

**Forest Stewardship Council®  
(FSC®) Controlled Wood  
Due Diligence System (DDS)  
Public Summary**

**Daiichi Trading Limited**

**May 2019**



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## Introduction

Zimmfor Management Services Ltd. is a leader in providing consulting services to the resource management sector, with a focus on certification support related to forest management and chain of custody (CoC) for wood and wood fibre products.

In support of our client base, Zimmfor has developed a Due Diligence System (DDS) and FSC Controlled Wood Risk Assessment (RA), according to the requirements for Sourcing FSC Controlled Wood (CW) Standard (FSC-STD-40-005 V3-1).

FSC Controlled Wood supports the use of FSC Mix products and the establishes minimum legal, environmental, and social requirements for non-certified fibre that can be mixed in with FSC certified fibre.

## DDS Summary

Zimmfor has developed a DDS to support our FSC Chain of Custody (CoC) clients, consistent with FSC CW Standard requirements. The DDS consists of three elements:

- 1) Information Gathering – completed by clients using client specific “Supplier Declarations” or similar documents (e.g., Log Purchase Agreements; Timber Sale Contracts). Supplier Declarations provide information on products and species being sourced, geographic origins of timber harvesting, and includes a commitment from the supplier to assist in completing audits and confirmation of the legality of the wood being sourced.
- 2) FSC Controlled Wood Risk Assessment – completed by Zimmfor on behalf of participating clients, consistent with the FSC CW Standard. Source areas assessed are as indicated below.
- 3) Risk Mitigation – where source areas or suppliers are deemed to be not-low, or unspecified risk, risk mitigation procedures are developed to ensure that uncontrolled wood does not enter the client CoC system. Mitigation procedures may include physical segregation of uncontrolled material; implementation of verification procedures to confirm or alleviate risk concerns; and/ or exclusion of suppliers, supply areas, species, or products.

## Supply Areas and Risk Designations

The Zimmfor Risk Assessment covers the Daiichi Trading Limited source forest areas within the USA listed in Table 1, below. For analysis related to High Conservation Value Forests (HCVFs), Zimmfor has adopted the ecoregion definitions and mapping provided by the World Wildlife Fund (available at: <https://www.worldwildlife.org/publications/terrestrial-ecoregions-of-the-world>; or [https://zimmfor.egnyte.com/dl/kiPlxD3rKS/North\\_American\\_Ecoregions\\_Map\\_\(March\\_2018\).pdf](https://zimmfor.egnyte.com/dl/kiPlxD3rKS/North_American_Ecoregions_Map_(March_2018).pdf)).

## Applicable FSC Risk Assessment(s)

As of March 2019 (the current date of our Company/Simplified Risk Assessments), there were no completed/approved FSC National Risk Assessments (NRA) for Canada or the USA, and the FSC Centralized National Risk Assessment is incomplete for Canada and the USA.

Therefore, Zimmfor has prepared Company/Simplified Risk Assessments, consistent with the FSC Controlled Wood Standard (v3-1), FSC Global Forest Registry (as of March 2018) and known/ available sources of information.

As of May 2019 (the date of our DDS Summary) , there is an approved FSC National Risk Assessment for the USA. As communicated by FSC USA, organizations have until October 5, 2019 to transition from Company/Simplified Risk Assessments to the FSC USA NRA. During this time, Zimmfor (on behalf of Daiichi) will implement Control Measures and Mitigation Options consistent with the USA NRA. Prior to October 5 this DDS Summary will be revised to confirm the transition has been made.



## Zimmfor Risk Assessment

The Zimmfor Risk Assessment covering Daiichi Trading Limited’s source areas listed below (Table 1) can be found at:

**Daiichi:** [https://zimmfor.egnyte.com/dl/SY8rPagAck/Zimmfor\\_FSC\\_RA - Daiichi \(Mar. '19\).pdf](https://zimmfor.egnyte.com/dl/SY8rPagAck/Zimmfor_FSC_RA_-_Daiichi_(Mar._'19).pdf)

## Complaints and Contact Information

Complaints related to the Zimmfor Risk Assessment should be forwarded to the Zimmfor FSC Risk Assessment Manager at [FSC.RA@zimmfor.com](mailto:FSC.RA@zimmfor.com).

All complaints and comments received related to the Zimmfor DDS will be managed consistent with the FSC CW Standard (40-005 v3-1, section 7).

