



Forest Stewardship Council®



# Forest management groups

FSC-STD-30-005 V2-0

**Draft 2.0**

DRAFT





**Title:** Forest management groups


**Document code:** FSC-STD-30-005 V2-0 EN

**Approval:** Xx xxxxx xxxx

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

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

## Introduction

In some cases, accessing FSC certification can be challenging from the administrative and economic point of view. These challenges become particularly relevant in the case of smallholders, who usually don't have the resources to conform with FSC requirements. To facilitate accessing and maintaining FSC certification, it is possible to create groups: several management units (from several forest owners) grouped together and managed by a Group Entity, which holds the FSC certificate for the whole group.

The benefits of group certification are not only economic, by reducing costs related to certification, and the economy of scale associated to getting services and accessing markets. Groups also reduce the administrative tasks for each of the members, who also get support on implementing responsible forest management. Within the group, the Group Entity has flexibility to allocate the responsibility for each requirement to the different actors of the group. The intention is to allow for enough flexibility so that each group can find its optimal structure and division of responsibilities to conform with the FSC requirements. For instance, evaluations like the environmental impact assessment or the High Conservation Value (HCV) assessment can be developed by the Group Entity for the whole group area, as long as each management unit in the group conforms with the results of such assessments, together with the rest of applicable FSC requirements.

It is also possible to create Resource Management Units within the group, where a Resource Manager is granted responsibility over a sub-group of management units or the whole of the management units. This structure allows for a more centralized and transversal management, implemented by the Resource Manager, reducing the risk associated to forest management activities.

This revised version of the standard includes the optional possibility of incorporating forestry contractors in the group certificate, to implement forestry services in the management units of its group. These forestry contractors are trained and evaluated by the Group Entity. This in turn will provide additional safeguard and reduce the risk associated to management activities even further.

Group certification is commonly used by smallholders but is available to any type of management unit and ownership worldwide.

## Version history

- V 1-0** The FSC General Assembly in 1996 approved the development of new approaches to certification of small landholdings. In 1998, FSC approved the FSC Policy "Group Certification: FSC Guidelines for certification bodies" (July 31<sup>st</sup>, 1998). In 2005 FSC identified the need to incorporate requirements for both, forest managers and certification bodies. On August 31<sup>st</sup>, 2009, the FSC International Board of Directors approved the first version of "FSC Standard for Group Entities in Forest Management Groups" (FSC-STD-30-005 V1-0).
- V 1-1** A minor standard revision clarified the Resource Manager responsibilities, and the monitoring requirements during the period of validity of the certificate. This version was approved by the FSC Director General, Kim Carstensen, on December 21<sup>st</sup>, 2017.
- V 2-0** This revision of the standard was a consequence of Motion 46 from the FSC General Assembly 2017. The revision started at the end of 2018, to help improve smallholders' access to the FSC system, and to address concerns raised by stakeholders since the approval of the first version of the standard. It also incorporated controlled wood in the scope of the standard, the possibility of including forestry contractors in the scope of the group certificate, and a revised internal monitoring sampling methodology with a risk-based approach. This document version was approved by the FSC Board of Directors at their xxx meeting, xx xxxx 20xx (*to be filled in once this draft is approved*).

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## A Objective

The objective of this standard is to provide the requirements for the establishment and management of FSC Forest Management (FM), Forest Management / Chain of Custody (FM/CoC) or Controlled Wood / Forest Management (CW/FM) group certificates.

## B Scope

This standard is for use by Group Entities in order to apply for or to maintain FSC FM, FM/CoC or CW/FM group certification.

NOTE: Any reference to FSC FM/CoC groups in this standard includes FSC FM groups as well.

All aspects of this standard are considered normative, including the scope, effective and validity dates, references, terms and definitions, notes, tables and annexes, unless otherwise stated (e.g. as examples).

## C Effective and validity date

Approval date

Publication date

Effective date

Transition period

Period of validity      Until replaced or withdrawn

## D References

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

*FSC-STD-01-001 FSC Principles and Criteria for Forest Stewardship*

*FSC-STD-01-002 FSC Glossary of Terms*

*FSC-STD-01-003 SLIMF Eligibility Criteria*

*FSC-STD-20-007 Forest Management Evaluations*

*FSC-STD-30-010 FSC Controlled Wood Standard for Forest Management Enterprises*

## E Terms and definitions

For the purposes of this Standard, the terms and definitions provided in *FSC-STD-01-002 FSC Glossary of Terms*, and the following apply:

**Active management unit:** for the purpose of sampling, management unit where forest management activities with a risk to adversely impact any value of the forest, including economic, environmental and/or social values, have taken place since the last evaluation. The definition of Active management unit varies for each group and is to be specified by the Group Entity using a risk-based analysis.

