

DER-2020-005 Conducting CoC main evaluation audits remotely

Code	FSC-DER-2020-005
Requirements	FSC-STD-20-011 Part 1, FSC-STD-40-003 V2-1
Rationale	<p>Due to the pandemic of novel coronavirus (COVID-19), vast areas of the world are subject to travel restrictions and many certification bodies have not been able to undertake physical onsite audits for main evaluations.</p> <p>There have been multiple requests from certification bodies for the possibility to undertake the main (initial) evaluation audits of new applicants remotely. Simultaneously, there have also been requests from group/multi-site certificate managers to permit remote internal audits for new applicants. This is expected to be a short-term measure till the COVID-19 situation improves and the related health risks and travel restrictions/social distancing restrictions are no longer applicable.</p>
PSU conclusion	<p>Scenarios for applying this derogation:</p> <ol style="list-style-type: none"> 1. Main evaluations by CBs in situations where: <ol style="list-style-type: none"> a. CBs assess there is a health risk involved in implementing an on-site audit; <i>or</i> b. auditors are prevented from conducting an on-site audit due to travel restrictions. 2. Central Office internal audits for new applicant sites for group/multi-site certificates where: <ol style="list-style-type: none"> a. the Participating Site is in an area with a health risk (demonstrated through verifiable public sources, e.g. official travel warnings or restrictions) due to coronavirus, <i>or</i> b. Central Office auditors are prevented from conducting an on-site audit due to travel restrictions imposed by organizational (certificate holder/Central Office) health and safety policies or public authorities.
	<p>Preconditions for conducting desk audits for main evaluations:</p> <ol style="list-style-type: none"> 1. CBs shall have a documented policy, procedure, or both, outlining the process to be implemented in case an audit is affected by the novel coronavirus (COVID-19) pandemic. This shall include: <ol style="list-style-type: none"> i. A method for assessing whether an on-site audit can be replaced with a desk audit, <i>and</i> ii. A description of the desk audit methods to be applied, <i>and</i> iii. A process to implement the reporting and record keeping requirements of this derogation. 2. CBs and certificate holders shall: <ol style="list-style-type: none"> i. have the technical and operational capacity to conduct audits remotely, <i>and</i> ii. agree on a secure and confidential data transmission <i>and</i> iii. ensure the availability of key staff.

NOTE: This requirement shall include all sites/group members covered in the application, and any contractors who are physically handling the material.

3. CBs shall utilize information and communication technology (ICT) to evaluate the applicant.

4. Desk audits should be conducted on the basis of:

- i. virtual video meetings / virtual company tour,
- ii. interviews with relevant people of the certificate holder and stakeholders,
- iii. relevant documents and records,
- iv. other best available information.

Certification bodies may conduct desk audits for main evaluations of Chain of Custody and Project certification applicants according to the following requirements:

1. Prior to conducting a main evaluation, the information obtained by the CB from the applicant shall be sufficient to conduct the risk assessment according to the requirements in this derogation (see FSC-STD-20-001 V4-0 Clause 4.1.3).

2. The certification body can demonstrate that the full scope of the audit can be covered remotely, and it is possible to evaluate with adequate assurance the conformity of the applicant to the normative requirements.

3. CBs shall conduct a risk assessment of each applicant according to the scenarios/ factors provided in **Annex A** to determine the option of conducting a fully remote audit (low risk), a partially remote audit (medium risk), or if a mandatory on-site audit is required (high risk). The risk assessment is to be undertaken at the level of a single site and not at the certificate level. For multi-site certificates, the risk assessment shall be undertaken for each participating site (or for each site selected by sampling) during the evaluation audit.

4. When an applicant falls into more than one risk category, the CB shall adopt the precautionary approach and apply the audit type of the higher category.

