

# **Swedish Old Growth Forests Integrity Investigation Report**

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**Prepared for FSC**

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## Executive Summary

This investigation was initiated due to a growing perception within ASI that complaints involving woodland key habitats (WKH) in the FSC Sweden system are increasing and that these conflicts between certificate holders (CHs) and environmental stakeholders are escalating rather than reaching resolution.

FSC, ASI, Conformity Assessment Bodies (CABs), and external experts confirm the growth in complaints. It is partially driven by external factors, such as the cessation of WKH delineation by the widely trusted Swedish Forest Agency (SFA) on private forest lands and reductions in funding by the current Swedish government to compensate forest landowners for conservation set-asides.

However, further the root causes come from within the FSC Sweden system. Environmental stakeholders worry about the steady expansion of industrial forestry into the forest regions of the country previously least influenced by industrial forest management, and express concern about how CHs delineate the network of WKH that should soften the impact of that expansion on biodiversity (or, in the case of Controlled Wood, how they avoid these areas for wood sourcing). Their concerns include the rigor of delineation (particularly the issue of using delineation methodologies based on structural indicators instead of direct rare species detection) and the motivation of CHs to delineate WKH where they are not pressured into doing so by NGO appeals, comments and complaints.

Complaints by environmental stakeholders against large forest management (FM) CHs can be seen to have led to improvements in WKH performance. Although some stakeholders remain concerned about FM CHs, the greatest conflict is now centered on WKH practices by Chain of Custody/Controlled Wood (COC/CW) CHs, who have lower capacity for conducting natural value assessments. In the past such CHs benefited from delineation by SFA of WKH on private lands from which they source Controlled Wood, but this enabling factor in their risk mitigation is now gone.

A review of complaints and incidents in the ASI database as well as current incidents described by a range of environmental stakeholders points to the need to address the “different languages” spoken by stakeholders and CHs around WKH, how CHs are accepting and using information from stakeholders during WKH delineation and how CABs are assessing these practices.

The following recommendations are made to FSC:

1. Consider amendment of the NFSS during the next standard revision process to strengthen Red Listed species identification during conservation value assessments
2. Consider amendment of the CNRA; development of the NRA according to FSC-PRO-60-002 V3-0
3. Continue efforts to engage a broader range of environmental stakeholders in the technical dialogue around WKH
4. Pursue resources for “early stage” delineation of WKH in regions of Sweden where Controlled Wood sourcing is common and growing to better facilitate risk mitigation
5. Accumulation of all complaints in one database, centrally managed by ASI

## 1. Introduction

In Sweden so-called “Woodland key habitats” (WKHs) are recognized as areas of high conservation value (HCV) and should be excluded from almost all forest management activities according to the Swedish National Forest Stewardship Standard (NFSS, FSC-STD-SWE-03-2019)).<sup>1</sup> In addition, the Centralized National Risk Assessment for Sweden (FSC-CNRA-SE V1-0 EN) states that WKH are proxy for High Conservation Values 1 and 3, and hence should not be used to source Controlled Wood.

Indeed, the NFSS requires that an organization shall implement a pre-harvest conservation/nature value assessment to identify WKH and other HCV.<sup>2</sup> As well, the CNRA suggests that “threats to WKHs could be mitigated through voluntary measures such as pre-harvest nature value assessments and effective commitments not to source from WKHs”.<sup>3</sup> But WKH delineation methodologies and consequent decisions about WKH status have become an extremely common source of comments during audits and complaints to CH, CABs and ASI.

It is a common understanding shared by FSC Sweden, CABs, CH, and the environmental stakeholders that while complaints about WKH have helped change CH practices in a way that reduced disagreement with stakeholders, especially in the case of some large FM CHs, this issue is only becoming more contentious and generating more complaints as time goes on. This increase in complaints is leading not only to a heavy burden on the CAB and ASI complaint systems but is beginning to spread into the public sphere, where it poses a threat to public perception of the FSC system in Sweden.

This investigation looks into the most common sources of disagreement between environmental stakeholders and CHs regarding WKH delineation and how these disagreements relate to the normative framework for FSC FM and COC/CW certification in Sweden.

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<sup>1</sup> 6.4.1 The following habitats are exempt from all management activities other than management required to maintain or promote natural biodiversity or biodiversity conditioned by traditional land use practices:

- a) natural, conspicuously uneven-aged and stratified forests with an abundance of old/large trees and a high frequency of coarse dead woody debris in different stages of decomposition,
- b) Woodland Key Habitats according to the definition and methodology of the Swedish Forest Agency (1995),
- c) low-productive land (land with a total annual volume increment of less than one cubic meter per hectare).

<sup>2</sup> 6.2.1 A conservation value assessment is conducted and documented as part of the site planning, generally when the ground is free from snow cover, prior to regeneration felling, final thinning and forest road construction. DIRECTIVES 6.2.1 AND 6.2.2: To achieve sufficient consistency and a reliable result, the methodology for assessing conservation values shall be well structured and tested, and include appropriate instructions for application. The Swedish Forest Agency or other experts with equivalent competence shall regularly be consulted so that those conducting the conservation value assessment are calibrated in terms of identifying high nature conservation values, including Woodland Key Habitats. Training of those conducting the conservation value assessment is adapted to the challenges of identifying conservation values on the landholding that are difficult to assess.

<sup>3</sup> In section 3.1: “For HCV1 we consider different risk designations for CW sourced from companies implementing pre-harvest nature value assessments AND with and without policies not to source from registered WKHs (an HCV1 proxy).” In the Threat Management section of 3.1: “In addition to formal protection, threats to WKHs could be mitigated through voluntary measures such as pre-harvest nature value assessments and effective commitments not to source from WKHs.”

## 2. Methodology

The study was carried out by Mr. Brian Milakovsky, an independent expert with extensive knowledge in the assessment, mapping and management of nature conservation values in the taiga forest zone. ASI assisted the expert in drafting the investigation plan, scoping the internal information sources, suggesting the candidates for interviews, providing feedback on the investigation advancement, and peer-reviewing the investigation report.

The main source of information for the investigation was the ASI database. The database has accumulated a large number of records – complaints, incidents, findings - that describe particular cases of non-compliance and allegations of forest management actions with the certification requirements of FSC standards in terms of WKH management and/or cases of incorrect interpretation of these requirements by certification bodies. The large volume and detail of these records was analyzed and summarized to detect patterns and non-compliance. At this stage, the investigator interviewed relevant members of the ASI team who participated in the investigation of specific complaints/ incidents and accreditation assessments of certification bodies in Sweden.

