

ASI-ACCREDITATION SERVICES INTERNATIONAL GmbH

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FSC Annual Surveillance of the SCS Forest Conservation Program for 2008

Forest Management Audit of LWARCEL Celulose and Papel LTDA,
Brazil
(SCS-FM/COC-093P)

Date of audit: 31 March- 2 April 2008

Public Summary

	NAME	DATE
Report drafted by:	Guntars Laguns	17 April 2008
Reviewed by ASI:	Carlos Ruiz-Garvia	22 April 2008
Reviewed by CB:	SCS	07 July 2008
Finalized by ASI:	Guntars Laguns	17 July 2008
Report last updated:		

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1 Background

The operation audited by SCS

Name of operation	LWARCEL Celulose and Papel LTDA
Type of company	Multiple FMU
Total area	24.825 ha
Type of management	Plantations
Name of contact person	Luis Antonio Künzel, Forest Manager
Country	Brazil
Phone number	+ 55 (14) 3269-5081
E-mail address	lkunzel@lwarcel.com.br

Brief description of the company

More information about the company can be obtained from SCS public reports, available on the SCS website, and from the LWARCEL Celulose and Papel LTDA forest management plan available on the company website.

The certification history

Date of certification audit	November 28 to December 02, 2005
Date of certificate issue	May 2, 2006
Date of 1st surveillance	
Date of 2nd surveillance (this audit)	March 31 to 2 April, 2008

ASI Audit Details

Purpose of audit	Annual SCS FM surveillance audit
ASI lead auditor	Guntars Laguns
Local Expert	Julio Paupitz
Audit language	Portuguese, English
Other	Carlos Ruiz-Garvia (observer, ASI APM in training)

Audit agenda

30 March (Sunday)	
PM	Travel from Sao Paulo to Bauru Meeting with SCS team
31 March (Monday)	
AM	CoC audit (not related to the scope of this audit)
PM	Operational site visits in forest Opening meeting in company office, follow up on CARs

01 April (Tuesday)	
AM	Operational and nature conservation sites' visits in forest
PM	Operational and nature conservation sites' visits in forest (two teams) Document review in office

02 April (Wednesday)	
AM	Document review in office
	Closing meeting in HQ
	ASI and SCS closing meeting

People involved and met during the audit

CB	Vanilda Shimoyama – SCS lead auditor Dave Wager – SCS HQ, auditor
Operation	Company staff members

Main documents and records reviewed

CB documents	SCS Certification Assessment Report SCS Public summary 2005-2007 SCS Brazilian plantation standard
Company's documents	Management planning, operational and monitoring documents
Other documents	National regulations

2 Audit objectives and planning

The objectives of this forest management surveillance audit are:

1. Evaluation of certification body's performance in implementing the accredited certification system in accordance with FSC accreditation requirements.
2. Witness an SCS audit team to determine whether or not the team:
 - a) adequately applies the procedures and instructions of the certification body;
 - b) members exhibit the characteristics of an auditor as detailed in ISO 19011;
 - c) has the required expertise of the sector in which the audit is being undertaken;
 - d) applies appropriate expertise in the correct sense;
 - e) undertakes the audit effectively and draws correct conclusions.
3. Evaluation of the conformity of the certificate holder with FSC and the certification body's certification requirements in so far as this is necessary to verify the performance of the certification body.

4. Evaluation of stakeholder comments or complaints ASI received in relation to this operation.

ASI surveillance assessments are conducted according to the methodology of “*witness audits*” following the recommendations of the ISO/ IAF Accreditation Auditing Practice Group (APPG) published in 2005. ASI assessments are based on a sample of the valid certificates of the assessed CAB within the scope of accreditation. The number of assessments per year is determined by ASI surveillance policy; sampling is based on the ASI sampling procedure. Due to the nature of the ASI surveillance procedure, assessment evidence is only based on a sample of the information available and therefore there is always an element of uncertainty in the assessment findings.

3 ASI stakeholder consultation process

ASI did not receive any comments from consulted international or national stakeholders in regards to this certain audits.

