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Due Diligence System Form

FSC® requires that organizations track their controlled material in a Due Diligence System (DDS) format. Your organization is welcome to report this information to SCS in any way you like; this form helps you collect the data required in clause Part 1 Due Diligence System Section 1 through 4 and Part 2 Quality Management System Section 6 of FSC-STD-40-005 V3-0. Feel free to contact SCS with any questions you might have.

A review of the Due Diligence System (DDS) is required at least annually and whenever changes occur that affect the relevance, effectiveness, or adequacy of the DDS. The review of the DDS includes, at least, a review of any changes in the risk assessment used and a review of the organization's control measures.

The means to verify the relevance, effectiveness, or adequacy may include, but is not limited to, stakeholder consultation, field verification and document verification, which may be included in the internal audits. Field verification may be conducted at the supply unit level or supplier/sub-supplier's site. When/if applied, the frequency and scope of field verification will depend on the risk identified by the organization in its DDS. Stakeholder consultation, field verification and document verification may also be implemented as control measures. See the client guidance for more information.

Any forest resources that your organization or any affiliated organization owns or manages are not eligible for the DDS.

The organization shall not use material from supply chains where ineffectiveness of the DDS leads, or may lead to, non-eligible inputs entering production.

This form has 4 sections, Implementation and maintenance of the DDS, Obtaining information on material, Risk Assessment, and Risk Mitigation.

Summary of this form:

1. Implementation and maintenance of a DDS covers *internal audits*
2. Obtaining information on material covers information on *suppliers and origin of the material*
3. Risk assessment refers to the *risk assessment* each company is required to conduct if no National Risk Assessment is available. A template for both simplified risk assessments and extended risk assessment are available, if you are interested.
4. *Risk mitigation* is required to be completed **if specified or unspecified risk is found during the risk assessment.**

Organization Name	**Indiana Division of Forestry**
FSC CoC Certificate Number	**SCS-COC-002041**
Date of DDS Review	**4/18/2019**

1. Implementation and maintenance of a due diligence system

Internal Audit Results

Scope of internal audit	Review procedures outlined in manual for certificate holders sourcing controlled materials to verify as FSC Controlled Wood.
Date(s) of internal audit	3/15/2019, reviewed/updated 6/29/2019
Staff involved	Jeff Settle, Indiana Division of Forestry
Cases of DDS evaluated as being ineffective	

2. Obtaining information on material

Supplier #1 In the case that there are multiple suppliers, copy and paste this table below for each supplier. (If the below information is compiled in a separate document or excel spreadsheet, please attach it to your DDS.)	
Supplier Name	Each COC member maintains supplier information, including contact information, estimated number of sub-suppliers, individual purchase records including species and volume purchased.
Address	
Description of material supplied	various species of North American hardwood logs
Quantity of material purchased (volume or weight)	Each COC member maintains volumes of material purchased. Each member who maintains an FSC claim completes a summary sheet noting inputs, outputs, and on hand inventory
Species (common and scientific name) *Where required by applicable timber legality legislation. Note: a list of possible species is acceptable for material used in paper, composite board, and other products that usually contain many species.*	See Appendix A1
Purchase documentation	
Applicable Risk Assessment	attached as a separate document
Country of Harvest	United States

Evidence of origin, according to FSC-STD-40-005 V3, Section 2.2[1]	

3. Risk Assessment

There are templates for the simplified risk assessment provided by SCS and for the extended risk assessment provided by FSC. Centralized National Risk Assessments and National Risk Assessments are available on the Global Forest Registry (http://www.globalforestregistry.org/map) for download.

Please remember to attach the applicable risk assessment to your DDS.

Whenever specified or unspecified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain is determined, the organization shall implement the requirements of Section 4 before material can be used as controlled material or sold with the FSC Controlled Wood claim.

Note: there must be **no risk** of mixing with non-eligible inputs in the supply chains to use material as controlled material and/or sell it with the FSC Controlled Wood claim.

Note 2: material that previously carried the claim of FSC 100% or FSC Controlled Wood Claims (but was supplied without an FSC Claim), and with evidence that **no mixing** has taken place in the non FSC certified supplied chain can be used as controlled material and/or be sold with the FSC Controlled Wood claim.