A conclusion of the ASI personnel with access to complaints/incidents was that almost all the described noncompliance cases recorded by ASI were discovered and made public by environmental stakeholders. The need to verify these findings by means of special in-depth certification and accreditation assessments calls into question the effectiveness of the routine work of certification bodies and the sufficiency of the current versions of the FSC normative requirements. Ultimately, it is the actions of environmental stakeholders that have the greatest impact on the perception of the legitimacy, usefulness and overall quality of certification in Sweden. Given the above, ASI decided to hold consultations within the framework of this investigation with, first and foremost, environmental stakeholders. However, a wider range of important stakeholders were also involved in the consultations to confirm the statements of environmentalists and obtain alternative opinions on the issue under discussion. As such the full scope of the interviews included the following parties: ASI assessors, CABs, environmental stakeholders, a CH, FSC Sweden and the Swedish Forest Agency (SFA, *Skogsstyrelsen*). Interviews were mostly conducted by phone, but five especially important interviews were conducted in person in Stockholm, Sweden in May 2023.

Each interview was structured in advance and adapted to the experience and role of each specific stakeholder. The investigator sought the stakeholders' feedback on the matter of how well the identification and the management of WKH is organized within the scope of FSC certification in Sweden. Important questions discussed while investigating included:

- What is the local context of WKH identification and management?
- Do the national FSC requirements ensure that natural value assessments are implemented effectively and prevent from losing natural values?
- How well are the FSC national requirements formulated?
- Is there a space for interpretation of the normative requirements by different actors?

Apart from the interviews and the internal ASI materials, the investigator familiarized himself with the documentation, records, and references to some public sources of information that were provided by stakeholders as examples and in support of the comments made verbally. These materials, as well as the transcribed interviews, were saved on the secured ASI Google Drive folder.

### 3 Results and Conclusions

#### 3.1 Understanding the context of WKH complaints

##### Reduced role for the State Forest Agency (SFA) in delineation of WKH

The WKH concept was developed by the SFA in the early 1990s, and the agency was long considered the authority on WKH delineation.<sup>4</sup> According to the principle of “sectoral responsibility,” large landowners were expected to delineate WKH on their own, adhering loyally to the SFA methodology, while the SFA itself carried out delineation on the holdings of small and medium landowners.<sup>5</sup> More or less, the SFA had the mutual trust of CHs and environmental stakeholders, which made it easier to adjudicate questions around WKH in the FSC system (SFA employees frequently acted as experts in the assessment process).

However, an overhaul in Sweden’s over-arching legislative framework<sup>6</sup> and a series of lawsuits initiated by small landowners’ associations led to a court decision that the SFA does not have jurisdiction to identify “Woodland Key Habitats” on land holdings. In some cases, CABs still engage SFA experts to discuss “nature conservation value,” but these experts are explicitly not allowed by their superiors to cast judgment on WKH, the conservation category explicitly cited in the FSC Sweden standards.

This court decision is currently being reviewed by the Swedish Supreme Court and may be overturned, but according to the interviewees the “missing in action” status of the SFA for several years has already caused serious difficulty in the FSC system. Actors from across the system agree that the “trusted arbiter” on WKH issues has been lost, and environmental stakeholders claim that few small landowners have sufficient in-house capacity to delineate WKH without SFA assistance. This creates particular concern in the Environmental Chamber of FSC Sweden in regard to Controlled Wood, considering that COC/CW CHs often source from small landowners.

##### Reduced funding by Sweden’s government for compensation for ecological set-asides

As with all national standards, the FSC Sweden standard does not assume that CHs will be financially compensated for protecting HCV. However, in practice long-term conservation agreements with payment or outright purchase of WKH by the Swedish government may have facilitated more HCV protection, especially for forest areas exceeding the 5% set-aside

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<sup>4</sup> The first mention of WKH in scientific literature is a science note published in 1992 that specifically identifies Skoggsstyrelsen’s predecessor agency as the implementer (Nitare J, Norén M. 1992. Woodland key-habitats of rare and endangered species will be mapped in a new project of the Swedish National Board of Forestry. *Sven Bot Tidskr.* 86:219–226. (In Swedish)). The following review of WKH practices across northern Europe identifies Skoggsstyrelsen as the originator of the concept: Jonna Timonen, Juha Siitonen, Lena Gustafsson, Janne S. Kotiaho, Jogeir N. Stokland, Anne Sverdrup-Thygeson & Mikko Mönkkönen (2010) Woodland key habitats in northern Europe: concepts, inventory and protection, *Scandinavian Journal of Forest Research*, 25:4, 309-324, DOI: 10.1080/02827581.2010.497160 . Multiple interviewees for this report confirmed that the agency was viewed by CHs, CABs and stakeholders alike as the authority on WKH in Sweden.

<sup>5</sup> Sectoral responsibility is a term that emerged during large-scale deregulation of natural resource industries in Sweden in the 1990s. In 1993 the Swedish Forestry Act was amended to include significantly less specific regulations, instead identifying goals that the forestry sector would take responsibility to achieve, including protection of biological diversity. This is described in detail here: Terrence Bush (2010) Biodiversity and Sectoral Responsibility in the Development of Swedish Forestry Policy, 1988–1993, *Scandinavian Journal of History*, 35:4, 471-498, DOI: 10.1080/03468755.2010.528249

<sup>6</sup> The Administrative Procedure Act (2017:900).

<https://www.government.se/government-policy/democracy-and-human-rights/the-administrative-procedure-act-2017900/>

requirement in the Swedish standard.<sup>7</sup> The Swedish national budget for 2023 shows how expenditures on “Protection of Valuable Nature” have been reduced from 1.72 billion Swedish kroner in 2022 to 1.17 billion for 2023 and 2024 and a further reduction to 688 million by 2025.<sup>8</sup> Three environmental stakeholders interviewed identified funding cuts for conservation purchases by Sweden’s current conservative government as a factor raising tensions around WKH. For example, according to the report for ASI complaint number 850 (hereinafter called COMP-850), the absence of funding at SFA and Dalarna County to purchase a 17 ha forest plot rich in Red Listed lichen species was one reason why only a 0.5 ha set aside was left uncut despite recorded HCV on a significantly larger area.<sup>9</sup>

#### Legislative “collision” between Swedish law and EU directives

As in many European countries, Swedish environmental stakeholders are turning more and more to the EU Habitat Directive<sup>10</sup> and the Directive of the conservation of wild birds (2009/147/EG) as a means to secure protection for forests containing Red List species. Many stakeholders claim they hope that this additional argument will help them secure protection of Red List species habitats in forest certified either under FSC FM or COC/CW beyond the requirements already included in those standards. In the case of the FM standard there is already fairly clear language about protecting Red Listed species habitats,<sup>11</sup> and so an additional “legal” argument referencing Principle 1 (Compliance with Laws) would not seem strictly necessary. But given that environmental stakeholders continue to submit complaints about planned or implemented logging of sites with Red List species to FM CHs (see Case Studies 1 and 2) they may hope that “violation of EU normatives” will be an additional argument in their favor.

