  | Comparison: Compare present value to   | Required result   | UN Sustainable Development Goals   |
|--|---|--|--|---|--|
| Impact ES1.7: Restoration of species diversity   |   |  |  |   |  |
| The organization shall select either (1) and (3) OR (2) and (3):<br>at least one outcome indicator to measure the native species diversity (1);<br>OR<br>at least one outcome indicator to measure the abundance or viability of focal species or rare and threatened species (2);<br>AND<br>at least one outcome indicator to measure habitat availability within the management unit for focal species or rare and threatened species (3)<br>1. Native species diversity | <ul style="list-style-type: none"><li>Indices of species assemblage (e.g. birds, mammals, trees, fish, beetles)</li><li>Proportion of species classified as at risk</li></ul>                         | Present value of outcome indicator and at least one previous value | A natural reference area OR based on best available information an estimate of a natural condition | Similarity to reference area or estimate is increasing  | <b>Goal 15:</b> Life on Land<br>15.1.2 Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type<br>15.2.1 Progress towards sustainable forest management<br>15.3.1 Proportion of land that is degraded over total land area<br>15.5.1 Red List Index |
| OR   |   |  |  |   |  |
| 2. Abundance or viability of focal species or rare and threatened species  | <ul style="list-style-type: none"><li>Abundance of selected species</li><li>Availability of selected species for sustainable traditional use</li></ul>  | Present value of outcome indicator                                 | At least one previous measurement OR minimum viable population for the species                     | Condition is improving OR abundance is equal to or greater than the minimum viable population |  |
| AND  |   |  |  |   |  |
| 3. Habitat availability within the management unit for focal species or rare and threatened species  | <ul style="list-style-type: none"><li>Area of available habitat</li><li>Suitability of habitat</li><li>Habitat connectivity</li><li>Area protected from illegal hunting and illegal logging</li></ul> | Present value of outcome indicator                                 | At least one previous measurement  | Condition is improving  |  |

## ES2: CARBON SEQUESTRATION AND STORAGE

| Outcome indicators required   | Examples of outcome indicators (select at least one or select an alternative based on evidence)                  | Measure                            | Comparison: Compare present value to   | Required result  | UN Sustainable Development Goals  |
|---|--|------------------------------------|--|--|---|
| Impact ES2.1: Conservation of forest carbon stocks  |  |                                    |  |  |   |
| The organization shall select at least one outcome indicator to measure carbon stocks (1);<br>OR<br>at least one outcome indicator to measure carbon loss (2)<br>1. Carbon stocks | <ul style="list-style-type: none"><li>Forest carbon stocks estimated across the entire management unit</li></ul> | Present value of outcome indicator | At least one previous measurement  | Forest carbon stocks on management unit are the same or higher than the previous measurement(s)                                | <b>Goal 13:</b> Take urgent action to combat climate change and its impacts<br><br><b>Goal 15:</b> Life on Land<br>15.2.1 Progress towards sustainable forest management<br>15.3.1 Proportion of land that is degraded over total land area |
|   |  |                                    | OR   |  |   |
|   |  |                                    | A regional reference level   | Forest carbon stocks on management unit are the same or higher than the reference level  |   |
| OR  |  |                                    |  |  |   |
| 2. Carbon loss  | <ul style="list-style-type: none"><li>Gross carbon stock loss resulting from recent logging</li></ul>            | Present value of outcome indicator | A regional reference level OR a historical reference level of carbon loss from the management unit | Losses of carbon are lower on the management unit compared with the regional reference level or the historical reference level |   |
| Impact ES2.2: Reforestation of forest carbon stocks   |  |                                    |  |  |   |
| The organization shall select at least one outcome indicator to measure carbon stocks   | <ul style="list-style-type: none"><li>Forest carbon stocks estimated across the entire management unit</li></ul> | Present value of outcome indicator | At least one previous measurement or a regional reference level                                    | Forest carbon stocks on management unit are increasing OR higher than the regional reference level                             |   |