Complaints/comments must note the applicable state/province, FSC CW category and any applicable evidence to support the complaint/comment.

## Risk Assessment Summary Table – Applicable Source Areas

**Table 1: Risk Summary - USA**

Supply Areas Assessed, including WWF Ecoregions	Risk Rank				
	1. Illegally Harvested Wood	2. Violation of Traditional or Civil Rights	3. HCVFs	4. Conversion	5. Genetically Modified Trees
<b>Illinois</b> NA0404, NA0409, NA0415, NA0804	Low	Low	Low	Low	Low
<b>Indiana</b> NA0404, NA0414, NA0804	Low	Low	Low	Low	Low
<b>Iowa</b> NA0404, NA0414, NA0804	Low	Low	Low	Low	Low
<b>Kentucky</b> NA0402, NA0404, NA0409, NA0414	Low	Low	Low	Low	Low
<b>Maine</b> NA0410, NA0411	Low	Low	Low	Low	Low
<b>Michigan</b> NA0414, NA0415, NA0416, NA0804	Low	Low	Low	Low	Low
<b>Missouri</b> NA0404, NA0409, NA0804, NA0805	Low	Low	Low	Low	Low
<b>New Hampshire</b> NA0410, NA0411	Low	Low	Low	Low	Low
<b>New York</b> NA0401, NA0403, NA0406, NA0407, NA0410, NA0411, NA0414, NA0504	Low	Low	Low	Low	Low
<b>Ohio</b> NA0401, NA0402, NA0404, NA0414	Low	Low	Low	Low	Low



Supply Areas Assessed, including WWF Ecoregions	Risk Rank				
	1. Illegally Harvested Wood	2. Violation of Traditional or Civil Rights	3. HCVFs	4. Conversion	5. Genetically Modified Trees
<b>Oregon</b> NA0417, NA0505, NA0508, NA0510, NA0512, NA0516, NA0519, NA0813, NA1305, NA1309	Low	Low	Low	Low	Low
<b>Pennsylvania</b> NA0401, NA0402, NA0403, NA0410, NA0411, NA0413, NA0414	Low	Low	Low	Low	Low
<b>Tennessee</b> NA0402, NA0403, NA0404, NA0409, NA0413	Low	Low	Low	Low	Low
<b>Vermont</b> NA0407, NA0410, NA0411	Low	Low	Low	Low	Low
<b>Washington</b> NA0417, NA0505, NA0506, NA0507, NA0508, NA0510, NA0512, NA0518, NA0522, NA0524, NA0813, NA1309	Low	Low	Low	Low	Low
<b>West Virginia</b> NA0402, NA0403	Low	Low	Low	Low	Low
<b>Wisconsin</b> NA0415, NA0416, NA0804, NA0805	Low	Low	Low	Low	Low

## Addendum - Stakeholder Support

For many of the areas assessed under CW Category 3, High Conversation Value Forests (HCVFs), an Unspecified Risk was determined under Category 3.1. Therefore, the level of protection for HCVFs was evaluated for unspecified risk areas, consistent with CW Category 3.2. Evaluations under Category 3.2 determined low-risk results for all applicable areas.

CW Category 3.2 also requires stakeholder consultation, to show a lack of objection and/or significant support by relevant stakeholders. Stakeholder consultation was completed consistent with the FSC CW Standard, from March 3 – April 15, 2017 in Canada, and March 10 – May 5, 2017 in the USA. Zero objection was received from the stakeholders consulted. Therefore, the low-risk designation was determined to be confirmed.

Subsequent to the completion of the Zimmfor RA and associated stakeholder consultation process, FSC International issued an interpretation (INT-STD-40-005\_26, published January 16, 2018, specific to FSC-STD-40-005 V3-1, Annex A, Controlled Wood Category 3 Clause 3.9 Indicator 3.2), related to stakeholder consultation objection/ support, that required positive support for low-risk designations under CW Category 3.2.

To show consistency with the new FSC Interpretation, in March 2018, Zimmfor obtained letters of support from relevant stakeholders, and re-confirmed the lack of objection to the Zimmfor low-risk designations under CW Category 3.2. The letters of positive support covered the areas assessed by Zimmfor across Canada and the USA. Therefore, the low-risk designation was determined to be re-confirmed.