5. Applicants with **medium risk** shall be audited in a two-stage audit process: A Stage 1 initial desk audit which can lead to certificate issuance, followed by a Stage 2 on-site audit, to be undertaken when the related health risks have abated and/or travel restrictions are no longer applicable or at the first surveillance evaluation (see Clause 7 below), whichever is earlier. A certificate can be issued on successful completion of Stage 1. Stage 2 audit shall cover the factors which lead to the medium risk categorization and include requirements whose compliance cannot be verified through a remote audit or which require an on-site follow-up to verify compliance once processing of FSC material starts.

6. In case the Stage 2 audit cannot be undertaken until the time of the first surveillance evaluation (due to health risks and/or travel restrictions), it shall be replaced by the full surveillance evaluation, undertaken as an on-site audit.

- a. In case the Stage 2 audit (or the full surveillance audit) cannot be undertaken due to continued health risk or travel restrictions imposed by organizational (certificate holder/Central Office) health and safety

policies or public authorities, the audit shall be conducted as per the provisions laid out for surveillance audits in FSC-DER-2020-001 (provided the FSC-DER-2020-001 is still active).

7. The first surveillance evaluation after certification shall be conducted within twelve (12) months after the date of the desk audit. Failure shall lead to the suspension of the certificate. In case the first surveillance audit cannot be held as a full onsite audit, then it shall be undertaken as per the provisions of FSC-DER-2020-001 (provided the FSC-DER-2020-001 is still active).

8. Any scenario not covered in Annex A shall be considered as 'high-risk'. In such cases, CBs may approach PSU to provide further instructions.

NOTE: This derogation may be modified/ updated based on additional information regarding risk levels categories.

9. CBs shall retain documented evidence for each case where this derogation has been applied and document the justification in the audit report.

10. CBs shall submit an aggregated quarterly report to FSC on audits conducted according to this derogation. The first report shall be submitted by the end of June 2020 (FSC will provide the report template).

Central offices of Group/Multi-site certificates may replace the initial internal audits for new applicant sites/members by desk audits according to the following requirements:

11. The new applicant site meets the requirements of clause 5.3.5 of FSC-STD-40-003 V2-1 *or*

12. The Central Office shall conduct a risk assessment of each applicant according to the scenarios/ factors provided in **Annex A** to determine the option of conducting a fully remote audit (low risk), a partially remote audit (medium risk), or if a mandatory on-site audit is required (high risk). The risk assessment is to be undertaken at the level of each new applicant site.

13. When an applicant falls into more than one risk category, the Central Office shall adopt the precautionary approach and apply the audit type of the higher category.

14. The risk assessment by the Central Office shall be approved by their certification body prior to conducting remote audits.

15. Applicants with **medium risk** shall be audited in a two-stage audit process: A Stage 1 initial desk audit which can lead to inclusion in the FSC group/multi-site certificate, followed by a Stage 2 on-site audit, to be undertaken when the related health risks have abated and/or travel restrictions are no longer applicable or at the first annual audit (see Clause 16, below), whichever is earlier. Stage 2 audit shall cover the factors which lead to the medium risk categorization and include requirements whose compliance cannot be verified through a remote audit or which require an on-site follow-up to verify compliance once processing of FSC material starts.

16. In case the Stage 2 audit cannot be undertaken until the time of the first annual audit (due to health risks and/or travel restrictions), the stage 2 audit

	<p>shall be replaced by the full annual audit, which shall be conducted as an on-site audit.</p> <p>17. In case the Stage 2 audit or the full annual audit cannot be undertaken due to continued health risk or travel restrictions imposed by organizational (certificate holder/Central Office) health and safety policies or public authorities, the audit shall be conducted as a surveillance audit as per the provisions laid out for surveillance audits in FSC-DER-2020-001 (provided the FSC-DER-2020-001 is still active)</p> <ul style="list-style-type: none"> a. Central office and applicant sites shall: <ul style="list-style-type: none"> have the technical and operational capacity to conduct audits remotely, <i>and</i> b. agree on a secure and confidential data transmission <i>and</i> c. ensure the availability of key staff. <p>18. The Central Office shall retain documented evidence for each applicant where this derogation has been applied.</p>
Scope of derogation	<input checked="" type="checkbox"/> Generic (applicable by all certification bodies and certificate holders) <input type="checkbox"/> Specific (applicable only upon individual request and PSU confirmation)
Approval date	08 May 2020. Amended on 30 November 2020; 05 May 2021
Effective date	15 June 2020
Period of validity	Until 31 December 2021, unless invalidated prior to that date. FSC monitors the global development of the pandemic of novel coronavirus (COVID-19) and will update or withdraw the derogation in full or part, as necessary.

