Report

CHAIN OF CUSTODY STANDARDS REVISION

Report of Consultation on Conceptual Phase of Chain of Custody Standards Revision

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Title:	CHAIN OF CUSTODY STANDARDS REVISION
Dates:	28 November 2024
Contact for comments:	**Email:** chainofcustody@fsc.org
Objective of document:	This report provides an overview of the stakeholder feedback on the Conceptual Phase report on the CoC revision.
Confidential?	☐ Yes ☒ No
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INTRODUCTION

Forest Stewardship Council (FSC) is revising the chain of custody (CoC) standard <u>FSC-STD-40-004 Chain of Custody Certification</u>> in a joint revision process with the following normative documents.

Code	Version	Title
FSC-STD-40-004	V3-1	<<u>Chain of Custody Certification</u>>
FSC-STD-40-003	V2-1	<<u>Chain of Custody Certification of Multiple Sites</u>>
FSC-PRO-40-003	V1-1	<<u>Development of National Group Chain of Custody Eligibility Criteria</u>>
FSC-PRO-40-003a	N/A	<<u>List of Approved Group Chain of Custody Eligibility Criteria</u>>
FSC-STD-40-007	V2-0	<<u>Sourcing reclaimed material for use in FSC Product Groups or FSC Certified Projects</u>>
FSC-STD-20-011	V4-2	<<u>Chain of Custody Evaluations</u>>
FSC-PRO-20-001	V1-1	<<u>Evaluation of the organization's commitment to FSC Values and occupational health and safety in the Chain of Custody</u>>

FSC CoC certification is designed to provide a credible assurance that products which are sold with an FSC claim originate from well-managed forests, controlled sources, reclaimed materials, or a mixture of these. FSC CoC certification thereby facilitates the transparent flow of goods made from such materials through the supply chain.

As part of the conceptual phase, FSC has conducted a public consultation. The aim of the consultation was to inform stakeholders of the directional changes that FSC will focus on, analyse and introduce in the next version of the CoC standards; and to receive feedback from stakeholders on the key topics considered in this joint revision. The consultation material can be found <u>here</u>.

The consultation was opened on the FSC Consultation Platform from 16 August 2024 until 15 October 2024. This report presents analysis of the stakeholder responses received on the conceptual phase report, including both quantitative and qualitative data analysis.

A summary has been provided per section, allowing for quick reference, while the detail is provided in the relevant question sections that follow.

The FSC team would like to thank all the participants for their feedback and valuable inputs to the topics consulted on.

For further information related to the revision process, please visit the dedicated webpage for the revision <u>here</u>. For comments or questions related to the revision process, please contact <u>chainofcustody@fsc.org</u>.

CONTENTS

Abbreviations

AAF   Annual Administration Fee

ASI   Assurance Services International

CB   Certification body

CFM   Controlled Forest Management

CH   Certificate holder

CLR   Core Labour Requirements

CoC   Chain of Custody

CW   Controlled Wood

DAR   Digital Audit Report

EUDR   Regulation (European Union) 2023/1115 on Deforestation-free Products

FM   Forest Management

FSC   Forest Stewardship Council

H&S   Health and Safety

ILO   International Labour Organization

NF   Normative Framework

OCP   Online Claims Platform

OHAS   Occupational Health and Safety

PLH   Promotional License Holders

PSU   Performance and Standards Unit

SME   Small and Medium Size Enterprises

TSP   Trademark Service Provider

USD   United States Dollar

METHODOLOGY

The consultation was presented digitally on the FSC Consultation Platform and made available in all official FSC languages: English, Spanish, and French. The report was presented alongside relevant questions per section, with additional supporting documents provided. These included copies of the relevant normative Standards and Procedures, the Conceptual Phase Report, the PSU Circularity Report, and the Chain of Custody Workshop Synopsis Report.

Stakeholder engagement

As part of stakeholder engagement, 4 webinars on the conceptual phase report were held, with simultaneous translation available in French and Spanish at each. These were held near the beginning and end of the consultation period, on the 4th and 25th of September 2024, and had 524 registered participants in total. At each webinar, the consultation link and other supporting materials were shared, to encourage participation in the consultation.

Consultation questions

The consultation included 76 questions, 33 multiple-choice (close-ended) and 43 free text questions (open-ended). The close-ended questions mainly used a Likert-scale e.g. strongly disagree (1) to strongly agree (5), however there were also some binary options e.g. yes or no, with the option of 'prefer not to say' or equivalent provided. All questions were voluntary to answer.

Data analysis

Analysis of the results was conducted by FSC Staff, with the initial data translated into English and any participants who provided no answers removed. The work included a mixture of both quantitative and qualitative analysis. For the open-ended question types, any comments were read and then grouped or 'coded' by topic to provide quantitative results by stakeholder group, region, and FSC membership type.

Reference to stakeholder type

The stakeholder types provided in the initial results reflected the options provided on the FSC Consultation Platform. These included: ASI staff, Certificate holder, Certification body/auditor, Consultant, FSC International staff, FSC Member, FSC Network Partner staff, FSC Trademark service license holder, and Other.

Certain types have been grouped together to reduce the number of types and provide more concise analysis of results. The types that have been grouped are: FSC Network Partner and FSC International Staff as 'FSC Staff', and FSC Trademark Service License Holder and Certificate Holder as 'Certificate Holder'.

For reference to FSC Member, readers should be aware that this is the stakeholder type chosen by the respondent. The number of responses of this type may not reflect the true number of FSC members, as other stakeholder types, such as Certificate holders or Certification body/auditor can also be FSC members.

Interpreting the results

As all questions were voluntary to answer, there is some fluctuation in the number of responses for each question. Therefore, when reading the results for each question, the percentage provided is a percentage based on the total number of responses for that question. In some instances, the total number of responses is provided in addition to or instead of the percentage. For multiple-choice questions, where there was the option to select multiple options, the percentage is based on the total number of selections.

For remarks on whether the results are 'positive' or 'negative', for quantitative results, 'positive' refers to the total number of i.e. 'agree' and 'strongly agree', and 'negative' refers to the total number of i.e. 'disagree' and 'strongly disagree'. For qualitative results, these have been reviewed by the FSC staff members and are described as 'positive' or 'negative' or similar, based on the sentiment of the response received.

OVERALL PARTICIPATION

This section provides an overview of the consultation participation, with detail for each question provided in the Responses section. 183 participated in the consultation on the conceptual phase. This number includes only participants who answered at least one of the consultation questions.

Regional Representation

Responses were received from 42 countries and all regions were represented, with Europe as the region representing the most responses (49%), however United States of America (US) had the most participants at a country-level (see Figure 1).

The Middle East was the least represented region with only 1% of responses, however this is something encountered previously and is also closely linked to the limited number of certificates and influence FSC currently has in this region.
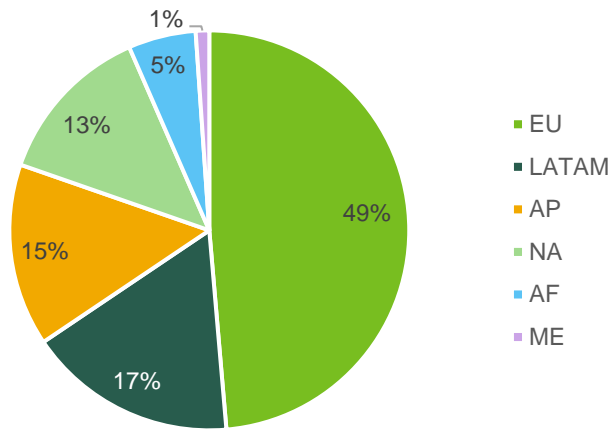

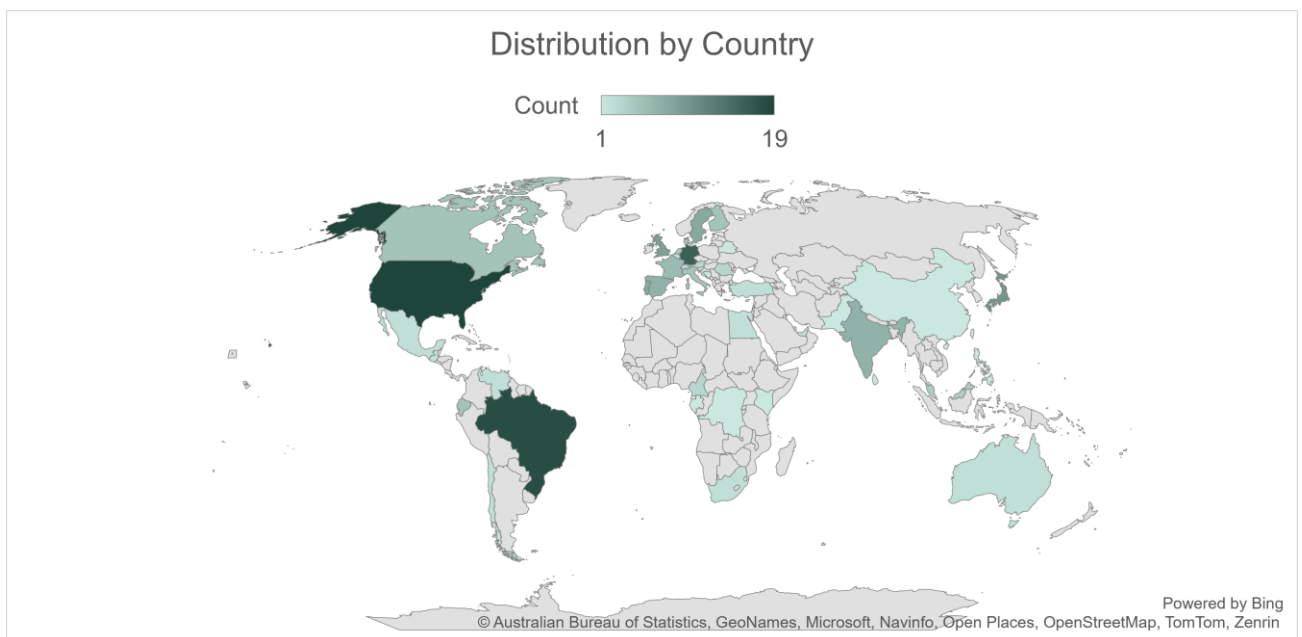*Figure 1 Breakdown of participants per region*

Figure 2 Distribution of participants per country

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Stakeholder Type

9 types of stakeholders took part in the consultation, with certificate holders representing the majority (40%), followed by FSC Members (22%). Based on the potential for certificate holders to also be FSC members, these totals are limited to the choice of stakeholder type on the FSC Consultation Platform, and therefore, we could consider that other stakeholder types such as certification body/auditor may have had slightly greater participation if this FSC Member option was not made available (Figure 3).
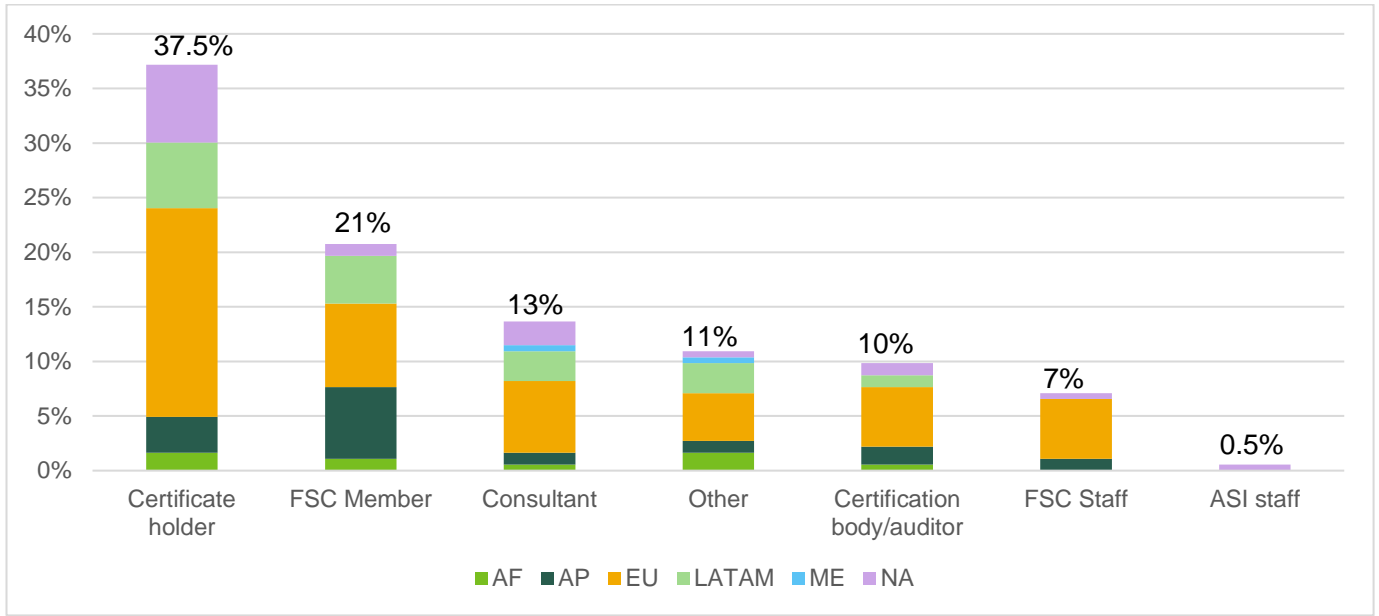

