

Chain of Custody Standards Revision

Webinar on conceptual
phase consultation

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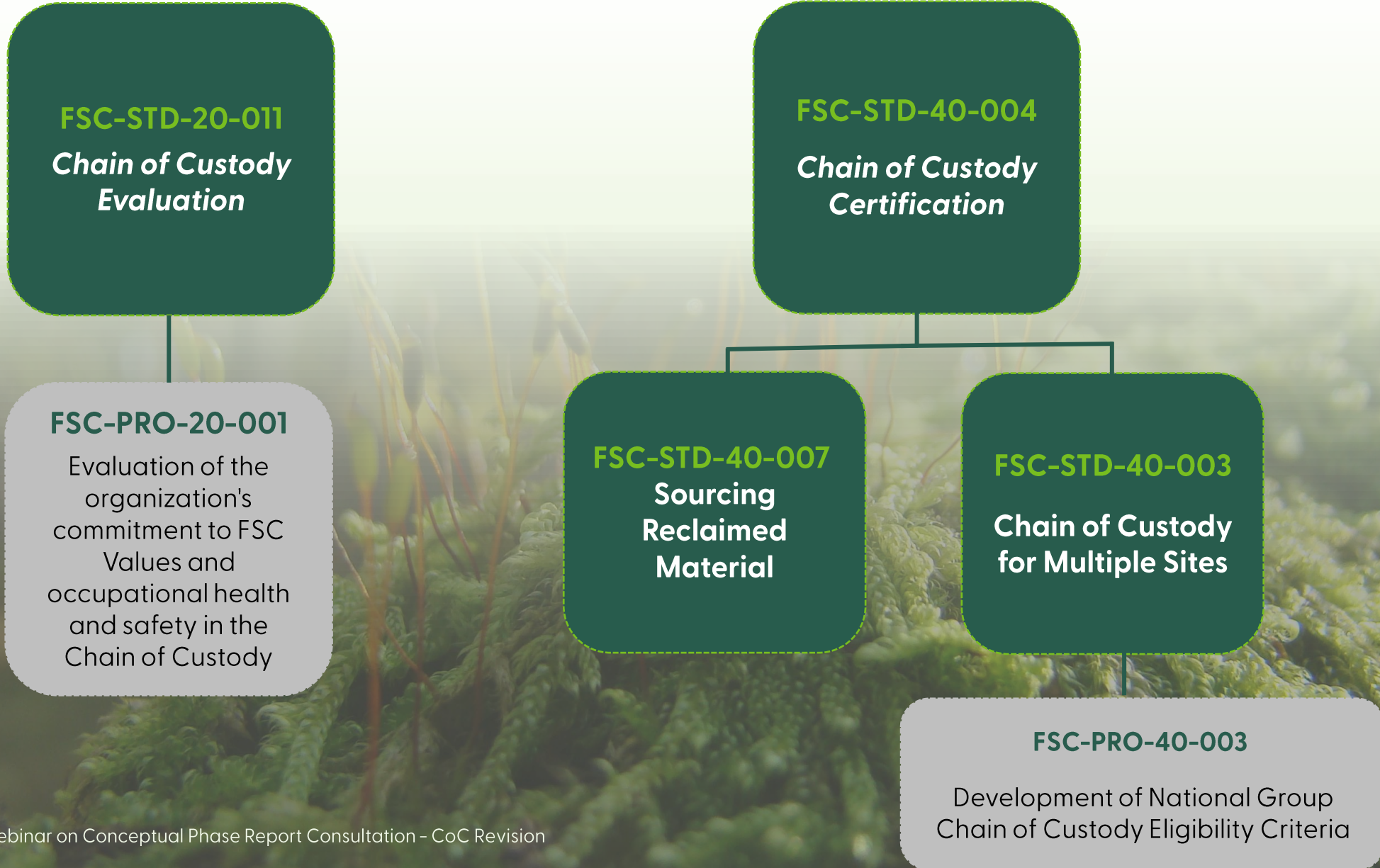
