

HOW TO DEVELOP A RISK ASSESSMENT

Forest Stewardship Council
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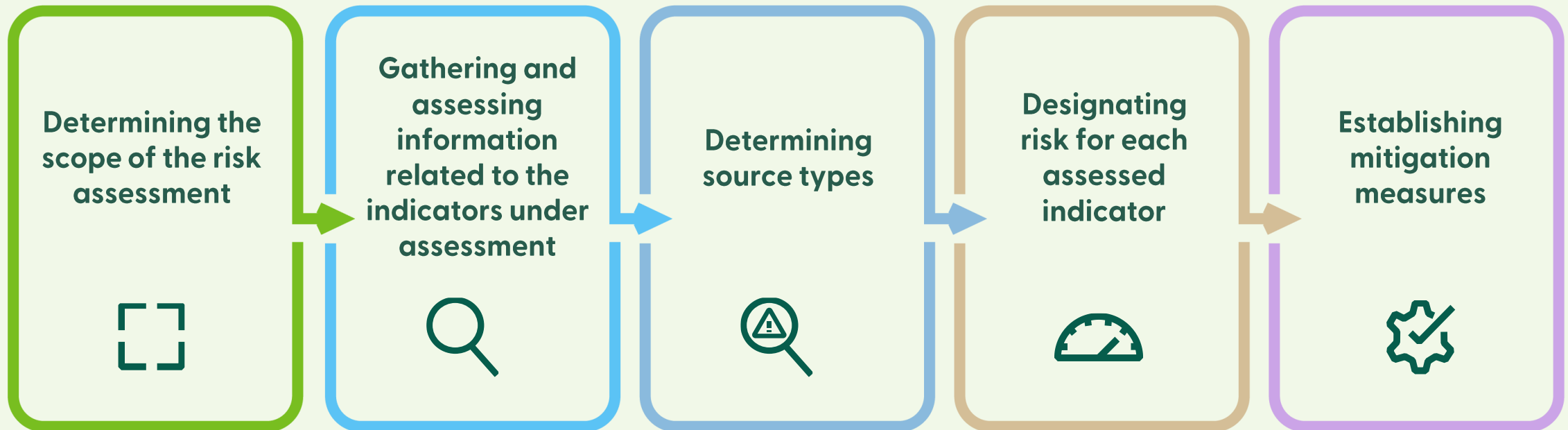
Putting it to Practice

Terms and Definitions

Conversion:	A lasting change of natural forest cover or High Conservation Value (HCV) areas induced by human activity.
Deforestation:	Conversion from forest to agricultural use, whether human-induced or not.
Degradation:	Structural changes to forest cover, taking the form of the conversion of: (a) primary forests or naturally regenerating forests into plantation forests or into other wooded land; or (b) primary forests into planted forests
Mitigation measures:	A conclusion, following a risk assessment, that either there is no cause for concern that material from a specific geographic area originates from unacceptable sources or that material is mixed with non-eligible inputs or material with a different origin in such a way that would not allow the level of risk related to origin to be confirmed as negligible.
Negligible risk:	A conclusion, following a risk assessment, that either there is no cause for concern that material from a specific geographic area originates from unacceptable sources or that material is mixed with non-eligible inputs or material with a different origin in such a way that would not allow the level of risk related to origin to be confirmed as negligible.
Non-negligible risk:	A conclusion, following a risk assessment, that there is cause for concern that material from unacceptable sources may have been sourced or entered the supply chain from a specific geographic area. The nature and extent of this risk are specified to define efficient mitigation measures.

Part 1: General Requirements

The Process Steps To Develop A Risk Assessment Include:





Part 2: Assessing Risk

Determining the scope

The scope needs to be identified as specifically and unambiguously as possible.

In the risk assessment you should:

1. Specify the area covered by the assessment.
2. Specify the indicators that are covered in the case of partial risk assessments.
3. Specify the product/commodity scope under assessment.

If an indicator is not considered applicable in the risk assessment, a justification for why an indicator is 'not applicable' is to be included and agreed upon with the responsible organization.





Gathering and Assessing Information

Gather sufficient information to assess each indicator and to justify the risk designation reached.

Develop the assessment based on the following:

- public sources of information
- consultations with experts and stakeholders

Experts are an essential source of information, consult with them if:

- a) there are limited publicly available sources of information to evaluate the indicator and to reach a risk conclusion and
- b) there are doubts about how risk conclusion shall be graded
- c) input is needed to establish mitigation measures.

Reference data sources, including information gathered via experts (anonymized by default), in such a way that they are verifiable by third parties.

Information sources older than five years should be avoided unless their relevance and reliability can be confirmed.

***Risk assessment template
provided by FSC.***





Determination of geopolitical scale and source types



In the determination of geopolitical scale and source types, consider the following aspects:

1. **Geopolitical scale – determination based on geographical boundaries, such as administrative sub-divisions and/or biological and/or geographical subdivisions;**
2. **Source types – determination based on non-geographical characteristics, such as the type of forested area, tenure or ownership, scope of management, as well as scale, intensity and risk of forest management operations.**

Clearly describe source types and ensure they are understandable and identifiable by risk assessment users. Provide shapefiles with the layer of polygons representing the homogenous risk areas at the geopolitical scale within the area of the assessment using GIS format. Only data meeting internationally recognized spatial standards can be used.

Some other things to consider:

- **It is desirable to present source types on maps, documenting areas of both ‘negligible’ and ‘non-negligible risk’.**
- **Establishing source types relevant to the area under assessment will allow for a clear designation of risk for the possible origins of material under assessment and the provision of clear and meaningful mitigation measures.**
- **The homogeneity of the area under assessment needs to be considered.**



Designation of Risks

Based on the information gathered by the process lead, they will provide a risk designation.

Each indicator under assessment is determined to be:

- Negligible risk
- Non-negligible risk
- Not applicable (when an indicator is not considered applicable in the risk assessment)

When assessing the risk, management activities, harvesting and production activities, and the scale and intensity of the management operation will be assessed.