Figure 3 Breakdown of stakeholder type per region

FSC Membership Representation

All FSC membership sub-chambers were represented, with Economic North as the most-represented sub-chamber (30%); this occurs often in consultations, due to number of certificate holders and certification bodies operating in this region. The Environmental chamber was the least represented, with only 3%. Participants choosing the 'I am not an FSC member option' or another option that did not define a FSC member chamber represented 56%, therefore the ratio of participation of members and non-members is broadly 1:1 (Figure 4).
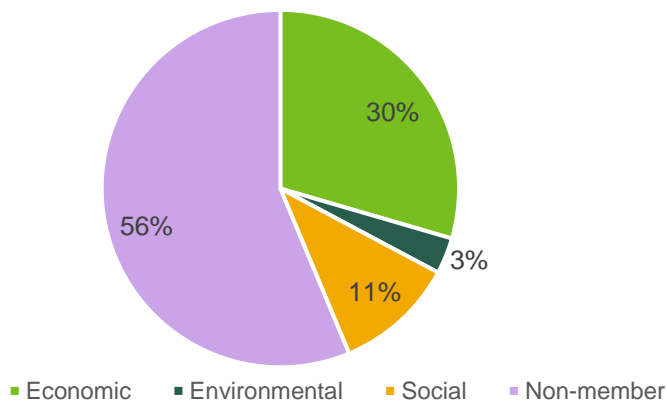

Figure 4 Breakdown of participation by membership chamber

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RESPONSES

1 Structure of the Normative Document

1.1 Combining standards

No.	Question
1	To what extent do you agree with the proposal for combining standards? (1 - strongly disagree; 5 - strongly agree)
2	Please provide the rationale for your answer and/or any suggestions for improvement

Stakeholders strongly supported merging the three standards applicable to certificate holders (CHs). 169 respondents answered the survey question, of which 79% positively supported the proposal, 16% remained neutral, and just over 5% disagreed with combining CoC standards (Figure 5).
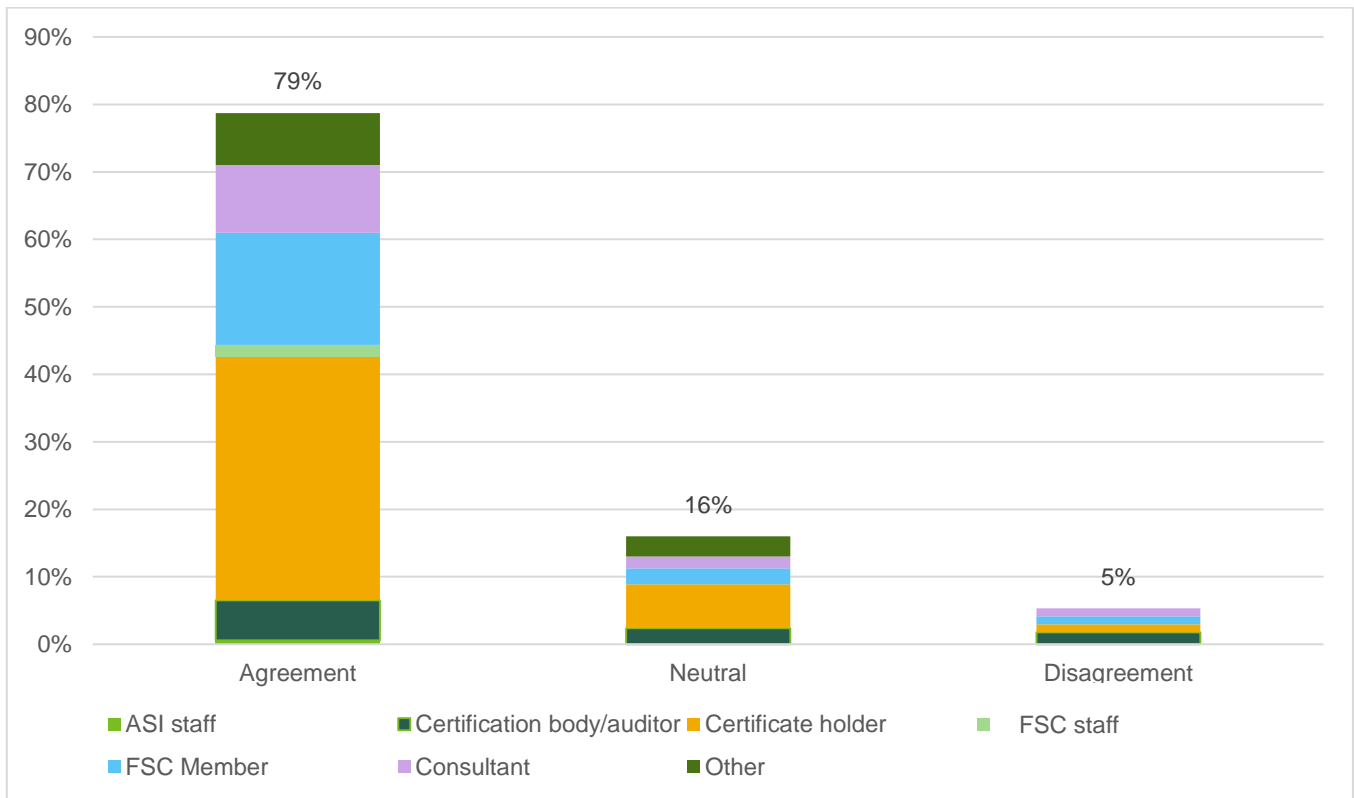

Figure 5 Breakdown of responses for Q1 per stakeholder type

Below is the key feedback from participants:

Option	Comments
Streamlining for efficiency, benefits of combining standards	72 respondents identified positive benefits of combining the standards. Stakeholders agreed that merging of CoC Standards aims to simplify the certification process and make it more efficient for CHs and CBs. Additionally, some respondents emphasized that streamlining involves more than just combining documents. It is suggested to create a clear structure with relevant details to reduce burdensome implementation processes.
Concerns about clarity and specificity	While merging standards can make things simpler, there are worries about losing the focus of individual standards, especially for unique requirements such as group certification or recycled content. A combined document might contain more information irrelevant to the CHs' work, leading to confusion about the requirements.
Administrative challenges, concerns about administrative burden	Some comments were made by CHs, CBs, and consultants regarding concerns about additional administrative challenges; for example, additional work may be required to update databases and certificates.
Cultural and technical challenges	It is essential to note that technical barriers from some regions may hinder the implementation. The CHs may struggle to search for specific requirements related to their scope. Ensuring clarity and accessibility of the FSC portal is crucial for fostering growth and effective implementation.

1.2 Modular approach

No.	Question
3	To what extent do you agree with the proposal for digitization of the CoC requirements? (1 - strongly disagree; 5 - strongly agree)
4	Please provide the rationale for your answer and/or any suggestions for improvement.

Among the total of 165 respondents, 82% expressed their support for the proposal to digitize the CoC requirements. Additionally, 9% of respondents maintained a neutral stance regarding the proposal, while 9% (equating to 15 respondents) opposed the proposed changes (Figure 6).
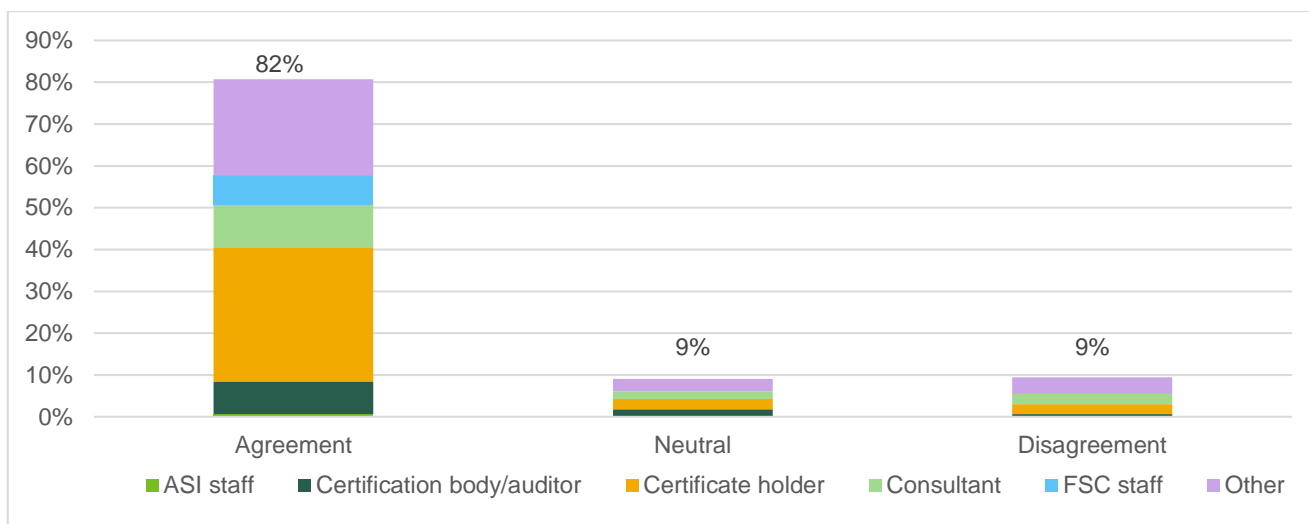
Figure 6 Breakdown of responses for Q3 per stakeholder type

Below is the key feedback from participants:

Option	Comments
Efficiency, transparency, and cost-effectiveness of digitization	Stakeholders believed that digitization offers efficiency by providing up-to-date information, reducing errors, and saving time. Meanwhile, it would improve data management and transparency, resulting in lower costs.
Streamlined system between FSC (including within FSC), CBs and their clients	Both supportive and critical viewpoints were expressed regarding the streamlining of systems within FSC, and between FSC, CBs, and their clients. While some argued that streamlining would enhance clarity, others expressed concern that direct communication from FSC could lead to redundancy and confusion, as some organizations have already developed a good database system.
Challenges and barriers to implementation, limited internet access, inadequate infrastructure, and lack of technical skills	While agreeing with the proposal for a modular approach, some stakeholders remained concerned regarding the challenges foreseen for stakeholders who have limited access to the internet, inadequate infrastructure (e.g., energy poverty, unreliable electricity supply), and low technical skills in certain regions. These factors may prevent the effective use of digital FSC processes.
Scepticism regarding complexity and flexibility	It was noted that, despite the advancements in digitization, it is essential to ensure that standards remain easily accessible to those who prefer non-digital formats. This is important for maintaining inclusivity. The complexity of standards and the frequency of updates may hinder the success of digitization. There are concerns that the digitization process might not simplify things enough, especially considering the various components, such as different interpretations and ongoing updates.
Concerns about technical issues and failures, database problems	Due to inadequate beta testing and previous failures in digitization efforts, some stakeholders raised significant concerns about potential technical issues and the lack of flexibility in correcting errors promptly.