### Box 1. Examples of Active management unit

#### Examples of active management:

Timber, energy wood and non-timber forest products harvesting (all commercial logging/extraction methods); soil preparation; planting or seeding; seedling stand management; fertilization; thinning; ditching; post-harvest remediation activities; infrastructure development (forestry road construction); road decommission (closure); fuel management (manual clearing, etc.); quarrying; chemical pesticides use; prescribed burning; pruning;

harvest layout activities (tree marking, riparian buffer demarcation, identification of environmentally sensitive areas and cultural values).

**Examples of non-active management:**

Forest protection monitoring activities (fire patrols, surveillance for unauthorized activities, etc.); permanent sample plots establishment and/or monitoring; fire breaks maintenance; road side mowing; road grading (shaping); boundary line demarcation and maintenance; forest resource surveys/inventory; non-chemical invasive species management; developing/updating forest management plan; passive operational planning of a forest management activity (GIS activities, boundary demarcation, stand level reconnaissance).

**Applicable Forest Stewardship Standard:** In the context of this standard, this term is used to refer to:

- The approved national standard(s) of a country (there can be more than one standard in a country, or more than one standard in the case of international groups). These can be Interim National Standard(s), Interim Regional Standard(s), or National Forest Stewardship Standard(s)<sup>1</sup>; OR
- The controlled wood standard FSC-STD-30-010 *FSC Controlled Wood Standard for Forest Management Enterprises*.

**Communities:** In the context of this standard, this term is used to refer to Indigenous Peoples, Local communities and Traditional peoples<sup>2</sup>.

**Forestry contractor:** A person or group of persons legally registered that takes responsibility for providing forest logging, silvicultural or other management activities on the ground on the basis of a contractual agreement with a Group Manager, Resource Manager(s) or group member(s). The forestry contractor may provide these services directly or through sub-contractors (outsourcing).

**NOTE:** In the context of this standard, the term 'forestry contractor' refers to a forestry contractor that has joined a group and is covered by the scope of the FSC FM/CoC or CW/FM group certificate to operate in the management units of the group.

**Group Entity:** A person or group of persons (e.g. cooperative, owners association, company) registered as a legal entity and representing the management units and forestry contractors that constitute a group for FSC FM/CoC or CW/FM group certification. The Group Manager applies for or holds group certification through a certification body and represents the group for the initial FSC certification process and during the period of validity of the certificate. The Group Manager is responsible for the internal organization of the group (the group management system) and conformance with this standard.

**Group member:** A forest owner or leaseholder participating with their management unit(s) in a group for FSC FM/CoC or CW/FM group certification. Group members do not hold individual FSC certificates, but their management units are covered by the FSC FM/CoC or CW/FM group certificate issued to the Group Manager.

**Resource Manager:** A person or legal entity to which some or all group members have given the responsibility to ensure conformance with the applicable Forest Stewardship Standard. In a group, the Resource Manager and the Group Manager may be the same person / legal entity. The Resource Manager oversees the operational forest management activities but does not assume ownership of the forest resources.

**Resource Management Unit (RMU):** The management units, belonging to one or more members of a group, that are managed by the same Resource Manager.

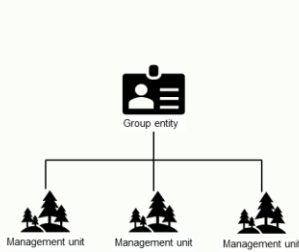
<sup>1</sup> See FSC-PRO-60-007 for the definition of "Interim National Standard", "Interim Regional Standard" and "National Forest Stewardship Standard".

<sup>2</sup> See FSC-STD-01-001 for the definition of "Indigenous Peoples", "Local communities" and "Traditional peoples".

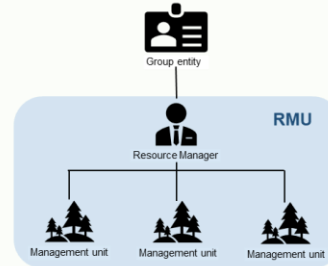
**Sub-certificate code:** An identification number issued to a group member by the Group Entity for the purpose of distinguishing the members of the group. Issuing sub-certificate codes is optional and at the discretion of the Group Entity.