Annex A: Risk determination for undertaking remote main evaluation audits

Scenario	Low risk	Medium risk	High risk
Traders	<ul style="list-style-type: none"> • without physical possession • with physical possession, but restricted to storage/trading in finished and labelled products 	<ul style="list-style-type: none"> • With physical possession and trading in unfinished/non-labelled products 	
Primary and secondary producers/processors/printers and related services	<ul style="list-style-type: none"> • Exclusively handling certified products made of single input material (e.g., whole site deals with FSC 100%) • All inputs to production are eligible inputs according to Table B in FSC-STD-40-004, only transfer system is used and physical segregation is not required 	<ul style="list-style-type: none"> • Use of either percentage or credit system with/without multiple product groups 	<ul style="list-style-type: none"> • High complexity with management and uses of all control systems.
Non-eligible input entering the supply chain	<ul style="list-style-type: none"> • Risk mitigated by temporal separation of material 	<ul style="list-style-type: none"> • Risk mitigated by identification of material • Risk mitigated by physical separation of materials if mitigation can be verified by real time video 	<ul style="list-style-type: none"> • Risk mitigated by physical separation of materials
Contractors/outsourcing activities	<ul style="list-style-type: none"> • Low risk contractors or High-risk contractors with low risk categorization as per Clause 9.3 of FSC-STD-20-011 	<ul style="list-style-type: none"> • Low risk contractors but with identified risk of improper additions or mixing by the contractors at the contracting facility 	<ul style="list-style-type: none"> • High risk contractors as defined in Clause 9.2 of FSC-STD-20-011
Sourcing reclaimed materials	<ul style="list-style-type: none"> • Supplier audit program undertaken by another FSC accredited CB 	<ul style="list-style-type: none"> • Reclaimed material classification can be demonstrated through objective evidence upon receipt. 	<ul style="list-style-type: none"> • Supplier audit program undertaken by applicant organization <i>and</i> reclaimed material classification through objective evidence not possible.
Sourcing CW through implementation DDS as per requirements of FSC-STD-40-005 standard	<ul style="list-style-type: none"> • Low risk of origin, <i>and</i> • Low risk of mixing 	<ul style="list-style-type: none"> • Specified risk for origin (mitigation measures do not require field level verification) <i>and</i> • Low risk of mixing 	<ul style="list-style-type: none"> • Specified risk for origin (mitigation measures require field level verification) <i>or</i> • Specified risk of mixing that can be mitigated only by physical separation.
Group and multi-site certification (Central office requirements may be evaluated in the same manner as a single site)	<ul style="list-style-type: none"> • Normal risk** participating site 	<ul style="list-style-type: none"> • High risk participating site* which meets remote audit requirements for reclaimed materials sourcing, CW sourcing and for contractors 	<ul style="list-style-type: none"> • High risk participating site*.
Other risk factors		<ul style="list-style-type: none"> • Custom manufactured products with individual conversion factors • Project certification 	<ul style="list-style-type: none"> • Unresolved complaints/disputes regarding the organization's conformity to the requirements of FSC standards

***High-risk participating site:** A participating site operating a controlled wood verification program or due diligence system according to FSC-STD-40-005, a supplier audit program for reclaimed materials according to FSC-STD-40-007, or high-risk outsourcing to a non-FSC-certified contractor.

****Normal risk participating site:** A participating site that does not conduct any of the activities considered 'high risk' above.