



FREQUENTLY ASKED QUESTIONS

FAQS ON THE CURRENT SITUATION IN RUSSIA AND BELARUS

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Title: FAQs on the current situation in Russia and Belarus

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FREQUENTLY ASKED QUESTIONS (FAQS)

This document provides answers to frequently asked questions (FAQs) on the overall FSC decision and the normative changes introduced as a response to the invasion of the Russian military into Ukraine published first on 8 March 2022. Answers provided in this document are of informative nature and shall not be considered normative.

1.1 What is the overall decision of FSC regarding the status of certificates and forest products from Russia and Belarus?

FSC decided in alignment with Assurance Services International (ASI) that all certificates which allow the sale or promotion of FSC certified products in Russia and Belarus will have to be suspended and to block all sourcing of non-certified forest product from the two countries. This means that once this suspension and blockage becomes effective, wood and other forest products can no longer be sourced as FSC certified or controlled from Russia and Belarus for their inclusion in FSC products anywhere in the world.

1.2 What is the rationale for this overall decision by FSC?

From 24 February 2022, the risk situation of sourcing from Russia and Belarus has abruptly changed due to the Russian government's declaration of a 'special military operation' in Ukraine and complicit activities by Belarus resulting in the violent invasion by the Russian military. This situation represents a particular threat to the integrity of sourcing timber and other forest-based material from these countries according to the FSC Controlled Wood normative framework: as all forest in these countries is owned by the state, it was concluded that there is a material risk for the overall forest sector in these countries through the revenues it creates for the states to be associated with this violent armed conflict that threatens national and regional security and is linked to military control.

1.3 What is the additional decision that FSC has taken on Belarus?

For Belarus, in addition to the risks identified in relation to the Russian intervention in Ukraine, both ASI as well as FSC have identified uncontrollable risks related to upholding and assessing certain FSC social requirements which are based on ILO core conventions. ASI has therefore decided to terminate its FSC oversight activities in Belarus as of 14 March 2022. As a consequence, FSC certificates will not only have to be suspended as governed by the overall decision of FSC for Russia and Belarus, but will have to be withdrawn by certification bodies.

1.4 (AMENDED) What is the effective date of FSC's decisions on Russia and Belarus?

The effective date by when certificates will have to be suspended in Russia and withdrawn in Belarus is 8 April 2022. This follows from a 30-day timeline which applies also for companies sourcing non-certified material as controlled from these countries, after which these companies will have to have adapted their due diligence system and stopped any such sourcing. The effective date for these certificate suspensions and withdrawals is independent from the suspension and termination dates issued by ASI for certification bodies themselves which take effect before FSC's decisions. Certification bodies will remain in charge for relevant actions towards their certificate holders beyond their own suspension or termination date (see Q1.21) but may decide to suspend or withdraw certificates at the same time or before 8 April 2022.

1.5 Why are relevant certificates not suspended or withdrawn immediately?

The timeline was carefully chosen, considering both the urgency of action, the ability to implement suspensions as well as the impact on certificate holders. A 30-day timeline has been set to:

- a. Ensure that all directly affected parties and their staff are duly informed and can take the steps necessary to change internal systems and inform their clients and customers accordingly;

- b. allow for an orderly closing down of relevant certification, trading and sourcing activities by our business partners around the world with respect to Russia and Belarus; and
- c. avoid the risk of false claims and non-conforming products which would arise from overly short implementation timelines and require a series of follow-up actions by sourcing companies, certification bodies, ASI, and FSC alike.

1.6 (AMENDED) Can certified or controlled material purchased from Russia or Belarus before 8 April 2022 still maintain its status beyond that date?

Yes, insofar as the material has been dispatched by relevant certificate holders or non-certified suppliers by that time (but not necessarily received by sourcing companies outside of the two countries). In the case of material from suspended certificate holders in Russia, material dispatched only after the suspension date can retain its certification status based on a corresponding verification by the certification body (see Q1.7e).

1.7 (AMENDED)

a) Can suspended certificate holders in Russia still produce material from their input stock which would be considered certified once the suspension would be lifted?

b) Can suspended certificate holders still label such material?

c) Can suspended certificate holders still sell material with FSC claims that was produced and labelled before the suspension date, but held on stock for delivery?

d) Could these companies still deliver material that was produced and sold (invoiced) before the suspension date, but still held on stock?

e) Can material produced and purchased before the suspension date, but only shipped (dispatched) after that date be used as certified?

- a) This is possible, provided that the organization can demonstrate to the certification body that the materials have continued to be subject to the organization's chain of custody system. Similar considerations apply for products held on stock during the suspension: these products can regain their certified status upon the reinstatement of certification.
- b) No, during their suspension organizations can no longer use and newly apply the FSC trademarks.
- c) No, during their suspension organizations will no longer be eligible to sell products with FSC claims as their trademark license will be suspended as a consequence of the suspended certification.
- d) Products that have been invoiced and thereby placed on the market before the suspension date can be delivered accordingly.
- e) In general, products which have not yet left the organization's chain of custody system at the time the certificate is invalidated have lost their certified status. However, to account for the extraordinary circumstances of this suspension, FSC will allow the use of relevant products as certified if the certification body has verified the existence of relevant stock and the issuance of an invoice prior to the suspension date. FSC has regulated the details of this exception via a new advice note for certification bodies (**FSC-ADV-20-011-22**) and a generic derogation (**FSC-DER-2022-002**) for certificate holders purchasing from Russia.