**Box 2. Examples of group internal organization**

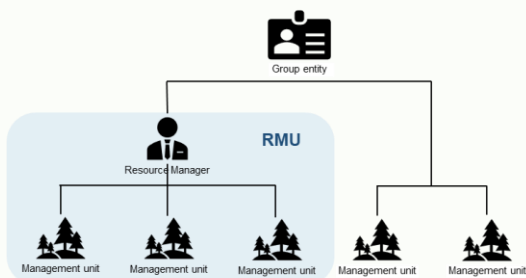
Below please find some examples of how a group can be internally organized. It is optional to have Resource Management Unit(s) in the group, and members can decide to join them, or stay out of them. These are just some examples; other internal organizations are possible.



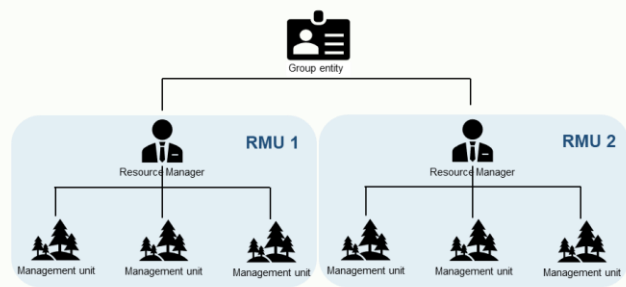
No Resource Management Unit in the group



One Resource Management Unit in the group, which includes all the members



One Resource Management Unit with some of the group members



Several Resource Management Units in the group

## **PART I Establishment of forest management groups**

### **1 Requirements for Group Entities**

- 1.1 The Group Entity shall be a person or group of persons registered as one independent legal entity.
- 1.2 The Group Entity shall comply with the applicable legal obligations, such as registration and payment of relevant fees and taxes.
- 1.3 One Group Entity may manage more than one group, as long as it has enough capacity and resources to manage more than one certificate.

**NOTE:** Each group will result in one certificate. Members of the same group cannot be certified according to CW and FM standards; they need to be separated into two different groups.

- 1.4 The Group Entity shall be responsible for conformance with this standard.
- 1.5 The Group Entity shall make sure that all actors of the group demonstrate sufficient knowledge to fulfil their corresponding responsibilities within the group.

### **2 Requirements for group members**

- 2.1 A group member may be any forest owner or leaseholder who wishes to participate with their management unit(s) in a group for FSC FM/CoC or CW/FM group certification.

**NOTE:** Any type of management unit (e.g. plantation, natural forest, small, large, etc.) can become part of a group, although some groups may have their own specific rules about the management units that can join.

- 2.2 A declaration of consent shall be signed by each member wishing to join a group. In the declaration, the member shall:
  - a) commit to follow the applicable Forest Stewardship Standard and the Group Rules;
  - b) declare that the management units they are bringing into the group are not included in another FSC certificate;
  - c) agree to allow the Group Entity, the certification body, FSC and ASI to fulfill their responsibilities; and
  - d) agree that the Group Entity will be the main contact for certification.

**NOTE:** The declaration of consent does not have to be an individual document. It can be part of a contract or any other document (e.g. meeting minutes) that specifies the relationship agreed between the member and the Group Entity.

In the case of Communities, the declaration may also be some other form of agreement such as assembly minutes, forest management contracts, tribal agreements for Indigenous communities, recordings of interviews in case of oral agreements, etc.

- 2.2.1 The declaration may be signed either by the group member or by their representative (e.g. Resource Manager or consultant).
- 2.2.2 When the member is represented by another party (e.g. Resource Manager or consultant), the declaration shall also include a verifiable agreement between the member and their representative.

**NOTE:** The requirement for the agreement to be verifiable means that the representatives must be able to prove that they have been authorised by the member to act on their behalf.



### 3 Division of responsibilities

- 3.1 The Group Entity can divide the responsibilities among the different actors of the group (e.g. Group Entity, members, contractors, etc.).

**NOTE:** The Group Entity is free to determine at what level implementation of requirements is carried out as long as conformance is demonstrated for each management unit (as per Clause 4.1).

- 3.2 The Group Entity shall define and document the division of key responsibilities within the group, as described in Clause 3.1.