Substantiate the risk designation, including a justification of the identified risk(s) to provide the rationale behind the conclusion. Template link here:



Types of Risk

Non-negligible Risks

Affect a wide area, causes significant damage, and/or continues over a long period of time

Indicate the absence or breakdown of enforcement of the legal system;

Are not corrected or adequately responded to upon being identified

It has a significant negative impact on society, the production of forest products and other services, the forest ecosystem, and the people directly and indirectly affected by forest operations.

Negligible Risks

Temporary

Unusual or non-systematic;

Limited in their impact

Effectively controlled through the implementation of monitoring and enforcement measures carried out by efficient and effective government agencies.



Establishing Mitigation Measures

Where 'non-negligible risks' are identified, mitigation measures are to be implemented to reduce the risk from 'non-negligible' to 'negligible'.

Provide mitigation measures for each identified risk as well as the following information:

- a) Classification of the verifier used in evaluating the mitigation measure (e.g., document verification, stakeholder consultation, field visit). Often, multiple types of verification may be needed to effectively mitigate a risk.
- b) Clear guidance on what information shall be reviewed and the actions suggested to address the identified risk(s).



Part 3: Indicator-specific Requirements



High Conservation Values (HCVs)

The scope of the assessment of HCVs includes assessing HCV presence and threats to HCVs caused by management activities, including harvesting or production that occurs outside the scope of a formal management process.

Assess the following HCVs regarding the risk of being threatened by management activities:



High Conservation Value	Focus	Threat (refers to common management activities that cause or may cause loss or degradation of HCVs.)
HCV 1	Species Diversity	Habitat removal; Habitat fragmentation; and the Introduction of alien/invasive species.
HCV 2	Landscape-level ecosystems and mosaics	Fragmentation, including access (roading); and commercial logging, or logging for the primary purpose of wood production (this applies only to IFLs.)
HCV 3	Ecosystems and habitats	Lack of effective protection

Part 3: Indicator-specific Requirements



High Conservation Value	Focus	Threat (refers to common management activities that cause or may cause loss or degradation of HCVs.)
HCV 4	Critical ecosystem services, including the protection of water catchments and control of erosion of vulnerable soils and slopes.	Reduction of water quality/quantity and negative impacts on human health
HCV 5	Community Needs	The compromising (impacting) of fundamental needs of Indigenous Peoples, Traditional Peoples, and local communities by management activities. <i>*requires the engagement of local communities and Indigenous Peoples.</i>
HCV 6	Cultural values	Destruction and/or disturbance of rights or values <i>*requires the engagement of local communities and Indigenous Peoples.</i>

It is recommended that for more in-depth information you read: [Common guidance for the identification of High Conservation Values](#)

Identifying HCV Presence and Threats

The best available information to be used for the identification of HCV presence and assessment of threats to HCVs includes, but is not limited to:

- a. Available HCV surveys conducted in the area under assessment;
 - b. Consultation with relevant databases and maps; and
 - c. Consultation with relevant local and regional experts.
- Use spatial data documenting HCV presence whenever possible.

When assessing risk thresholds for HCVs, consider the following and utilize where relevant:

- a) In areas where HCVs are protected by country or regional nature protection schemes, assess the effectiveness of the implementation of those protection schemes;
- b) In cases where there is ongoing external regional/national consultation on specific issues related to HCVs that affect risk designation, consider the outcomes of such processes, applying the precautionary approach; and
- c) In areas where there is forest conversion and degradation.

Forest Conversion and Degradation

When assessing risk thresholds for forest conversion and degradation, consider the following aspects:

- a) Extent and impact of activities responsible for endangering forest cover;
- b) Use spatial data meeting internationally recognized spatial standards and documenting forest conversion and degradation whenever possible;
- c) Use of spatial data for risk assessment should be supported by other data types whenever possible; and
- d) Governance assessment in areas where conversion of natural forest is prohibited by law. This may include an assessment of the overall effectiveness of the administration to ensure the implementation of laws and regulations pertaining to conversion and degradation.



Part 4: Indicators for Risk Assessment

When assessing each indicator, the risk thresholds provided in this table should be used as 'and/or'. If one of the thresholds is met, then it will result in 'non-negligible' risk designation.

For indicators 56 and 57, applying risk thresholds are specified in the table.

For information on each indicator, click on the block below

[Land use and management](#)

[Corruption and/or document and data falsification](#)

[Health and safety](#)

[Third parties' rights](#)

[Due diligence/due care](#)

[High Conservation Values \(HCV\)](#)

[Taxes and fees](#)

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[Human and labour rights](#)

[Trade and transport](#)

[Conversion and forest degradation](#)

[Genetically modified organisms \(GMO\)](#)



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Land use and management

Indicator	Non-negligible risk thresholds
1. <i>Land tenure rights are secured and registered according to legal requirements.</i>	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
2. <i>Land management rights are in place and registered according to legal requirements.</i>	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
3. <i>Forest concession licenses are in place and are issued and registered according to legal requirements.</i>	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
4. <i>Harvesting permits are in place and are issued and registered according to legal requirements.</i>	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
5. <i>Legal requirements for land-use and management planning are complied with.</i>	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.



Taxes and fees

Indicator	Non-negligible risk thresholds
6. Legal requirements for payment of royalties, land/area taxes and fees are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
7. Legal requirements for payment of value-added taxes and/or other sales taxes are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
8. Legal requirements for payment of corporate taxes are complied with, including profit taxes.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
9. Legal requirements for payment of trade and/or export taxes and fees are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.