Importance of translation	For digitization to succeed globally, standards must be accurately translated into local languages, as seen in countries such as Brazil, where communication gaps have led to confusion between FSC, CBs, and CHs.

2 FSC Claims

2.1 Claiming 100% reclaimed products as FSC Mix

No.	Question
5	Please select your preferred option: 1.1. a) Keep concept from ADVICE-40-004-17; 1.2. b) Reinstate restriction from Clause 5.9; 1.3. c) Other.
6	Please provide the rationale for your answer and/or any suggestion for improvement.

A total of 132 stakeholders provided feedback to this question, showing a preference (48%) for option a) (allow the 'downgrade' of FSC Recycled to FSC Mix) (Figure 7). 36% of the respondents selected option b) (reinstate restriction from Clause 5.9), while 15% have selected 'Other', which they then described in Question 6.

58% of the CHs (29 out of 50) also selected this option, while 47% of the CBs (8 out of 17), preferred option b) (reinstate the restriction from Clause 5.9).
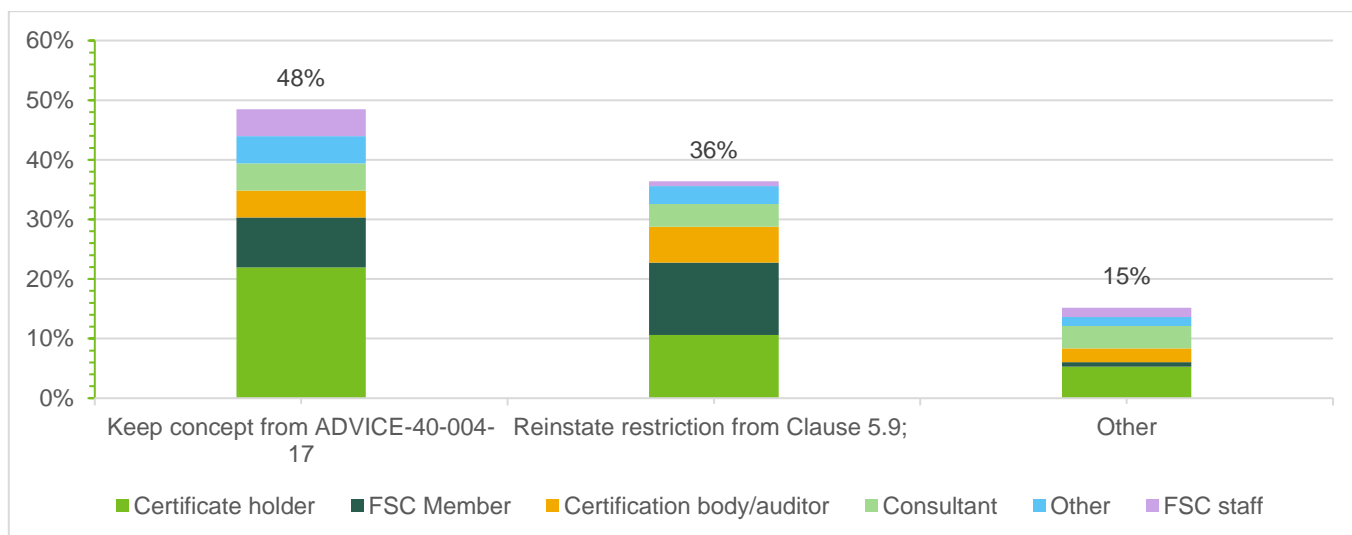

Figure 7 Breakdown of responses for Q5 per stakeholder type

At the membership level (Figure 8), 67 stakeholders responded with polarized feedback for options a) and b) (close to 45% each). In the Economic chamber, close to half (52% out of 46 respondents) selected option a). In the Social chamber, the vast majority (71% out of 17 respondents) selected option b). The Environmental chamber had a lower participation (4 in total), with opinions divided across the three options provided.
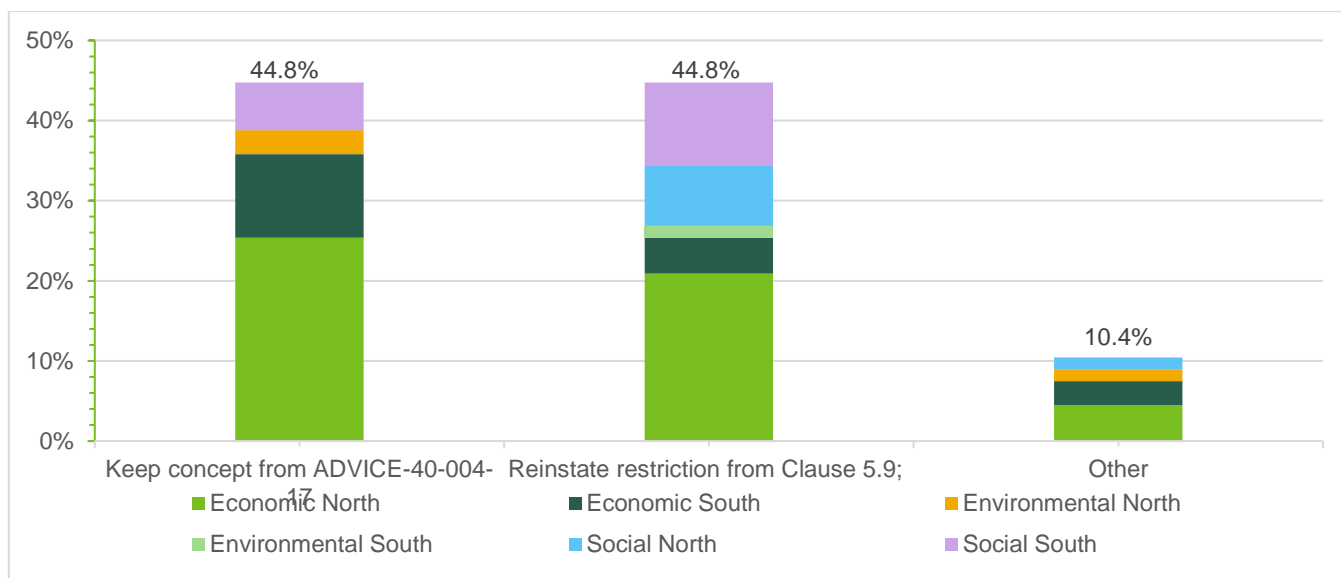
Figure 8 Breakdown of responses for Q5 per member groups

Below is the key feedback from participants:

Option	Comments
Keep concept from ADVICE-40-004-17	Avoid changes; this option reduces complexity/ costs in controlling the product groups (optimized trading). Companies are dependent on the availability of the type of material on the market, and still want to communicate in a consistent and coherent way. Revise FSC-STD-50-001; clarification for costumers/ consumers can be made in guidance and marketing materials. The current FSC Mix label already minimizes consumer misinterpretation, i.e., "Supporting responsible forestry" (directly and indirectly).
Reinstate restriction from Clause 5.9.	May be perceived as false marking (greenwashing) and therefore misleading to customers/ consumers. Reduces credibility and weakens the system. Reclaimed materials are fundamentally different from FSC Mix. Conveys a different level of due diligence and knowledge about the origin of the wood. May have a significant impact on CHs, therefore an extended transition period is recommended.
Other	ADVICE-40-004-17: risk of misinterpretation in the FSC Regulatory Module – reclaimed materials are excluded. Allow 'downgrade' (keep ADVICE-40-004-17) but impose the Moebius loop symbol. Create a new claim/label (e.g., FSC Mix-R).

2.2 FSC CW + FSC Recycled inputs in the transfer system

No.	Question
7	To what extent do you agree with applying the FSC CW output claim for a combination of FSC CW and FSC Recycled inputs. (1 - strongly disagree; 5 - strongly agree)
8	Please provide the rationale for your answer and/or any suggestion for improvement.

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A total of 131 stakeholders provided feedback to this question, with 59% agreeing with the proposal (Figure 9). 61% of the CHs and 59% of the CBs also supported the proposal. The neutral level chosen by CHs can generally be attributed to the fact that the proposal has no impact on their scope of certification.
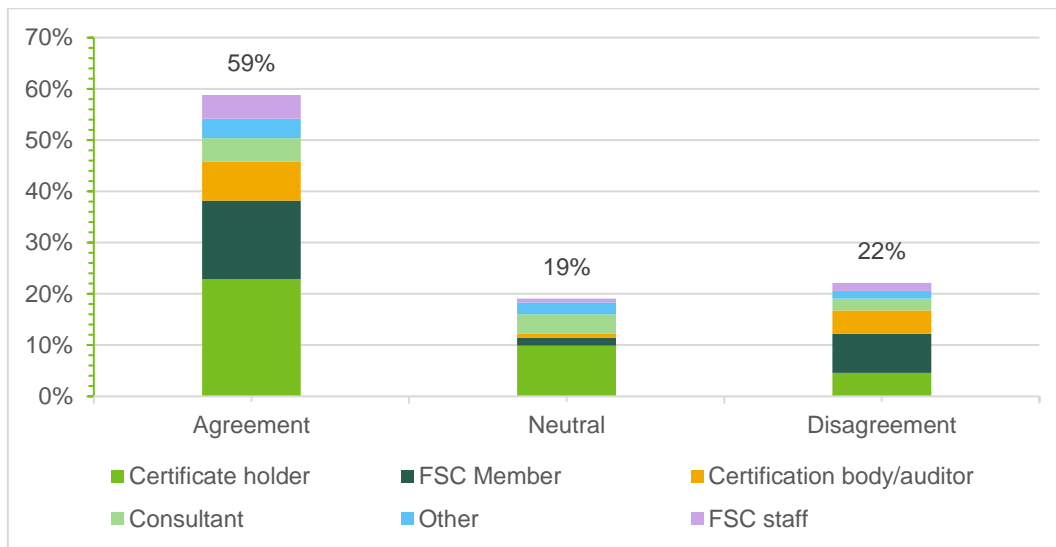

Figure 9 Breakdown of responses for Q7 per stakeholder type

At the membership level (Figure 10), where 71 stakeholders responded, a similar pattern was observed, with the overall level of agreement slightly increasing to 63%, and the level of disagreement increasing to 25%.
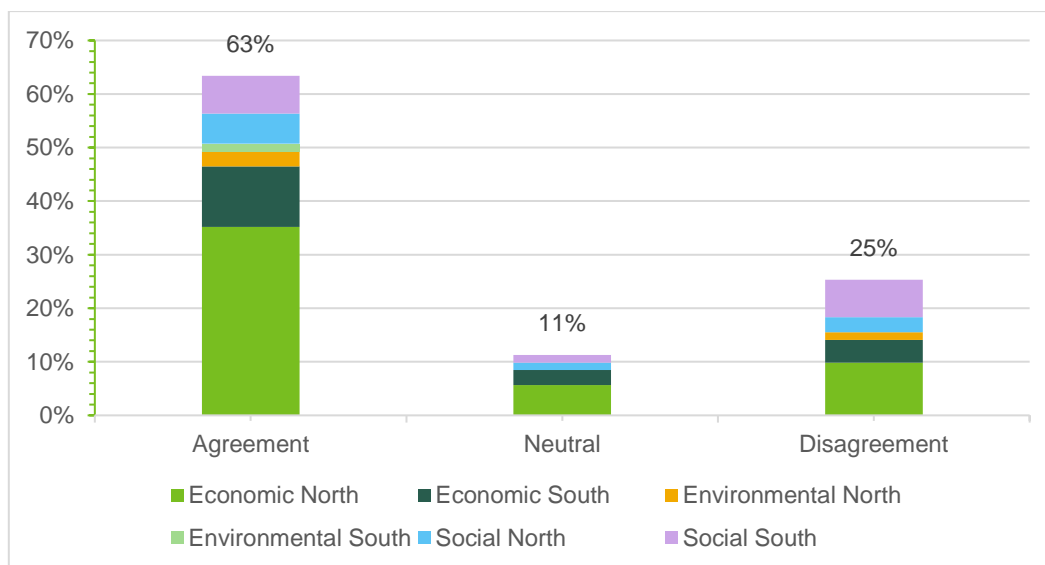

Figure 10 Breakdown of responses for Q7 per member groups

Below is the key feedback from participants:

Option	Comments
Agreement Flexible and intuitive More FSC in the market All inputs are eligible. Recycled is at minimum 'controlled'	Aligned with the concept of 'lowest FSC claim' (intuitive). Previous CHs already ensured eligibility of the materials – FSC Recycled is an FSC-certified material. Companies should be able to yield the benefits of an FSC output claim. Important for broadening the FSC offering in the B2B context. If FSC Recycled can be downgraded to FSC Mix (see topic 2.1 above), it should also be downgraded to FSC CW. Reflects the sustainable sourcing and production practices, contributing to the goals of FSC system (encourages the use of FSC Recycled inputs).
Disagreement	Undermines (discredits) and confuses the meaning of product claims. CHs should use a credit or percentage system instead. [FSC comment: not possible under the current 'FSC Mix' definition] FSC Recycled does not go through the due diligence required in FSC CW (weakens the latter).
Other	Remove the restriction that CHs can only sell FSC CW to CHs (Clause 5.6, FSC-STD-40-004 V3-1). Create a new claim, e.g., FSC CW+R; use FSC Mix instead.

