

# Chain of Custody Standards Revision

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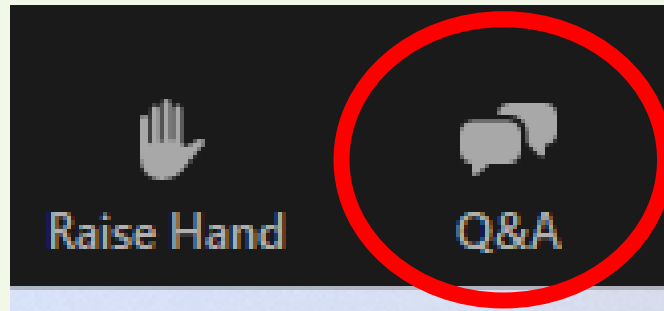
Webinar on conceptual  
phase consultation

04 September 2024



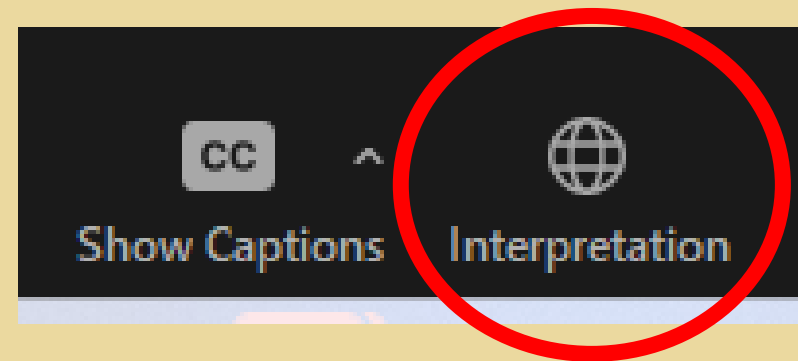
# Webinar participation

Place your questions:



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

Choose your preferred language:



# Housekeeping rules:



Please use Q&A option to ask your questions **anonymously**. Chat function is disabled



The presentation will be recorded and published along with the slides on CoC revision page



Presentation will be approximately 50 min followed by 30 min Q&A

## AGENDA

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**Overview of the Revision Process**

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**Revision Initiatives**

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**Composite Materials**

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**Labour Solutions & Member Motions 50 & 51**

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**Service Providers & Outsourcing**

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**Reclaimed Material and Circularity**

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**FSC-STD-20-011:  
Accreditation requirements**