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Accreditation
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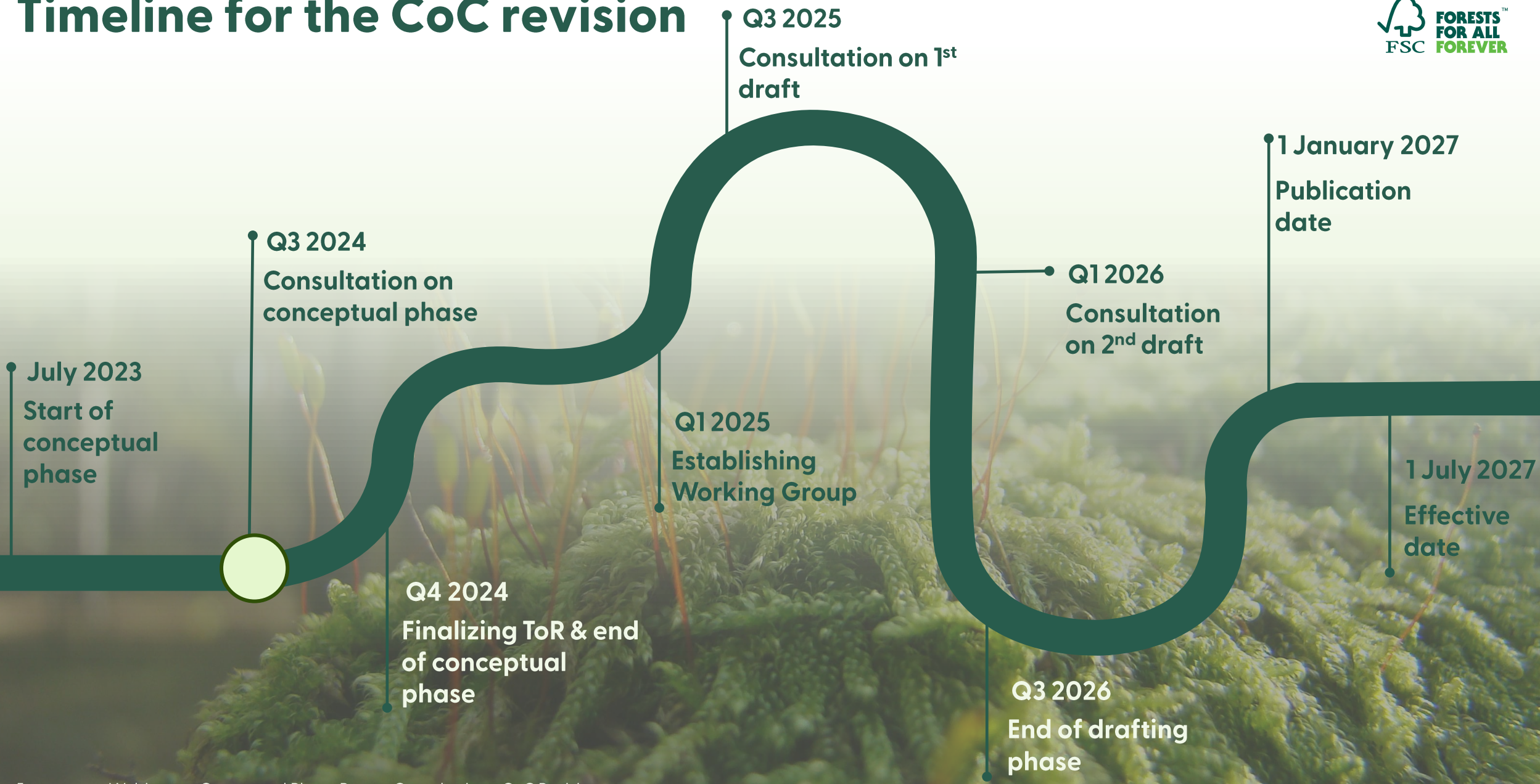
Q&A