## ES3: WATERSHED SERVICES

| Outcome indicators required  | Examples of outcome indicators (select at least one or select an alternative based on evidence)   | Measure                            | Comparison: Compare present value to                  | Required result  | UN Sustainable Development Goals  |
|--|---|------------------------------------|---|--|---|
| <b>Impact ES3.1: Maintenance of water quality</b>  |   |                                    |   |  |   |
| The organization shall select at least one outcome indicator to measure water quality, chosen based on the assessment of water quality and threats | <ul style="list-style-type: none"> <li>• Water turbidity</li> <li>• Water temperature</li> <li>• Dissolved oxygen</li> <li>• Water pH</li> <li>• Bio-indicators of stream health (macro-invertebrates)</li> <li>• Pathogens (bacteria, e.g. E. coli; viruses) in water</li> <li>• Nutrients (phosphorous, nitrogen) in water</li> <li>• Total suspended solids</li> <li>• Level of sedimentation/water sediment load (grams per litre)</li> <li>• Perceived water quality (used as drinking water, livestock drinking water, domestic purposes, irrigation, swimming, and other recreational purposes)</li> </ul> | Present value of outcome indicator | A relevant standard for the established uses of water | <p>Present water quality meets relevant standards</p> <p><b>NOTE:</b> In the case of water quality measurements, it is particularly important that the sampling methods have sufficient frequency, spatial density, and location to give an accurate reflection of status and trends</p> | <p><b>Goal 6:</b> Clean Water and Sanitation</p> <p>6.1.1 Proportion of population using safely managed drinking water services</p> <p>6.3.2 Proportion of bodies of water with good ambient water quality</p> <p><b>Goal 15:</b> Life on Land</p> <p>15.1.2 Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type</p> <p>15.2.1 Progress towards sustainable forest management</p> <p>15.3.1 Proportion of land that is degraded over total land area</p> |



## ES3: WATERSHED SERVICES

| Outcome indicators required  | Examples of outcome indicators<br>(select at least one or select an alternative based on evidence) | Measure  | Comparison:<br>Compare present value to               | Required result  | UN Sustainable Development Goals |
|--|--|--|---|--|----------------------------------|
| <b>Impact ES3.2: Enhancement of water quality</b>  |  |  |   |  |                                  |
| The organization shall select at least one outcome indicator to measure water quality, chosen based on the assessment of water quality and threats | As per impact ES3.1  | Present value of outcome indicator and at least one previous value | A relevant standard for the established uses of water | Water quality is showing progress towards the relevant standard<br><br><b>NOTE:</b> In the case of water quality measurements, it is particularly important that the sampling methods have sufficient frequency, spatial density, and location to give an accurate reflection of status and trends | As per impact ES3.1              |

| ES3: WATERSHED SERVICES   |   |                                    |  |  |  |  |
|---|---|------------------------------------|--|--|--|--|
| Outcome indicators required   | Examples of outcome indicators (select at least one or select an alternative based on evidence)   | Measure                            | Comparison: Compare present value to   | Required result  | UN Sustainable Development Goals   |  |
| Impact ES3.3: Maintenance of the capacity of watersheds to purify and regulate water flow   |   |                                    |  |  |  |  |
| The organization shall select at least one outcome indicator to measure forest cover and density (1);<br>AND<br>one outcome indicator to measure watershed condition (2)<br>1. Forest cover and density | <ul style="list-style-type: none"><li>Natural forest cover for the management unit overlapping with the relevant watershed</li><li>Forest density</li><li>Forest area as a proportion of total land area</li><li>Proportion of land that is degraded over total land area</li></ul>   | Present value of outcome indicator | At least one previous measurement  | Condition is stable or improving   | <b>Goal 6:</b> Clean Water and Sanitation<br><br>6.3.2 Proportion of bodies of water with good ambient water quality<br><br>6.4.2 Level of water stress: freshwater withdrawal as a proportion of available freshwater resources   |  |
|   |   |                                    | AND, if applicable   |  |  |  |
|   |   |                                    | Natural forest cover outside the management unit within the relevant watershed   | Management unit overlapping the relevant watershed has greater forest cover and density than adjacent areas              |  |  |
| AND   |   |                                    |  |  |  |  |
| 2. Watershed condition  | <ul style="list-style-type: none"><li>Percentage of natural wetlands remaining</li><li>Percentage of forest cover in the relevant watershed in undisturbed condition</li><li>Percentage of land that is degraded over total land area</li><li>Percentage of waterbody shoreline with forest cover</li><li>Percentage of undisturbed water sources</li><li>Length of streambank restored with tree plantings for the purpose of providing shade and decreasing in-stream temperature</li><li>Area of reforestation/restoration</li></ul> | Present value of outcome indicator | At least one previous measurement and a natural reference area OR based on best available information a description of a natural condition | Present value on management unit is similar to the reference area or the description; similarity is stable or increasing | <b>Goal 15:</b> Life on Land<br><br>15.1.1 Forest area as a proportion of total land area<br><br>15.1. 2. Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type<br><br>15.2.1 Progress towards sustainable forest management<br><br>15.3.1 Proportion of land that is degraded over total land area |  |
| Impact ES3.4: Restoration of the capacity of watersheds to purify and regulate water flow   |   |                                    |  |  |  |  |
| The organization shall select at least one outcome indicator to measure forest cover (1); AND<br>One outcome indicator to measure watershed condition (2)<br>1. Forest cover                            | As per impact ES3.3   | Present value of outcome indicator | At least one previous measurement  | Condition is improving   |  |  |
| AND   |   |                                    |  |  |  |  |
| 2. Watershed condition  | As per impact ES3.3   | Present value of outcome indicator | At least one previous measurement  | Condition is improving   |  |  |