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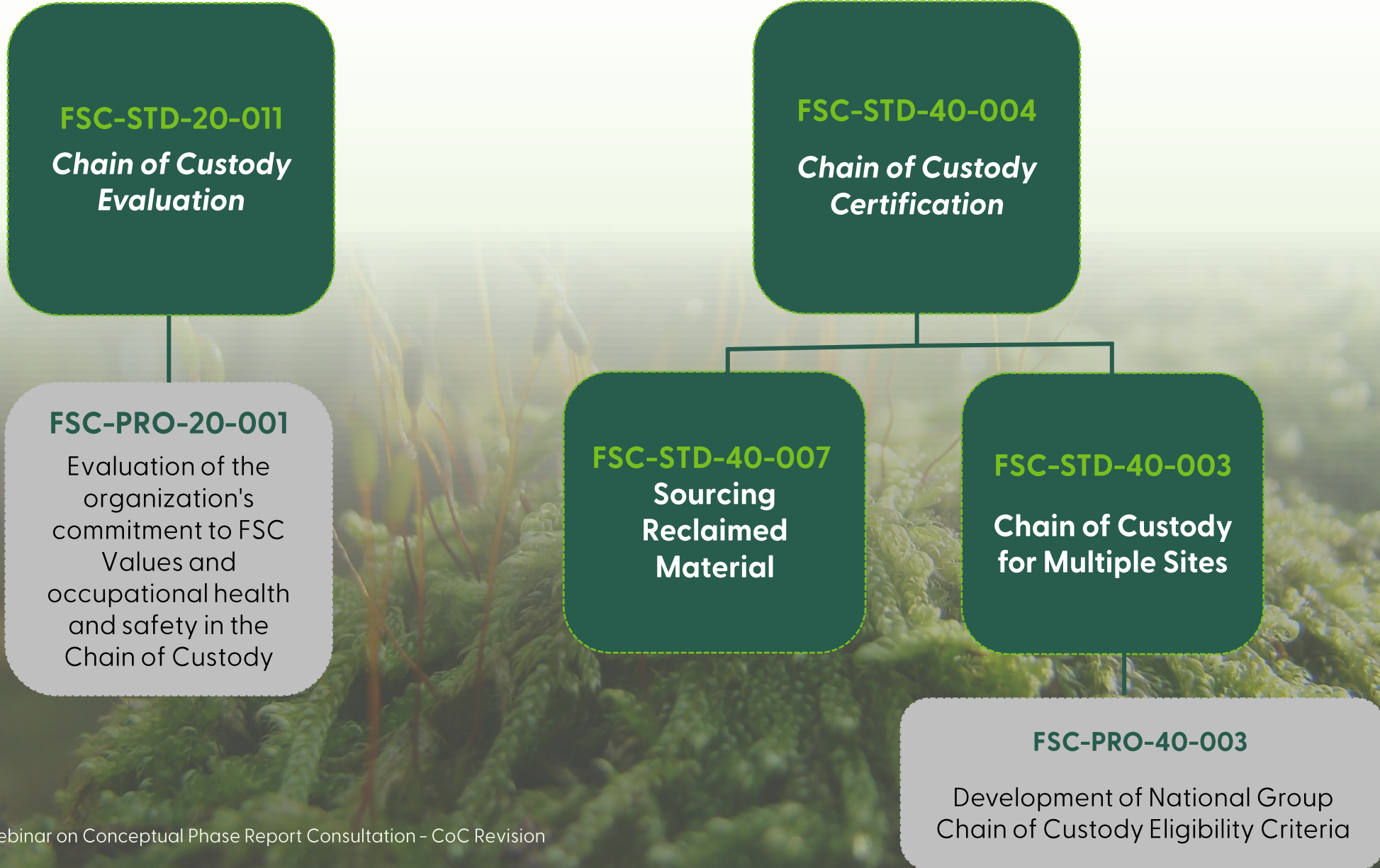
**Q&A**