1. Overview of the Revision Process

What's being revised



Timeline for the CoC revision



Motions to be addressed

MOTION 28

Overcome Value Chain Barriers for small operations by remedying identified problems in the CoC procedures, thereby increasing participation.

MOTION 50

Policy Motion on the right of access to workers

MOTION 51




Policy Motion on the right of workers to elect their own Occupational Health and Safety representative(s).

MOTION 55

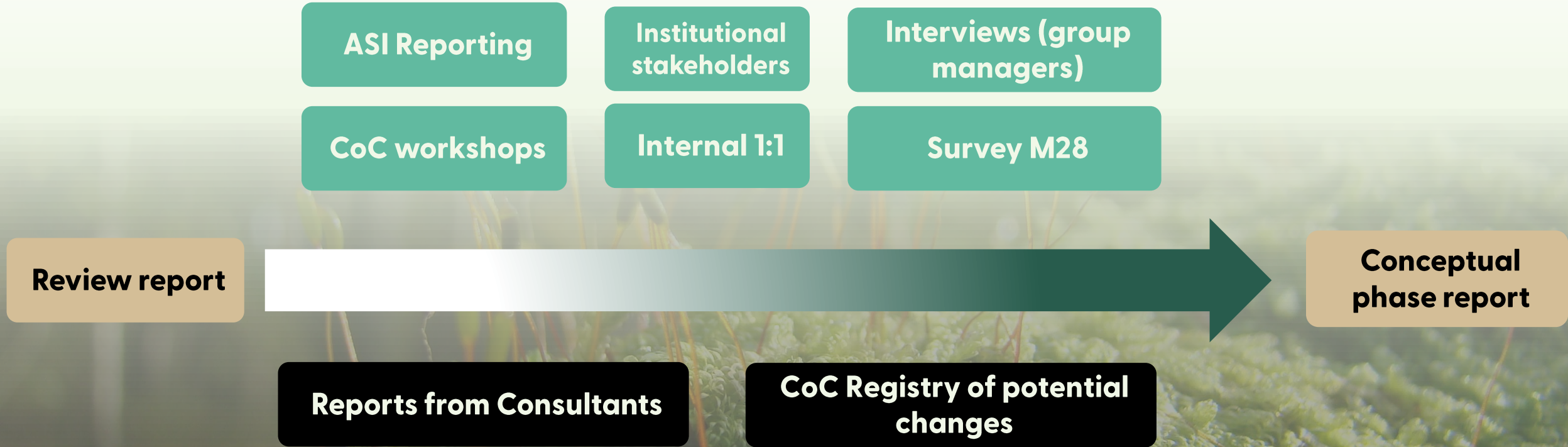
Increase system transparency regarding organizations and products certified through Chain of Custody certification.

Conceptual Phase Report topics



-  Topics fully covered in this Webinar
-  Topics partially covered in this Webinar
-  Topics not covered in this Webinar

How did we arrive at these topical clusters?



2. Revision Initiatives

Section 2, 11 and 5 of conceptual phase report



FSC Trace

Requirements for CHs + CBs

- Mandatory and optional fields

Optional for use (CHs), but normative once included in the scope.

'Automatic' conformity

- Transaction verification (1.9)
- Suppliers' information (2.1)
- Verification of suppliers, and their scopes (2.2)
- Accounting records (4.2)
- AVS (annual volume summary) (4.4)
- Identification of FSC-certified customers for FSC Controlled Wood (partially 5.6)

Modular approach

- Digitization of requirements
- Generate a 'personalized' standard, according to the scope of certification
- User platform? (centralized and can re-direct to other FSC platforms)
- Receive notifications for consultations / publications

Outcome

- Improve user interaction, understanding and participation.
- Relevant to all, but particularly to small enterprises

100% Reclaimed products as FSC Mix

Allowed by ADVICE-40-004-17

Risk of misinterpretation/misleading with current messaging

FSC Recycled + FSC CW

Currently no FSC output possible

To consider FSC Controlled Wood as the output claim

FSC CFM with claim-contribution

Differentiation from FSC Controlled Wood

Recognition of efforts moving towards Forest Stewardship Standards

Streamlining FSC Mix/Recycled claims

FSC Mix/Recycled 100% instead of FSC Mix/Recycled Credit

Cross-border credit/ percentage systems

Establishment of credit accounts/Application of percentage system at the level of multiple physical sites

