

## Catalogue of sanctions for the Forestry and Wood Industry

If a company is involved both in forestry and wood processing / sales, both sanction catalogues generally apply.

If the sanctions do not elicit a response or deadlines are not met, the sanctions of the next level up are imposed.

For clients for FSC certifications this document in its current version comes into force two weeks after shipping by IMO.

Cate- gory	Sanction level
<b>0</b>	Written notice within normal business: determination of measures that are necessary to fulfil the requirements in the underlying directives, such as current FSC directives (without previous breach of these directives).
<b>I</b>	Reminder with deadline and obligation to provide more documentation / reports (immediate provision of missing documents).
<b>II</b>	Subsequent checks and possibly removal of FSC label for certain groups of goods
<b>III</b>	Temporary suspension of the certificate
<b>IV</b>	Withdrawal of the certificate (for an indeterminate period), termination of contract

### 1. Catalogue of sanctions for forestry companies (FM/COC)

Sanctions	Examples
A-0 Written notice within normal business	<ul style="list-style-type: none"> <li>– Conditions only partially fulfilled</li> <li>– Incorrect use of FSC trademark</li> <li>– Incomplete operating information</li> <li>– Incomplete documentation</li> </ul>
A-I Reminder with deadline and possible obligation to provide more documentation / reports	<ul style="list-style-type: none"> <li>– Conditions only partially fulfilled</li> <li>– Incorrect use of FSC trademark despite intervention by IMO</li> <li>– Failure to pay</li> <li>– Lack of documentation</li> <li>– Unsatisfactory information about production, sales</li> <li>– Uncooperative behaviour</li> <li>– Single instance of unjustified excess cutting without justification</li> </ul>
A-II Subsequent check	<ul style="list-style-type: none"> <li>– Conditions not fulfilled despite second deadline</li> <li>– Repeated incorrect use of FSC trademark</li> <li>– Incorrect production documentation</li> <li>– Incorrect declaration of uncertified products as certified ones</li> <li>– Unannounced / unjustified absence of the manager during an announced visit</li> <li>– Inadmissible intervention in the development of a forest</li> <li>– Insufficient operating conditions during an audit (logistics, preparation, etc.)</li> </ul>

<b>Sanctions</b>	<b>Examples</b>
A-III Temporary suspension of the certificate	<ul style="list-style-type: none"> <li>– Essential conditions not fulfilled despite second deadline</li> <li>– Precondition not fulfilled</li> <li>– Repeated misdeclarations</li> <li>– Repeated reminders to no avail (see sanction level I)</li> <li>– Failure to pay despite reminder (no payment within the deadline of the second reminder)</li> <li>– Refused access</li> <li>– Grave breaches of directives, such as inadmissible intervention in the development of a forest, wood cutting in reservations / reference areas / protected areas in a single case</li> <li>– Use of inadmissible substances</li> <li>– Systematic or repeated excess cutting without justification</li> <li>– Culpable refuse of proposed audit dates</li> <li>– Absence of a valid 'License Agreement for the FSC Certification Scheme'</li> </ul>
A-IV Withdrawal of certificate, termination of contract and blockage at FSC International, possibly contractual penalty (not exceeding the maximum profit illegally made; payable to FSC Int.)	<ul style="list-style-type: none"> <li>– Precondition not fulfilled for extended period</li> <li>– Failure to pay despite repeated reminders</li> <li>– Misdeclaration of products in especially serious cases</li> <li>– Repeated denial of access</li> <li>– Continuing grave breaches of directives, such as repeated or intentional cutting in reserves / reference areas / protected areas</li> <li>– Grossly negligent or intentional deception</li> <li>– Fraudulent use of uncertified goods</li> <li>– Serious breach of contract</li> <li>– Continual uncooperative behaviour</li> <li>– Attempted bribery</li> <li>– Suspended company does not decide on continuation of certification until July of the year after the last audit.</li> </ul>

## **2. Catalogue of sanctions for wood processors and retailers (COC)**

<b>Sanctions</b>	<b>Examples</b>
B-0 Written notice within normal business	<ul style="list-style-type: none"> <li>– Conditions only partially fulfilled</li> <li>– Incorrect use of FSC trademark</li> <li>– Incomplete operating information</li> <li>– Unsatisfactory inventory documentation</li> <li>– No list of customers</li> <li>– Incomplete documentation</li> </ul>
B-I Reminder and possible obligation to provide more documentation / reports	<ul style="list-style-type: none"> <li>– Conditions not fulfilled</li> <li>– Incorrect use of FSC trademark despite intervention by IMO</li> <li>– Failure to pay</li> <li>– Lack of documentation</li> <li>– Unsatisfactory information about production, sales, inventory</li> <li>– Uncooperative behaviour</li> <li>– Lack of certificates</li> <li>– No list of suppliers</li> <li>– Product flow is unclear</li> <li>– No report of changes in processing or new products</li> </ul>

Sanctions	Examples
<p>B-II Subsequent checks and possibly removal of FSC label for certain groups of goods</p>	<ul style="list-style-type: none"> <li>- Unfulfilled essential conditions after deadline</li> <li>- Repeated incorrect use of FSC trademark</li> <li>- No incoming goods inspection, no production documentation</li> <li>- Unannounced / unjustified absence of the manager during an announced visit</li> <li>- Single cases of misdeclarations of products, including percentage based claims</li> <li>- Poor documentation, identification, separation, storage, declaration, product flow</li> <li>- Undisclosed (undocumented) contract processing</li> <li>- Uncertified raw goods / unauthorised suppliers</li> <li>- Insufficient operating conditions during an audit (logistics, preparation, etc.)</li> </ul>
<p>B-III Suspension (temporary) of the certificate</p>	<ul style="list-style-type: none"> <li>- Precondition after deadline not fulfilled</li> <li>- More than four pre-conditions in a surveillance audit</li> <li>- Goods flow repeatedly improper</li> <li>- Failure to pay despite reminder (no payment within the deadline of the second reminder)</li> <li>- Repeated reminders to no avail (see sanction level I)</li> <li>- Refused access</li> <li>- Repeated distorted information, misdeclarations for products</li> <li>- Repeated use of uncertified raw goods / unauthorized suppliers</li> <li>- Use of uncontrolled material in minor components (&gt; 1% of volume/weight) without valid derogation</li> <li>- Culpable refuse of proposed audit dates</li> <li>- Absence of a valid 'License Agreement for the FSC Certification Scheme'</li> </ul>
<p>B-IV Withdrawal of certificate (indeterminate period), termination of contract, possibly contractual penalty (not exceeding the maximum profit illegally made; payable to FSC Int.)</p>	<ul style="list-style-type: none"> <li>- Precondition not fulfilled for extended period</li> <li>- Failure to pay despite repeated reminders</li> <li>- Misdeclaration of products in especially serious cases</li> <li>- Repeated denial of access</li> <li>- Repeated distorted information</li> <li>- Grossly negligent or intentional deception</li> <li>- Fraudulent use of uncertified goods</li> <li>- Serious breach of contract</li> <li>- Continual uncooperative behaviour</li> <li>- Attempted bribery</li> <li>- Suspended company does not decide on continuation of certification until July of the year after the last audit</li> </ul>