# 1. Overview of the Revision Process

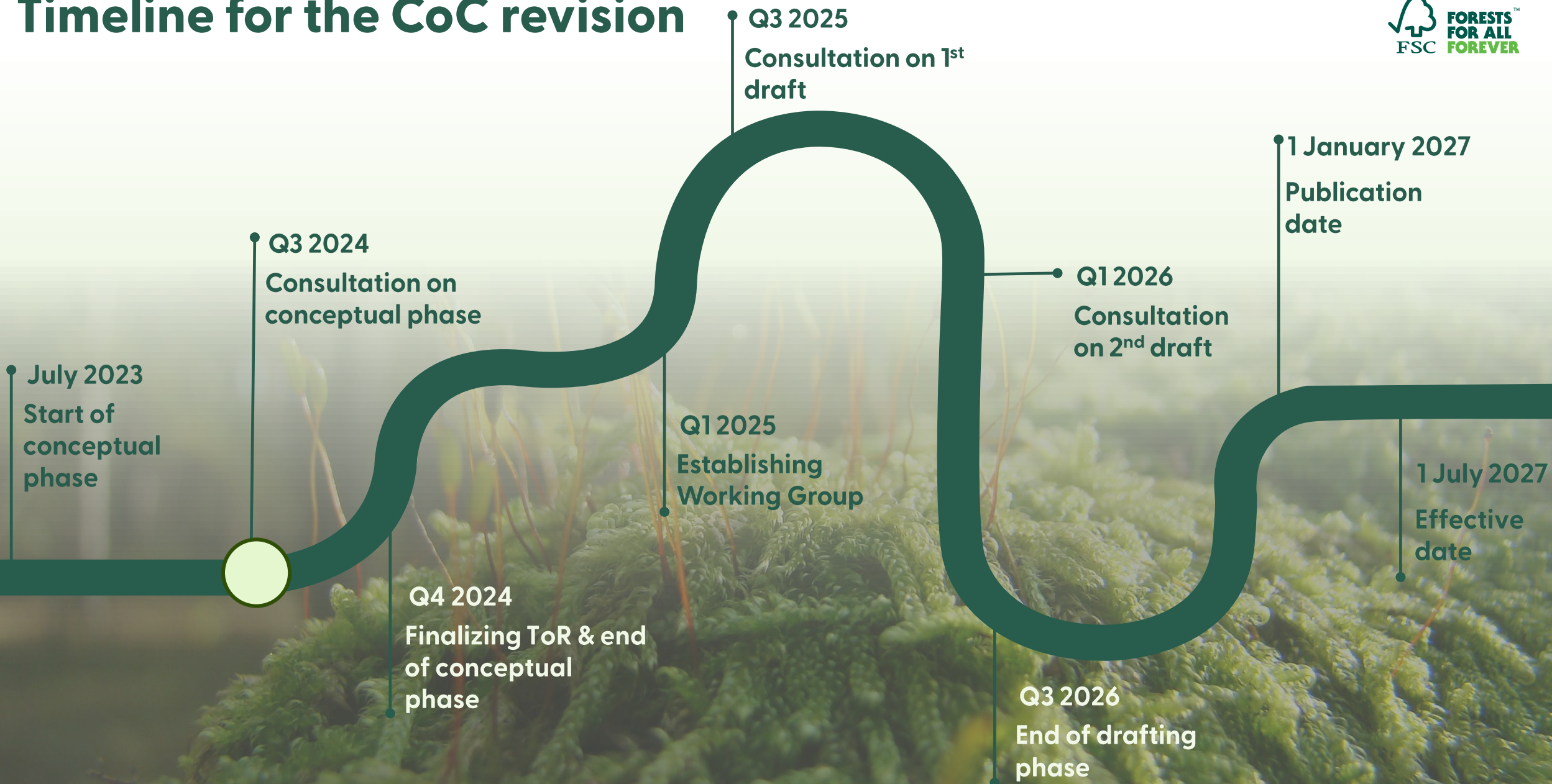


# What's being revised





# 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.

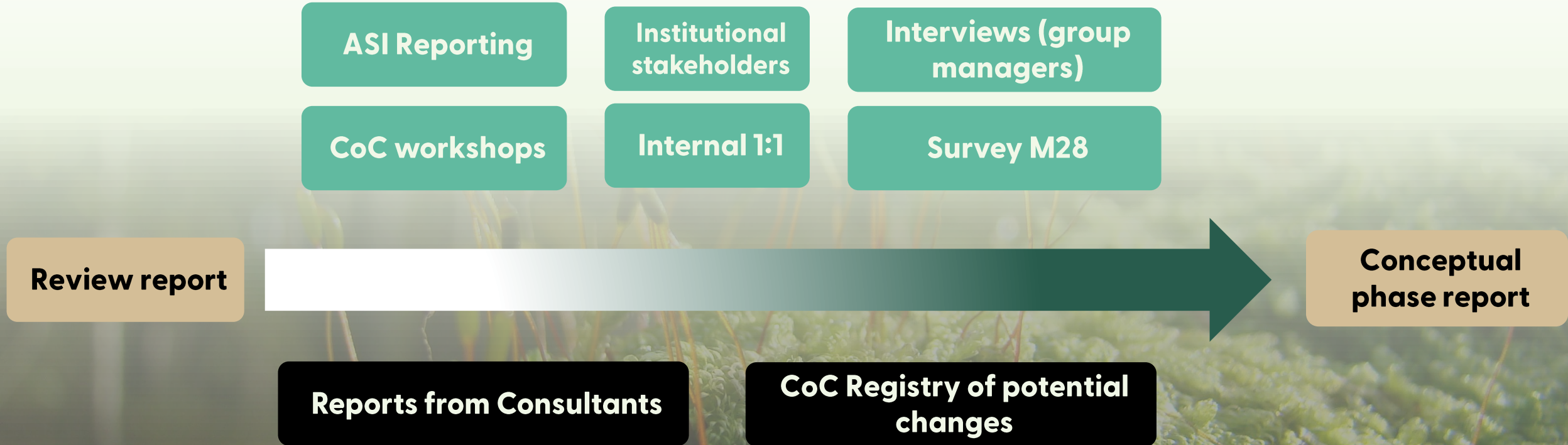


# Conceptual Phase Report topics



-  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

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



Conceptual phase report [Section 4.1](#)