2.3 FSC CFM with claim-contribution

No.	Question
9	To what extent do you agree with the proposed claim-contribution for FSC CFM? (1 - strongly disagree; 5 - strongly agree)
10	Please provide the rationale for your answer and/or any suggestion for improvement.

Summary

The majority of respondents were in favour of assigning a contribution to the "FSC CFM" claim and the basis for their agreement was that it incentivizes current CFM certificate holders and future applicants. There were some concerns regarding the complexity of this claim and a lack of understanding of how it would work in the CoC system, suggesting the need for further clarification on this proposal.

On the other hand, participants who opposed this proposal, believed that it would add another layer of complexity to the system, without adding much value, as there are not that many CFM certificate holders.

Detailed Analysis

Out of 131 responses, 44% (58) agreed and 28% (37) disagreed, while the rest stayed neutral.
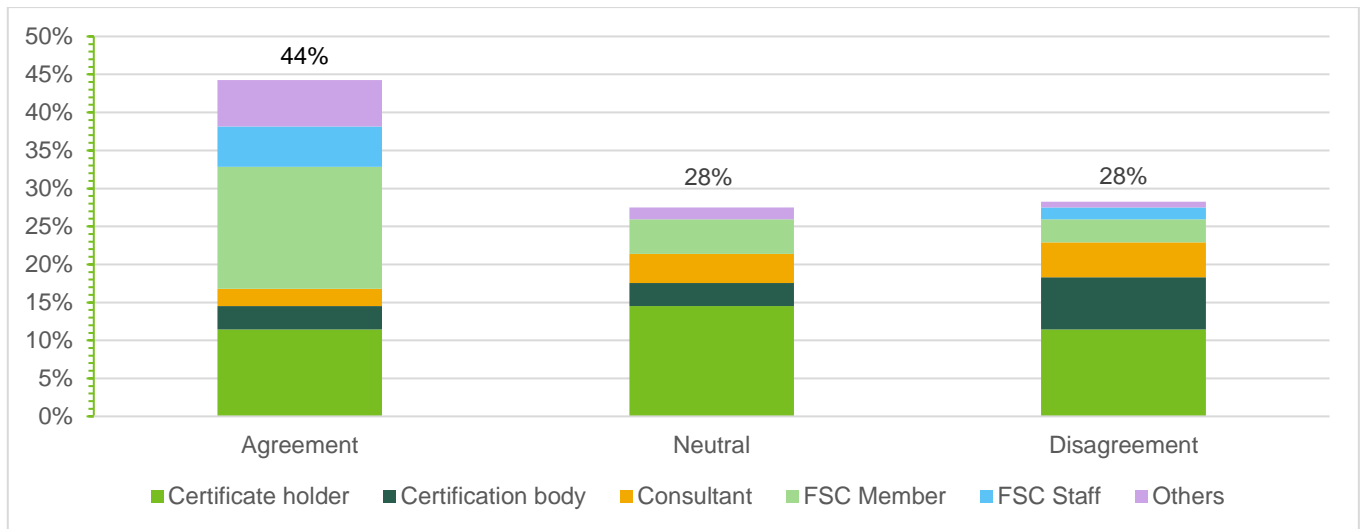
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Figure 11 Breakdown of responses for Q9 per stakeholder type

Below is the key feedback from participants:

Key feedback	Comments
Agree This encourages CFM CHs as it has +75% IGIs Suggest 50% claim contribution to not make it confusing with 70% labelling threshold	A number of stakeholders (22) believed that assigning a 70% claim contribution for "FSC CFM" would benefit CFM CH and encourages more CHs to buy this instead of "FSC CW". Some Stakeholders agreed with claim contribution for CFM but suggested to only 50% as 70% might be confusing with the labelling threshold.
Disagree Makes the system complicated Adds so little value, not so much CFM Discourages for having full FM	Some stakeholders believed CoC system is complicated enough and this would further complicate it, and this proposal does not have so much added value due to limited number of CFM CHs. Another point raised for disagreement was that this proposal could discourage CHs for obtaining full-FM certification.
Other	Based on other received comments, it seems this proposal needs further clarification as many stated that they did not understand the concept of assigning claim for "FSC CFM".

2.4 Streamlining FSC Mix/Recycled Claims

No.	Question
11	To what extent do you agree with the proposed change to FSC Mix/Recycled 100% to replace FSC Mix/Recycled Credit? (1 - strongly disagree; 5 - strongly agree)
12	Please provide the rationale for your answer and/or any suggestion for improvement.

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Summary

These questions were perceived as highly controversial by stakeholders, with almost equal support and opposition. The majority of those that opposed argued that the claim "FSC Mix 100%" could be misleading, as it could be interpreted as equivalent to "FSC 100%". Additionally, they noted that certificate holders have already incurred significant costs in adapting their systems to establish a credit account; requiring further changes would impose substantial expenses and cause confusion.

Supporters of this proposal felt that it would simplify the system, reduce the number of claims in the CoC standard and improve the perception that FSC Mix claims contain certified material from the forest – particularly since not everyone understands what credit claims mean.

There was other feedback, with some stakeholders suggesting that this proposal should happen only for "FSC Recycled", as in principle "FSC Recycled Credit" and "FSC Recycled 100%" are the same thing.

Detailed Analysis

Out of a total of 128 responses to Question 11, 37% (48) agreed, 40% (51) disagreed and the rest stayed neutral.
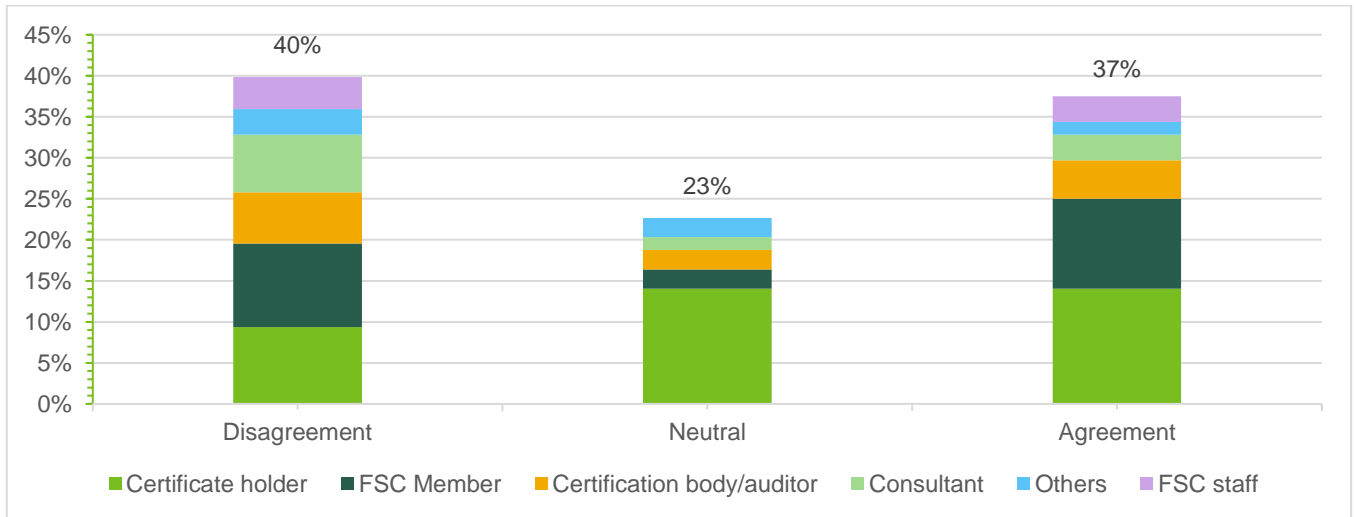

Figure 12 Breakdown of responses for Q11 per stakeholder type

Below is the key feedback from participants:

Key feedback	Comments
Agree Simplifies and streamlines the claims - helps Mix perception that includes certified material The impact from this change is not significant on CHs	Some stakeholders (24) believed that this change could "streamline the requirements and remove one claim from the CoC system". Supporters of this proposal also stated that this change would not have a significant negative impact on CHs.
Disagree Could be misleading the public perception	Opposers of this proposal stated (19) that this change could mislead the public and convey the message that "FSC 100%" and "FSC 100% Mix" are the same.

Huge costs and confusion for CHs, many already use credit	Furthermore, they believed that this change would cause unnecessary costs for CHs that have already established and adapted their systems according to the credit system.
Other	Some other feedback was: • the future of "FSC Recycled" to be removed from CoC system as it is far from FSC's forest preservation mission and • this change to be applied to only "FSC Recycled Credit" as it is basically the same as "FSC Recycled 100%"

3   Timber Legality Requirements

No.	Question
13	To what extent do you agree with keeping specific legality requirements in a complementary standard. (1 - strongly disagree; 5 - strongly agree)
14	Please provide the rationale for your answer and/or any suggestion for improvement.