[1] Legally required transport documents and proof of purchase from the supply unit of origin, relevant invoicing system used in the area(s) of origin. A declaration from a supplier shall only be used as part of the body of evidence for demonstrating the origin. A supplier declaration alone, even if covered by a contractual agreement, is not considered sufficient proof of origin.

Risk Assessments at the origin level

In the case that there are multiple risk assessments, copy and paste the table below for each assessment.

Description of Supply Area(s)	*Indiana, Iowa, Kentucky, Michigan, New York, Ohio, Pennsylvania, Tennesee, Vermont, Washington, Wisconsin*
Reference to the applicable Risk Assessment	*see current risk assessment **add link here**(states included:* Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois, **Indiana**, **Iowa**, Kentucky, Louisiana, Maine, Maryland, Massachusetts, **Michigan**, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, **New York**, North Carolina, **Ohio**, **Pennsylvania**, Rhode Island, South Carolina, **Tennessee**, Vermont, Virginia, Washington, West Virginia, **Wisconsin**)
If a simplified or extended risk assessment is used, please insert below or attach in a separate document	

Risk Designations Summary

1. Illegally harvested wood

Overall Risk Designation: ☐ Unspecified X☐ Low

2. Wood harvested in violation of traditional and human rights

Overall Risk Designation: ☐ Unspecified X☐ Low

3. Wood harvested from forests in which high conservation values are threatened by management activities

Overall Risk Designation: ☐ Unspecified x☐ Low

http://www.globalforestregistry.org identifies two forested eco-regions within this area that are listed as critical/endangered per the WWF Global 200. The Appalachian Mixed Mesophytic and the Southeastern Coniferous and Broadleaf forest are listed as critical/endangered. "The Assessment of Lawful Harvesting and Sustainability of US Hardwood Exports" prepared for the American Hardwood Export Council by Seneca Creek Associates concludes that these areas can be considered low risk in relation to threat to High Conservation Values. The results of this study in detail can be found at:

http://www.americanhardwood.org/fileadmin/docs/Seneca_Creek_Study/Seneca_Creek_Study_-_Full_Version.pdf section 12.5 and Appendix A

http://worldwildlife.org/science/wildfinder/

In December 2018 several US-based environmental organizations were contacted to seek temporary support for 'low risk' determinations. For the balance of the calendar year, Certificate Holders may use the attached letter as evidence of 'significant stakeholder support'.

December 19, 2018
Advanced Certification Solutions
BM Trada Certification North America
Bureau Veritas Certification
Control Union Certifications
DNV GL – Business Assurance
PriceWaterhouseCoopers
QMI-SAI Global
Rainforest Alliance
SCS Global Services
SGS Systems & Services Certification USA
Soil Association Certification
Re: FSC Controlled Wood Requirements for Stakeholder Support
Dear FSC Conformance Assessment Bodies in the United States,
The Forest Stewardship Council's Requirements for Sourcing FSC Controlled Wood (FSC-STD-40-005 V3-1), in Annex A, Category 3, Indicator 3.2, requires that Certificate Holders sourcing from regions without an approved FSC National Risk Assessment (NRA) must have "significant support by relevant national/regional stakeholders from the assessed supply area" in order to make a "low risk" determination for threats to High Conservation Values (HCV).
With this letter, we the undersigned agree to temporarily support such a low risk determination for threats to HCV's for the 48 conterminous states of the United States. This temporary support is provided for the period from Jan. 1 through February 28, 2019 and does not imply that we agree that there exists a strong system of protection of HCV's in the US. We are providing this support as an interim solution to the challenge faced by Certificate Holders sourcing from the US with the required transition to FSC-STD-40-005 V3-1 (by July 1, 2018) and the as yet to be approved FSC Controlled Wood US NRA.
We are anticipating final approval of a US NRA before February 28, 2019. We understand that on December 6, 2018 FSC International conditionally approved a draft of this document which includes the

definition of areas of specified risk to HCV's. In addition, we understand that through a consultative process, FSC US has developed acceptable actions to mitigate the risk of sourcing from forestry operations that threaten HCV's. If by February 28, 2019, the US NRA has not yet been approved or the mitigation actions are not identified, we will need to reassess our support for the above approach.