## ES4: SOIL CONSERVATION

| Outcome indicators required  | Examples of outcome indicators (select at least one or select an alternative based on evidence)  | Measure  | Comparison: Compare present value to  | Required result  | UN Sustainable Development Goals  |
|--|--|--|---|--|---|
| <b>Impact ES4.1: Maintenance of soil condition</b>   |  |  |   |  |   |
| <p>The organization shall select at least one outcome indicator to measure soil properties (1);</p> <p>AND</p> <p>at least one outcome indicator to measure soil condition (2)</p> <p>1. Soil properties</p> | <ul style="list-style-type: none"> <li>• Thickness of layer of soil organic matter</li> <li>• Organic matter content (%)</li> <li>• Nutrient (N, P) content of soil</li> <li>• Soil macro-fauna abundance</li> <li>• Soil stability</li> <li>• Area and degree of soil compaction (roads and harvest areas)</li> </ul>   | Present value of outcome indicator and at least one previous value | A natural reference area OR a relevant standard for soil condition  | Present soil condition meets or exceeds relevant standard or natural reference area                                      | <p><b>Goal 2: Zero Hunger</b></p> <p>2.3.1 Volume of production per labour unit by classes of farming/pastoral/ forestry enterprise size</p> <p><b>Goal 15: Life on Land</b></p> <p>15.1.1 Forest area as a proportion of total land area</p> <p>15.2.1 Progress towards sustainable forest management</p> <p>15.3.1 Proportion of land that is degraded over total land area</p> |
| <p>AND</p> <p>2. Soil condition</p>  | <ul style="list-style-type: none"> <li>• Extent of land with forest canopy or ground vegetation</li> <li>• Percentage of forest cover in undisturbed condition</li> <li>• Forest area as a proportion of total land area</li> <li>• Proportion of land that is degraded over total land area</li> <li>• Percentage of damaged soil</li> <li>• Degree of soil compaction in operated areas (roads and harvest areas)</li> <li>• Area of drained peatland</li> <li>• Incidence of landslides</li> <li>• Productivity (forest and agricultural) per unit area</li> <li>• Volume of production per labour unit by classes of farming/ pastoral/forestry enterprise size</li> </ul> | Present value of outcome indicator                                 | At least one previous measurement and a natural reference area OR a description, based on best available information of a natural condition | Present value on management unit is similar to the reference area or the description; similarity is stable or increasing |   |

## ES4: SOIL CONSERVATION

| Outcome indicators required  | Examples of outcome indicators<br>(select at least one or select an<br>alternative based on evidence) | Measure   | Comparison:<br>Compare present<br>value to                                  | Required result           | UN Sustainable<br>Development Goals |
|--|---|---|---|---------------------------|-------------------------------------|
| <b>Impact ES4.2: Restoration/enhancement of soil condition</b>   |   |   |   |                           |                                     |
| The organization shall select at least one<br>outcome indicator to measure soil<br>properties (1);<br>AND<br>at least one outcome indicator to<br>measure soil condition (2)<br>1. Soil properties | As per impact ES4.1   | Present value of<br>outcome indicator<br>and at least one<br>previous value | A natural reference<br>area or a relevant<br>standard for soil<br>condition | Condition is<br>improving | As per impact ES4.1                 |
| AND<br>2. Soil condition   | As per impact ES4.1   | Present value of<br>outcome indicator                                       | At least one previous<br>measurement  | Condition is<br>improving |                                     |