#### Box 3. Applicable Forest Stewardship Standard.

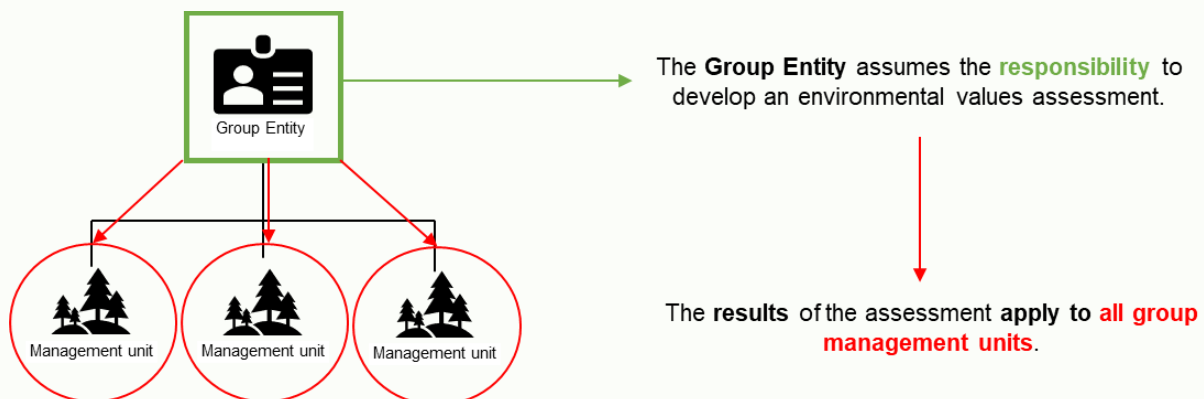
The applicable Forest Stewardship Standard is developed based on the FSC Principles and Criteria, and the International Generic Indicators. In all these documents, the responsible for conforming with all requirements is referred to as 'The Organization'.

Regarding this standard (FSC-STD-30-005), it has to be conformed with by the Group Entity, who is the overall responsible for its conformance. Nevertheless, this responsibility for conformance can be delegated to other actors of the group. Because of this, in the context of group certification, 'The Organization' is the actor of the group that is responsible for the conformance with a requirement from the applicable Forest Stewardship Standard. This can be the Group Entity, but also a member, a contractor, a consultant, the Resource Manager, etc.

Each group can decide how to internally organize itself, and how to divide the different responsibilities to conform with the applicable Forest Stewardship Standard.

When the Group Entity, or another actor of the group, is responsible for conformance with a requirement from the applicable Forest Stewardship Standard, and this conformance is implemented for all the group, and all the management units of the group, this is commonly referred to as 'implementation or conformance at group level'. This is possible, and it's mostly used for administrative or document-based requirements. It's important to highlight that the results of any analysis implemented at the group level, and any management activities associated with these requirements, must be implemented/conformed with in each management unit of the group.

#### Box 4. Example of a requirement of the applicable Forest Stewardship Standard (Criterion 6.1) implemented at the Group Entity level and conformed with in all management units.



Another example, to conform with Criterion 2.3 of the applicable Forest Stewardship Standard, could be a risk assessment template prepared by the Group Entity for harvesting operations with an associated checklist, including health and safety requirements. This assessment template would be developed by the Group Entity, but used on each management unit to identify the risk associated to each harvesting operation.

## Resource Manager and Resource Management Unit

3.3 Some or all members of a group may choose to transfer the responsibility to ensure conformance with the applicable Forest Stewardship Standard in their management unit(s) to one Resource Manager, and may be grouped into one Resource Management Unit (RMU).

3.3.1 The Resource Manager of an RMU shall assume the responsibility to conform with the applicable Forest Stewardship Standard and to follow the Group Rules on behalf of all members within their RMU.

3.3.2 An RMU can include all members of a group or a sub-set of members within a group.

3.3.3 There may be more than one RMU within one group.

**NOTE:** Members of an RMU may implement some management activities in their management units, as long as the responsibility to make sure that there is conformance with the applicable Forest Stewardship Standard remains with the Resource Manager.

## 4 Conformance across management units

4.1 Conformance with all requirements of the applicable Forest Stewardship Standard shall be demonstrated for each management unit within the scope of the FSC FM/CoC or CW/FM group certificate, except as provided for in Clause 4.2.

4.2 Conformance to area thresholds in the applicable Forest Stewardship Standard with regards to Criterion 6.4 of the FSC P&C version 4 or Criterion 6.5 of the FSC P&C version 5, can be demonstrated across management units rather than at the level of the individual management unit for FM/CoC SLIMF management units.