Sincerely,

Julie Sibbing
Associate Vice President
Land Stewardship
National Wildlife Federation
Brent Davies
Vice President
Forests & Ecosystem Services
Ecotrust
Jason Grant
Forest Certification & Green
Building Team
Sierra Club

It should be noted as well that we are unaware of any substantial objections by national or regional stakeholders.

The US's ranking on the World Bank's "Rule of Law" Governance Indicator is >75. The US routinely scores above 80 on this indicator. See *http://info.worldbank.org/governance/wgi/index.aspx#home*

All states within these two eco-regions have programs to identify and protect biodiversity hotspots or nature preserves to assure continued survival; an extensive system of national forests and wildlife preserves protects thousands of acres; NGOs such as The Nature Conservancy have additional systems of Nature Preserves. With the level of detection and preservation within this area, there is little risk to high conservation values.

Tennessee *- Tennessee has a variety of forest resource protection in place. They can be found at: TN BMP Manual*

https://www.tn.gov/assets/entities/agriculture/attachments/AgForBMPs.pdf

Forest Practice Guidelines for Tennessee -

https://extension.tennessee.edu/publications/Documents/pb1523.pdf

Tennessee also has a Forest Legacy Program which currently conserves 35,000 acres across Tennessee, and is growing. Its mission is to protect environmentally

important, working private forestlands threatened with conversion to non-forest uses. - See more at: https://www.tn.gov/agriculture/article/ag-forests-legacy#sthash.5ME2a7xw.dpuf

The TN Division of Forestry investigates complaints about water pollution caused by timber harvesting. Complaints can be registered at any Division office or at the Tennessee Department of Environment and Conservation, Environmental Field Office, 1-888-891-TDEC (8332). Directory information is provided on this website and on the TDEC Water Resources site. Complaints can also be registered electronically using the TDEC Water Quality Complaint Form for Logging Activities. - See more at: https://www.tn.gov/agriculture/article/ag-forests-water-quality#sthash.kAfAMx38.dpuf

Ohio *– Best Management Practices commitment - file:///C:/Users/JSettle/Downloads/BMPguide_Ohio.pdf*

Ohio also has a strong commitment to protecting HCVFs - http://forestry.ohiodnr.gov/portals/forestry/pdfs/certification/HCVFassessment.pdf

Pennsylvania *– High Conservation Value Forests –Managing and Monitoring Framework*

http://www.dcnr.state.pa.us/cs/groups/public/documents/document/DCNR_008441.pdf

www.dcnr.state.pa.us/.../dcnr_20027009

Western Pennsylvania Conservancy Protecting Ecological Resources Threatened by Land Development - http://waterlandlife.org/assets/Foundation-Framework_Statement.pdf

Washington

http://www.worldwildlife.org/science/ecoregions/WWFBinaryitem4810.pdf identifies two forested eco-regions within this area: the Pacific Temperate Rainforests (#72 on the WWF list) and Klamath Siskiyou Coniferous Forest (#73 on the WWF list) are listed as critical or endangered. Both states within these two eco-regions have extensive programs to identify and protect biodiversity

hotspots or nature preserves to assure continued survival; an extensive system of national forests and wildlife preserves protects thousands of acres; NGOs such as The Nature Conservancy have additional systems of Nature Preserves. With the level of detection and preservation within this area, there is little risk to high conservation values.

2. The Nature Serve network (http://www.natureserve.org/visitLocal/index.jsp) includes member programs operating in all 50 U. S. states as well as Canada and many other countries around the world. The Washington Natural Heritage Program (http://www.dnr.wa.gov/ResearchScience/Topics/NaturalHeritage/Pages/amp_nh.aspx) and Oregon Natural Heritage Information Center (http://oregonstate.edu/ornhic/) are both part of the Nature Serve network that collects and shares information on priority species and ecosystems and manage sites, species, and ecosystems that are rare or have very limited distribution. This provides public awareness and a strong system of protection, resulting in a low risk to high conservation values.

