

October 5, 2019

## Supplement – Zimmfor FSC Controlled Wood Due Diligence System for the Lower 48 States

### RE: Decision Tree for Considering Risk Associated with the Origin of Material and FSC Guidance for Mitigation Options

#### Executive Summary

FSC US held FSC Controlled Wood (CW) Regional Meetings to address potential Mitigation Options (MO) for risks identified within the National Risk Assessment (NRA), followed by summary reports from the meetings. These reports included a “Decision Tree” to assist Certificate Holders (CH) to evaluate sourcing versus specified risks and implement Control Measures and MOs. Subsequently, FSC US provided guidance on implementation of MOs, including acceptable and unacceptable mitigation, based on scale of CH/risk scale.

Zimmfor attended all of the CW Regional Meetings on behalf of Participating Clients. Zimmfor then developed a CW Due Diligence System (DDS) to be implemented on behalf of Participating Clients, focused on the Education and Outreach MO, which is applicable to all specified risk topics identified in the NRA.

Zimmfor completed an analysis of specified risks versus source areas in the lower 48 states, down to the county-level. Zimmfor developed Education and Outreach materials and a Field Verification Program to meet the highest level of implementation required of CH, as identified in the Regional Reports, and further clarified in the FSC guidance for MO documents.

Based on sourcing information reviewed with Participating Clients, Zimmfor has implemented the DDS for applicable source areas within the US, ensuring Participating Clients meet or exceed expected risk mitigation requirements/ efforts.

#### Introduction

As identified within the three FSC US Controlled Wood (CW) Regional Meeting Reports (Regional Reports), Certificate Holders (CH) are required to assess their sourcing versus the risks identified within the FSC US National Risk Assessment (NRA - the default information source relating to “risk”).

Where risks are identified, CH’s are to apply Control Measures (CM), including relevant Mitigation Options (MO), commensurate with the scale and intensity of the Organization’s potential impact on the forests in the region. FSC US provided a “Decision Tree” to assist CH in reviewing their sourcing and applying MO (refer to pg. 8 of the Portland Regional Meeting Report, link below).

The key steps in the Decision Tree are as follows:

- 1) Gather information on sourcing vs. specified risks
- 2) Select appropriate CMs, including MO for relevant identified risks
- 3) Implement MO at appropriate scale

#### Information Gathering

Participating Clients collect sourcing information using Supplier Declarations, Log Purchase Agreements, Contracts, or using similar methods. Sourcing is generally evaluated at the State-level, with effort made to evaluate down to the county-level where possible. Sourcing information is reviewed during internal audits.

Zimmfor completed a high-level analysis of all specified risks identified within the NRA, across the lower-48

states, down to the county-level. This information was summarized in a Microsoft Excel spreadsheet and also mapped for ease of review (refer to Zimmfor DDS Summary, pg. 7).

For the sourcing summary for Participating Clients, refer to Appendix 1 of the Zimmfor FSC CW Due Diligence System (DDS) Summary for the Lower 48 States. Client sources can be compared with Table 1 in the DDS Summary, which summarizes the specified risks within each state.

### **Select Control Measure(s) and Mitigation Options**

For all source areas with specified risks, Participating Clients have opted to apply the Zimmfor DDS, which focuses on CM 3.1 and 4.2 (refer to DDS Summary Report). Some clients may opt to implement additional Control Measures (e.g., avoidance).

Note: Where low-risk sources are identified, no further actions are taken.

In order to implement the MO approach for clients, Zimmfor attended all three of the Regional Meetings (refer to Meeting Reports and associated Attendance Lists).

### **Implementation of Mitigation Options**

Table 1 of the Regional Reports (provided below) identifies the potential MO by specified risk topic. The Education and Outreach MO is applicable to all identified risk topics. As such, Zimmfor developed Education and Outreach Materials to address all specified risks identified within the NRA.

As identified within the Regional Reports, when implementing MO, CHs are expected to scale their efforts commensurate with their size and sourcing risks (refer to Mitigation Matrix with Regional CW Meeting Reports, referenced below, pg. 10 of the Portland Regional Meeting Report, link below). As discussed within the Regional Report, there is more than one way to evaluate the proportion of a CHs supply being sourced from specified risk areas.

For consistency, and to be conservative, the Zimmfor DDS was developed and implemented to meet the requirements for Medium/ High Level CHs, ensuring all Participating Clients meet or exceed expectations, regardless of size of company or sourcing areas.

