

**Communication Note: Risk designation for indicator 55 in risk assessments**

This note provides clarification on the process for determining the risk designation for indicator 55 in risk assessments and the risk thresholds to be used for the assessment.

Indicator 55 of the <FSC-PRO-60-006b V2-0 Risk Assessment Framework> reads as the following:

No.	Indicator	Non-negligible risk thresholds
<b>Conversion and forest degradation</b>		
55	<i>There is no conversion from natural forest and no transformation of plantations to agricultural use since 31 December 2020.</i>	1. Evidence indicates that conversion from natural forest and/or transformation of plantations to agricultural use is occurring.

In a centralized process, the risk designation for indicator 55 is automatically set to "non-negligible risk" due to the precautionary approach, as outlined in Clause 16.3 of FSC-PRO-60-006b Risk Assessment Framework. The Clause 16.4 applies only to major processes led by a chamber-balanced Working Group (WG), which can decide that an area is "negligible risk" if they can demonstrate with solid evidence that no conversion from natural forests or transformation of plantations to agricultural use has taken place since December 31, 2020. The rules in FSC-PRO-60-006b (Clauses 16.3 and 16.4) cannot be changed.

The risk designation for indicator 55 follows the European Union Regulation on Deforestation-Free Products (EUDR). The requirements specified in FSC-PRO-60-006b consider that the EUDR has no tolerance for forest conversion and doesn't set a numerical risk threshold for how much conversion from natural forests or transformation of plantations to agricultural use is allowed. According to the EUDR, "deforestation-free" means the products must be made using commodities produced on land that hasn't been deforested since December 31, 2020. This means that any conversion will always results in a 'non-negligible' risk designation. For this reason, precautionary approach was applied on indicator 55.

No exceptions apply for centralized processes on the risk designation for indicator 55, including those involving active participation from an approved standard development group or FSC members during focused consultations. Considering the requirements above and that most risk assessments will be revised through a centralized process (58 out of 60), the FSC Policy and Performance Unit (P&P) will

consider the well-justified comments from the annual risk assessment review to prioritize the revision of indicator 55 through a chamber balanced group, as per Section 8 of FSC-PRO-60-006b.

As another alternative, FSC P&P also proposes the following steps for the assessment of indicator 55 in countries where a centralized risk assessment is either ongoing or already completed:

1. Evidence is provided for the assessment of indicator 55 in line with Clause 16.2 of FSC-PRO-60-006b.
2. By Q1 2026, the FSC Policy and Performance Unit (P&P) will assess the provided evidence for the centralized risk assessments that have been concluded and published by Q4 2025. In Q1 2027, a similar analysis will take place for centralized risk assessments that are concluded and published by Q4 2026.
3. By the end of Q1 2026, P&P will identify priority countries where risk levels for indicator 55 could be reconsidered, based on the existing evidence.
4. Starting in Q2 2026, for those prioritized countries, FSC Network Partners (NP) can organize a chamber balanced Working Group and register a major process to challenge the 'non-negligible risk' designation on indicator 55.

## Change the risk designation of indicator 55