4.2.1 In groups with SLIMF and non-SLIMF management units, the non-SLIMF management units may support SLIMF management units to conform with such requirement, partially or fully.

**NOTE:** non-SLIMF management units always need to conform with Criterion 6.4/6.5 in each management unit.

### Box 5. Conformance with Criterion 6.5 (conservation areas network) across SLIMF management units:

By default, each management unit should conform to Criterion 6.4 (V4 P&C) or Criterion 6.5 (V5 P&C) on its own. Nevertheless, if this is not possible for the SLIMF management units individually, these can conform with the requirement across all the SLIMF management units of the group (Figure 1). This means that, for example, there can be a SLIMF management unit with all its area devoted for conservation, conforming with this requirement on behalf of the rest of the SLIMF management units in the group, provided that the area devoted to conservation is proportionate to the total SLIMF area of the group.

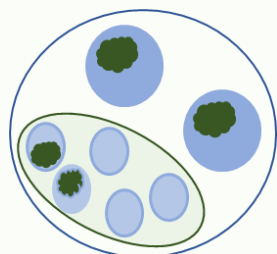


Figure 1. Conformance with Criterion 6.5 is demonstrated across the SLIMF management units of the group.

The non-SLIMF management units of the group must conform, individually, with Criterion 6.4/6.5. Nevertheless, they can increase the conservation area to cover for the conservation areas of the SLIMF management units of the group. This can happen together with some conservation areas in the SLIMF management units of the group (Figure 2), or non-SLIMF management units can also be the only ones with conservation areas (Figure 3), conforming with the requirement on behalf of all the SLIMF management units of the group.

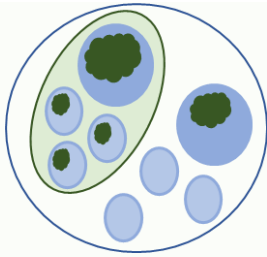


Figure 2. Conformance demonstrated between some SLIMF and some non-SLIMF management units of the group.

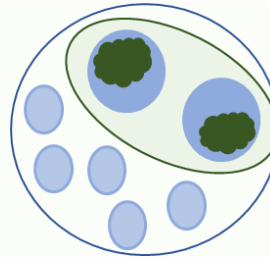


Figure 3. Conformance is demonstrated in the non-SLIMF management units of the group, going over their required 10%.



Conservation areas network elements must, in any case, be protected in all management units where they exist. The exception explained here implies that some of the SLIMF management units do not need to conform with Criterion 6.4/6.5, this conformance is 'covered' by other SLIMF or non-SLIMF management units.

## 5 Group size

- 5.1 The Group Entity shall determine, based on its human and technical capacities, the maximum group size that it can manage, in terms of:
- number of group members;
  - individual management unit size; and/or
  - total forest area and distribution.
- 5.2 The Group Entity shall develop a group management system that allows the continuous and effective management of all members of the group.

## 6 Multinational groups

- 6.1 FM/CoC and CW/FM groups shall only be established at a national level, except in the cases described in clause 6.2.
- 6.2 In cases where homogeneous conditions between countries allow for an effective and credible multinational implementation of the group management system, the Group Entity shall request formal approval by FSC International through their certification body to allow certification of such a group.

## PART II Group management system

### 7 Adding new members to the group

- 7.1 The Group Entity shall evaluate every applicant who wishes to join the group and ensure that there are no major non-conformities with the applicable Forest Stewardship Standard, nor with membership requirements, before adding the new member to the group.
- 7.1.1 The Group Entity shall conduct a field evaluation to conform with Clause 7.1, except for applicants meeting the SLIMF eligibility criteria or the definition of Communities in this standard, whose evaluation may be done through a desk audit.

**NOTE:** when a member wants to move from one group to another group managed by the same Group Entity, the Group Entity also needs to implement this evaluation to allow for the move.

## 8 Provision of information to members

- 8.1 The Group Entity shall provide each member with information, or access to information, about how the group works. The information shall include:
- a) The Group Rules and the applicable Forest Stewardship Standard, and an explanation of how to fulfil them. The Group Entity shall provide access to other applicable normative documents upon request;
  - b) An explanation of the certification body's evaluation process;
  - c) An explanation that the certification body, FSC and ASI have the right to access the members' management unit(s) and documentation;
  - d) An explanation that the certification body will publish a public summary of their evaluation report; ASI may publish a public summary of their evaluation; and FSC will include information about the group in its database; and
  - e) Explanation of any costs associated with joining the group.