3. Washington has a stable and strong protection process with regard to forest best practices. http://www.dnr.wa.gov/programs-and-services/forest-practices The state of Washington also provides forest practices rules and board manual guidelines, compliance monitoring as well as developing a Habitat Conservation Plan related to forest practices. Additional information is available at the following websites. In addition to the above protection processes, Washington also provides a cultural resource protection and management plan. http://www.dnr.wa.gov/about/boards-and-councils/forest-practices-board/forest-practices-rules-and-board-manual-guidelines, http://www.dnr.wa.gov/programs-and-services/forest-practices/forest-practices-habitat-conservation-plan, http://www.dnr.wa.gov/programs-and-services/forest-practices/rule-implementation, http://www.dnr.wa.gov/programs-and-services/forest-practices/cultural-resources

4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses Overall Risk Designation: ☐ Unspecified X☐ Low
5. Wood harvested from forests in which genetically modified trees are planted Overall Risk Designation: ☐ Unspecified X☐ Low

Risk Assessment at the supply chain level

Description of supply chain, including the assessment of risk of mixing material with non-eligible inputs in the supply chain during transport, processing or storage	*All Chain of Custody members in this group are defined as both "direct" (loggers who buy standing timber) and "indirect" purchasers of wood material. Material is purchased through concentration log yards or many times at the log landing of the harvest. All wood materials to be verified as FSC CW originate from areas well within our current group member risk assessement.*
Risk related to mixing with non-eligible inputs in the supply chain	*Extremely low risk of mixing non-eligible inputs as all input materials are covered under the Chain of Custody group's SCS approved risk assessment showing low risk for four of the criteria and unspecified risk for indicator 3 (High Conservation Value Forests). The average number in the*

	supply chain is two (2), (the landowner and logger)

4. Risk Mitigation

x☐ N/A, all indicators Low Risk

For examples on control measures see Box 4, Annex E, Development guidance and examples of control measures (informative) from FSC-STD-40-005 V3-0. Client Guidance Document titled "SCS Guide to key revisions between versions 2-1 and 3-0 for FSC-STD-40-005 for controlled wood requirements" also has examples.

At the origin level, any designation other than low risk merits the implementation of control measures. At the supply chain level, any risk at all merits the implementation of control measures. Refer to FSC-PRO-60-002b List of FSC Approved Controlled Wood Documents when establishing control measures.

Controlled Wood categories 2 **and** 3: In the case that unspecified risk is designated for CW categories 2 **and** 3, the organization shall conduct stakeholder consultation as one of the control measures (unspecified risk areas may result either from NRAs approved according to FSC-PRO-60-002 V2-0 (old NRAs) or a simplified risk assessment conducted by the organization). Also, it is required to use the opinion of as least one expert to justify the adequacy of control measures, unless they are mandatory by the relevant NRA, or are implemented to avoid material harvested in specified risk areas (see Annex C for minimum requirements).

Risk Mitigation Measures *In the case that there are multiple mitigation measures necessary, copy and paste this table below for each relevant control measure*	
Description of: - The specified or unspecified risk related to origin, including an indication of which controlled wood category the risk relates to OR - The risk related to mixing with non-eligible inputs in the supply chain	Various protection processes from each supplier state with an HCVF are listed in our risk assessment.
Control measure identified to mitigate risk	See documentation documenting various protective processes in place within each supply area(s)
Desired outcome of the control measure	
Description of the implementation and final outcomes of the control measure	
If Applicable fill out the relevant boxes below	
Findings from **field verification** undertaken and steps taken to address nonconformities where they occurred. If confidential, justification for the exclusion of confidential information.	
Summary of **stakeholder consultation** process	
Information on engagement of **experts** in development of control measures and experts consulted (name, qualification, license/registration number, scope of services) If publically available expertise used (list specific sources of information)	*Consulted with the following natural resource professionals regarding HCVF protection.* • *Josh Borst, Forester 2, Bureau of Forest Resource Management, New York State Department of Environmental Conservation* • *Meredith Malone, Forest Program Specialist, PA Dept. of Conservation and Natural Resources Natural Heritage Section Bureau* • *Michael J. Hoffman, Forest Resource Planner, PA Department of Conservation and Natural Resources, Bureau of Forestry*