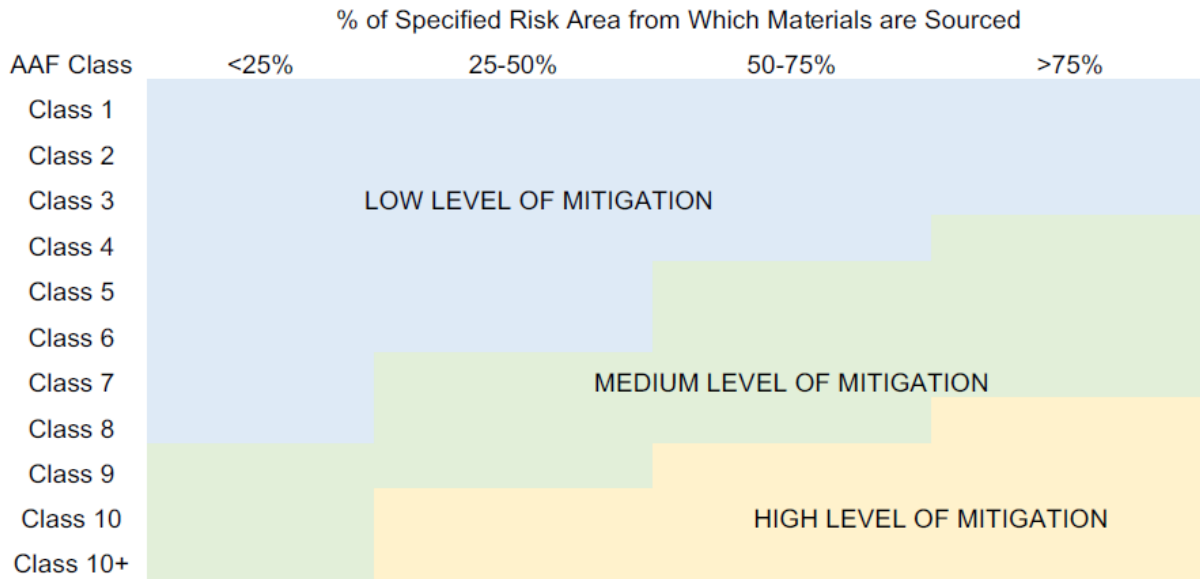
Note: The Decision Tree outlines an iterative approach to evaluating each source area vs. specified risks. However, Zimmfor and Participating Clients took a broader view of the requirement and completed the review at the highest level for all source areas within the lower 48 states, as described above, and then summarized by Participating Client sources, as listed in Appendix 1 of the Zimmfor DDS Summary.

**Table 1. Central Themes for mitigation options as identified by stakeholders for each specific risk topic.**

CW REGIONAL MEETING	SPECIFIED RISK TOPIC	CENTRAL THEME										
		Education & Outreach	Procurement Policy	Research & Mapping	Conservation Initiatives	Planning	Implement Mgmt Activities	Staff/Forester Training	Landowner Incentives	Direct Influence	BMP Monitoring	Cape Fear Arch Cons. Collab.
Asheville	Central Appalachian CBA	X		X	X					X	X	
	Cheoah Bald Salamander	X	X	X	X	X				X		
	Mesophytic Cove Sites	X		X				X				
Atlanta	Cape Fear Arch CBA	X	X		X							X
	Central Florida CBA	X	X		X		X					
	Conversion (Atlanta & Portland)	X	X	X	X	X						
	Dusky Gopher Frog	X	X	X			X					
	Florida Panhandle CBA	X		X	X							
	Houston Toad	X	X	X			X					
	Late-Successional Bot. Hardwoods	X	X	X			X		X			
	Native Longleaf Pine Systems	X	X	X		X	X		X			
	Patch-Nosed Salamander	X	X	X	X	X						
Southern Appalachian CBA	X		X	X					X			
Portland	Central California CBA	X	X	X		X		X				
	Klamath-Siskiyou CBA	X	X	X		X	X					
	Lesser Slender Salamander	X	X	X			X					
	Old Growth Forests	X	X	X		X		X	X			
	Conversion (Atlanta & Portland)	X	X	X	X	X						

Source: FSC-US Regional CW Meeting Reports - <https://us.fsc.org/en-us/certification/controlled-wood/fsc-us-controlled-wood-national-risk-assessment-us-nra>

**Table 2. Framework for determining level of mitigation required**



Source: FSC-US Regional CW Meeting Reports - <https://us.fsc.org/en-us/certification/controlled-wood/fsc-us-controlled-wood-national-risk-assessment-us-nra>