4 Audit findings related to CB performance

4.1 Structure and content of CB standard and its application

CB audit team in compliance with FSC-STD-20-002	<p>ASI reviewed SCS standards “SCS Interim Standard For the Certification of Forest Plantations in Brazil Under the Forest Stewardship Council” and “SCS Generic Interim Standard For Natural Forest and Plantation Forest Management Certification Under the Forest Stewardship Council” against FSC-STD-20-002 requirements. Relevant standard does not have annexes as required by FSC standard.</p> <p>ASI proposes the following minor corrective action request to address the lack of demonstrated compliance with FSC-STD-20-002, part 3.16 on content of forest management standards:</p> <p>CAR.SCS.FM.2008.01.Br</p>
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4.2 Local adaptation of CB standard

CB audit team in compliance with FSC-STD-20-003	<p>SCS for this evaluation has used “SCS Interim Standard For the Certification of Forest Plantations in Brazil Under the Forest Stewardship Council” which substantially differs from SCS generic standard. As it was explained by SCS audit team, then SCS has used Brazil standard for plantation certification which is developed by FSC Brazil. However, this standard is not accredited by FSC for use in forest management evaluations; therefore, generic standard shall be used by CBs.</p> <p>It is not clear to the ASI audit team how SCS performed its generic standard adaptation for use in Brazil; for example, including such aspects as stakeholder consultation, maintenance of SCS generic standard technical, already FSC approved, characteristics and</p>
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	<p>quality.</p> <p>ASI will seek FSC guidance to clarify if of such approach of using non-accredited national standards for forest management evaluations are appropriate and acceptable for FSC. Until such guidance is provided, ASI proposes the following corrective action request to address the lack of demonstrated compliance with FSC-STD-20-003 on local adaptation of generic forest management standards:</p> <p>CAR.SCS.FM.2008.02.Br</p>
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4.3 Audit team

<p>CB audit team in compliance with FSC-STD-20-004 and ISO19011: 2002</p>	<p>SCS audit team consists of two persons who have the required qualification and experience to conduct FSC forest management audits.</p> <p>ASI audit team considers that SCS team was qualified to perform this audit in Brazil; however, there are still possibilities to improve SCS lead auditor technical auditing skills, e.g. aspects related to the verification of provided information, organization and controlling of audit, interview techniques and further verification of interview findings, preparation and communication of audit findings to the client.</p> <p>ASI proposes REC.SCS.FM.2008.01.BR</p>
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4.4 Pre-evaluation

<p>CB audit team in compliance with FSC-STD-20-005</p>	<p>No nonconformity with FSC accreditation requirements was identified.</p>
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4.5 Stakeholder consultation process

<p>Compliance with FSC-STD-20-006</p>	<p>No nonconformity with FSC accreditation requirements was identified.</p>
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4.6 FM evaluation

<p>CB audit team in compliance with FSC-STD-20-007</p>	<p>Audit scope, setup as well as schedule seem to be appropriate to cover audit scope and to ensure evaluation of implementation of company's system which ensures appropriate field performance compliance with FSC requirements.</p>
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4.7 The certification reports (main report and public summary)

<p>CB audit team in compliance with FSC-STD-20-008 and FSC-STD-20-009</p>	<p>After the review, ASI assessor considers that partial certification issue is not clearly addressed in the report. FSC standard requires a full disclosure and brief description of any area which the certificate holder has chosen to exclude from the scope of the certificate, together with an explanation of the reason for its exclusion and description of the controls that are in place to prevent confusion being generated as to which activities or products are certified, and which are not. Although the report includes information related to areas managed by the company and not included in scope of certificate, there is no description of controls to prevent confusions.</p> <p>ASI proposes the following minor corrective action request to address the lack of appropriate evaluation of compliance with FSC standard FSC-STD-20-008, Box 1, part 1.4 requirements:</p> <p>CAR.SCS.FM.2008.03.Br</p> <p>SCS public summary reports are available on SCS website both in Portuguese and English.</p>
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5 CB evaluation of certificate holder's compliance.