Corruption and/or document and data falsification

Indicator	Non-negligible risk thresholds
10. Legal requirements related to corruption, including bribery, fraud and conflict of interest, are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
11. All forms of bribery and corruption are avoided.	1. Applicable legislation for the area under assessment covers the requirements under this indicator, but the risk assessment for indicator 10 confirms a designation of ‘non-negligible risk’; 2. Applicable legislation for the area under assessment contradicts indicator requirement(s); 3. Evidence indicates widespread or systematic violation of requirements covered under this indicator.
12. Data and document falsification do not occur.	1. Applicable legislation for the area under assessment covers the requirements under this indicator, but the risk assessment for indicator 10 confirms a designation of ‘non-negligible risk’; 2. Applicable legislation for the area under assessment contradicts indicator requirement(s); 3. Evidence indicates widespread or systematic violation of requirements covered under this indicator.



Management activities and environmental protection



Indicator	Non-negligible risk thresholds
13. Legal requirements for management activities and related operational requirements are complied with. <i>NOTE: Operational requirements include, but are not limited to: selective cutting, shelter wood regenerations, clear felling, transport of timber from the felling site, seasonal limitations, establishment of buffer zones (e.g., along water courses, open areas and breeding sites), maintenance of retention trees on the felling site, biodiversity conservation, environmental requirements for forest machineries, establishment of skidding or hauling trails, road construction, drainage systems and bridges, planning and monitoring of harvesting activities, etc. Typically, this includes regulations on the size of felling areas, minimum age and/or diameter for felling activities, and elements that shall be preserved during felling, and other harvesting practices.</i>	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
14. Development and maintenance of infrastructure associated with management activities comply with applicable codes and legal requirements for the protection of environmental values.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
15. Development and maintenance of infrastructure associated with management activities is done in a way that minimizes adverse impacts on environmental values.	1. Applicable legislation for the area under assessment covers the requirements under this indicator, but the risk assessment for indicator 14 confirms a designation of 'non-negligible risk'; 2. Applicable legislation for the area under assessment contradicts indicator requirement(s); 3. Evidence indicates widespread or systematic violation of requirements covered under this indicator.



Management activities and environmental protection



Indicator	Non-negligible risk thresholds
16. Legal requirements related to biodiversity conservation, protected sites, and the protection of endemic, rare, threatened, or endangered species and their habitats are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
17. Legal requirements relating to the harvesting, collection, and trade of CITES species are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
18. The volume and impacts of waste from management activities comply with legal requirements and are managed and minimized.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities; 4. Applicable legislation for the area under assessment contradicts indicator requirement(s); 5. Evidence indicates widespread or systematic violation of requirements covered under this indicator.



Management activities and environmental protection



Indicator	Non-negligible risk thresholds
19. Pollution resulting from management activities comply with legal requirements and is controlled and minimized.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities; 4. Applicable legislation for the area under assessment contradicts indicator requirements; 5. Evidence indicates widespread or systematic violation of requirements covered under this indicator.
20. Water resources are protected and used responsibly in compliance with legal requirements, and with the aim of ensuring long-term viability.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities; 4. Applicable legislation for the area under assessment contradicts indicator requirement(s); 5. Evidence indicates widespread or systematic violation of requirements covered under this indicator.
21. Negative impacts on soils from management activities are minimized and comply with legal requirements.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities; 4. Applicable legislation for the area under assessment contradicts indicator requirement(s); 5. Evidence indicates widespread or systematic violation of requirements covered under this indicator.



Health and Safety



Indicator	Non-negligible risk thresholds
22. Legal requirements related to occupational health and safety are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
23. Facilities and activities are safe and support worker's health, and workers have access to and use appropriate Personal Protective Equipment commensurate with the activities undertaken.	1. Applicable legislation for the area under assessment covers the requirements under this indicator, and the country has ratified the Occupational Safety and Health Convention (C155)¹ and Promotional Framework for Occupational Safety and Health Convention (C187)², but the risk assessment for indicator 22 confirms a designation of 'non-negligible risk'; 2. Applicable legislation for the area under assessment contradicts indicator requirement(s); 3. Evidence indicates widespread or systematic violation of requirements covered under this indicator; 4. The non-fatal occupational injuries in the area under assessment are more than 591.5 per 100'000 workers and occupational fatalities are more than 2.45 per 100'000 workers.
24. The use, application, storage, and disposal of chemicals in management activities addresses the protection of the environment and human health and safety and complies with legal requirements.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities; 4. Applicable legislation for the area under assessment contradicts indicator requirement(s); 5. Evidence indicates widespread or systematic violation of requirements covered under this indicator.



Human and labour rights



Indicator	Non-negligible risk thresholds
25. Human rights protected under international law, as enshrined in national law, are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
26. Harvest or trade in products do not contribute to a violation of international human rights or is not associated with armed conflicts.	1. The area is a source of conflict timber³; 2. The area is covered by a UN security ban on exporting timber; 3. The area is covered by any other international ban on timber export; 4. Operators in the area are involved in the supply or trade of conflict timber (identified entities should be specified whenever possible while maintaining compliance with the law); 5. Individuals or entities in the forest sector are facing UN sanctions; 6. There are rapidly changing circumstances within the area under assessment that pose a serious risk to the integrity or reputation of the FSC certification scheme.
27. Legal requirements related to child labour and employment of young workers are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.

³ The links between timber exploitation and conflict are essentially of two broad types:

First, revenues from the timber trade may be channelled towards activities that perpetuate conflict, such as the purchase of weapons. Thus, 'conflict timber' is defined as 'timber that has been traded at some point in the chain of custody by armed groups, be they rebel factions or regular soldiers, or by a civilian administration involved in armed conflict or its representatives, either to perpetuate conflict or take advantage of conflict situations for personal gain. Conflict timber is not necessarily illegal' (Global Witness 2002, cited in Le Billon 2003).

Second, the exploitation of timber may itself be a direct cause of conflict (Thomson and Kanaan 2003). This may be because of disputes over, for example, ownership of forest resources, the distribution of benefits, local environmental degradation, or social conflicts caused by immigration of timber workers. In some countries, especially when other sources of income are lacking, there is little attempt to ensure that timber production is sustainable or socially responsible (Source: UNEP, Africa Environment Outlook; <https://www.unep.org/resources/report/africa-environment-outlook-2-our-environment-our-wealth>). Such cases, however, are assessed by other indicators covering requirements based on ILO provisions; thus, they are not in the scope of indicator 38.