Current Situation

Clauses 10.4 c) and 11.3 c) allow organizations to share credit/percentage volumes across multiple sites in the **same country** or in the **Eurozone**

Pilot project launched



Contribute to the growth of the FSC system;



Concerns with complexity of setting up a centralized accounting system

Propose change

Organizations can share credit/percentage volumes across multiple sites:

- ✓ In the same country
- ✓ Canada and the United States of America
- ✓ Non-Eurozone and Eurozone countries of the European Economic Area (EEA).



Conceptual phase report
Section 5.2

3. Composite Materials

Section 6 of conceptual phase report

How should neutral materials be accounted for?

Current Situation

Products containing neutral materials that cannot be distinguished from FSC-certified components.

ADVICE-40-004-15: **only FSC Mix claim/label**
(addressing the risk of misleading claims)



30% Natural rubber (FSC®)
70% Synthetic rubber and metal (Neutral)



Potential solutions

- a) Keep ADVICE-40-004-15 concept
- b) ADVICE-40-004-15 only when FSC content is below x% (e.g., < 30%)
- c) Original claim but specifying FSC content (sales documents and next to FSC label)
- d) Other?



4. Labour Solutions & Member Motions 50 & 51

Section 4 and 13 of conceptual phase report

Proposed Updates to STD-40-004

Universal Requirements

- Child labour: Alignment for developing countries (ILO)
- Forced & Compulsory Labour: Added indicators (ILO)
- Discrimination: 'Equal wage, equal work'
- Occupational Health & Safety (OHAS) as CLR in Section 7

Policy Statements & Self-Assessments

- Amended instructions (Annex D) e.g. outsourcing.
- Data collection in self-assessment e.g. worker number, gender

Terms & Definitions

- 'FSC Core Labour Requirements': updates including OHAS
- 'Discrimination': Gender
- 'Employment and occupation': Recruitment

Outsourcing Agreements

- Minimum specification includes Core Labour Requirements

Member Motions

- Motion 50: 'right of access'
- Motion 51: OHAS elected representative

Motion 50

What

Policy Motion on the right of access to workers

- Access provided 'at first request'
- Information on worker whereabouts & space for meetings

Why

Required inclusion of approved member motion

Objective

Informed workers through access provided to trade unions.

How

- Addition to clause 7.5 to include 'access'
- Clarification in additional Note and/or additions in Terms & Definitions section

Motion 51

What

Policy Motion on the right of workers to elect their own Occupational Health and safety representative(s)

- Regular elections of minimum every 4 years.

Why

Required inclusion of approved member motion

Objective

- Freely & frequently elected OHAS representatives

How

Include requirements in Core Labour Requirements (CLR), a new section on OHAS

- Provide detail on expectations based on ‘occupational risks and number of workers’
- Provide guidance on exception cases e.g. small companies, where election not possible.

Proposed Updates to STD-20-011

Enhanced Evaluation Requirements

- Section 11 'Evaluation of FSC core labour requirements' enhanced to align with changes in STD-40-004
- Incorporation of FSC-PRO-20-001 *Procedure on Commitment to FSC Values and OHAS*, including requirement for 'further evidence'
- Guidance (included/separate) on indicators for evaluation per CLR

Outsourcing

- Inclusion of evaluation requirements for outsourcing agreements, incorporating foundations from advice notes (ADVISE-20-011-16)

5. Service Providers & Outsourcing

Section 7 & 10 of conceptual phase report

Product Certification – Process Certification

Current Situation

CoC certification is largely focused on the sale of products.

Limited context on the provision of services.

Prevents companies from participating in FSC system (where mainly/exclusively focused on services).