**NOTE:** It may be enough to provide members with a summary of these items, provided that full documentation is available upon request from the Group Entity. The information should be presented in an understandable way for members.

## 9 Group Rules

- 9.1 The Group shall develop, implement and keep updated written rules to manage the group (= group management system) covering all applicable requirements of this standard, according to the scale and complexity of the group, including:
- a) Rules setting out who can become a member of the group;
  - b) Rules setting out how new members are included in the group;
  - c) Rules setting out when members can be suspended or removed from the group;
  - d) An internal monitoring system for the group;
  - e) A process to solve corrective action requests issued internally and by the certification body, including timelines and implications if any of the corrective actions are not solved;
  - f) A complaints procedure for group members;
  - g) A system for tracking and tracing the FSC-certified forest products produced by the group members up to the defined 'forest gate', in conformance with Criterion 8.5 of the FSC P&C Version 5 or with Criterion 8.3 of the FSC P&C Version 4;
  - h) Requirements related to marketing or sales of products; and
  - i) Rules setting out how to use the assigned sub-certificate code for members, when these exist, and FSC trademarks license code.

**NOTE:** All groups must include all the content of this Clause in their Group Rules. The reference to the scale and complexity of the group refers to the fact that larger and more complex groups, with higher associated risk, may require more comprehensive procedures to ensure the protection of the natural and social values, such as High Conservation Values, Indigenous Peoples, Rare and Threatened Species, etc.

## 10 Group records

10.1 The Group Entity shall maintain up-to-date records covering all applicable requirements of this standard and the applicable Forest Stewardship Standard. These shall include:

- a) A list of the members of the group, including for each member:
  - i. name and contact details;
  - ii. the date of entering the group and, where relevant, the date of leaving the group, and the reason for leaving;
  - iii. number and area of management units included in the group;
  - iv. geographical location (coordinates) of each management unit included in the group, supported by a map or documentation;
  - v. type of forest ownership per member (privately owned; state managed; Communities; etc.);
  - vi. main products; and
  - vii. the sub-certificate codes where these have been issued.

**NOTE:** The Group Entity must fulfil data protection responsibilities when gathering this information.

- b) Any records of training provided to staff and/or group members;
- c) Declaration of consent from all group members;
- d) Documentation and records regarding recommended practices for forest management (i.e. silvicultural systems);
- e) Records demonstrating the implementation of the group management system. Such records shall include records of internal monitoring, non-conformities identified in such monitoring, actions taken to correct any identified non-conformity, etc.;
- f) Records of the estimated annual overall harvesting volume of the group and annual FSC sales volume of the group.

**NOTE:** The amount of records maintained centrally by the Group Entity may vary from case to case. In order to reduce costs of evaluation and increase efficiency by the certification body, and subsequent monitoring by FSC and/or ASI, records should be stored centrally or accessible digitally whenever possible.

10.2 The Group Entity shall retain group records for at least five (5) years.

## 11 Internal monitoring

11.1 The Group Entity shall implement a documented internal monitoring system that includes at least the following:

- a) A description of the internal monitoring system, sufficient to:
  - i. make sure there is continued conformance with the applicable Forest Stewardship Standard in the management units of the group;
  - ii. check the adequacy of the group management system and the Group Entity's overall performance;
- b) Regular (at least annual) monitoring visits to a sample of management units within the group;

- c) Regular analysis of the results from the internal monitoring to improve the group management system.
- 11.2 The Group Entity shall select the requirements from the applicable Forest Stewardship Standard to be monitored at each internal evaluation and according to the scale, intensity and risk.
- NOTE:** The Group Entity may focus their monitoring during a particular internal evaluation on specific elements of the applicable Forest Stewardship Standard, with the provision that all aspects of the Forest Stewardship Standard are evaluated for the group, through the sampled management units, during the period of validity of the certificate.
- 11.3 The minimum sample of management units to be visited annually for internal monitoring shall be calculated according to this table:

Size class	Internal monitoring
Active management units > 1,000 ha, except low intensity management units as per the SLIMF definition	$X = \sqrt{y}$
Active management units < 1,000 ha; SLIMF management units and Communities	$X = 0.6 * \sqrt{y}$
Inactive management units	$X = 0.1 * \sqrt{y}$
Management units in Resource Management Units	At the discretion of the Group Entity

Where:  $X$  = number of management units to be sampled;

$y$  = number of active or inactive management units within each category.