Human and labour rights



Indicator	Non-negligible risk thresholds
28. Child labour is not present, and the employment of young workers is responsibly managed, including related rights as specified in the ILO Fundamental Principles and Rights at Work.	1. Applicable legislation for the area under assessment covers all ILO Fundamental Principles and Rights at Work, but the risk assessment for indicator 27 confirms a designation of 'non-negligible risk'; 2. Applicable legislation for the area under assessment contradicts indicator requirement(s); 3. There is substantial evidence of widespread or systematic violation of labour rights against child labour, including as specified in the ILO Fundamental Principles and Rights at Work.
29. Legal requirements related to modern slavery, including forced and compulsory labour, are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
30. Modern slavery, including forced and compulsory labour are not used, promoted, or supported in any way, including as specified in the ILO Fundamental Principles and Rights at Work.	1. Applicable legislation for the area under assessment covers all ILO Fundamental Principles and Rights at Work, but the risk assessment for indicator 29 confirms a designation of 'non-negligible risk'; 2. Applicable legislation for the area under assessment contradicts indicator requirement(s); 3. There is substantial evidence of widespread or systematic violation of labour rights against modern slavery, including forced and compulsory labour, including as specified in the ILO Fundamental Principles and Rights at Work.
31. Legal requirements related to the Freedom of Association, the Right to Organise and the Right to Collective Bargaining are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.



Human and labour rights

Indicator	Non-negligible risk thresholds
32. Labour rights related to the Freedom of Association, the Right to Organize and the Right to Collective Bargaining are respected, including as specified in the ILO Fundamental Principles and Rights at Work.	1. Applicable legislation for the area under assessment covers all ILO Fundamental Principles and Rights at Work but the risk assessment for indicator 31 confirms a designation of 'non-negligible risk'; 2. Applicable legislation for the area under assessment contradicts indicator requirement(s); 3. There is substantial evidence of widespread or systematic violation of the Freedom of Association, the Right to Organize and the Right to Collective Bargaining, including as specified in ILO Fundamental Principles and Rights at Work.
33. Legal requirements related to the recruitment and employment of workers are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
34. Legal requirements related to the contracts and working permits, and requirements for competence certifications and other training requirements are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
35. Legal requirements related to workers' wages and other payments, such as social insurance contributions and the payment of social and income taxes withheld by the employer on behalf of the worker, are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.



Human and labour rights



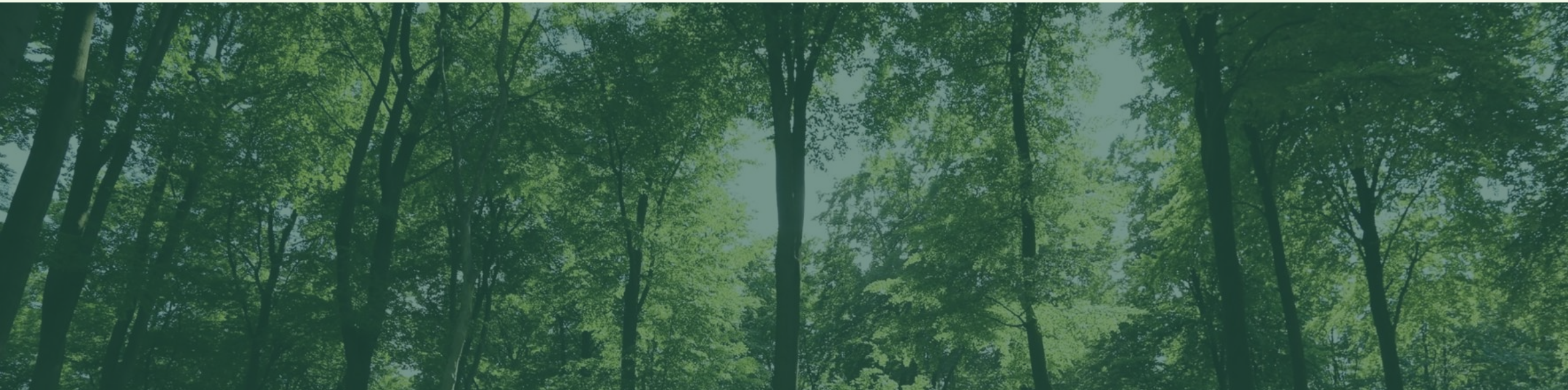
Indicator	Non-negligible risk thresholds
36. Legal requirements related to working hours, overtime, rest time and time off are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
37. Labour rights related to recruitment and employment, contracts, training, workers' wages and other payments, working hours, overtime, rest time and time off are upheld, including as specified in the ILO Fundamental Principles and Rights at Work are upheld.	1. Applicable legislation for the area under assessment covers all ILO Fundamental Principles and Rights at Work, but the risk assessment for indicators 33, 34, 35, and 36 confirm a designation of 'non-negligible risk'; 2. Applicable legislation for the area under assessment contradicts indicator requirement(s); 3. There is substantial evidence of widespread or systematic violation of requirements covered under this indicator.
38. Legal requirements related to discrimination against workers are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities
39. There is no discrimination against workers in processes related to hiring, remuneration and access to training, promotion, termination, or retirement, including related rights as specified in the ILO Fundamental Principles and Rights at Work.	1. Applicable legislation for the area under assessment covers all ILO Fundamental Principles and Rights at Work but the risk assessment for indicator 38 confirms a designation of 'non-negligible risk'; 2. Applicable legislation for the area under assessment contradicts indicator requirement(s); 3. There is substantial evidence of widespread or systematic violation of requirements covered under this indicator.