## ES4: SOIL CONSERVATION

| Outcome indicators required  | Examples of outcome indicators (select at least one or select an alternative based on evidence)   | Measure                            | Comparison: Compare present value to | Required result        | UN Sustainable Development Goals  |
|--|---|------------------------------------|--------------------------------------|------------------------|---|
| Impact ES4.3: Reduction of soil erosion through reforestation/restoration  |   |                                    |                                      |                        |   |
| The organization shall select at least one outcome indicator to measure forest cover (1);<br>AND<br>At least one outcome indicator to measure successful reforestation/restoration activities (2)<br>AND<br>At least one outcome indicator to measure soil erosion (3)<br>1. Forest cover on vulnerable or high-risk areas | As per impact ES1.1   | Present value of outcome indicator | At least one previous measurement    | Condition is improving | <b>Goal 15:</b> Life on Land<br>15.1.1 Forest area as a proportion of total land area<br>15.2.1 Progress towards sustainable forest management<br>15.3.1 Proportion of land that is degraded over total land area |
| AND  |   |                                    |                                      |                        |   |
| 2. Successful reforestation/restoration activities   | As per impact ES1.1   | Present value of outcome indicator | Zero activity                        | Condition is improving |   |
| AND  |   |                                    |                                      |                        |   |
| 3. Soil erosion  | <ul style="list-style-type: none"><li>Area affected by wind and/or water erosion</li><li>Amount of erosion (cubic metres, area affected)</li><li>Soil erosion and sedimentation levels</li><li>Time spent on removal/costs of removal/impacts of sediment deposited by wind and/or water erosion on nearby land or water bodies</li><li>Percentage of households within local communities affected by landslide</li></ul> | Present value of outcome indicator | At least one previous measurement    | Condition is improving |   |