In the Centralized National Risk Assessment that is used by COC/CW CHs there is no language identifying *any Red List species habitat* as HCV from which Controlled Wood should not be sourced. CNRA Indicators 3.1 and 3.3 identify WKH as a proxy for HCV 1 and 3, but not all Red List species habitats are identified as WKH. (There is an important methodological difficulty in defining the boundary between “a forest stand containing Red Listed species that require special attention” and a WKH that is primarily around the question “what quantity or density of Red Listed species findings within an ecosystem makes it a WKH”). As such, environmental stakeholders argue for protection of Red List species

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<sup>7</sup> According to Skogsstyrelsen, “Habitat protection areas and nature conservation agreements are the forms of protected forest that the Swedish Forest Agency has implemented since 1993.” That year is when the new Swedish Forestry Act was passed. Habitat protection areas are particularly valuable natural ecosystems up to 20 ha in size. The landowner receives compensation in an amount equal to the reduced market value of the property with a supplement of 25 percent. A nature conservation agreement is a civil law agreement that can be signed between landowners and the state through the Swedish Forest Agency or the county administrative boards. Municipalities can also sign nature conservation agreements. The agreements are limited in time to a maximum of 50 years and are voluntary. The compensation varies depending on the length of time the contract lasts. For a 50-year agreement, the landowner receives 60 percent of the area’s root net in compensation.

<sup>8</sup> This is visible in Table 2.1 of section 2.2 of “Expenditure area 20: General environmental and nature conservation” of the Swedish State Budget.

<https://www.regeringen.se/contentassets/def2026cac0b4ef7acf4afeb988326ed/utgiftsomrade-20-allman-miljo--och-naturvard.pdf>

<sup>9</sup> The Red List of Sweden is prepared by the national agricultural university SLU and is periodically updated. The full list can be found at SLU Artdatabanken (2020). The Swedish Red List 2020. Checklist dataset <https://doi.org/10.15468/jhwkpg> accessed via GBIF.org on 2023-07-24.

<sup>10</sup> European Commission, Directorate-General for Environment, Sundseth, K., The EU birds and habitats directives : for nature and people in Europe, Publications Office, 2018, <https://data.europa.eu/doi/10.2779/49288>

<sup>11</sup> 6.4.1-6.4.3, which includes protection for both WKH and Red Listed species habitats outside of WKH



habitats also as “Protected forest, i.e. forest in National parks, nature reserves, Natura 2000-areas and areas subject to habitat protection”,<sup>12</sup> claiming that the EU Habitat Directives make such areas “subject to habitat protection.” For example, one NGO in south-central Sweden explained that it cites Annex I of the Habitats Directive, which lists “habitat types in danger of disappearance and whose natural range mainly falls within the territory of the European Union” to justify setting aside spruce forests of the “Western Taiga” type, which often supports large populations of the Red List orchid *Goodyera repens*. The Directive states that “Member States must designate, protect and manage core areas for habitat types listed in Annex I and species listed in annex II of the Habitats Directive.”<sup>13</sup> The NGO representative noted that no Swedish law mandates protection of “Western Taiga” spruce forests, but he believes the Habitat Directive makes it clear that Sweden, an EU member state, should do.

The basis for such a belief is in flux. On the one hand the CNRA guidance on the question of “illegality” of habitat destruction is not accommodating: “According to the Swedish Forestry Agency’s Regulation SKSFS 2011:7, Chapter 7 Section 17, harm to sensitive biotopes due to forestry activities should be avoided or limited. The Swedish Forestry Agency has also through a general advice described biotope types that the authority holds for sensitive. *Harming such biotopes during forestry activities are however not subject to any legal sanctions without a prior injunction from the Swedish Forestry Agency aimed towards a specific landowner stating that a specific area/specific trees/specific habitat must not be harmed by forestry activities.*” (Italics of the author). However, on 4 March 2021, the Court of Justice of the European Union (CJEU) ruled that Sweden must strengthen provisions for assessment and protection of habitats of rare birds and other Red List species, providing Swedish stakeholders some ground to argue that the identified presence of such species should afford protection to the habitat.<sup>14</sup> This has prompted the Swedish government to initiate a review of the Swedish Species Protection Ordinance (2007:845).

The author writes “some ground to argue” because in fact the CJEU ruling doesn’t specifically state that all Red List species habitats should be fully protected, only that Sweden has been too lenient in this regard. So the stakeholders present arguments that particular habitats they have identified as being slated for logging by FSC CHs should (in their interpretation) be protected in the spirit of the CJEU ruling. In their turn, FSC Sweden, CABs, CHs, and key external stakeholders like SFA usually point out that the review of the Swedish Species Protection Ordinance is still in process and new interpretations of “legality” of logging forests with Red Listed species are unlikely until it is complete. One CAB representative told the author they also think the court system will, with time, provide more clarity about the alleged illegality of habitat management that does not comply with the Directive.<sup>15</sup>

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<sup>12</sup> The CNRA says this of Protected Forests: “Harvesting activities is with a few exceptions prohibited in all protected forest land. However, the Swedish Forest Agency or the County Administrative Board may decide on exemptions after the application of the land owner or holder of harvesting rights. Such exemption may be granted if the harvesting activity is considered not to harm the natural environment of the protected area.”

<sup>13</sup> [https://environment.ec.europa.eu/topics/nature-and-biodiversity/habitats-directive\\_en](https://environment.ec.europa.eu/topics/nature-and-biodiversity/habitats-directive_en)

<sup>14</sup> Cases C-473/19 and C-474/19. These cases and implications for Swedish law are analyzed here: “FOCUS ON THE INDIVIDUAL IN THE HABITATS DIRECTIVE – COURT OF JUSTICE OF THE EUROPEAN UNION REJECTS SWEDISH CASE LAW.” March 2021. Foyen Advokatfirma KB. <https://www.foyen.se/en/news/focus-on-the-individual-in-the-habitats-directive-court-of-justice-of-the-european-union-rejects-swedish-case-law/>

<sup>15</sup> The CAB representative did not respond to the author’s request to identify specific active court cases

## 3.2 Dynamics and nature of complaints

### The flow of complaints

Swedish environmental stakeholders perceive that forest managers are moving more and more into the portions of the country that were previously least altered by industrial forest management. This perception is echoed by a representative of the Swedish Forest Agency. He explained that his agency conducts long-term yield studies of Sweden's forest industry, and that according to most scenarios the time has come that "continuous forests" (those that have never been industrially managed but only affected by high grading of the best pine trees in the 19th and early 20th centuries) must be brought into production to maintain national timber harvest targets. A recent study found that 1.4% of Sweden's old, previously non clear-cut forests with high naturalness are logged annually, followed by tree planting or seeding.<sup>16</sup> At this rate they could be eliminated by 2070. Of all the clearcuts in Sweden between 2003 and 2021, 19% were old, previously non-clearcut forests<sup>17</sup>. In an official publication the Swedish Forest Agency has estimated from its internal analysis that 3,000 ha of "forests with very high natural values" (what SFA calls WKH now that it is administratively prohibited to discuss them) are logged annually only in northwestern Sweden.<sup>18</sup> At first glance, this figure may seem paltry. However, SFA estimates that WKH make up only 2.5% of productive forests outside of protected areas and industry voluntary set-asides, so the 3,000 ha per year figure suggests that they are involved in logging activities quite rapidly.