1.8 (NEW)

a) Can material which has been produced and labelled but not sold (invoiced) before the suspension date still be delivered with the relevant FSC labels after the suspension date?

b) Would such material when claimed as certified or distributed with FSC labels be considered non-conforming product and the organization to have made a 'false claim'?

a) Use and distribution of the FSC trademarks, whether in the form of promotional items, invoice claims, or product labels, is generally not allowed for suspended certificate holders due to likewise suspended trademark licenses. Relevant labels therefore would have to be removed or covered prior to its distribution.

In extraordinary situations where relevant label removals or coverings would be unfeasible and either result in disproportionate and excessive costs or require the destruction of relevant material or packaging with unjustifiable environmental impacts, a derogation can be granted upon submission of relevant details and evidence by the organization's certification body following relevant provisions of the PSU enquiry procedure (PSU-PRO-10-201).

b) Yes, relevant material has to be considered non-conforming product by receiving organizations. Further, the distributing organization would have made a false claim unless such distribution would be covered by a derogation as outlined under Q1.8a). The false claim could be classified as 'Other False Claim' depending on the circumstances.

1.9 (NEW) How are the timelines for the expiry of FSC credits or for the calculation of FSC percentages affected by the suspension of certificates in Russia?

Relevant timelines can be put on 'pause'. Once the suspension is lifted their calculation can continue from the point of the suspension becoming effective – i.e., the time passed during the suspension is not considered for relevant calculations.

1.10 (NEW) Can timber or NTFPs harvested and stored under suspension be sold with an FSC Claim once the suspension is lifted?

No, timber or NTFPs harvested and stored under suspension cannot be sold with an FSC claim once the suspension is lifted, as under suspension, the certificate holder's management system is temporarily considered invalid.

1.11 (NEW) What happens when suspended certificates pass the deadline for their annual surveillance audit or for the re-certification?

In this case, certification would have to be withdrawn. However, relevant audits can continue to be provided by certification bodies to ensure that relevant stock (see Q1.7a) or FSC credits (see Q1.9) at the time of the suspension can be re-used upon the reinstatement of certification.

1.12 (NEW) Are multi-site participants and group members of certificates located outside Russia and Belarus impacted as well?

Yes. According to FSC-ADV-20-001-12, certification bodies have to reduce the scope of relevant group and multi-site certificates to ensure that group members and participants of multi-site certificates which are based within the geographical scope of FSC Risk Assessments with relevant risk designations are excluded from such certificates.

1.13 When and how could the suspension of certificates in Russia be lifted?

Certificates can only be reinstated when the 'specified risk' designation for the National Risk Assessment (NRA) of Russian Federation as per indicator 2.1 is changed to 'low' again. In cases where certificates have been suspended for more than 12 months, a surveillance audit has to be conducted before the certificate can be reinstated. FSC may stipulate additional measures necessary before suspensions can be lifted, depending on the overall developments and risk situation in Russia both for responsible forest management and credible product trading.

1.14 When would certificates need to be withdrawn if the conflict persists?

Certificates generally may remain suspended for a maximum period of 12 months. FSC will clarify before the end of this period if exceptional circumstances may be claimed to allow for a longer period of overall 18 months. After this period suspended certificates will have to be withdrawn by the certification body.

1.15 Are there any exceptions regarding the suspension or withdrawal of certificates?

As pointed out under Q1.1, the suspension in Russia affects only the certificates that allow the sale or promotion of FSC products – the corresponding certificate types have one of the following certification code components: 'FM/CoC', 'CW/FM', or 'CoC'. Forest management certificates, with the code component 'FM', are exempted from the suspension decision as they are not eligible to sell any forest products with the FSC claim, which is the only exception (see also Q1.16).

1.16 Why are forest management (FM) certificates exempt from suspensions in Russia?

The decision to have all certificates which allow the sale or promotion of FSC certified products in Russia suspended and to block all sourcing of non-certified forest product (see Q1.1) was based on the concluded existing uncontrollable risk of the overall forest sector to be associated with the violent armed conflict caused by the Russian military through the revenues it creates for the state (see Q1.2). The relevant FSC Controlled Wood indicator refers, amongst other aspects, to the concept of 'conflict timber' which again explicitly refers to "revenues from the timber trade" and "timber that has been traded at some point in the chain of custody".

Hence, FM certificates that do not have CoC in their scope and thus are not eligible to sell or promote FSC certified products are not subject to the same risk of such an association as FM/CoC certificates. FSC further considers it paramount to enable the continued demonstration of responsible forest management by maintaining FM certificates.