A total of 125 stakeholders provided feedback to this question, with 79% agreeing with the proposal (Figure 13). 82% of the CHs (out of 49 respondents) and 60% of the CBs (out of 15 respondents) also supported the proposal.
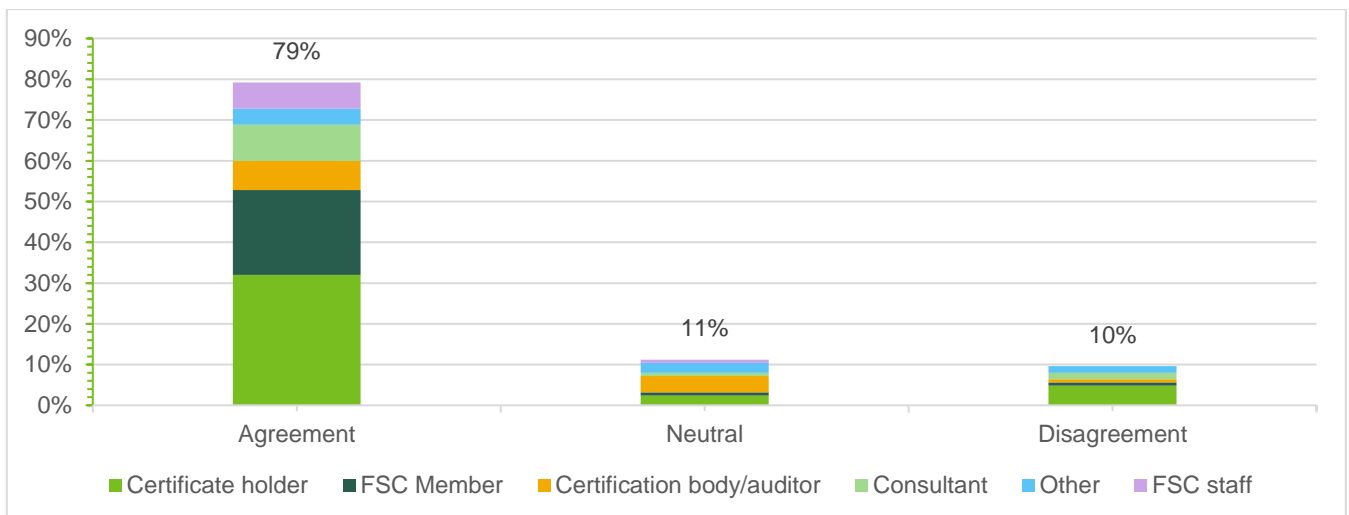

Figure 13 Breakdown of responses for Q13 per stakeholder type

At the membership level (Figure 14), where 67 stakeholders responded, a similar pattern was observed, with the overall level of agreement slightly increasing to 81%, and the level of disagreement remained at 10%. In the Economic chamber, 75% (out of 48 respondents) agreed with the proposal. The Social and Environmental chambers did not register any disagreement – around 93% (out of 15 respondents) in the social chamber agreed (1 vote on 'Neutral') and all 4 respondents from the Environmental chamber agreed with the proposal.
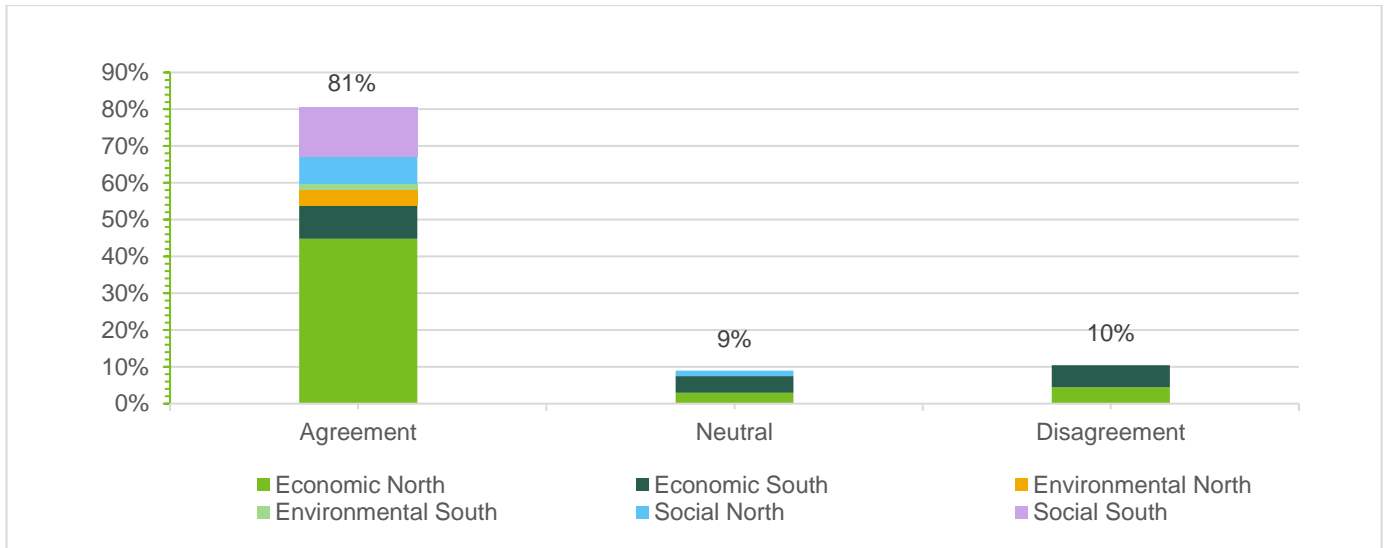
Figure 14 Breakdown of responses for Q13 per member groups

Below is the key feedback from participants:

Option	Comments
Agreement Flexibility depending on the scope and updates needed Support for a voluntary decision on the CH to use FSC's framework	Maintains clarity, focus and greater flexibility (and update) according to specific local legislations. Country-specific requirements should not be present (and applicable) in a global standard. Creates a visual separation between mandatory and voluntary requirements, e.g., FSC Regulatory Module. FSC-STD-40-004 could never capture all possible local legislations. The CH are to develop and implement the procedures.
Disagreement Legal requirements have to be checked regardless. Accreditation process burden	No country-specific legislations are necessary (creates too many complementary standards), legislation is mandatory regardless of FSC. Voluntary requirements will weaken integrity; it will no longer be audited. Goes in the opposite direction of intended outcome 1 (integrity is enhanced) and intended outcome 3 (requirements are streamlined) – requirements in separate standards. A burden on the accreditation process of CBs.
Other/ complementary	Suggested more interpretations, guidance and examples per country. Voluntary certification cannot replace legislation, question whether FSC should cover legislation at all. Digitization will play an important role in defining scope specifications.

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4 Labour Requirements

No.	Question
15	Do you have any specific concerns on any of the example changes on forced labour, child labour, and discrimination proposed?
16	Please detail these specific concerns
17	Are there other elements of the current CLR that should also be revised? Please include, for example, terms and definitions to be amended
18	Do you agree with the proposed suggestion to retain a general commitment to OHAS within Section 1, while keeping the main new requirements in Section 7?
19	If you answered 'No' to Q18, please provide your rationale
20	Please provide any immediate concerns you have on the inclusion of OHAS within Section 7 (FSC CLR)?
21	Do you consider the capture of quantitative information (e.g. worker number, gender, type) would present a major challenge for stakeholders?
22	If you answered 'Yes' to Q21, please provide your rationale, or suggest an alternative document or method to capture this data

Summary

The questions on the topics covered under Labour Solutions covered enhancements to the current requirements, the new addition of occupational health and safety (OHAS) requirements in FSC CLR, and the proposed collection of data on workers. In general, there was clear sentiment that there remain major challenges with the implementation of the current requirements, with overall mixed feedback received across all questions.

On changes to the current FSC CLR, these were generally supported, however significant feedback was received on the issue of child labour and forced labour, with many stakeholders not supportive of any reduction in the current requirements for child labour but they did support enhanced requirements on forced labour, with recommendation to include prohibition of prison labour in FSC supply chains.

On general amendments to FSC CLR, there were reiterated requests for risk-based approach and ensuring alignment between ILO requirements and the normative requirements.

For the changes to OHAS, majority of participants were supportive of OHAS being brought into Section 7 while maintaining the general requirement in Section 1, however there were still a contingent that disagreed with this approach and instead, preferred all elements related to workers to be kept in one section.

Finally, on the proposals for data collection, the majority of stakeholders did not support this concept, noting that this would be difficult, resource-intensive, and many questioned the justification of the effort. However, there were also a significant contingent who supported this proposal, with this data commonly already collected, and that this approach mirrors that of FSC Forest Management requirements.

Detailed Analysis

Q15

For Q15, the majority of stakeholders answered that they did not have any specific concerns about the proposed changes (66%), however there were participants from all stakeholder types, besides FSC Staff. FSC members and consultants were the two groups that provided the least support, with both groups having greater numbers with 'concerns' to 'no concern'.
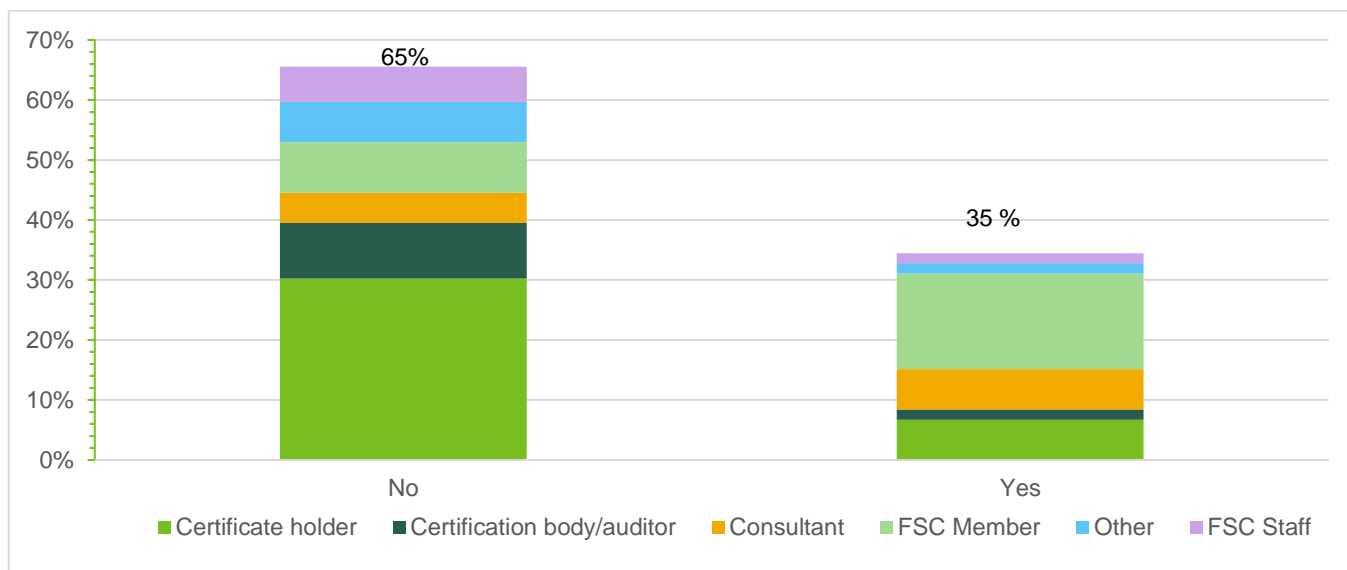

Figure 15 Breakdown of responses for Q16 per stakeholder type

Q16

To provide rationale to responses to Q15, 47 comments were received. 34 comments linked to a 'yes' response to Q15, with 13 comments providing further commentary to a 'no' response. The comments were reviewed and summarised into topics, as provided below.

Type	Detail
Support	Stakeholders noted general support for the changes, with no particular concerns.
Concerns **Universal Requirements**	**Child Labour** • Reduction of age permissible to work to include any age from 12-14 is not supported, with calls for the age permitted to be 18 or that stated by national law. This sentiment was reiterated where the practice of child labour in 'some Global South countries' is an issue and requests for it to be 'eliminated from any FSC certification', with another stakeholder commenting that 'lowering the threshold […] completely misses the mark'. **Forced Labour** • Request for more guidance and improved terminology, for example, providing clear definition of 'prison labour'. • Other stakeholders suggested that any certificate holder with prison labour is detected in its supply chain should have its certification 'revoked'. **Discrimination** • Stakeholders raised concerns over the changes related to discrimination and 'equal wage, equal work', with the case of those changing in companies where long-term employed are often paid more simply due to their long-term employment.

	• The concept of 'self-determination' for the term 'gender' proposed for inclusion in the definition was also raised as potentially problematic for any data collection, in countries where this is illegal.
Other	**Alignment with ILO conventions** • Request for alignment with the ILO conventions **Risk-based Approach** • Calls for a risk-based approach to ensure changes for countries considered as 'low risk' are not made 'more complex and burdenful'. **Implementation Time** • Request for plenty time for implementation and necessary changes to documented policies and processes, with proposal of at least 2 or 3 year phase-in period.