5.1 Principle 1

<p>Certificate holder compliance with FSC Principle 1</p>	<p>At the time of the ASI audit, SCS audit team had adequately evaluated compliance with FSC Principle 1 and no nonconformity with accreditation requirements was identified.</p>
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5.2 Principle 2

<p>Certificate holder compliance with FSC Principle 2</p>	<p>At the time of the ASI audit, SCS audit team had adequately evaluated compliance with FSC Principle 2 and no nonconformity with accreditation requirements was identified.</p>
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5.3 Principle 3

<p>Certificate holder compliance with FSC Principle 3</p>	<p>At the time of the ASI audit, SCS audit team had adequately evaluated compliance with FSC Principle 3 and no nonconformity with accreditation requirements was identified.</p>
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5.4 Principle 4

<p>Certificate holder compliance with FSC Principle 4</p>	<p>During the audit it was evident that company has not appropriately implemented social and environmental impacts assessment of their operations. For example, when establishing new plantations, no evaluation of social and environmental impacts on project (or site)</p>
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	<p>level was carried out. During discussion with company it appears that company understanding is that impact assessment should be carry out at an activity (company) level, generally in regardless of the site conditions. From ASI audit team perspective the company's current procedures for evaluating, monitoring and addressing social impacts are not appropriate to deal with site specific scale and impacts of the operation. Consequently, social and environmental impact assessments are the basis for prevention, minimization and mitigation of negative impacts as well as evaluation of positive impacts.</p> <p>This non-compliance was addressed by SCS corrective action requests.</p>
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5.5 Principle 5

<p>Certificate holder compliance with FSC Principle 5</p>	<p>Not evaluated during this surveillance audit.</p>
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5.6 Principle 6

<p>Certificate holder compliance with FSC Principle 6</p>	<p>See above in part 5.4.</p> <p>ASI has concerns that SCS has raise only one corrective action request addressing lack of appropriate both social and environmental impact assessments. From ASI assessor opinion these are two different issues addressed at two different FSC principles, which require different follow up activities.</p> <p>ASI proposes REC.SCS.FM.2008.02.BR</p> <p>Also, ASI assessor has concerns related to FSC Criterion 6.3 about the maintaining, enhancing and restoration of forest regeneration and succession, genetic, species, and ecosystem diversity, as well as natural cycles that affect the productivity of the forest ecosystem. Although during the audit ASI team could not identify any certain non-compliance with standard requirements, ASI considers that these aspects should be more carefully analyzed and considered by SCS in further evaluations of the plantation management by the forest enterprise.</p> <p>ASI proposes REC.SCS.FM.2008.03.BR</p>
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5.7 Principle 7

<p>Certificate holder compliance with FSC Principle 7</p>	<p>At the time of the ASI audit, SCS audit team had adequately evaluated compliance with FSC Principle 7 and no nonconformity with accreditation requirements was identified.</p>
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5.8 Principle 8

<p>Certificate holder compliance with FSC Principle 8</p>	<p>It was evident that company has implemented monitoring of different aspects of its performance and no noticeable nonconformity with FSC standard requirements was identified. However, after analyzing SCS reports and SCS findings of this audit, ASI considers that social and environmental impact monitoring, since no appropriate impact assessments were carried out, needs to be more carefully analyzed and considered by SCS in further evaluations of the plantation management by the forest enterprise.</p> <p>ASI proposes REC.SCS.FM.2008.04.BR</p>
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5.9 Principle 9

<p>Certificate holder compliance with FSC Principle 9</p>	<p>During the audit, company demonstrated very good understanding of FSC HCVF concept and its identification.</p> <p>At the time of the ASI audit, SCS audit team had adequately evaluated compliance with FSC Principle 9 and no nonconformity with accreditation requirements was identified.</p>
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5.10 Principle 10

<p>Certificate holder compliance with FSC Principle 10</p>	<p>At the time of the ASI audit, SCS audit team had adequately evaluated compliance with FSC Principle 10 and no nonconformity with accreditation requirements was identified.</p>
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5.11 Chain of custody

<p>Certificate holder compliance with FSC chain of custody requirements</p>	<p>At the time of the ASI audit, SCS audit team had adequately evaluated compliance with FSC Chain of custody requirements and no nonconformity with accreditation requirements was identified.</p>
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5.12 Use of FSC trademark

<p>Certificate holder compliance with FSC Logo use requirements</p>	<p>At the time of the ASI audit, SCS audit team had adequately evaluated compliance with FSC trademark requirements and no nonconformity with accreditation requirements was identified.</p>
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5.13 Decision making