Environmental stakeholders claim that this 3000 ha/year loss of WKH takes place partially within forests certified under the FSC FM standard and from forests where Controlled Wood was sourced by CHs certified under the COC/CW standard.<sup>19</sup>

Quantifying the exact number of complaints submitted to CHs and CABs is difficult, as no unified database exists. FSC Sweden has begun organizing all the complaints related to WKH to CABs that it is copied on. In 2021 there were 60 such complaints, and while analysis is still ongoing for 2022 complaints, FSC Sweden expects that the figure will be higher. FSC Sweden leadership confirmed verbally their impression that complaints around WKH are increasing in number and intensity.

Within the ASI database there are 22 registered complaints in the FSC Sweden system (including both FM and COC/CW CHs) from 2016-2023. 50% are related to WKH or very closely related issues (Red Listed species habitats). The greatest number of WKH-related complaints were registered in 2017 (4); this might reflect a concerted effort by a number of environmental stakeholders in that year to elevate WKH issues to FSC's attention, with some of them ending up under ASI assessment as well. For example, interviewed stakeholders mentioned a coordinated effort by multiple environmental organizations to identify problems with WKH protection across the landholdings of the country's largest FM CH. In 2020-2021 no WKH-related complaints were registered with ASI at all. But it appears that 2023 may catch up with or surpass 2017 in the number of WKH-related complaints, as there are already 2 registered by mid-June.<sup>20</sup>

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<sup>16</sup> Ahlström, A., Canadell, J. G., & Metcalfe, D. B. (2022). Widespread unquantified conversion of old boreal forests to plantations. *Earth's Future*, 10, e2022EF003221. <https://doi.org/10.1029/2022EF003221>

<sup>17</sup> Ahlström, et al 2022.

<sup>18</sup> Levande skogar. Fördjupad utvärdering 2023 ("Living Forest. In-Depth Analysis 2023"). © Skogsstyrelsen September 2022

<sup>19</sup> Stakeholders mentioned both the dominant FSC FM CH in northern Sweden and a number of COC/CW CHs that continue sourcing from forests above the "Nature Conservation Line" in northern Sweden, which is considered a proxy for HCV 2 in the CNRA.

<sup>20</sup> COMP 855, COMP 850

In the experience of CABs, comments during audits and complaints related to WKH and related species/habitat issues (not necessarily using the term “WKH” but clearly related to the same content) have grown dramatically across both FM and COC/CW. A representative of a CAB told the author *“I have been doing FM audits for 11 years. In the past we’d have one complaint per audit for a big FM CH, and probably none for a group certificate of small landowners. Now we have so many for both categories. 10-20 comments and complaints per audit is not unusual now... In March, 2023 I conducted an audit for one CH in which there were 20 comments from stakeholders, 80% of which related to species.”* (It should be noted that the interviewee addressed both comments and complaints in this statement, while this investigation mostly addresses complaints).

Some of the environmental stakeholders interviewed reported that they are indeed increasing the number of complaints they submit in an attempt to convey their deep concern with the identification and protection of WKH, especially by COC/CW CHs.

Various sources (CABs, CH, FSC Sweden) all noted that the character of complaints seems to be changing and becoming more systemic and streamlined. Environmental stakeholders have begun submitting clusters of complaints related to the same issue: the lack of risk mitigation measures by multiple COC/CW CHs. A provided example of the new stakeholder strategy is as follows: *[the stakeholder] has been sending out emails to all FSC- certified forest companies that have bought wood from above the nature conservation boundary, from private forest land (individual small holders). After receiving an answer that the loggings are still current, they have sent out complaints.*<sup>21</sup> To clarify, the stakeholder in question posits that the Swedish CNRA recognizes forests above the nature conservation boundary to be proxy for HCV 2 which should be excluded from Controlled Wood sourcing unless the CH has a rigorous approach to identifying natural values within these landscapes and zoning forests above the line by their natural values. In its letters to the CHs the stakeholder posited that they lack such a rigorous approach, and thus there is Specified Risk in sourcing from these forests. The innovation in the stakeholder’s approach is in targeting a specific alleged violation remotely and simultaneously for multiple CHs, allowing for “clustered” submission of complaints.

Taken together, these various sources suggest that complaints around WKH and species and habitat issues are indeed escalating in the FSC Sweden system.

#### FSC FM normative requirements and complaints against FM CH about WKH

The FSC FM standard provides explicit protection for WKH on the territory of CHs: “Regarding protection, Indicator 6.4.1 of the national standard explicitly states that “Woodland Key Habitats according to the definition and methodology of the Swedish Forest Agency (1995)...are exempt from all management activities other than management required to maintain or promote natural biodiversity or biodiversity conditioned by traditional land use practices.”

Directive 6.2.1 lays out the requirements that a “conservation value assessment is conducted and documented as part of the site planning, generally when the ground is free from snow cover, prior to regeneration felling, final thinning and forest road construction.” Further, “To achieve sufficient consistency and a reliable result, the methodology for

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<sup>21</sup> The nature conservation boundary is a line beyond which all forests are considered a proxy for HCV 2 according to the Swedish Centralized National Risk Assessment (Section 3.1): “We defined areas of potential occurrence for HCV2 using the following proxies: 1. Alpine and subalpine forest above Naturvårdsgränsen.” All such forests are considered Specified Risk “in the absence of adequate mitigation measures.”

conservation limit (Naturvårdsgränsen) to be HCV2. The boundary includes most montane forests of western and northern Sweden, plus some adjacent lowland forests with limited evidence of earlier industrial forest management. Almost all of Sweden’s intact forest landscapes are located beyond this boundary

assessing conservation values shall be well structured and tested, and include appropriate instructions for application. The Swedish Forest Agency or other experts with equivalent competence shall regularly be consulted so that those conducting the conservation value assessment are calibrated in terms of identifying high nature conservation values, including Woodland Key Habitats. Training of those conducting the conservation value assessment is adapted to the challenges of identifying conservation values on the landholding that are difficult to assess.”

Guidance 6.2.1 makes it clear that the conservation value assessment is *one* source of information for delineating WKH: “Results of the conservation value assessment and the occurrence of indicator species or red-listed species are weighted together as factors that may indicate the presence of high nature conservation values or a Woodland Key Habitat.”

This wording about “weighted together” is important for understanding disagreements between CHs and environmental stakeholders described below.

Guidance 6.2.1 allows CHs some flexibility in how to conduct conservation value assessments: “A conservation value assessment based on species surveys demands extensive fieldwork, and a high level of biological competence and species knowledge. A more appropriate approach for most Organizations is the use of systematic assessments of the potential for biodiversity in an area, as reflected by the presence of habitat features and environmental conditions that are important for the organisms.”