# 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



Conceptual phase report  
Section 4.2



# 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.



Conceptual phase report  
Section 4.2



# 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)



Conceptual phase report  
[Section 13.4](#)



# 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

Further outsourcing (processing) not possible

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

## Open questions

- 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)**

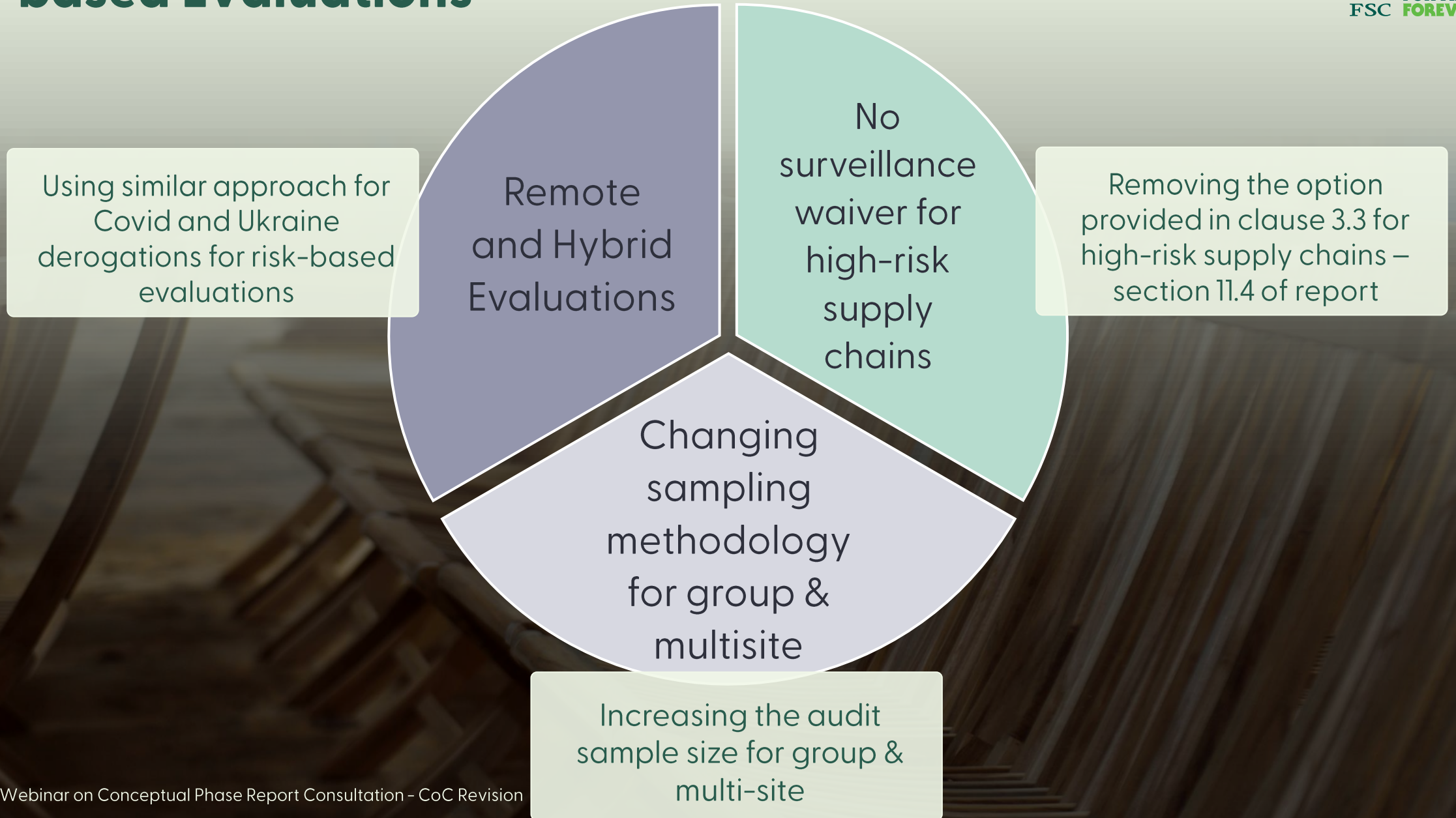


# 7. FSC-STD-20-011: Accreditation requirements

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:

- **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 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](mailto:chainofcustody@fsc.org)**



# Thank you



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