<p>Certificate holder compliance with FSC decision making</p>	<p>After reviewing the SCS report, it appears that SCS has issued corrective action requests with unjustified long deadlines. CARs with no deadline were also found. For example, CAR 2006.03 apparently was identified during the main assessment in year 2005;</p>
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requirements	<p>however, after 2007 audit this CAR deadline was “CAR in progress”. This identifies continuous noncompliance for more than 2 years. Same issue is for CARs 2006-4, 2006-7, and 2006-8. After this audit, while presenting SCS audit findings, one of the previously issued CAR was not closed. This is not in line with FSC requirements and shall be addressed appropriately by SCS.</p> <p>ASI proposes the following minor corrective action request to address the lack of appropriate evaluation of compliance with FSC standard FSc-STD-20-002, part 8:</p> <p>CAR.SCS.FM.2008.04.Br</p> <p>This is not clear why SCS has numbered Preconditions from main assessment with year 2005 and Conditions resulted from same audit with year 2006. SCS shall clarify in its system when and how CARs are numbered and why CARs are numbered with different years if they result from the same audit.</p> <p>ASI proposes REC.SCS.FM.2008.05.BR</p> <p>SCS has identified different levels of reference (criterion and indicator level) of their findings. It is not clear on which circumstances SCS auditors’ reference findings relative to criterion or indicator level requirements and in the opinion of the ASI audit team, SCS should ensure consistent referencing of its findings.</p> <p>ASI proposes REC.SCS.FM.2008.06.BR</p>
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Summary of nonconformities and observations

Major CAR(s)	Minor CAR(s)	Observations
-	4	6

See nonconformity reports (attached) for details.

Conclusion and recommendation

SCS audit team conducted a systematic and well organized audit and identified covered almost all issues in a professional manner.

Based on the findings of this audit, the ASI auditor recommends to FSC AC the continuation of the FSC forest management accreditation for SCS, subject to the timely closing of the nonconformities identified during the audit and specified in the nonconformity reports (attached).

Credits

The author would like to thank Dave Wagner, Vanilda Shimoyama, and other SCS staff members, as well as staff from LWARCEL Celulose and Papel LTDA for their cooperation and help in organizing this ASI surveillance forest management audit.

Other

All information in this report is confidential and may not be disclosed to third parties, with the exception of the information which is to be included in the FSC Audit Public Summary Report.

Terms and definitions

Nonconformity: The absence of, or the failure to implement and maintain, one or more management system requirements of the reference standards, or a situation which would, on the basis of available objective evidence raise significant doubt as to the credibility of the certificates issued by the applicant body. ASI procedures for nonconformity and corrective action requests are included in ASI QMS, procedure ASI-PRO-20-116 Corrective action procedure.

Note:

A “nonconformance” is a product that does not meet specifications;

A “nonconformity” is a process that does not meet specifications.

According to their severity, nonconformity is graded into three categories:

Major Nonconformity - CAR

“A systematic failure or significant deficiency -either as a single incident or a combination of a number of similar incidents- in a significant part of the quality system, or the lack of implementation of such a part, governed by applicable standards. A number of minor nonconformities against one requirement of the reference standards can represent a total breakdown of the system and thus be considered a major nonconformity.”

Minor Nonconformity – CAR

“An isolated or sporadic lapse in the content or implementation of procedures or records which could reasonable lead to failure of the system if not corrected. If a pattern of minor nonconformities occurs over successive assessments, it may represent a total breakdown of the system and a major non-conformance shall be issued.”

Observation or recommendation - REC ¹

“An area of concern, a process, document, or activity that is currently conforming that may if not improved, result in a nonconforming system, product or service. Observations shall be recorded in the audit report for the benefit of the customer.”

Attachments

Nonconformity reports (NCRs)

¹ **Note:** Observations are related to an area of concern, a process, document, or activity that is currently conforming that may if not improved, result in a nonconforming system, product or service. Thus, observations which are not considered by the CB may be upgraded to conditions in the following audit.