Proposed change

Certification for service providers
(Product-as-a-Service)

- ✓ Set of specific requirements
- ✓ FSC Database update: distinct entities/product groups (from product manufactures/traders)

- ✓ Expand certification reach and acknowledge the provision of services
- ✓ Fostering verified and sustainable service provision
- ✓ Enhancing trust and informed client decision-making

Integrating Leasing Models

What

- FSC-certified products retain their original ownership certification status while being leased to other parties

Why

- FSC's current CoC standards focus on legal ownership transfer.
- Driving interests from consumer demand and legislation.

How

- Creation of product-as-a-service certification options.
- Establishing guidelines to maintain FSC certification status during the leasing

Further outsourcing

Situation

Open questions

Further outsourcing (processing) not possible

- Not in line with current practices?
- What about CH-CH?

- Remain limited to processing or expand to any type of activity?
- Should the further outsourced CH be identified?
- Should FSC regulate this tri-party agreement?



13.4 The organization shall establish an outsourcing agreement with each **non-FSC-certified** contractor, specifying at a minimum that the contractor shall:

(...)

c) Not further outsource any **processing**;





6. Reclaimed Material and Circularity

Section 10 of conceptual phase report

Reclaimed and Circularity topics under consideration



Leasing

Solution beyond legal transfer of ownership. FSC-certified products to retain their original ownership while being leased to other parties.



Take-back

Circular business model for recovering unused FSC-certified products. Clients can return unused portions/volumes of product for resale.



Urban waste wood

Urban trees at the end of their life cycle and trees harvested due to risk to life and property. Inclusion as post-consumer reclaimed material.



Salvaged wood

Currently salvaged wood can only be sourced as a controlled material under FSC-STD-40-005 (deemed very challenging due to traceability of origin). Potential consideration as post-consumer reclaimed material.



Repair & Reuse

Repair and reuse options for FSC-certified products with potential introduction of a reuse claim. Concept to be further consulted and analysed to determine feasibility and market interest.

Integrating take-back into FSC Standards

What

- Circularity model where unused FSC-certified products are taken back to be resold.
- Ensuring regulated integration of returned products into FSC product groups

Why

- Standards do not include requirements for a take-back model. Potentially being practiced by many organizations
- Opportunity for FSC to regulate take-back

How

- Updating standards to include requirements for traceability and eligibility of returned products.
- Ensuring certification status of product is maintained through documentation and verification

Inclusion of Urban Waste Wood as Reclaimed Material

What

Urban waste trees are considered as trees at the end of their life cycle, felled by natural occurrences and trees harvested due to risk to life and property.

Why

Currently excluded from the FSC system, therefore unregulated.
Opportunity to promote circularity, reduce landfill waste streams and the need for forest-based virgin materials.

How

- Potential inclusion into the FSC system as post-consumer reclaimed material.
- Setting requirements to determine eligibility and mitigating associated risks

Recognition of Salvaged Wood as Reclaimed Material

Current Situation

Salvaged wood (e.g., storm felled timber, logs washed onto beach shores) can only be sourced as a controlled material under FSC-STD-40-005

Challenge

Tracing the origin of salvaged wood is sometimes unfeasible. Hence mostly excluded from FSC system.

Solution

Potential consideration of salvaged wood as post-consumer reclaimed material through a risk-based approach.

Repair and Reuse

What

- Solution to facilitate repair and reuse options for FSC-certified products.
- Circularity concept driven by evolving legislations e.g. EU Green Deal

Why

- The CoC standards do not regulate repair and reuse initiatives for applicable products.