## ES5: RECREATIONAL SERVICES

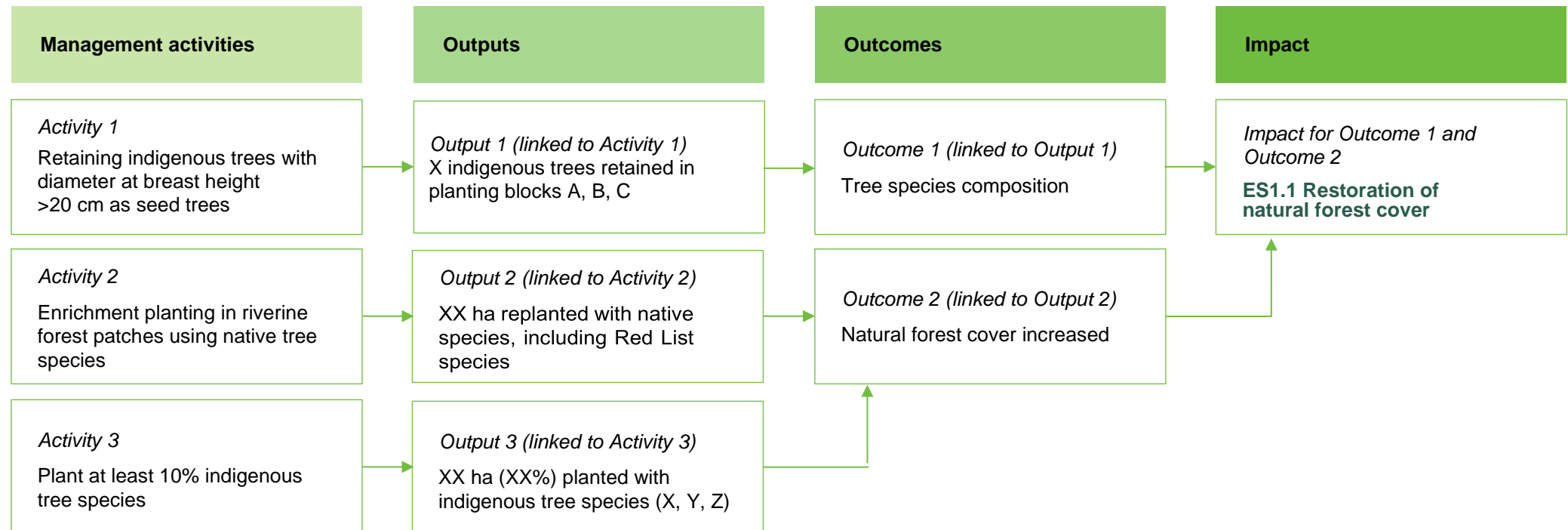
| Outcome indicators required  | Examples of outcome indicators (select at least one or select an alternative based on evidence)   | Measure                            | Comparison: Compare present value to | Required result  | UN Sustainable Development Goals  |
|--|---|------------------------------------|--------------------------------------|--|---|
| Impact ES5.1: Maintenance/conservation of areas of importance for recreation and/or tourism  |   |                                    |                                      |  |   |
| The organization shall select at least one outcome indicator to measure the extent of protected areas (1);<br>AND<br>at least one outcome indicator to measure the visitor experience (2)<br>1. Extent of areas of importance for recreation and/or tourism that are protected | <ul style="list-style-type: none"><li>Area protected and accessible for nature-based recreation</li><li>Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type</li><li>Coverage by protected areas of important sites for mountain biodiversity</li></ul> | Present value of outcome indicator | At least one previous measurement    | Condition is stable or improving                         | <b>Goal 15:</b> Life on Land<br>15.1.2 Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type<br>15.2.1 Progress towards sustainable forest management<br>15.4.1 Coverage by protected areas of important sites for mountain biodiversity |
| AND  |   |                                    |                                      |  |   |
| 2. Visitor experience  | <ul style="list-style-type: none"><li>Visitor satisfaction</li></ul>  | Present value of outcome indicator | A relevant industry standard         | Satisfaction meets or exceeds relevant industry standard |   |
| Impact ES5.2: Restoration or enhancement of areas of importance for recreation and/or tourism  |   |                                    |                                      |  |   |
| The organization shall select at least one outcome indicator to measure the extent of protected areas (1);<br>AND<br>At least one outcome indicator to measure the visitor experience (2)<br>1. Extent of areas of importance for recreation and/or tourism that are protected | As per impact ES5.1   | Present value of outcome indicator | At least one previous measurement    | Condition is improving                                   |   |
| AND  |   |                                    |                                      |  |   |
| 2. Visitor experience  | <ul style="list-style-type: none"><li>Visitor satisfaction</li></ul>  | Present value of outcome indicator | A relevant industry standard         | Satisfaction meets or exceeds relevant industry standard |   |

## ES5: RECREATIONAL SERVICES

| Outcome indicators required  | Examples of outcome indicators (select at least one or select an alternative based on evidence)  | Measure                            | Comparison: Compare present value to | Required result                  | UN Sustainable Development Goals  |
|--|--|------------------------------------|--------------------------------------|----------------------------------|---|
| Impact ES5.3: Maintenance/conservation of populations of species of interest for nature-based tourism  |  |                                    |                                      |                                  |   |
| The organization shall select at least one outcome indicator to measure the abundance of a focal species (1);<br>AND<br>at least one outcome indicator to measure its habitat (2)<br><br>1. For selected species of interest, indicators of population abundance | <ul style="list-style-type: none"><li>Abundance of selected species</li><li>Number of charismatic species sightings (e.g. when birdwatching)</li></ul>   | Present value of outcome indicator | At least one previous measurement    | Condition is stable or improving | <b>Goal 14:</b> Life below Water<br>14.4.1 Proportion of fish stocks within biologically sustainable levels<br><br><b>Goal 15:</b> Life on Land<br>15.1.2 Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type<br><br>15.2.1 Progress towards sustainable forest management<br><br>15.5.1 Red List Index<br><br>15.7.1 Proportion of traded wildlife that was poached or illicitly trafficked |
| AND  |  |                                    |                                      |                                  |   |
| 2. Evidence that the habitat is in suitable condition  | <ul style="list-style-type: none"><li>Area of habitat of selected species protected</li><li>Suitability of habitat for selected species</li><li>Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type</li></ul> | Present value of outcome indicator | At least one previous measurement    | Condition is stable or improving |   |
| Impact ES5.4: Restoration or enhancement of populations of species of interest for nature-based tourism  |  |                                    |                                      |                                  |   |
| As per impact ES5.3  | As per impact ES5.3  | Present value of outcome indicator | At least one previous measurement    | Condition is improving           |   |