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	REC.SCS.FM.2008.01. Br	Date	06 April 2007
Nonconformity detected by (name of auditor)		Guntars Laguns	
Through (e.g. office audit, document review)		FM surveillance Audit 2008	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
<p>ASI audit team considers that SCS team was qualified to perform this audit in Brazil; however, there are still possibilities to improve SCS lead auditor technical auditing skills, e.g. aspects related to the verification of provided information, organization and controlling of audit, interview techniques and further verification of interview findings, preparation and communication of audit findings to the client.</p>			
Normative Reference(s)	None		
Comments:			

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Nonconformity detected by (name of auditor)		Guntars Laguns	
Through (e.g. office audit, document review)		FM surveillance Audit 2008	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
ASI has concerns that SCS has raise only one corrective action request addressing lack of appropriate both social and environmental impact assessments. From ASI assessor opinion these are two different issues addressed at two different FSC principles, which require different follow up activities.			
Normative Reference(s)	None		
Comments:			

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Through (e.g. office audit, document review)		FM surveillance Audit 2008	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
<p>ASI assessor has concerns related to FSC Criterion 6.3 about the maintaining, enhancing and restoration of forest regeneration and succession, genetic, species, and ecosystem diversity, as well as natural cycles that affect the productivity of the forest ecosystem. Although during the audit ASI team could not identify any certain non-compliance with applicable standard requirements, ASI considers that these aspects should be more carefully analyzed and considered by SCS in further evaluations of the plantation management by the forest enterprise.</p>			
Normative Reference(s)	None		
Comments:			

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<p>It was evident that company has implemented monitoring of different aspects of its performance and no noticeable nonconformity with FSC standard requirements was identified. However, after analyzing SCS reports and SCS findings of this audit, ASI considers that social and environmental impact monitoring, since no appropriate impact assessments were carried out, needs to be more carefully analyzed and considered by SCS in further evaluations of the plantation management by the forest enterprise.</p>			
Normative Reference(s)	None		
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Through (e.g. office audit, document review)		FM surveillance Audit 2008	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
<p>This is not clear why SCS has numbered Preconditions from main assessment with year 2005 and Conditions resulting from same audit with year 2006. SCS shall clarify in its system when and how CARs are numbered and why CARs are numbered with different year if they result from the same audit.</p>			
Normative Reference(s)	None		
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<p>SCS has identified different levels of reference (criterion and indicator level) of their findings. It is not clear in which circumstances SCS auditors' reference findings relative to criterion or indicator level requirements and the opinion of the ASI audit team, SCS should ensure consistent referencing of its findings.</p>			
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ASI reviewed SCS standards "SCS Interim Standard For the Certification of Forest Plantations in Brazil Under the Forest Stewardship Council" and "SCS Generic Interim Standard For Natural Forest and Plantation Forest Management Certification Under the Forest Stewardship Council" against FSC-STD-20-002 requirements. Relevant standard does not have annexes as required by FSC standard.				
Normative Reference(s)		FSC-STD-20-002, part 3.16		
Corrective Action Request: SCS shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.				
Timeline for implementation		Next office audit		
Corrective Action implemented by Certification Body				
Here: describe action taken in detail				
Corrective Action evaluated by ASI				
Here: describe conclusion in detail				
<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*		Name auditor:	Date:	
Comments:				

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Normative Reference(s)	FSC-STD-20-003			
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Comments:				

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Normative Reference(s)	FSC-STD-20-008, Box 1, part 1.4			
Corrective Action Request: SCS shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.				
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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	CAR.SCS.FM.2008.04. Br	Date	06 April 2007	
Nonconformity detected by (name of auditor)		Guntars Laguns		
Through (e.g. office audit, document review)		FM surveillance Audit 2008		
Nonconformity		Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
After reviewing SCS report, it appears that SCS has issued corrective action requests with unjustified long deadlines. CARs with no deadline were also found. For example, CAR 2006.03 apparently was identified during the main assessment in year 2005; however, after 2007 audit this CAR deadline was "CAR in progress". This identifies continuous noncompliance for more than 2 years. Same issue is for CARs 2006-4, 2006-7, and 2006-8. After this audit, while SCS presenting its audit findings, one of the previously issued CARs was not closed. This is not in line with FSC requirements and shall be addressed appropriately by SCS.				
Normative Reference(s)		FSC-STD-20-002, part 8		
Corrective Action Request: SCS shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.				
Timeline for implementation		Next office audit		
Corrective Action implemented by Certification Body				
Here: describe action taken in detail				
Corrective Action evaluated by ASI				
Here: describe conclusion in detail				
<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*		Name auditor:	Date:	
Comments:				