Human and labour rights



Indicator	Non-negligible risk thresholds
40. Legal requirements related to gender equality in the workplace are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
41. Gender equality is protected following best practices, including ensuring availability of job opportunities, equal remuneration for work of equal value and sufficient maternity and paternity leave, and other related rights as specified in the ILO Fundamental Principles and Rights at Work.	1. Applicable legislation for the area under assessment covers all ILO Fundamental Principles and Rights at Work, but the risk assessment for indicator 40 confirms a designation of 'non-negligible risk'; 2. Applicable legislation for the area under assessment contradicts indicator requirement(s); 3. There is substantial evidence of widespread or systematic violation of requirements covered under this indicator.





Third parties' rights



Indicator	Non-negligible risk thresholds
42. Legal requirements related to the rights of Indigenous Peoples are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
43. The rights of Indigenous Peoples, including land tenure and management, are respected and upheld according to the principles of Free, Prior and Informed Consent (FPIC). ⁴ International Labour Organization Convention No. 169 ⁵ UN Declaration on the Rights of Indigenous Peoples OHCHR ⁶ For the purpose of indicator 43, a conflict of substantial magnitude is a conflict which involves one or more of the following: a) Gross violation of the legal or customary rights of Indigenous Peoples; b) Significant negative impact(s) that are irreversible or that cannot be mitigated; c) A significant number of instances of physical violence against Indigenous Peoples; d) A significant number of instances involving the destruction of property; e) The presence of military bodies; f) Systematic acts of intimidation against Indigenous Peoples. Guidance: In the identification of conflicts of substantial magnitude, one must also be aware of possible parallel activities of sectors other than the forest sector which can also impact the rights of Indigenous Peoples, and that the impacts of these activities can be cumulative. This cumulative impact can in turn lead to a 'gross violation of Indigenous Peoples' rights' or 'irreversible consequences', but the extent of the contribution of forest management operations to those impacts needs to be assessed. The substance and magnitude of conflicts shall be determined through the risk assessment process according to national/regional conditions. The risk assessment shall provide definition of such conflicts.	1. The presence of Indigenous Peoples is confirmed or likely within the area under assessment. The applicable legislation for the area under assessment covers ILO provisions governing the identification and rights of Indigenous Peoples,⁴ but the risk assessment for indicator 42 confirms a designation of 'non-negligible risk'; 2. The presence of Indigenous Peoples is confirmed or likely within the area under assessment. The applicable legislation for the area under assessment covers the United Nations Declaration on the Rights of Indigenous Peoples⁵ (UNDRIP) but the risk assessment for indicator 42 confirms a designation of 'non-negligible risk'; 3. The presence of Indigenous Peoples is confirmed or likely within the area. The applicable legislation for the area under assessment contradicts indicator requirement(s); 4. Substantial evidence of the widespread or systematic violation of Indigenous Peoples' rights exists; 5. Indigenous Peoples are not aware of their rights; 6. There is evidence of conflict(s) of substantial magnitude⁶ pertaining to the rights of Indigenous Peoples. Laws and regulations or other legally established processes do not exist that serve the resolution of conflicts in the area concerned, or, such processes exist but are not recognized by affected stakeholders as being fair and equitable. <i>NOTE: Processes for a resolution of conflicts pertaining to use rights, cultural interests or traditional cultural identity should provide means for recourse. They should also be free from overwhelming structural imbalances or inherent unfairness, should be acceptable to affected parties, and give affected parties a means to resolve any conflicts of substantial magnitude. Rights may be defined by international structures (e.g., the UN) and local legal structures.</i>



Third parties' rights

Indicator	Non-negligible risk thresholds
44. Legal requirements related to the rights of Traditional Peoples are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
45. The rights of Traditional Peoples, including land tenure and management, are respected and upheld according to the principles of FPIC. ⁷ International Labour Organization Convention No. 169 ⁸ For the purpose of indicator 45, a conflict of substantial magnitude is a conflict which involves one or more of the following: a) Gross violation of the legal or customary rights of Traditional Peoples; b) Significant negative impact(s) that are irreversible or that cannot be mitigated; c) A significant number of instances of physical violence against Traditional Peoples; d) A significant number of instances involving the destruction of property; e) The presence of military bodies; f) Systematic acts of intimidation against Traditional Peoples. Guidance: In the identification of conflicts of substantial magnitude, one must also be aware of possible parallel activities of sectors other than the forest sector which can also impact the rights of Traditional Peoples, and that the impacts of these activities can be cumulative. This cumulative impact can in turn lead to a 'gross violation of Traditional Peoples' rights' or 'irreversible consequences', but the extent of the contribution of forest management operations to those impacts needs to be assessed. The substance and magnitude of conflicts shall be determined through the risk assessment process according to national/regional conditions. The risk assessment shall provide definition of such conflicts.	1. The presence of Traditional Peoples is confirmed or likely within the area under assessment. The applicable legislation for the area under assessment covers ILO provisions governing the identification and rights of Traditional Peoples,⁷ but the risk assessment for indicator 44 confirms a designation of 'non-negligible risk'; 2. The presence of Traditional Peoples is confirmed or likely within the area under assessment. The applicable legislation for the area under assessment contradicts indicator requirement(s); 3. Substantial evidence of widespread or systematic violation of Traditional Peoples' rights exists; 4. Traditional Peoples are not aware of their rights; 5. There is evidence of conflict(s) of substantial magnitude⁸ pertaining to the rights of Traditional Peoples. Laws and regulations or other legally established processes do not exist that serve the resolution of conflicts in the area concerned, or such processes exist but are not recognized by affected stakeholders as being fair and equitable. <i>NOTE: Processes for a resolution of conflicts pertaining to use rights, cultural interests or traditional cultural identity should provide means for recourse. They should also be free from overwhelming structural imbalances or inherent unfairness, should be acceptable to affected parties, and give affected parties a means to resolve any conflicts of substantial magnitude. Rights may be defined by international structures (e.g., the UN) and local legal structures.</i>



Third parties' rights



Indicator	Non-negligible risk thresholds
46. Legally recognized customary and community rights are identified and respected.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
47. The rights of local communities are respected and upheld.	1. The presence of local communities is confirmed or likely within the area under assessment. The applicable legislation for the area under assessment covers ILO provisions governing the identification and rights of local communities, but the risk assessment for indicator 46 confirms a designation of 'non-negligible risk'; 2. The presence of local communities is confirmed or likely within the area under assessment. The applicable legislation for the area under assessment contradicts indicator requirement(s); 3. Local communities are not aware of their rights; 4. Evidence indicates widespread or systematic violation of the rights of local communities.
48. Interaction with Indigenous Peoples, Traditional Peoples and local communities is conducted in a respectful and culturally appropriate manner.	1. Applicable legislation for the area under assessment covers the requirements under this indicator, but the risk assessment for indicators 42, 44, and 46 confirms a designation of 'non-negligible risk'; 2. Applicable legislation for the area under assessment contradicts indicator requirement(s); 3. Evidence indicates widespread or systematic violation of requirements covered under this indicator.