Q17

With reference to examples of changes provided in the report, participants were asked to provide any additional elements that should be considered in the revision. 66 comments were received, and grouped into topics, as shown below:

Suggested Amendments	Detail of Requests
Member Motion 50	• Implementation note provided in the Member Motion to be included in the Standards.
Risk-based Approach & Proportionality	• Risk-based approach to ensure the burden of documentation and evaluation is proportionate, with reference to the existing work for Forest Management e.g. PRO-60-010 and related guidance. Not only is this proposal limiting the 'administrative burden', but also 'bring added value' to certificate holders. • Fewer questions to be asked where no risk present, with evidence backed from no findings in previous evaluations. • Risk of the outsourcer should be the assessment of the certificate holder organization. • Reference to the Corruption Perceptions Index (CPI) as the means to assess risk. • Proportionality for FSC CLR's applicability for outsourcers, looking to the specific activity.
Auditability	• Provide indicators for enhancements that are auditable e.g. Freedom of Association and Occupational Health and Safety.
Other	**Guidance** • For Freedom of Association where 'Union Shop System' is present. • For 'Access', with reference to privacy laws.

	Reclaimed Supply Chains
	• Include discussion of CLR in recovered material supply chains, where modern slavery and dangerous working conditions exist.

Q18

73% support the proposed step to continue to keep the reference to general commitment to occupational health and safety in Section 1, with new requirements in Section 7, however 27% disagree. Certification bodies and consultants had the largest percentage of 'No' from their respective overall totals (38%).
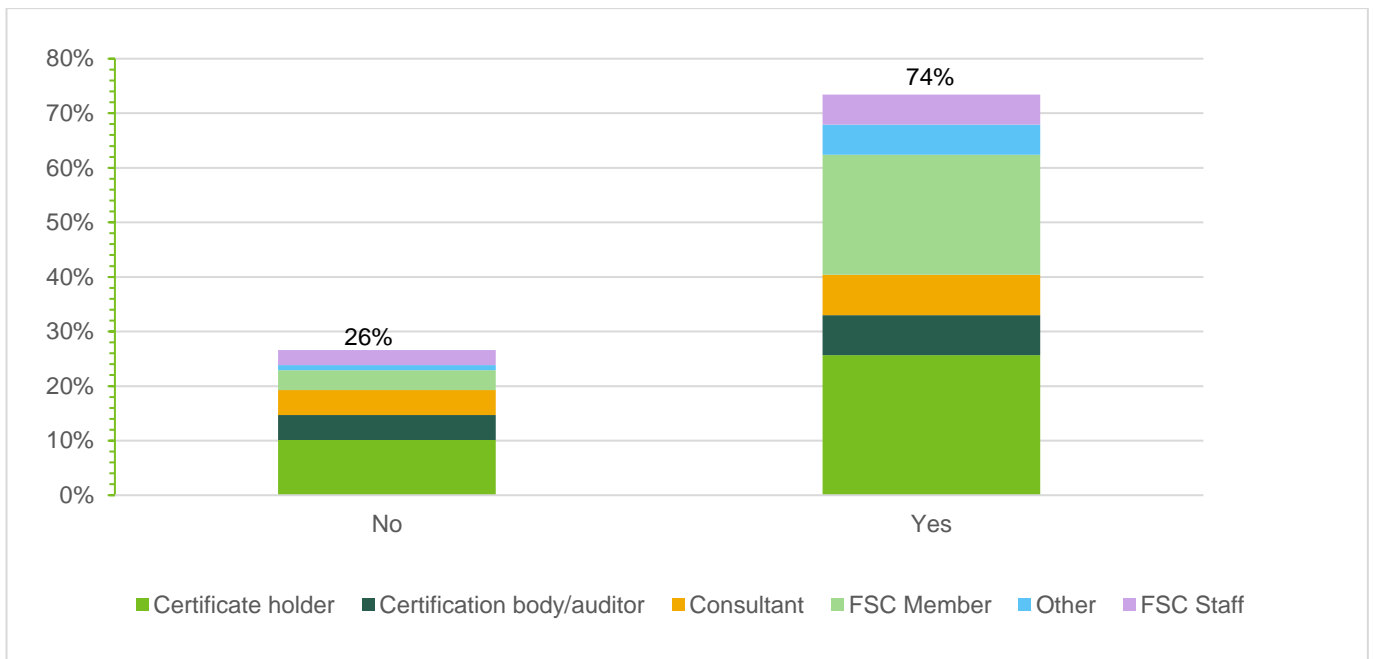
Figure 16 Breakdown of responses for Q18 per stakeholder type

Rationale for answering 'No' was provided by participants, with majority supportive of only one section for all matters relating to core labour requirements (57%). Under 'Other', there were a number of comments questioning the applicability of OHAS for small companies, how these rules apply to self-employed persons, and the concept of freely elected occupational health and safety representatives.
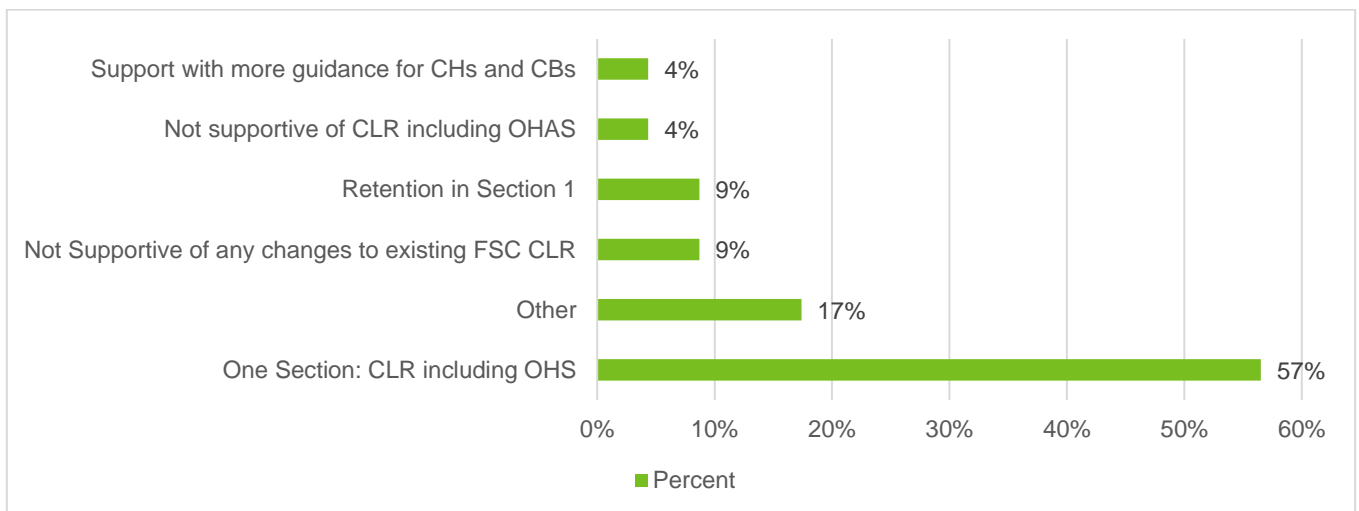
Figure 17 Comments received on Q18

Below is the key feedback from participants:

Type	Detail
Concerns	**Applicability** Concern for companies with few to sole employees, where national law does not require OHAS representatives. Likewise, for those who are self-employed, and companies which have persons assigned to represent OHAS. **Outsourcing** Concern over the prescriptiveness of Member Motion 51, with expected criticism from certificate holders, especially on application for outsourcers. **Sufficient Current Requirements** Stakeholders consider the current requirements in Section 1 to be sufficient and this adds complexity to the system.
Requests	**ILO Requirements** The requirements for implementing Member Motion 51 should mirror the ILO requirements, with reference to Conventions 155 and 187, similar to the other existing FSC CLR. **Risk-based Approach** Requirements to be applicable on country basis, supported by regional, risk-based criteria. Request for requirements not to be mandatory for organizations which already have a OHAS representative in place, and dependent on worker number. **Other** Request for CLR requirements that are not relevant to 'material flow' be added to an Annex.

Participants considered the proposed change to capture quantitative data would present major challenge (58%).
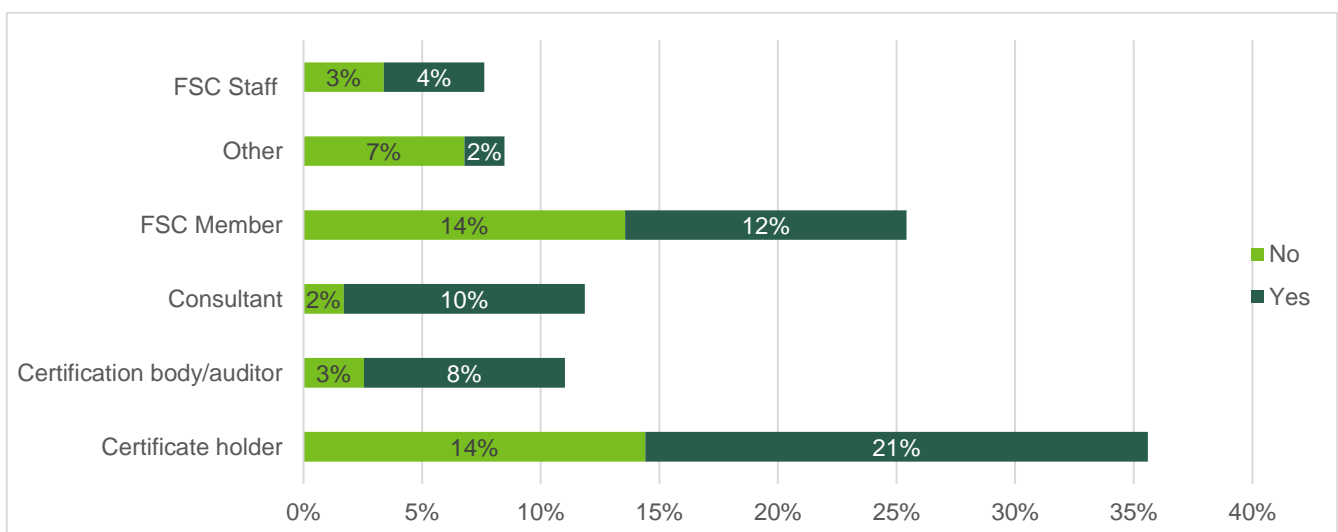
Figure 18 Breakdown of responses for Q21 per stakeholder type

For those who considered data collection represented a major challenge, this was primarily based on the concern for data protection considerations, weak justification for collecting this data, and suggestions that this request represented overreach from FSC.

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Type	Detail
Support & Recommendations	**Availability** Stakeholders supported the idea, claiming this information is commonly captured for other stakeholders such as government and other trading partners, is 'basic information', and this approach by FSC follows what is required at the FM-level. However, it was noted that this data on a certificate holder level should not be made public. **Gender** Some stakeholders were supportive of the collection, but requested FSC add the option for self-identification, with 'non-binary' or 'other' or 'No comment'.
Concerns	**Justification** The rationale for collection of worker information was considered weak to justify the resources, such as additional auditor time and capacity required. **Overreach** Many stakeholders considered this data collection burdensome, not meaningful, and not in line with the plans to streamline and simplify, highlighting this information is not related 'product traceability' and that FSC is a 'voluntary chain of custody scheme'. **Resources** Collecting the data is considered very difficult, especially for contractors, with some certificate holders with 'hundreds of contractors'. Additionally, there are concerns about data collection regarding existing privacy and confidentiality laws, as well as its impact on the self-assessment and the requirement to keep this up to date. Another stakeholder noted collecting this data could cause 'significant tension between auditors and certificate holders'.

5   Product groups and control systems

5.1 Species information within the CoC system

No.	Question
23	Please select your preferred option. (single choice) • Scenario A: All certificate holders are required to provide their species information; or • Scenario B: Species information is only required when required by the legislation. • Other
24	Please provide the rationale for your answer and/or any suggestion for improvement.

Summary

Many of the stakeholders supported aligning species information requirements with existing legislation with reasons that this would ease conformance for organizations and reduce the burden of going beyond legislation requirements. However other stakeholders argued that species identification is essential for maintaining the integrity and traceability of FSC-certified products, enhancing system credibility and certification value, and should therefore be required in all cases. On the other hand, certain stakeholders

suggested making species identification mandatory only for product categories which are influenced by species characteristics while exempting product categories where species information holds little or no relevance (current Clause 8.3 c) in FSC-STD-40-004 V3-1). A group of stakeholders also indicated that, paper manufacturers and printing companies often use a mix or changing inputs, and therefore face challenges in tracking species, so should be exempted from species identification requirements.