**NOTE:** the number of units calculated ( $X$ ) shall be rounded to the upper whole number.

- 11.4 The Group Entity may lower the minimum sample defined in Clause 11.3 based on a documented justification that the proposed monitoring intensity allows to effectively monitor the continued conformance with the applicable Forest Stewardship Standard and to identify non-conformities.
- 11.5 The Group Entity shall increase the calculated minimum sample when high risks are identified (e.g. unresolved substantial land tenure or use rights disputes, High Conservation Values (HCVs) are threatened, substantial stakeholder complaints, etc.).
- 11.6 The Group Entity should visit different management units during the internal monitoring than the ones previously visited by the certification body, unless there are pending corrective actions, complaints or risk factors that require a revisit of the same units.
- 11.7 The Group Entity shall issue corrective action requests to address non-conformities identified during the internal monitoring and follow up their implementation.

**NOTE:** Non-conformities identified at the level of a group member may result in non-conformities at the Group Entity level when the non-conformities are determined to be the result of the Group Entity's performance.

#### Box 6. Internal monitoring

The internal monitoring of the group includes annual field visits to a sample of management units of the group. The minimum number of management units to be visited annually is calculated by using the table in Clause 11.3.

The Group Entity can also justify applying a lower monitoring intensity as per Clause 11.4. For this, the Group Entity needs to analyze which are the environmental, social and economic aspects of the group where there is more probability of having a non-conformity with the applicable Forest Stewardship Standard. Based on this analysis, the Group Entity can define an adapted monitoring intensity that fits their reality.

The Group Entity has to justify to the certification body that the internal monitoring defined for their group will allow to check, in an effective way, that the group management units are following the applicable Forest Stewardship Standard, and that non-conformities will be identified. For this justification, the Group Entity can use the analysis of the aspects of the group described in the previous paragraph, as well as a description of the process/thinking followed to establish their internal monitoring.

As a result of this analysis, it could also happen that the Group Entity needs to go over the baseline or minimum sample established in Clause 11.3. This is of course possible, and it's actually a requirement when there are high risks situations in the group, as explained in Clause 11.5.

## 12 Chain of Custody

- 12.1 The Group Entity shall define a sales protocol for FSC-certified products, to ensure that they are not mixed with non-certified material.
- 12.2 The Group Entity shall ensure that all invoices for sales of FSC-certified material include the required information (as per Criterion 8.5 of the FSC P&C V5 or Criterion 8.3 of the FSC P&C V4).
- 12.3 The Group Entity shall make sure that all uses of the FSC trademarks are approved by their certification body in advance.
- 12.4 The Group Entity shall not issue any kind of certificates to their members that could be confused with FSC certificates.

**NOTE:** To prove that certain management units are covered by the group certificate, the member can use the list of the members of the group or a member certificate issued by the certification body. It is important that none of these documents are confused with the FSC certificate of the group (held by the Group Entity).

### Box 7. Chain of Custody in Group certification

As long as the ownership is retained within the scope of the certificate, and the management system covers it, then the activity is covered by the group certificate.

The mechanisms used in the group to sell FSC-certified material, including the definition of the term 'forest gate' for the group, must be defined by the Group Entity.

Examples:

A. The Group Entity can purchase FSC-certified material from a number of members, aggregate the material before selling it at a point 'beyond the forest gate', and still sell the material under the scope of the group certificate. Volumes of the sold FSC-certified material must be recorded.

B. A forestry contractor of the group buys standing timber from one member of the group and sells it within or outside of the group. This activity would also be covered by the group certificate.

### Box 8. Ecosystem Services

The Group Entity or all/part of the members can choose to implement the *FSC-PRO-30-006 Ecosystem Services Procedure: Impact Demonstration and Market Tools* on their management units when the groups have an FM or FM/CoC certification.

Additional technical guidance for using the Ecosystem Services Procedure to improve their access to ecosystem services markets can be found in the *FSC-GUI-30-006 Guidance for Demonstrating Ecosystem Services Impacts*.