Trade and transport

Indicator	Non-negligible risk thresholds
49. Legal requirements related to the trade and transport of products are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
50. Legal requirements related to applicable trade restrictions and sanctions are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
51. Legal requirements related to the classification of products are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
52. Legal requirements related to the export and/or import of products are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.
52. Legal requirements relating to offshore trading and transfer pricing are complied with.	1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof; 2. Violations of identified laws are not efficiently followed up on by the relevant entities; 3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.



Due diligence/due care

Indicator

54. Legal requirements relating to due diligence or due care are complied with.

Non-negligible risk thresholds

1. Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof;
2. Violations of identified laws are not efficiently followed up on by the relevant entities;
3. Violations of identified laws are not followed up by preventive actions taken by the relevant entities.





Conversion and forest degradation

Indicator	Non-negligible risk thresholds
55. There is no conversion from natural forest to agriculture since 31 December 2020.	1. Evidence indicates that conversion from natural forest to agriculture is occurring. <i>NOTE 1: Various methods may be used to assess this risk threshold and proof that the requirements under this indicator are met. For example: enforcement of applicable legislation, spatial analysis, etc.</i> <i>NOTE 2: The requirement provided under Clause 16.3 applies: Considering the provisions of <FSC-POL-01-007 Policy to Address Conversion> the precautionary approach shall be applied for the assessment of indicator 55; thus, a 'non-negligible' risk designation shall be concluded, subject to Clause 16.4.</i>
56. There is no conversion from natural forest to land uses other than agriculture since 31 December 2020.	1. The applicable legislation for the area under assessment covers laws that prevent conversion from natural forest to land uses other than agriculture to the extent of 0.02% gross annual loss of natural forest area, but the risk assessment for relevant indicators on legal compliance confirms a designation of 'non-negligible risk'; or 2. Any of the following are true: a) Conversion of natural forests to land uses other than agriculture since 31 December 2020 in the area under assessment is more than 0.02% gross annual loss of natural forest area; b) Evidence indicates that degradation of natural forests is occurring on a widespread or systematic basis. c) NOTE: This may include significant diminishing of protected areas in the area under assessment. d) There are projects that allow for conversion of natural forest in areas containing environmental values, and evidence indicates that conversion is happening.



Conversion and forest degradation



Indicator	Non-negligible risk thresholds
57. There is no degradation of natural forests since 31 December 2020. <i>NOTE: The definition of the term 'natural forest' is based on FSC's definition, but the approach to assess this indicator is based on the EUDR requirements for 'forest degradation'. For further information, please see the section 'Terms and definitions.'</i>	1. The applicable legislation for the area under assessment covers laws that prevent total natural forest degradation to 0.02% of the total natural forest area, but the risk assessment for relevant indicators on legal compliance confirms a designation of 'non-negligible risk'; or 2. Any of the following are true: a) The degradation since 31 December 2020 in the area under assessment is more than 0.02% of the total natural forest area on average per year; b) Evidence indicates that forest degradation is occurring on a widespread or systematic basis.





High Conservation Values (HCV)

Indicator	Non-negligible risk thresholds
58. Concentrations of biological diversity including endemic species, and rare, threatened, or endangered species that are significant at global, regional or national levels are identified and protected, maintained or enhanced (HCV1).	1. HCV 1 is identified, or its occurrence is likely in the area under assessment and is threatened by management activities.
59. Intact forest landscapes and large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional, or national levels, and which contain viable populations of the great majority of the naturally-occurring species in natural patterns of distribution and abundance, are identified and protected, maintained or enhanced (HCV2).	1. HCV 2 is identified, or its occurrence is likely in the area under assessment and is threatened by management activities.
60. Rare, threatened, or endangered ecosystems, habitats or refugia are identified and protected, maintained, or enhanced (HCV3).	1. HCV 3 is identified, or its occurrence is likely in the area under assessment and is threatened by management activities.
61. Basic ecosystem services in critical situations, including the protection of water catchments and control of erosion of vulnerable soils and slopes, are identified and protected (HCV4).	1. HCV 4 is identified, or its occurrence is likely in the area under assessment and is threatened by management activities.
62. Sites and resources fundamental for satisfying the basic needs of local communities or Indigenous Peoples are identified and protected (HCV5).	1. HCV 5 is identified, or its occurrence is likely in the area under assessment and is threatened by management activities.
63. Sites, resources, habitats, and landscapes of global or national cultural, archaeological, or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or Indigenous Peoples are identified and protected (HCV6).	1. HCV 6 is identified, or its occurrence is likely in the area under assessment and is threatened by management activities.



Genetically modified organisms (GMO)



Indicator	Non-negligible risk thresholds
64. There is no commercial use of GMO.	- GMO use is legal, according to applicable legislation of the area under assessment; - GMO use is illegal according to applicable legislation of the area under assessment, but any of the following are true: - Evidence of the implementation of the ban does not exist. - Evidence indicates a systematic violation of the ban. - When laws are violated, violations are not efficiently followed up on by relevant entities. - When laws are violated, identified root causes are not addressed through the implementation of preventive actions by relevant entities. - There is evidence of commercial use of GMO species.