How

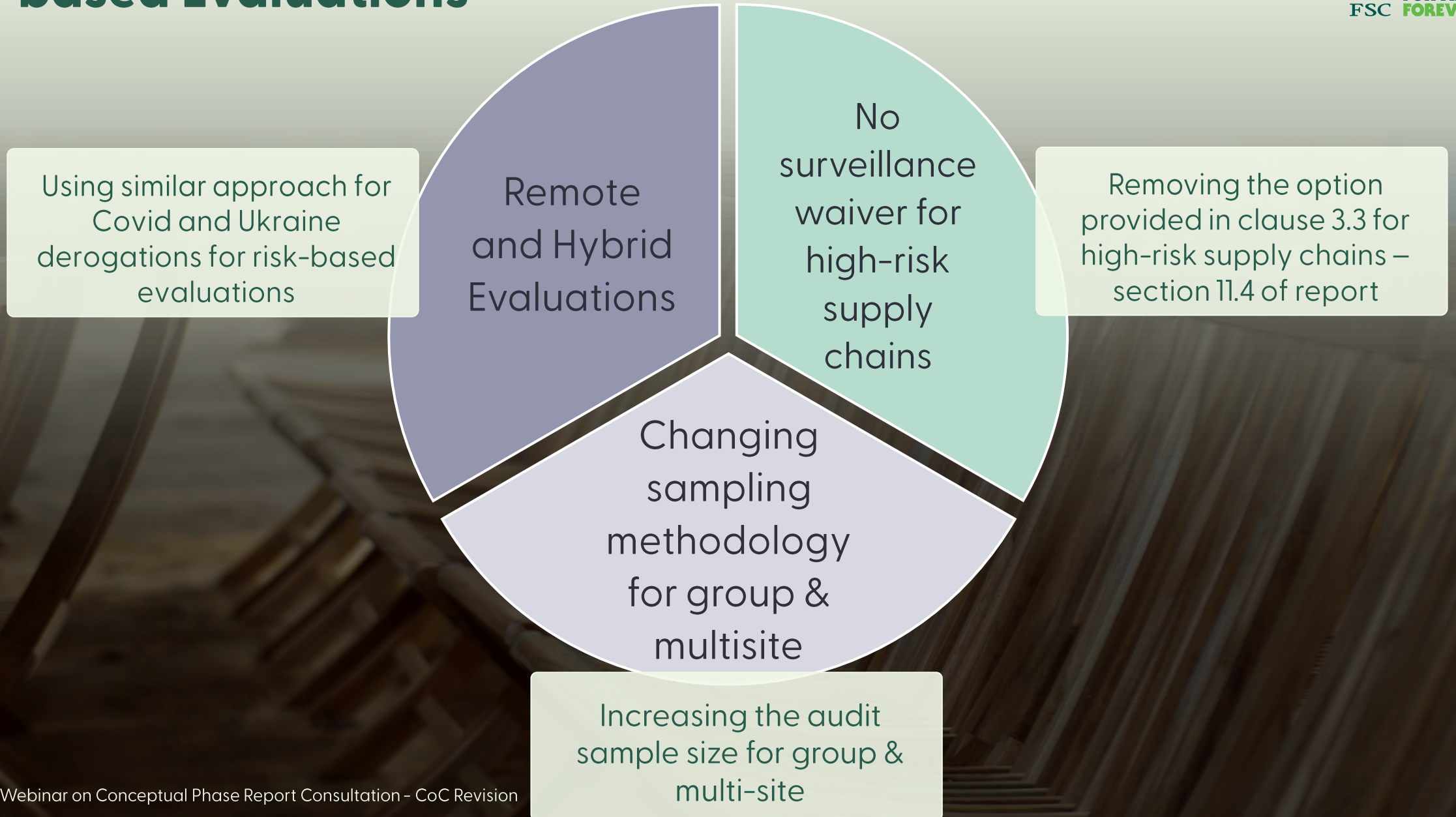
- Setting requirements for verification and control of products to be repaired and reused
- Introduction of a 'Reuse' claim ?

Concept under consideration, feasibility studies and market research to determine uptake and demand (potential pilot testing)

7. FSC-STD-20-011: Accreditation requirements

Section 13 of conceptual phase report

Risk-based Evaluations



Risk-based Evaluations for group and multi-site



Revision of the existing risk factor scores



Including new categories for calculating the risk factors (e.g., high-risk supply chains, FSC Trace)