Interviews with environmental stakeholders revealed that they are quite satisfied with the language of the FSC FM standard about *protection* of WKH. According to one NGO that canceled its membership in FSC but remains active as a complainant: *We focus on the most clear demands of the FSC Sweden standard: don't log WKH and don't cut fire-scarred trees. These are the most measurable and enforceable.* But they desire to see the language around *delineation* strengthened to require more direct identification of Red Listed species.

An ASI assessor characterized the “different languages” spoken by CHs and environmental stakeholders about WKH delineation as one of the primary sources of conflict in the FSC Sweden system. *When the Sweden standard allows CHs to have their own WKH methodology (usually structural indicators) and they implement it (pretty) well, it is hard to fault the CABs for not giving them Non-Conformities. Technically they are in compliance. But then a stakeholder comes and uses a more rigorous species-based methodology and gets a different result (WKH where CH didn't find it). Both are “right” according to their methodology. Not an easy situation for CABs.*

Representatives of two different CABs acknowledged this difficulty. One of the CAB representatives said he knows that stakeholders would prefer to see use of more rigorous species-based WKH delineation methodologies, and that while he highly values their use by some of the CHs he audits, there is no language in the standard that would allow her to require such methodologies of the CHs that do not use them.

The author of this investigation would point out that Guidance 6.2.1 does require that the conservation value assessment and information on the presence of Red Listed and indicator species be weighted together in delineating WKH. Species data can come from various sources: earlier surveys by SFA, public websites of crowdsourced species data, and also information provided by environmental stakeholders, sometimes as formal complaints and sometimes as comments to consider in the logging activities.

Multiple interviewed stakeholders confirmed that they *have* positively influenced WKH delineation practices by large FM CHs using the complaints process, including convincing them to begin identifying Red List species in the field. A representative of a large NGO with FSC membership said that *Complaints did drive change in the big FM CHs. The company X got two major NCs and that made it turn the corner. Now the company X is more*

*conservative on logging “borderline” WKH. Critical mass of complaints across broad geography made the difference. A grassroots NGO representative agreed: Complaints were building up across the company X’s Swedish land base. All of the sudden the company X started being much more accommodating to NGOs. It set aside 20 of the 21 sites we proposed. It was a big improvement! ...But late in the game. This influence was also confirmed by a representative of the CH: The WKH process evolved under stakeholder influence and as our techniques and own perspective evolved...Consistent advocacy (complaints) of NGOs led to a large amount of such forests being protected. He added that the CH’s WKH methodology now includes direct identification of Red Listed higher plant, lichen and bryophyte species by field foresters.*

Despite this positive experience influencing some of the leading FM CHs in Sweden, interviewed environmental stakeholders stated their belief that the complaints system does not lead to a *systemic* change needed to ensure protection of those WKH that are not directly identified and advocated for by environmental stakeholders. A prominent environmental activist claims he still regularly identifies potential WKH on large FM CH landbases that the companies have slated for logging and where they allegedly conducted natural value assessments. *Sometimes company X or company Y will give up on logging when I contest it. But I’m looking at 100 a year, and there are 65,000 logging notifications a year. I’m just scratching the surface, but still seeing the same problem, year after year,* he stated. For example, this stakeholder shared materials about planned logging in potential WKH that he will use for CH complaints.

This feeling of only “scratching the surface” is shared by another interviewed NGO: *True, they [CHs] often withdraw forests from logging notification after our appeals (saying something like “we don’t agree but have decided to concede to your appeal”) but the issue of course is with WKH that we haven’t identified and aren’t actively defending.* The stakeholder pointed out that the NGO’s activist network is made up of volunteers unevenly distributed across Sweden.

The persistent doubts of these stakeholders about what CHs do “when we aren’t there pushing” motivates their insistence that the language in Guidance 6.2.1 should be made stricter, requiring more explicitly that Red Listed species identification take place. The current language does mention that information about species presence should be taken into account, but if no scientists or environmental stakeholders have gathered this information, the standard doesn’t explicitly require the CHs to do so.

One of the two NGOs that retains membership in FSC Sweden assessed the conservation value assessment methodologies of 7 large FM CHs and produced the following recommendation: *More efforts should be devoted to species identification during conservation value assessment in stands with assumed high nature values such as nature value objects (“objekt med naturvärde”) and in landscapes with documented very high nature values (“värdestrakter”).* A representative of this NGO said it will propose this as an amendment to the FSC FM standard during the next revision process.

An ASI assessor mentioned to the author of this investigation that the move by FM CHs in Estonia to develop in-house Red Listed species identification skills was a major factor in reducing conflict with environmental stakeholders over WKH (the WKH concept was adapted for the Baltic context and is used in Estonia, Latvia and Lithuania as well). He said, *This doesn’t eliminate the disagreement but it definitely narrows the gap!*

#### FSC COC/CW normative requirements and complaints against COC/CW CH about WKH

While some NGOs still devote significant energy to monitoring WKH delineation and protection of FM CHs, a shift in environmentalists’ attention towards monitoring CHs certified under the COC/CW standard is clearly visible. They express concern that SFA’s cessation of WKH delineation on small landholdings (from which CHs often source Controlled Wood)

means that these habitats are often not delineated and the onus is on the CH, whose technical capacity they doubt. There are also concerns about the motivation of COC/CW CHs compared to FM. A representative of one NGO said the following: *There are real issues with competence and corporate culture in CW companies. Their culture is not aligned towards meaningful set-asides.*

The COC/CW standard requires that CHs mitigate risk of sourcing wood from forests where high conservation values are threatened by management activities. WKH (registered and unregistered) are identified in the Centralized National Risk Assessment (CNRA) for Sweden as proxies for HCV 1 and 3. The onus is placed on COC/CW CHs not to *delineate* WKH, but to *avoid sourcing wood* from WKH. In practice these processes have much in common, since the CNRA states that ‘companies that implement preharvest nature value assessments and with effective policies not to source from WKHs are considered LOW RISK of sourcing CW from registered and unregistered WKHs’.<sup>22</sup>

The instrument for delineating WKH in FM and *avoiding* them in COC/CW is conceptually similar (“conservation” or “nature” value assessment), but the level of detail provided differs strongly, and in the CNRA it has only a recommendatory nature. The CNRA has no link to Guidance 2.4.1 in the FM standard, and no alternative guidance is provided on how the assessment should take place.

Perhaps this vagueness in the CNRA has contributed to the perception of interviewed stakeholders that their escalating number of complaints to CHs and CABs about WKH is not leading to the kind of change with COC/CW CH that they (partially) acknowledge occurred with FM CHs.