Stakeholder Groups to be Consulted in the Risk Assessment Process

Stakeholders representing the interests listed below shall be identified and notified during the development of risk assessments. An unlimited number of representatives may represent each group specified.

The list of stakeholders includes but is not limited to:

1. **Economic interests:** Forest owners or managers; Tenure and use rights holders; Forest contractors; Representatives of forest workers/industries; Certificate holders relevant for the organizations participating in the Risk Information Alliance.
2. **Social interests:** NGOs; Forest workers; Trade/labour unions; Representatives of local communities involved in or possessing an interest in forest management; Representatives of Indigenous Peoples and/or Traditional Peoples; Representatives of recreation interests
3. **Environmental interests:** NGOs involved in or possessing an interest in the environmental aspects of forest management; Local communities, Indigenous Peoples, and Traditional Peoples' representatives.
4. FSC-accredited certification bodies active in the country;
5. FSC Working Groups and/or Standard Development Groups;
6. National and international FSC members;
7. Local development projects;
8. Government and enforcement agencies;
9. Experts, as specified in Clause 3.7 of the section 'Requirements for the content of risk assessments';
10. Research institutions and universities;
11. National and regional offices of the organizations participating in the Risk Information Alliance.

Examples Of Risk Assessment Considering Geopolitical SCALE And source types

Example 1.

Background information:

The country is divided into 4 provinces, each of which have different provincial laws. The applicable legislation for each province has been identified. Assessment of the enforcement of laws shows that laws are upheld in Provinces I, II and IV however in Province III, which has a high population density, there is data indicating significant problems pertaining to the theft of wood.

Figure 2. Designation of risks considering geopolitical scale.

Risk mitigation:

Area 1.III

Examples of mitigation measures for 'non-negligible risk':

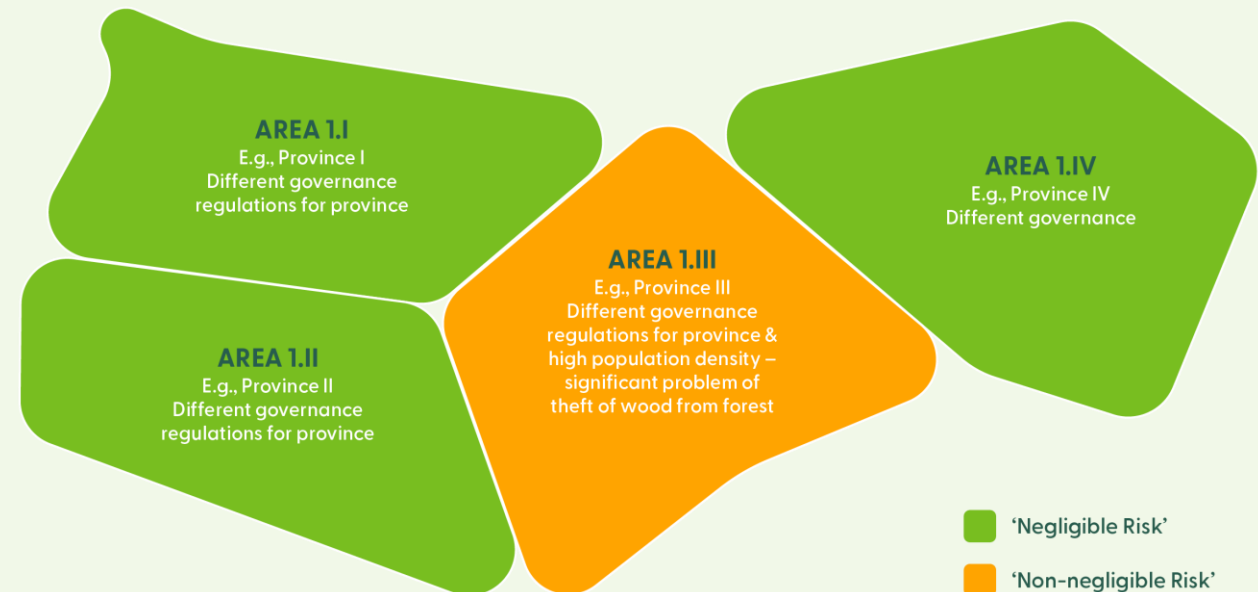
Sourcing wood from legally established forest management enterprises.

Examples of verifiers:

Supplier documentation confirms legal rights to harvest in the forest of origin.^[1]

Exclusion of suppliers that do not provide evidence of legal rights to harvest.

