

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

Caruso Inc.

October 2018



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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 Caruso Inc. source areas within the USA listed in Tables 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 (WWF - www.worldwildlife.org/science/wildfinder/).

Applicable FSC Risk Assessment(s)

As of April 2018, there are no completed/approved FSC National Risk Assessments for the USA, and the FSC Centralized National Risk Assessment is incomplete for the USA.

Therefore, Zimmfor has prepared Company/Simplified Risk Assessments, consistent with the FSC Controlled Wood Standard (v3-1), FSC Global Forest Registry (FSC Registry - www.globalforestregistry.org – current version), and known/ available sources of information.



Zimmfor Risk Assessments

The Zimmfor Risk Assessment covering the Caruso Inc. source areas within the USA, listed below (Tables 1), can be found at:

Caruso Inc. – [https://zimmfor.egnyte.com/dl/YNfgWRYeXV/FSC_RA - Caruso \(March 2018\).pdf](https://zimmfor.egnyte.com/dl/YNfgWRYeXV/FSC_RA_-_Caruso_(March_2018).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.

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, FSC CW category and any applicable evidence to support the complaint/comment.

Risk Assessment Summary Tables – 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
North Carolina NA0403, NA0413, NA0517	Low	Low	Low	Low	Low
Pennsylvania NA0401, NA0402, NA0403, NA0410, NA0411, NA0413, NA0414	Low	Low	Low	Low	Low
Virginia NA0402, NA0403, NA0413, NA0517	Low	Low	Low	Low	Low
West Virginia NA0402, NA0403	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.