1.17 Could FM/CoC certificates be changed to FM certificates instead?

Yes, certification bodies (CBs) can reduce the certificate scope from FM/CoC to FM certificates (see Q1.15) either before the suspension would become effective or during the suspension (see Q1.24), after which the suspension can be lifted. CBs will be able to evaluate these certificates and Assurance Services International (ASI) will remotely oversee CB activities for additional assurance.

1.18 (NEW) Which criteria or indicators of the National Forest Stewardship Standard are not applicable for FM certification in Russia?

Criterion 8.5 is related to the potential CoC scope part of an FM/CoC certificate and would not be applicable for FM certification. Other criteria or indicators may no longer be applicable due to the specific situation of the relevant forest management unit, which will be determined on a case-by-case basis by the certification body according to the scope of certification of the organization.

1.19 Is it possible for CBs to issue new FM certificates in Russia?

As of 15 March 2022, the geographic scope of certification bodies will be suspended by ASI for Russia with the effect that new certificates can no longer be issued which also applies to FM certificates (see Q1.24). Certification bodies can only maintain existing certificates as far as this is allowed (only FM certificates can be kept valid beyond 8 April 2022 – see Q1.16). The only option for an FM certificate to be issued is the issuance of such certificates before the suspension becomes effective or to reduce the scope of existing FM/CoC certificates accordingly (see Q1.17).

1.20 (AMENDED) What is the benefit and implication for certificate holders in Russia to hold FM certification?

FSC has provided the possibility for maintaining FM certification in the interest of responsible forest management. The potential benefit of this certification for a certificate holder is the ability to demonstrate that their forest continues to be responsibly managed. As FM certificates do not have CoC in their scope, relevant certification requirements will not have to be audited by certification bodies – in return, FM certificate holders are not eligible to sell or promote their products as FSC certified. Most current FM certificates outside Russia are only conducting low-intensity harvesting activities in which case further certification requirements beyond the ones related to CoC certification might not be applicable. In case of a reduced scope from a former FM/CoC certificate, however, there are no restrictions for an FM certificate compared to an FM/CoC certificate towards conducting harvesting activities, and these activities will be continued to be audited according to the applicable certification requirements. FSC will provide further guidance on FM certification in the coming weeks.

1.21 (AMENDED) What are the overall responsibilities of CBs in Russia and Belarus with respect to FSC's decision?

Certification bodies (CBs) will have to take the relevant measures to effectuate the required suspensions and withdrawals of certificates in Russia and Belarus, respectively, irrespective of the actions taken by ASI affecting their scope to operate in these countries. This responsibility involves the following activities

- a. information of their clients within three business days after having been notified by FSC on 8 March 2022 about the relevant 'specified risk' designations (i.e., by 11 March 2022);
- b. the subsequent suspension of relevant certificates in Russia (see Q1.15); and the termination of all certificates in Belarus within 30 days of that notification (i.e., by 8 April 2022) based on relevant forest sector wide risks that cannot be mitigated, controlled, or audited;
- c. the relevant registration of these certificate changes in the FSC certificate database; and
- d. conducting verification audits requested by certificate holders in Russia for stock sold but not dispatched by the time of the suspension and the issuance of relevant confirmation statements (see Q1.7e); and
- e. any relevant scope reductions requested by FM/CoC certificate holders in Russia with the relevant surveillance activities.

1.22 Are CBs allowed to extend the validity of certification for suspended certificates before the validity expires?

Yes, CBs may grant a single exceptional extension of up to six (6) months according to clause 1.4.4 of FSC-STD-20-001.

1.23 (AMENDED) Will FSC charge an Annual Administration Fee for the suspended certificates in Russia as is the case for suspended certificates in general?

FSC will not charge an Annual Administration Fee (AAF) for these suspended certificates during the time of suspension. Certification bodies are advised not to invoice the AAF to their clients for the duration of the suspension via a corresponding advice note (FSC-ADV-20-005-01).

1.24 What are the implications for certification bodies operating or intending to operate in Russia?

ASI has temporarily suspended the geographical scope of “Russia” for all certification bodies (CBs), which will be effective as of 15 March 2022. This means that CBs will neither be eligible to issue any new certificates nor to add new sites or group members to the existing certificates or issue any scope extensions. CBs may continue to conduct surveillance and recertification audits for existing certificates which from 8 April 2022, onward can only be the case for FM certificates (see Q1.15). CBs may further reduce the scope of their certificate holders (see Q1.17).

1.25 (NEW) Does FSC plan to apply any particular measures addressing the situation in Ukraine?

FSC is currently working on finalizing normative measures for the Ukrainian situation and the communication is planned to be released by 25 March 2022. Should the advice note FSC-ADV-20-001-12 apply to Ukraine, CBs will be notified via the FSC Accreditation Forum and these FAQ will be updated accordingly. In the meantime, the new FSC-ADV-20-005-01 allows waiving the Annual Accreditation Fee (AAF) for all organizations located in Ukraine.



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