## Annex C. Examples of a completed theory of change

### Example 1: Biodiversity conservation – ES1.1: Restoration of natural forest cover

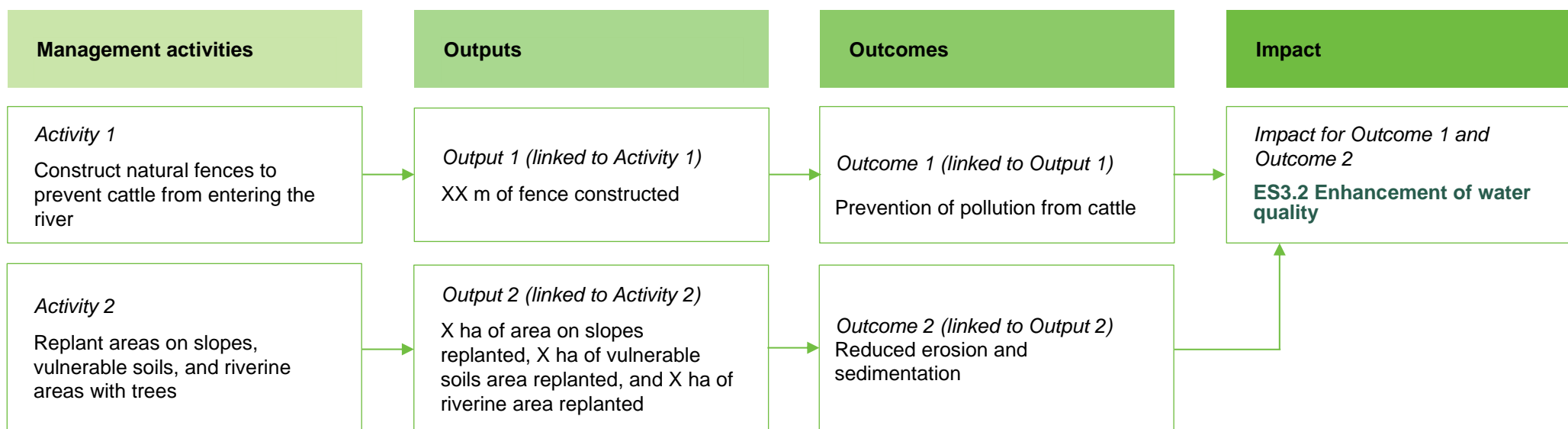


#### Example outcome indicators to use with this theory of change:

- Native species assemblage (trees)
- Natural forest cover on the whole management unit



## Example 2: Watershed services – ES3.2: Enhancement of water quality



### Example outcome indicators to use with this theory of change:

- Nutrients (phosphorous, nitrogen) in water
- Level of sedimentation/water sediment load (grams per litre).

## Annex D. Information regarding financial sponsorship

The template below shall be filled in by the organization (FSC forest management certificate holder) that has found a sponsor from which it will get financial support. It contains general details about both the organization and the sponsor, as well as information about the management unit, the verified impact, and the date of the agreed sponsorship.

The information provided to FSC via this template will be used to generate a transparent database of sponsorships. This form may be submitted without the name of the sponsor if the sponsor prefers to remain anonymous.

| Ecosystem services impact sponsorship form                 |   |
|--|---|
| Forest management certificate holder information           |   |
| Name of the organization                                   |   |
| Forest management certificate registration code            |   |
| Address  |   |
| Contact person   |   |
| Phone  |   |
| Email  |   |
| Sponsor information  |   |
| Name of the organization                                   |   |
| Address  |   |
| Contact person   |   |
| Phone  |   |
| Email  |   |
| Ecosystem services impacts associated with the sponsorship |   |
| Ecosystem service  | Ecosystem services impacts (list impacts and codes of verified ecosystem services impacts from Annex B) |
| ES1: Biodiversity conservation                             |   |
| ES2: Carbon sequestration and storage                      |   |
| ES3: Watershed services                                    |   |
| ES4: Soil conservation                                     |   |
| ES5: Recreational services                                 |   |
| Address of the management unit                             |   |
| Coordinates of the management unit                         |   |
| Date of sponsorship  |   |
| Additional comments  |   |



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