Detailed Analysis

Figure 19 shows that of 119 responses, 42% of the stakeholders indicated that species information should only be required when demanded by the applicable legislation, while 38% indicated that species information should be required by FSC in all cases.
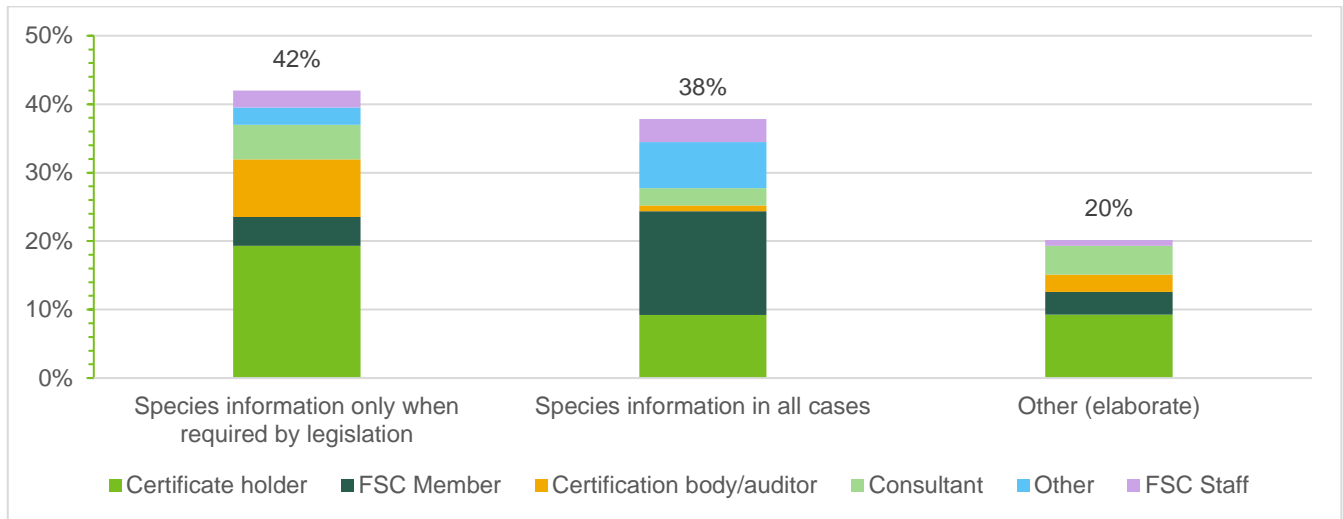

Figure 19 Breakdown of responses for Q23 per stakeholder type

Of the 65 FSC members who participated in this section, the most preferred option was the provision of species information in all cases (40%), with endorsement from all members of the environmental chamber and most members from the social chamber (Figure 20).
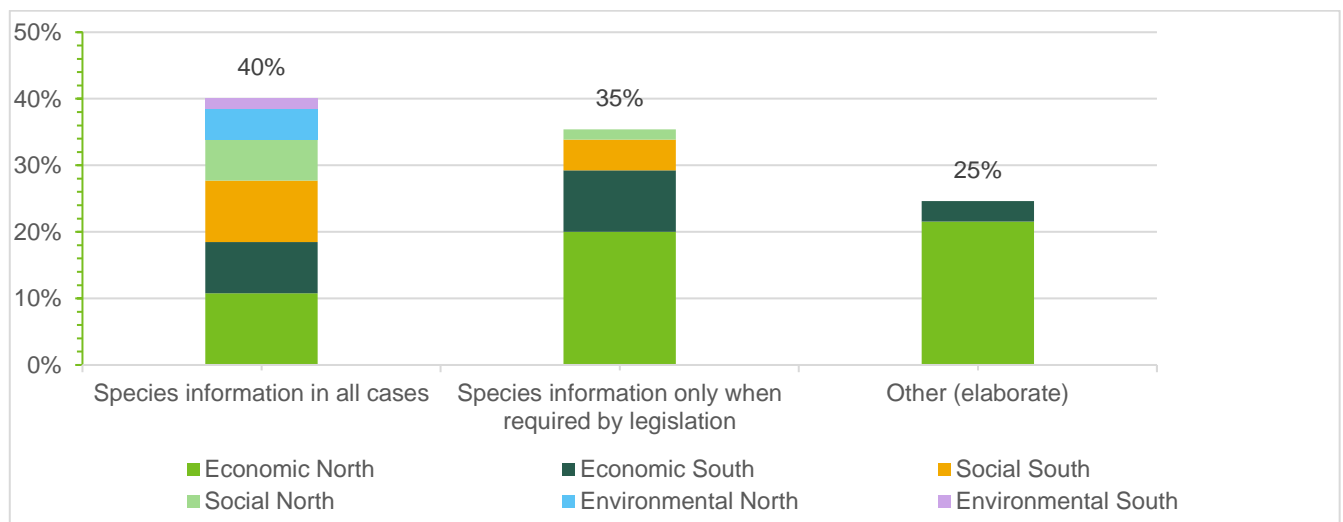

Figure 20 Breakdown of responses for Q23 per member groups

Below is the key feedback from the participants:

Option	Comments
Species information in all cases	Species identification is viewed as a minimum requirement to ensure the integrity and traceability of FSC-certified products, strengthening the FSC system and adding value to certification for stakeholders.
Species information only when required by legislation	Aligning species identification requirements with existing legislation will reduce the burden on organisations. Aligning with legislation ensures compliance without additional work, particularly for companies selling products across different countries with varying regulations.
Streamline requirements for certain organisations	There is a call for species identification to be mandatory only for product categories where species are critical for product designation, such as lumber, but exempt for products such as paper or assembled goods where species information adds little value.
Other	Industries such as paper manufacturers and printing companies face significant challenges in tracking species information due to mixed or frequently changing inputs. As a result, many propose exempting these industries from species identification requirements to avoid unnecessary workload.

5.2 Cross-border credit/percentage systems

No.	Question
25	To what extent do you agree with expanding the scope of clauses 10.4 c) and 11.3 c) to Canada/the US region, or the EEA? (1 - Strongly disagree, 5 - Strongly agree)
26	Considering the proposal to expand the scope of clauses 10.4 c) and 11.3 c) to Canada and the US region or the EEA, please choose the options: • The proposal contributes to promoting the emergence of certification for areas that are remote and currently lack FSC-certified materials. • The cross-border model for credit/percentage control systems will enhance the visibility of FSC claims/trademarks in locations where FSC-certified materials are scarce or developing slowly. • The cross-border model for credit/percentage control systems will facilitate sourcing more materials, even if the sourcing sites would be unable to process all of them into FSC job orders. • A set of criteria must be established so other economic regions can join in the future.
27	Do you have any further comments about expanding the scope of Clauses 10.4 c) and 11.3 c) to North America (Canada and the US) region, or the EEA?

28 If you hold a CoC certificate in the Eurozone, please choose the answer that best reflects your current implementation of the requirements in Clauses 10.4 c) and 11.3 c) (select all that apply).

- The current requirement is fully supported.
- Multi-site certificate holders are able to set up the control system and monitor the system across borders within the Eurozone.
- Multi-site certificate holders are unable to set up the control system across borders within the Eurozone.
- The question is not relevant to my scope of work.

63 members from all three chambers responded to Question 25, 16% of which stayed neutral with enabling credit/percentage system across borders. 58% of respondents agreed with the change, however over 27% disagreed.

While the proposal received strong support from the economic chamber, most social chamber members disagreed (Figure 21).
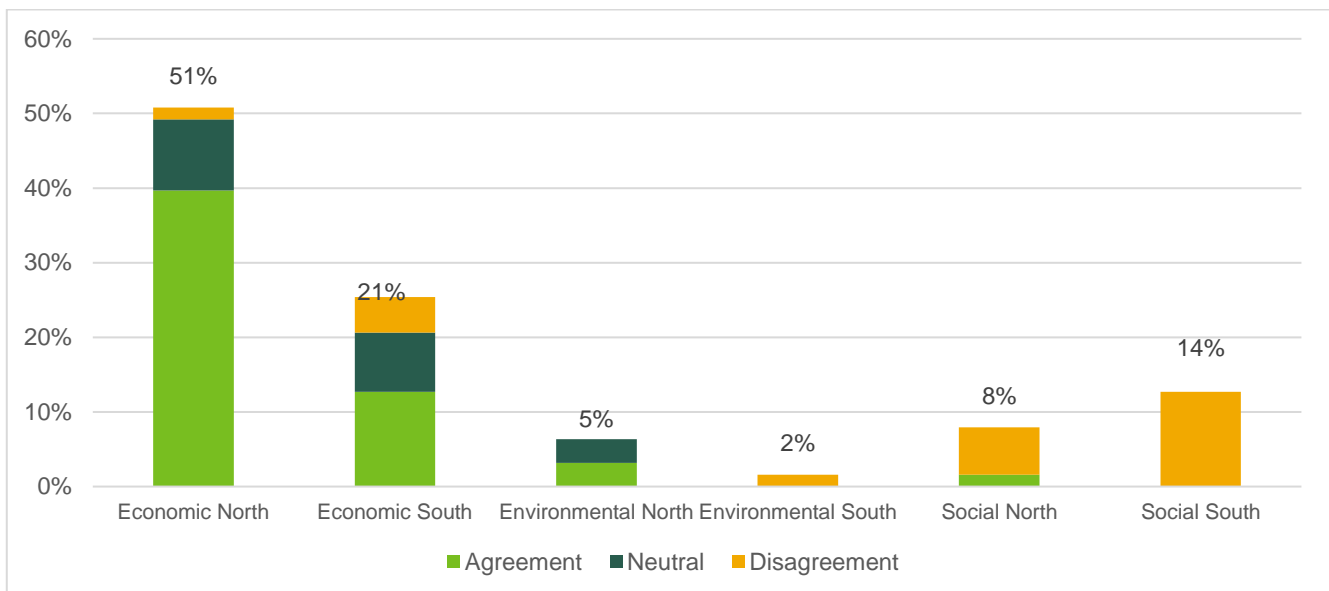

Figure 21 Breakdown of responses for Q25 per member groups

Question 26 asked stakeholders to select from a total of four options:

- Option 1: A set of criteria must be established so other economic regions can join in the future.
- Option 2: The cross-border model for credit/percentage control systems will facilitate sourcing more materials, even if the sourcing sites are unable to process all of them into FSC job orders.
- Option 3: The cross-border model for credit/percentage control systems will enhance the visibility of FSC claims/trademarks in locations where FSC-certified materials are scarce or developing slowly.
- Option 4: The proposal contributes to promoting the emergence of certification for areas that are remote and currently lack FSC-certified materials.

Option 1 focuses on researching the market demand for expanding requirements to different regions. Option 2 reaffirms the benefits for downstream supply chains when credit and percentage systems are implemented across countries. Options 3 and 4 emphasize the hypothetical added value for the CHs and FSC when implementing the changing proposal.

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A total of 85 respondents responded to Question 28, with 158 selections. Most came from Europe (EU), with 71 replies, accounting for 45% of the total, and 46 responses from North America (NA), representing 29% of the total. This distribution likely occurred because the project was piloted in certain countries within these regions. However, opinions were also gathered from other regions worldwide (Figure 22).

The majority of respondents from the EU and NA highlighted the benefits for CHs and FSC. They noted that establishing a cross-border model for credit and percentage control systems would help them source more material from areas with an abundance of FSC-certified suppliers and material availability, thereby significantly enhancing the visibility and market position of the FSC.