Interviewed stakeholders expressed frustration not only with what they perceive as low rigor of conservation (nature) value assessments by COC/CW CHs for risk mitigation, but also how seriously and in what timeframes their related comments and/or complaints are considered by CABs. (It should be noted that a single local affiliate dominates COC/CW auditing in Sweden, initially affiliated to one CAB and now to a second. Interviewees express particular frustration in their description of interactions with this CAB affiliate, which figures in ASI complaints about COC/CW).<sup>23</sup>

The author selected certain case studies from the ASI database and from materials presented by two local NGOs that actively interact with COC/CW CHs in their regions. These case studies include formal complaints submitted to CHs, CABs and ASI, and also “pre-complaint” materials that the NGOs are currently preparing.

The case studies are included in an annex to this report. Here are some key facts:

- Environmental stakeholders generally gather species-specific data on WKH presence, making it available to COC/CW CH (sometimes in complaint materials). But in many cases these data are not incorporated, fully or at all, into

<sup>22</sup> Section 3.1 of the CNRA: “In Blekinge, Jönköping and Skåne <1% of standing timber volume was found in registered WKHs outside of protected areas. Therefore, Blekinge, Jönköping and Skåne are considered LOW RISK of sourcing CW from registered and unregistered WKHs. All other counties are considered SPECIFIED RISK for the sourcing of CW in the absence of adequate mitigation measures. However, within Specified Risk areas functional scale applies such that, companies that implement preharvest nature value assessments and with effective policies not to source from WKHs are considered LOW RISK of sourcing CW from registered and unregistered WKHs. Therefore, for such companies all of Sweden is LOW RISK for HCV1 (Figure 10). An additional mitigation measure (beyond nature value assessments and sourcing commitments) that should be considered during the subsequent NRA process is the implementation of green plans and ecological landscape plans by companies and forest owners’ organizations. The NRA process should consider whether these measures may also be deemed adequate mitigation measures.

<sup>23</sup> COMP 850, COMP201705278

WKH assessments by the CHs, who use less precise structure-based methodologies

- There are instances of CHs using structure-based methodologies even in forest types in which SFA considers such methodologies inappropriate (for example, calcareous spruce forests or dry sandy pine forests). Such forest types can support high presence of Red Listed species even with relatively simple physical structure
- Sometimes stakeholders and CHs disagree in their assessment even of individual elements, such as the population size of a Red Listed orchid in a logged stand or the presence of “slow-growing trees”<sup>24</sup> in log piles. Stakeholders are turning to the use of geolocated images to reduce the factor of “he said/she said” in these disagreements. In some cases these disagreements are resolved to the satisfaction of the stakeholder(s), in some cases they are not and become grounds for complaints (sometimes prolonged).
- Stakeholders who raise issues with WKH delineation are not always included in the final deliberations about what measures to take, even when those deliberations are extended beyond the CH and landowner (for instance, to include SFA or county officials). It is not clear from the materials whether CHs simply do not include the stakeholders and CABs do not object, or whether a conscious choice is made not to include them.
- Investigative journalism revealed hostile attitudes of CH company representatives to the idea of protecting Red Listed species habitats,<sup>25</sup> putting under question commitment to COC/CW principles of not sourcing from WKH<sup>26</sup>
- This investigative journalism and comments of stakeholders from complaints and interviews allege that at least one COC/CW CH advises landowners from whom it might source Controlled Wood to plan logging in seasons when nature value assessments will not be effective at determining WKH (winter with snow cover)
- CHs, stakeholders and CABs struggle to agree on the “tipping point” from *stands that have Red Listed species requiring consideration* into *full WKH*. This is an extremely important technical discussion to have, as a great deal of WKH conflicts relate to forests that are near this tipping point where judgment becomes subjective without clear guidelines.
- COC/CW CHs appear to use some practices from the FM standard (set-aside areas within logged stands, for example) that are actually not required in that standard, as an alternative to full WKH protection

These case studies are only a sample from a small number of environmental stakeholders. They point towards persistent disagreement over correct “nature value assessment”

<sup>24</sup> “Slow growing trees” are a habitat feature recognized as rare and valuable by SFA. It defines them as “living trees that have grown very slowly. To be able to count the annual rings on a late-grown tree, a magnifying glass is often required. Slow-grown trees are available in all dimensions, even small ones, but please note that only trees that are at least 7 cm at chest height count as trees of natural value. Slow-growing trees are becoming fewer and fewer in today's forests with short cycle times. In the slow-grown wood, regardless of whether the trees are alive or dead, conditions are created for several red-listed species among lichens, insects and fungi. When the tree dies, the late-grown wood breaks down slowly and is habitat for various species for a long time.

<sup>25</sup> Lisa Röstlund is an investigative journalist for the Swedish daily Dagens Nyheter. In 2022 she published the book *Skogslandet: et granskning* (“The Forestlands: a Review”) in which she detailed a conversation with a representative of a FSC COC/CW CH, who, believing Mz. Röstlund was a landowner seeking advice, explained how to plan logging in forests containing the Red Listed orchid *Goodyera repens* so that it would be difficult for ecological stakeholders to find the species and contest the logging.

<sup>26</sup> It should be noted that there is a lively debate in Swedish forest science and management about the relative sensitivity and rarity of different species in the Red List. A representative of a large FM CH (that stakeholders recognized has improved WKH performance) also told the author he has doubts that excluding the habitat of some Red Listed species from logging is truly necessary for their survival.

techniques in forests that could be a source of Controlled Wood. It would appear that stakeholders have transferred expectations from the FM system (perhaps understandable, given the common terminology of “conservation/nature value assessments”) to COC/CW, but the normative language in the latter system (from the standard and CNRA) is even less detailed and has only recommendatory character.

Stakeholders do report being able to influence COC/CW CH decisions about WKH in some (even many) cases, but also mention large numbers of contested situations. As they intensify complaint submission relations with CHs become strained. A representative of one very active NGO in south-central Sweden told the author that in 2023 he has submitted 40 communications to a COC/CW CH with its CAB on copy about potential WKH status of logging sites from which the CH plans to source Controlled Wood. These communications include formal complaints to the CH and also “pre-complaint letters” that the stakeholder hopes will influence decision making. The CAB (in fact its local affiliate) directed the stakeholder to “open dialogue” with the CH before submitting any complaints to it, but he claims the CH *only answered a few of them [emails], usually claiming they’re doing everything according to the rules*. He noted his difficulty in keeping up with this tense communication as his NGO is activating field work elsewhere in their county where a different COC/CW CH has allegedly begun sourcing Controlled Wood from WKH.