## **PART III Optional Inclusion of Forestry Contractors in Groups**

### **13 Requirements for forestry contractors**

- 13.1 Forestry contractors may join an FSC FM/CoC or CW/FM group.
- 13.2 The Group Entity may allocate responsibilities to conform with the applicable Forest Stewardship Standard to forestry contractors, as per Clause 3.1.
- 13.3 Forestry contractors can join more than one group.
- 13.4 Forestry contractors that join a group can operate under the FSC group certificate but only in the management units of the group(s) that they have joined.
- 13.5 A contract, including a declaration of consent, shall be signed by each forestry contractor wishing to join a group. In the contract, the forestry contractor shall:
  - a) commit to follow the applicable Forest Stewardship Standard and the Group Rules;
  - b) agree to allow the Group Entity, the certification body, FSC and ASI to fulfil their responsibilities;
  - c) agree that the Group Entity will be the main contact for certification; and
  - d) include the agreed relationship between the forestry contractor and the Group Entity.

### **14 Group Rules for contractors**

- 14.1 The Group Entity shall adapt the Group Rules to include forestry contractors.
- 14.2 The Group Entity shall define the process for forestry contractors to report to the Group Entity the type (harvesting, planting, management plan development, etc.), location (management units of the group) and outcomes (volume harvested, number of plants planted, documents developed, etc.) of their operations.

### **15 Evaluation of new forestry contractors**

- 15.1 The Group Entity shall evaluate each forestry contractor applying to join the group and ensure, prior to approving the application, that they:
  - 15.1.1 Have sufficient knowledge of the applicable Forest Stewardship Standard to fulfil their responsibilities within the group;
  - 15.1.2 Conform with the applicable group membership requirements.

**NOTE:** when a forestry contractor wants to move from one group to another group managed by the same Group Entity, the Group Entity also needs to implement this evaluation to allow for the move.

### **16 Records regarding contractors**

- 16.1 When forestry contractors are included in the group, the Group Entity shall maintain up-to-date records, including:
  - a) Name and contact details;
  - b) The date of entering the group and, where relevant, the date of leaving the group, and the reason for leaving;
  - c) Any records of training provided by the Group Entity;
  - d) The results of the forestry contractors' monitoring at the management units within the group where they have provided forestry services; and



- e) Records of the annual harvesting and sales volumes, if applicable, resulting from operations carried out by contractors within the group certificate.

## 17 Internal monitoring with contractors in the group

17.1 In the management units where the outsourced services are carried out only by forestry contractors of the group, the Group Entity shall follow Section 11 of this standard, and instead of using the table in clause 11.3, the minimum sample of management units to be visited annually for internal monitoring shall be calculated according to this table:

Activity in the management unit	Internal monitoring
Active management units	$X = 0.6 * \sqrt{y}$
Inactive management units	$X = 0.1 * \sqrt{y}$

Where: X = number of management units to be sampled;

y = number of active or inactive management units within each category.

**NOTE:** the number of units calculated (X) shall be rounded to the upper whole number.

## 18 Internal monitoring of contractors

18.1 The Group Entity shall monitor all forestry contractors of the group at least one time during the validity of the certificate.

18.1.1 The Group Entity shall increase this monitoring intensity when high risks are identified (e.g. recurrent non-conformities by the contractor, substantial stakeholder complaints about the contractor's performance, etc.).

18.2 The Group Entity shall issue corrective action requests to address non-conformities identified during the monitoring of the forestry contractors and follow up their implementation.

## 19 Contractors' Chain of Custody

19.1 Forestry contractors shall have records of the annual harvesting volume and annual FSC sales volume of their harvesting and sales activities covered by the certificate of the group.

19.2 Such volume records shall be provided to the Group Entity.

19.3 Forestry contractors shall ensure that all invoices for sales of FSC-certified material include the required information (as per Criterion 8.5 of the FSC P&C V5 or Criterion 8.3 of the FSC P&C V4) and provide a copy of these invoices to the Group Entity.

### Box 9. Forestry contractors in the group

Forestry contractors can be included in the scope of the group certificate by following the requirements of Part III of this standard. This inclusion is optional and voluntary, and allows for some benefits:

- reducing the internal monitoring intensity in the management units where the outsourced services are carried out only by forestry contractors of the group;
- a potential reduction of the risk associated to management activities;
- focusing the internal monitoring on the operations implemented by the contractors;
- sharing the responsibility of internally monitoring between the Group Entity and the contractors;
- provide access for forestry contractors into the Chain of Custody system of the group.

Forestry contractors can continue to work in the group without being included in the scope of the group certificate. In this case, these contractors do not need to follow the requirements of Part III of this standard.



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