Appendix A1 Species List

Species List

Common Name	Scientific Name	Coniferous Species
Eastern Red Cedar	*Juniperus virginiana*	
Norway Spruce	*Picea abies*	
Jack Pine	*Pinus banksiana*	
Shortleaf Pine	*Pinus echinata*	
Red Pine	*Pinus resinosa*	
Eastern White Pine	*Pinus strubus*	
Scots Pine	*Pinus sylvestris*	
Loblolly Pine	*Pinus taeda*	
Virginia Pine	*Pinus virginiana*	
Bald Cypress	*Taxodium distichum*	
Tamarack	*Larix laricina*	
Boxelder	*Acer negundo*	
Red Maple	*Acer rubrum*	
Silver Maple	*Acer saccharinum*	
Sugar Maple	*Acer saccharum*	
Yellow Buckeye	*Aesculus flava*	
Ohio Buckeye	*Aesculus glabra*	
Ailanthus	*Ailanthus altissima*	
European Alder	*Alnus glutinosa*	
Yellow Birch	*Betula allagheniensis*	

River Birch	*Betula nigra*	
Bitternut Hickory	*Carya cordiformis*	
Pignut Hickory	*Carya glabra*	
Pecan	*Carya illinoensis*	
Shellbark Hickory	*Carya laciniosa*	
Shagbark Hickory	*Carya ovata*	
Mockernut Hickory	*Carya tomentosa*	
Catalpa	*Catalpa speciosa*	
Hackberry	*Celtis occidentalis*	
Persimmon	*Diospyros virginiana*	
American Beech	*Fagus grandifolia*	
White Ash	*Fraxinus americana*	
Black Ash	*Fraxinus nigra*	
Green Ash	*Fraxinus pennsylvanica*	
Blue Ash	*Fraxinus quadrangulata*	
Honeylocust	*Gleditsia triacanthos*	
Kentucky Coffee	*Gynmocladus dioica*	
Butternut	*Juglans cinera*	
Black Walnut	*Juglans nigra*	
Sweetgum African Mahogany	*Liquidambar styraciflua* *Khaya Ivorensis*	
Yellow Poplar	*Lyriodendron tulipifera*	
Osage-orange	*Maclura pomifera*	
Cucumber	*Magnolia acuminata*	

Red Mulberry	*Morus rubra*	
Blackgum	*Nyssa sylvatica*	
Ironwood	*Ostrya virginiana*	
Paulownia	*Paulownia tometosa*	
American Sycamore	*Platanus occidentalis*	
Eastern Cottonwood	*Populus deltoides*	
Largetooth Aspen	*Populus grandidentata*	
Quaking Aspen	*Populus tremuloides*	
Black Cherry	*Prunus serotina*	
White Oak	*Quercus alba*	
Swamp White Oak	*Quercus bicolor*	
Scarlet Oak	*Quercus coccinea*	
Northern Pin Oak	*Quercus ellipsoidalis*	
Southern Red Oak	*Quercus falcata*	
Cherrybark Oak	*Quercus pagoda*	
Shingle Oak	*Quercus imbricaria*	
Overcup Oak	*Quercus lyrata*	
Bur Oak	*Quercus macrocarpa*	
Blackjack Oak	*Quercus marilandica*	
Swamp Chestnut	*Quercus michauxii*	
Chinkapin Oak	*Quercus muehlenbergii*	
Pin Oak	*Quercus palustris*	
Chestnut Oak	*Quercus prinus*	
Northern Red Oak	*Quercus rubra*	

Shumard Oak	*Quercus shumardii*	
Post Oak	*Quercus stellata*	
Black Oak	*Quercus velutina*	
Black Locust	*Robinia pseudoacacia*	
Black Willow	*Salix nigra*	
Sassafras	*Sassafras albidum*	
Mahogany	*Swietenia Macrophylla*	
Teak	*Tectona grandis*	
Basswood	*Tilia americana*	
American Elm	*Ulmus americana*	
Red Elm	*Ulmus rubra*	
Rock Elm	*Ulmus thomasii*	