Such stakeholders, who are mostly volunteers, fear they can only influence COC/CW CH decisions about WKH on the territories the activists can personally visit and assess. *We wonder what they have done to the destruction of nature in parts of the country where there is a lack of non-profit nature conservationists?* The NGO representative provided this opinion about the COC/CW described in the former paragraph: *Their claim that they receive “very few” complaints is more likely to be a result of the lack of civil society engagement in other parts of the country, rather than an indicator for the company to generally comply with legislation or the requirements of FSC Controlled Wood.*

Concerns from environmental stakeholders about HCV risk mitigation by COC/CW CHs extend beyond WKH (which the CNRA considers proxy for HCV 1 and 3) to HCV 2 as well. According to the CNRA (Section 3.1), “In line with the FSC national standard for Sweden we consider all forest located at elevations above the montane conservation limit (Naturvårdsgränsen) to be HCV2... Operators may be considered Low Risk for HCV2 if they have effectively implemented procedures to avoid sourcing from forest above Naturvårdsgränsen [Nature Conservation Boundary] or from Intact Forest Landscapes”.<sup>27</sup>

However, monitoring of logging notification lists by a large NGO revealed that multiple CW CHs plan to source wood from this zone. According to the NGO, the majority of these companies have no or “poor” control measures for HCV 2 in their due diligence statements. As a result, complaints have been submitted to the CH in question and their respective CABs. The following language from one of the complaints indicates that the NGO is citing not only the COC/CW standard and CNRA, but also the FSC FM standard: *According to the Swedish FSC standard's indicator 9.3.4, forestry above the conservation boundary must be limited based on a division of the forest into three different categories. The two forests notified for felling are notified for rejuvenation felling with subsequent land preparation and planting. This shows that you have classified them as category 3, where according to the FSC standard no special adaptations of the forestry methods are required. In light of the fact that the forests are part of the forest investigation's designated natural forests with very high natural values in and in close proximity to the border of forest close to mountains (ie HCV 2 areas), it is clear that your classification is incorrect. You therefore risk*

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<sup>27</sup> The Naturvårdsgränsen or Nature Conservation Line is a zone recognized by FSC Sweden that encompasses montane forests and adjacent “contiguous” forests in lowlands. Almost all of Sweden’s recognized Intact Forest Landscapes are within this zone. See: FSC-CNRA-SE V1-0 EN



*bringing in wood from an unacceptable source that damages HCV 2 areas in the FSC system.*

### 3.3 Summary of the situation as seen by ASI in the course of investigation

1. Concerns of Swedish environmental stakeholders about delineation and protection (or exclusion from CW sourcing) of WKH fit into a larger context of their alarm related to the reduced conservation functions of the SFA, reduced funding for conservation set-asides by the government and (credible) perception that industrial forest management is more and more drawing on forests in the parts of the country that previously were least transformed by such management.
2. Given the strong language in the FSC FM standard about protection WKH, the primary grounds for disagreement between stakeholder and CHs are in the methods of delineating them. Where disagreements persist in the FM system it is largely around the contrasting results that can be achieved from WKH methodologies that rely on direct identification of Red Listed species, and those that rely on structural indicators of the presence of those species. The former are used by many environmental NGOs, and increasingly by large FM CHs that have been influenced by complaints and other interactions with those NGOs. But structure-based methodologies remain common and are seemingly permitted by Guidance 2.4.1 of the FM standard
3. Methodologies that use structural indicators were meant to make field delineation easier for CHs. However, environmental stakeholders consider the discrepancies with direct species identification to be intolerably large and advocate to make species identification a mandatory part of the “conservation value assessments” used to delineate WKH
4. The same issues are present in COC/CW but in more acute form, and so complaints and other expressions of tension between environmental stakeholders and CHs are concentrated around WKH and Controlled Wood. The CNRA recommends CHs to conduct “pre-harvest nature value assessments” and have “policies to avoid sourcing from WKH” in order to achieve Low Risk. But the CNRA does not contain the same level of detail found in the FM standard about methods of conducting these assessments, or provide any link to that standard which might direct CHs to consult it for details.
5. This is exacerbated by lower WKH identification capacity in COC/CW companies than in FM, by the cessation of WKH delineation by the SFA in the forests of small landowners from which Controlled Wood is often sourced, and, according to stakeholder comments and external sources like investigative journalism, by a lack of culture in COC/CW CHs valuing WKH.
6. Such issues are now spreading in the COC/CW system beyond WKH (proxy for HCV 1 and 3) to HCV 2 forests above the “nature conservation boundary” in northwest Sweden. Environmental stakeholders are also responding with complaints.
7. Without addressing these discrepancies in how CHs (FM and COC/CW) and environmental stakeholders delineate WKH, the volume of complaints is likely to only increase. This imposes a heavy burden on CHs and CABs and risks spilling over into the Swedish public dialogue around forests (which has already begun), undermining public faith in the system.

## 4. Recommendations for FSC

1. ***Consider amendment of the NFSS during the next standard revision process to strengthen Red Listed species identification during conservation value assessments***

The amendment should address Guidance 2.4.1, specifically the current language that “A conservation value assessment based on species surveys demands extensive fieldwork, and a high level of biological competence and species knowledge. A more appropriate approach for most Organizations is the use of systematic assessments of the potential for biodiversity in an area, as reflected by the presence of habitat features and environmental conditions that are important for the organisms...”

This language should be amended to make clear that while structural indicators are an important part of the Conservation Value Assessment, CHs *shall* develop biological competence and species knowledge and use it alongside structural indicators. Some large FM CHs have begun consulting with SFA to prepare lists of the most sensitive Red List species to know, and are beginning to train staff on these species. As they become confident in their identification, more species will gradually be added.<sup>28</sup> This is a pertinent model.

Guidance 2.4.1 does contain clear phrasing that points CHs towards using both conservation value assessments *and* data about Red Listed species presence: “Results of the conservation value assessment and the occurrence of indicator species or red-listed species are weighted together as factors that may indicate the presence of high nature conservation values or a Woodland Key Habitat.” It may be advisable to move this from *guidance* to *indicator* to increase its weight in the audit or assessment process. The language can certainly be interpreted in a way that holds CHs to better consider species data when it is available, and take measures to obtain it when it is not.

Furthermore, the language in Directives 6.2.1 and 6.2.2 about expert participation could be made more directive to address some of the most difficult issues in WKH methodology development. At present the wording is “...The Swedish Forest Agency or other experts with equivalent competence shall regularly be consulted so that those conducting the conservation value assessment are calibrated in terms of identifying high nature conservation values, including Woodland Key Habitats. Training of those conducting the conservation value assessment is adapted to the challenges of identifying conservation values on the landholding that are difficult to assess.” The following language could be added after “shall regularly be consulted”: “...on issues including but not limited to when it is most appropriate to use species identification during conservation value assessments, developing priority lists of species for field identification, and determination of thresholds between WKH and forests of lesser conservation value that also contain Red Listed species in which management considerations should be taken”.