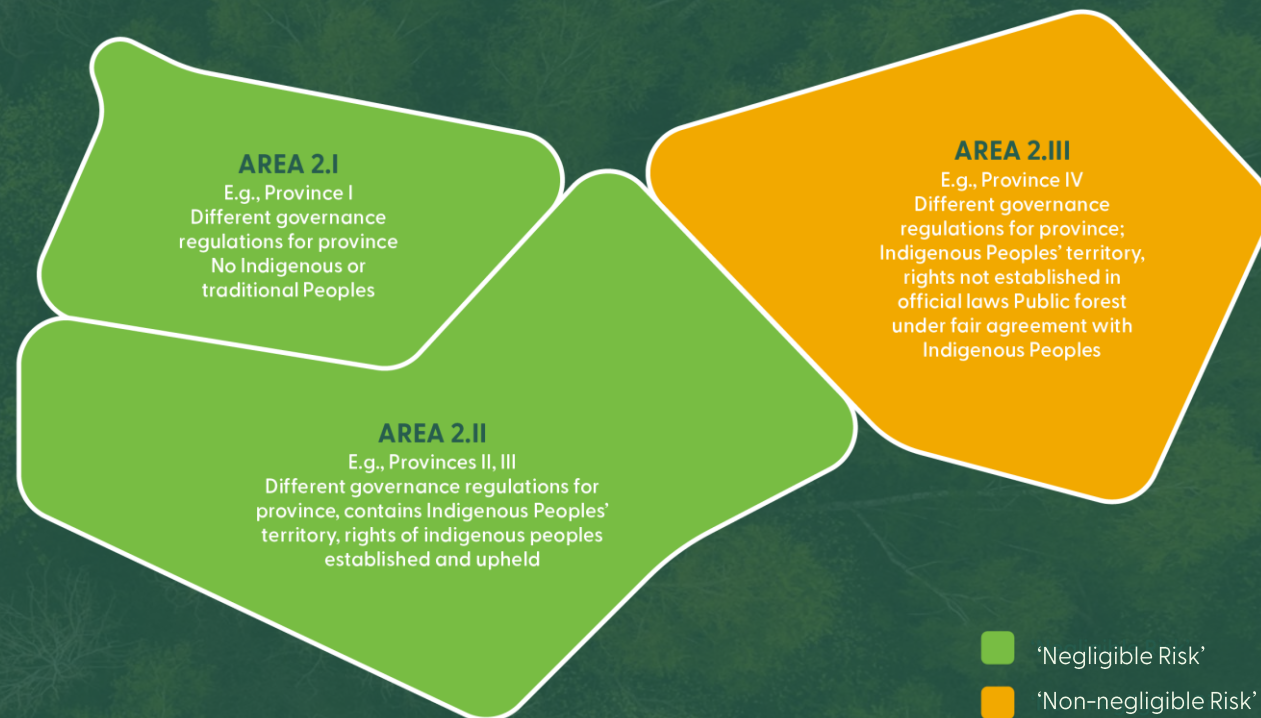
[1] Forest of origin refers to Management Unit or Supply Unit depending on the context that this term is used.



Putting it to practice

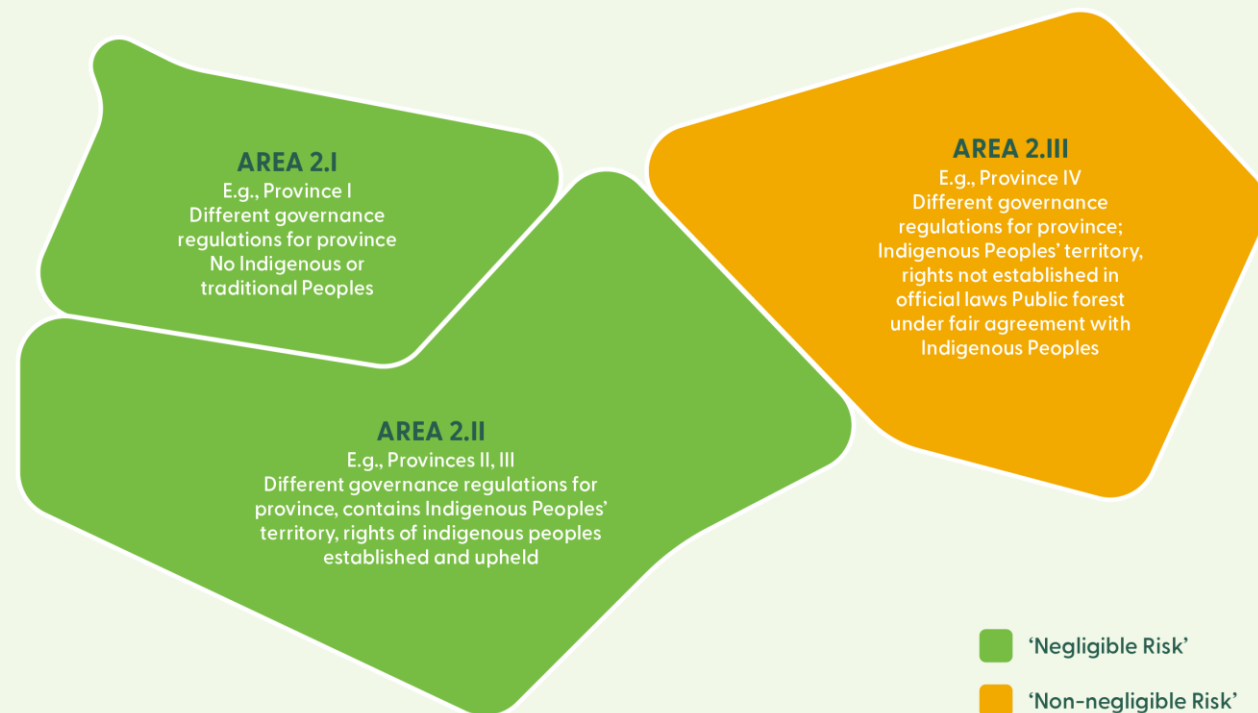
This example is based on the country discussed in Example 1 above. Investigation and data analysis shows that social issues are dealt with differently in different provinces, so scale was determined based on administrative divisions.

Within Province I, there is no confirmed or likely presence of Indigenous and/or Traditional Peoples. This area has been assessed as “negligible risk”. In Provinces II and III, there is a confirmed presence of Indigenous Peoples, including nomadic tribes who regularly migrate between the two Provinces. Cross-checking with the risk assessment carried out in Example 1 confirms that the rights of Indigenous Peoples are established and enforced. There is no data indicating conflicts in either Province; thus, they have also been assessed as “negligible risk”. Please note that the problem with theft as identified in Province III in Example 1 is not explicitly related to social rights for the purposes of this example.



Putting it to practice

Within Province IV, the presence of Indigenous Peoples has been confirmed. The applicable legislation does not cover Indigenous Peoples' rights, and there are no other regulations that would protect the rights of Indigenous Peoples. The mitigation of this risk will require the implementation of FPIC, and evidence of this shall be provided through agreements with the relevant Indigenous Peoples' representatives. In this area, forests are managed by private owners and public authorities. Special agreements have been signed for public forests between forest managers and Indigenous Peoples' representatives, ensuring the implementation of FPIC. Evidence exists that these agreements are upheld. There is no such agreement signed for private forests. The area is assessed as "negligible risk" for public forests and as "non-negligible risk" for other forests.



Thank you