Revising the methodology for calculating the sample size

Evaluation of Group and Multisite – Sampling Methodology

Risk factor		Score	Score Given
Ownership	All participating sites have common ownership	0.1	
	Participating sites do not have common ownership	0.2	
Certificate size	0–20 participating sites	0.2	
	21–100 participating sites	0.3	
	101–250 participating sites	0.4 0.5	
	> 251 participating sites	0.5 0.6	
	>400 participating sites	0.6	
Central office's performance	No CAR issued to the central office in the previous evaluation	0.1	
	Not applicable (there was no previous evaluation)	0.1	
	Only minor CARs in the previous evaluation	0.2	
	1–2 major CARs in the previous evaluation	0.3	
	3 or more major CARs in the previous evaluation	0.4	
Audit type	Annual surveillance evaluation	0.1	
	Re-evaluation	0.2 0.1	
	Main evaluation	0.3	
	Audit for inclusion of new participating sites in the certificate	0.3	
High risk supply chains	Participating sites included species with high risk to FSC's integrity in their scope	0.2	
	Participating sites including products with high risk to FSC's integrity in their scope	0.2	
	Participating sites located in countries with high-risk human right condition	0.3	
FSC Trace	Participating sites use FSC Trace	0.1	
	Participating sites do not use FSC Trace	0.2	
TOTAL (R = sum of the scores given)			Σ

Revised Matrix for Determination of Risk Index

Risk-based Evaluations for Group and Multisite

Higher
Number

High Risk Sites/Members:

- 1 Revised matrix for determination of risk index determines the sample size
- 2 20% of high-risk sites/members to be included in the sample size in each evaluation

Low Risk Sites/Members:

- 1 Revised matrix for determination of risk index determines the sample size
- 2 20% of high-risk sites/members to be included in the sample size in each evaluation

CB's
Decision

Group and Multi-site Certification

Section 9 of conceptual phase report

Group Certification

FSC-STD-40-003

- No more than 15 full-time equivalent employees; OR
- No more than 25 employees (full time equivalent) and a maximum total annual turnover of USD 1,000,000

Proposed Revision Scenarios

- Scenario A:** Removing the thresholds and leaving it to organizations to decide to join groups or have a single CoC certification
- Scenario B:** Using the established classifications of AAF in FSC-POL-20-005. Organizations falling under Class 2, would be eligible for group certification

Countries with nationally adapted criteria:
Italy, Finland, USA, Canada, Germany, Switzerland and Austria
FSC-PRO-40-003a



How to Participate in The Consultation

Consultation timeline

Starting of the consultation

16 August 2024



Webinars

4 September 2024

9:00 – 10:30 CET and 16:00 – 17:30 CET



Webinars

25 September 2024

9:00 – 10:30 CET and 16:00 – 17:30 CET

Webinars offering simultaneous translation into Spanish and French



Closing of the consultation

15 October 2024



How to participate in the consultation

CONSULTATION REPORT

- The report is available in 3 languages: English, Spanish and French
- Can be downloaded via the [consultation platform](#) or on the [revision webpage](#)

FEEDBACK CAN BE PROVIDED IN ONE OF THE THREE LANGUAGES

English

Spanish

French

Each section will include 2-10 questions;
Participants do NOT need to give feedback on every section;



Need help on how to use the consultation platform?

Key topics
one pager

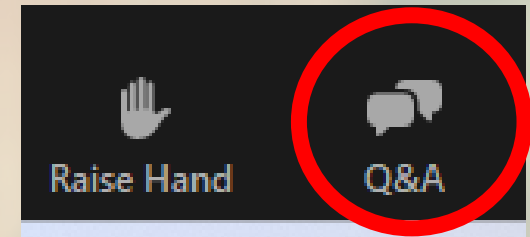
Consultation platform
user guide



CONCEPTUAL PHASE REPORT FOR CHAIN OF CUSTODY REVISION

Consultation material for the conceptual phase of the chain of custody revision

Q&A



You can like (👍) a question submitted by other participants to add priority for it to be answered

Stay Engaged!



Visit Chain of Custody Revision Page



Visit Chain of Custody Process Page



Fill Out the Interested Stakeholders Form



Stay Tuned for Applying as a Working Group Member



Reach out to us at chainofcustody@fsc.org

Thank you



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