## **2. Consider amendment of the CNRA; development of the NRA according to FSC-PRO-60-002 V3-0**

It should be recognized that the Centralized National Risk Assessment for Sweden does not correspond to the level of risks to HCV, the level of the public discussion about the conservation and management of HCV forests, and the scale of certification in Sweden. This document does not provide clear, transparent, and unambiguous instructions for risk designations, and misses the language of a normative document when a risk is specified for

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<sup>28</sup> The representative of one large FM CH interviewed said the company’s goal is for forest surveyors to know 120 higher plants, bryophytes, lichens and fung

Category 3 - HCV. It is necessary to develop a full National Risk Assessment for Sweden that can provide more detailed direction.

The functional scale allows the COC/CW CH to classify their supplier from a Specified risk region as a “LOW RISK” supplier upon condition that the organization have a pre-harvest nature value risk assessment. In theory, it can be enough for an organization to just claim that such a pre-harvest risk assessment is in place and implemented to get the status of a “LOW RISK” supplier and being subsequently excluded from the scrutiny field verifications by the CH and their CAB. Moreover, it does not reduce the risk of logging HCV if the pre-harvest risk assessment is conducted improperly. The CNRA does not stipulate any requirements for the nature risk assessments in terms of its methodology, the level of expertise for designing and monitoring, and eventually the quality of its implementation.

Finally, the CNRA does not set the requirements to COC/CW CH even in the case when the risk is set to “SPECIFIED”. In comparison to the NRA following the requirements of FSC-PRO-60-002 V3-0 EN, the FSC-CNRA-SE V1-0 EN does not require by design any specific control measures. It is recommended to make the natural value assessments a mandatory control measure. Furthermore, a link could be inserted to 6.2.1 of the NFSS, which provides guidance on conservation value assessments that could inform CH actions. In this way enough specificity about natural value assessments would be provided to guide CH actions and allow CABs to audit compliance.

### **3. *Continue efforts to engage a broader range of environmental stakeholders in the technical dialogue around WKH***

On June 15th, 2023 FSC Sweden held a valuable stakeholder dialogue with NGOs that gave up FSC membership or never were members, including many local “Forest Groups.” It was attended by some of the “champion complaint submitters” and most vocal public critics of the system.

The stakeholders largely expressed frustration with the complaints process and their lack of knowledge of how CABs handle complaints and CHs handle received non-conformities. They expressed interest in continuing the dialogue platform and inviting CABs to join.

This is a strong start to a process that should be expanded with the following goals:

- Improve stakeholder understanding of the complaints and stakeholder comments system, including how CABs respond to and assess them. For example, stakeholders might benefit from understanding better how CABs limit complaint investigations to the specific indicators in question, and may not provide as comprehensive an assessment of the situation as stakeholders would like to see.
- Establish communication lines between NGOs and CABs. Interviews with CAB representatives and grassroots environmental activists indicated that there is room for improvement in how such stakeholders are engaged with. If stakeholders at these events let CABs know they are interested in being more actively consulted during audits of CHs in the regions their NGOs work in, it can be reasonably expected that the CABs will add them to their stakeholder consultation lists. If they do not, the stakeholders would potentially be able to complain to ASI about the CABs’ behavior.

- Most importantly, create a space for discussion of proper WKH delineation practices according to Guidance 6.2.1 of the Swedish national standard. FSC should seek to reduce the distance between understanding of this issue by stakeholders and CABs, including on the following specific technical aspects:
  - Discrepancies in WKH delineation between methodologies based on structural indicators and direct species identification;
  - Appropriate means for CHs to seek and request information about Red Listed species presence in their FMUs;
  - Forest types that are less appropriate for the use of structural indicator-based methodologies;
  - Navigating “borderline cases” where a given site might be considered a “forest with high natural value” where measures like consideration patches around rare species are appropriate or a full-blown WKH, where logging should be prohibited. This discussion should also include scientists, SFA experts (who cannot speak about “WKH” but can discuss “conservation value”) and potentially CH representatives who answer for conservation value assessments. Determining “tipping points” between WKH and non-WKH forests that also have Red Listed species is an extremely important technical issue.

This initiative should be expanded on, without waiting for possible amendments to the NFSS or CNRA, since those will unquestionably take time and there is no certainty of their passage. This dialogue could improve consideration of the viewpoints of the diverse and sophisticated range of environmental stakeholders by CABs.

#### **4. Pursue resources for “early stage” delineation of WKH in regions of Sweden where Controlled Wood sourcing is common and growing to better facilitate risk mitigation**

The loss of SFA’s mandate to delineate WKH on private lands has removed a key enabling factor for COC/CW CHs to mitigate risk of sourcing Controlled Wood from HCV. Now the task of assessing WKH presence largely falls on the CHs themselves, who have less expertise and capacity. As described in this report, WKH identification practices by these CHs is a source of great contention with environmental stakeholders. It particularly exacerbates the dialogue that natural value assessments usually take place once logging notifications have already been registered.

The more that WKH are already delineated in the landscape, the better chance COC/CW CHs have of avoiding them during their sourcing of Controlled Wood. And, by extent, the less the chance of stakeholder complaints.

Perhaps FSC could pursue resources to support WKH delineation (according to the 1995 SFA methodology cited in the NFSS) in counties of Sweden where sourcing of Controlled Wood is common/growing and where there is Specified Risk.<sup>29</sup> Funding sources might include international purchasers for whom the continued credibility and functioning of Controlled Wood in Sweden is a commercial priority.

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<sup>29</sup> Three counties of Sweden have low risk for sourcing from WKH due to extremely high delineation levels there

In the author's opinion, major economies of scale are possible through organized "expeditionary" assessment of HCV over large areas compared to spot delineation, for example nature value assessments of scattered logging notification areas.

During interviews the author learned that the two NGOs in the Environmental Chamber of FSC Sweden are preparing a list of WKH delineation professionals. These could potentially be the implementers of this early stage delineation.

**5. Accumulation of all complaints in one database, centrally managed by ASI. Work on implementation of the main FSC accreditation standard (FSC-STD-20-001) requirement for CABs to register all complaints with FSC.**

A precondition for the implementation of this recommendation is the clarification of the requirements of the accreditation standard FSC-STD-20-001. According to the current version of the standard, it is the responsibility of FSC to maintain such a database. ASI could take on this responsibility if the following requirements of the standard explicitly refer to ASI. This refers to the following requirements:

FSC-STD-20-001-V4-0:1.2.3 k) CAB is required .....(CAB/CH agreement)

k) keep a record of all complaints made known to it relating to conformity with certification requirements and make these records available to the certification body when requested, and:

- i. take appropriate action with respect to such complaints and any deficiencies found in products that affect conformity with FSC certification requirements;
- ii. document the actions taken.

FSC-STD-20-001-V4-0:1.9.7 The certification body shall register all complaints with FSC.

The purpose of this action is to overcome the knowledge gaps within FSC and ASI regarding the true scale and nature of WKH-related complaints in Sweden. At present no single organization can provide a full picture of the number and resolution of these complaints, which makes it difficult to assess environmental stakeholders claims of systemic issues with WKH. It seems effective to apply the ASI database for receiving and monitoring complaints received by CABs.