Forest Stewardship Council®

ADVICE-40-005-21 **DRAFT 1-0** **2015-05-18**	**The phase-out of company risk assessments, and rules for the transition from version 2-1 to version 3-0 of the standard FSC-STD-40-005**
Normative reference	FSC-STD-40-005 V2-1, FSC-DIR-40-005
Approval	Approved by the FSC Board of Directors on XX August 2015. This Advice is based on Motion 51 'Strengthening the Controlled Wood system (2011), including related decisions by the FSC Board of Directors, and stakeholder input.
Effective date	01 January 2016
Background	According to Motion 51 Strengthening the Controlled Wood system (2011) and subsequent decisions by the Board of Directors (2012, 2014), company[1] risk assessments developed according to Annex 2 of the standard FSC-STD-40-005 V2-1 shall be phased out by 31 December 2015 and replaced by National Risk Assessments. The phase-out of company risk assessment was planned to occur through the revision of the standard. While the revised version of the standard, FSC-STD-40-005 V3-0, was intended to be effective as of 01 January 2016, it will be postponed due to the planned approval date (November 2015), as well as complexity of changes introduced in the revised standard, which require sufficient time for stakeholders to transition to the revised standard. This Advice regulates the use of FSC-STD-40-005 V2-1 after 31 December 2015 and during the transition period without the possibility to conduct company risk assessments. **<u>Stakeholder consultation note 1</u>** **This document as a whole specifies requirements relevant to the implementation of FSC-STD-40-005 V2-1 by Certificate Holders and audit by Certification Bodies. The final version of the new requirements consulted in this document may be presented in a separate Advice to be relevant for numerous FSC normative documents.**
Advice	**The phase-out company risk assessments** 1 For suppliers included in the company's own FSC Controlled Wood verification program, the company <u>shall not use Annex 2</u> of FSC-STD-40-005 V2-1 for determining the risk designation of a district of origin after 31 December 2015. 2 After 31 December 2015 the company shall use risk designations for Controlled wood categories from the following sources: a) National Risk Assessment (NRA), or, if an NRA is not available; b) Centralized National Risk Assessment (CNRA; https://ic.fsc.org/centralized-national-risk-assessment.700.htm; https://ic.fsc.org/consultation-on-the-centralized-national-risk-assessment.777.htm), or, if the CNRA is not available; c) Global Forest Registry

[1] 'Company' is synonymous with 'The Organization', 'Certificate Holder' in this and other FSC documents.

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	(GFR; http://www.globalforestregistry.org/map). When the National Risk Assessment or Centralized National Risk Assessment provides a 'specified risk' designation, it shall be treated as 'unspecified risk'. **Transition rules between versions 2-1 and 3-0 of the standard FSC-STD-40-005** 3 During the transition period between versions 2-1 and 3-0 of the standard FSC-STD-40-005 (starting on the effective date of version 3-0 and ending one year later), existing Certificate Holders may choose to be evaluated by a certification body according to either version of the standard. For the evaluation to be scheduled during the transition period, the Certificate Holder shall inform its Certification Body which version of the standard has been chosen for the evaluation at least 8 weeks in advance. 4 By the end of the transition period, all Certificate Holders shall have transitioned to the revised version of the standard. During the following evaluation by the Certification Body, the Certificate Holders shall demonstrate that they were in conformance with the revised requirements by the end of the transition period. 5 During the transition period, new applicants for FSC Chain of Custody certification with Controlled Wood with the scope of products shall conform to the revised version of the standard. **<u>Stakeholder consultation note 2</u>** **Stakeholders are asked to provide feedback on the proposed possibility for existing certificate holders to choose which version of the standard they will be evaluated against during the transition period (Point number 3). As of the beginning of this public consultation, only representatives of the environmental chamber in the Controlled Wood Technical Committee have provided feedback on this issue. The possibility to choose which version of the standard certificate holders can be evaluated against was not supported, because the current standard does not contain the same level of requirements for transparency and consultation as the draft revised standard.** **<u>Stakeholder consultation note 3</u>** **Currently, the Certificate Holder can hire any external organization to conduct the supplier verification of unspecified risk sources (according to Annex 3 of FSC-STD-40-005 V2-1), excluding its own Certification Body. Certification Bodies requested FSC to explore the opportunity for Certificate Holders to outsource the supplier verification to their own Certification Bodies, arguing that this approach would not create a conflict of interest and would be equal to the extension of the current sampling rate of FMUs under the Certification Body's evaluation.** **Acknowledging that the risk designation sources required by this Advice will lead to an increase in areas in which field verification is needed (due to an increase of unspecified risk areas), stakeholders**

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	are requested to provide their opinion on the above in respect to the potential conflict of interest.

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