Recognizing the model's high potential, regions outside North America and the European Union strongly supported a proposal for FSC to establish criteria for other economic regions to join in future. This reasoning is further discussed in the analysis results of Question 27.
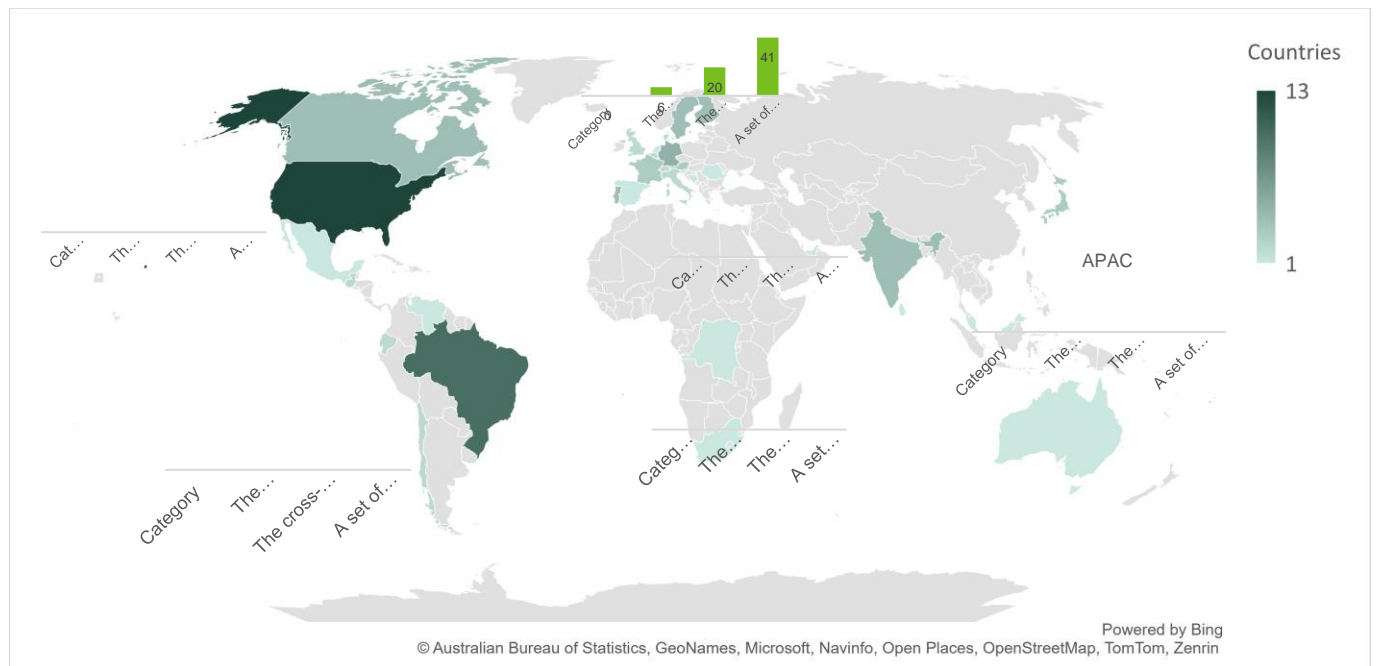

Figure 22 Number of responses for Q26 per region (1 - Option 1; 2 - Option 2; 3 - Option 3; 4 - Option 4)

Below is the key feedback from participants:

Option	Comments
Positive benefits of the initiative	By expanding this model of control systems, companies can improve their operational efficiency, facilitating the exchange of credits between their international branches. Additionally, stakeholders confirmed that the flexibility in establishing control systems across different countries will optimize the use of certified materials within multinational organizations.
Enhances risk for the integrity of FSC.	Most Social chamber members (both North and South) raised a concern about the transfer of credits within large corporate groups, especially when companies operate under different legal and regulatory frameworks. This would create problems in maintaining FSC's integrity. Expanding cross-border credit/ exchanges may also have a negative impact on transparency and traceability.

Concerns about the economic challenges and suggestion of expansion to other regions	The geographical restriction on credit/percentage sharing mainly applies to the Eurozone. If this restriction is expanded, it will also impact the EEA and North American markets. This could create competitive disadvantages for companies in other regions. Expanding without including other areas may lead to imbalances, benefiting certain countries while neglecting markets in need of development, such as Asia, Africa, or South America. Ensuring that all regions have an equal opportunity to participate will help increase the supply of certified products. Additionally, this approach will support areas with slower FSC growth and avoid limiting local demand for certified material.
Adjustment of credit contributions	Some comments suggested reducing the minimum credit and percentage contribution from 10% to 5% or eliminating the requirement. Stakeholders argued that a 10% threshold would be too high in regions where FSC-certified material is not readily available.

Question 28 focused on the impact of implementing the project within the Eurozone. Most stakeholders confirmed that the current requirement is fully supported and that multi-site certificate holders could set up the control system.

76% of respondents (19 respondents) believe that it is possible to establish a control system that can monitor operations across borders within the Eurozone. Additionally, 16% (4 respondents) fully supported the implementation of such a system. However, 8% (2 respondents) stated that they could not set up the control system (Figure 23). Additionally, all CBs agreed that setting up the control system across borders within the Eurozone is possible.
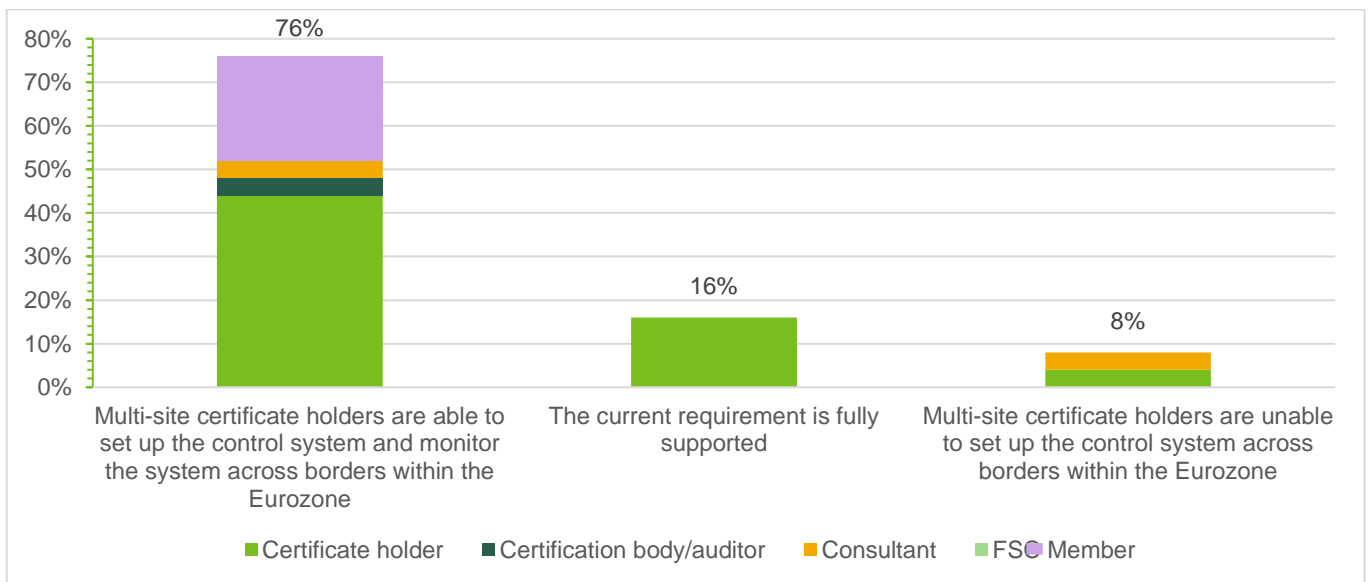

Figure 23 Breakdown of responses for Q28 per stakeholder groups

6 Composite materials

6.1 Exploring how neutral materials should be accounted for in FSC products

No.	Question
29	Please select your preferred option. a) Keep ADVICE-40-004-15; b) Define threshold for ADVICE-40-004-15; c) Specify FSC content; d) Other.
30	Please provide the rationale for your answer and/or any suggestion for improvement.

A total of 114 stakeholders provided feedback on this topic, showing a preference for specifying the FSC content next to the FSC claim/label (49%), as shown in Figure 24. A similar concept was introduced in ADVICE-40-004-15 V1-0, where the specification of the certified ingredient(s) was required on the FSC Mix label – in the current proposal, the original FSC claim would be maintained (e.g., FSC 100%). Following the publication of the advice note, FSC received feedback from stakeholders anticipating negative impacts. In the revised version of the advice note, published in January 2018, the requirement was removed.

CHs proposed specifying the FSC content (41%) and maintaining the current requirements of the advice note (39%), in a similar proportion. Most CBs were in favour of specifying the FSC content (57% of 14 respondents).
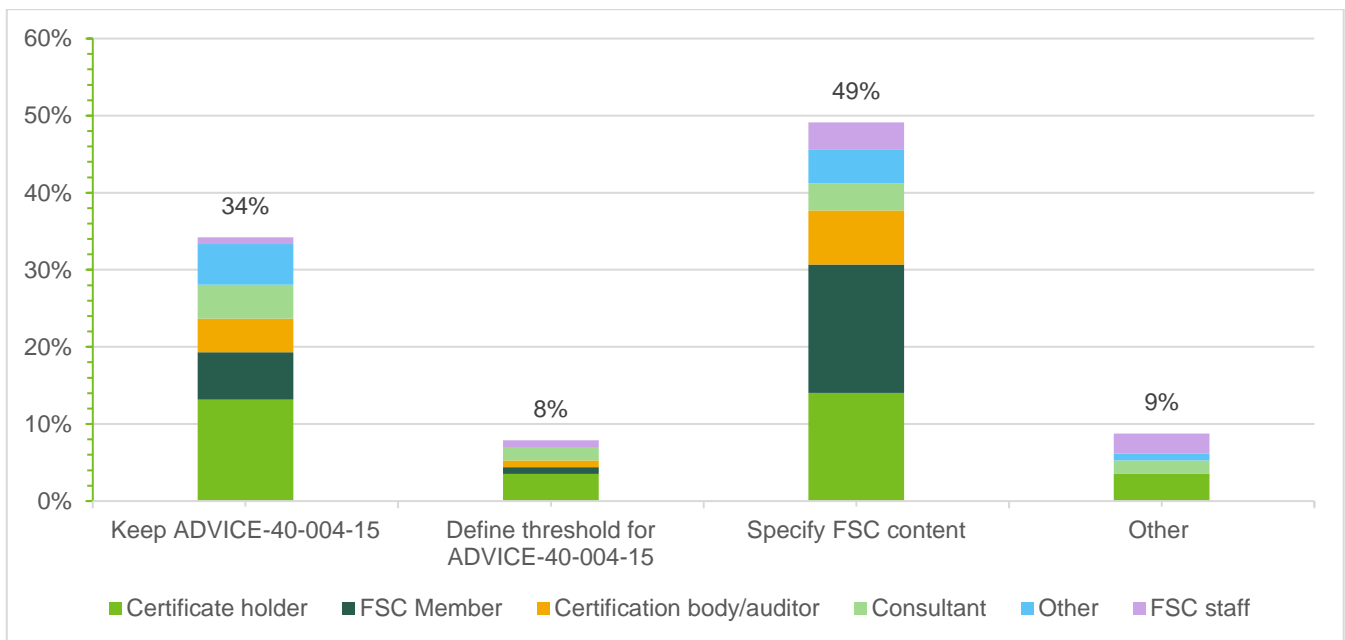
Figure 24 Breakdown of responses for Q29 per stakeholder groups

At the membership level (Figure 25), to which 60 stakeholders responded, the preferred option was to specify the FSC content (55%). In the Economic chamber, 45% supported to keep the concept in the advice note. While the Social chamber, with the exception of one, preferred the option of specifying the FSC content, as did all respondents from the Environmental chamber.

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When asked for their justification and suggestions for improvement, the membership leaned towards a hybrid proposal, combining options a) and c) (FSC Mix claim/ label and the FSC content specified), which is essentially the proposal from the first version of the advice note.
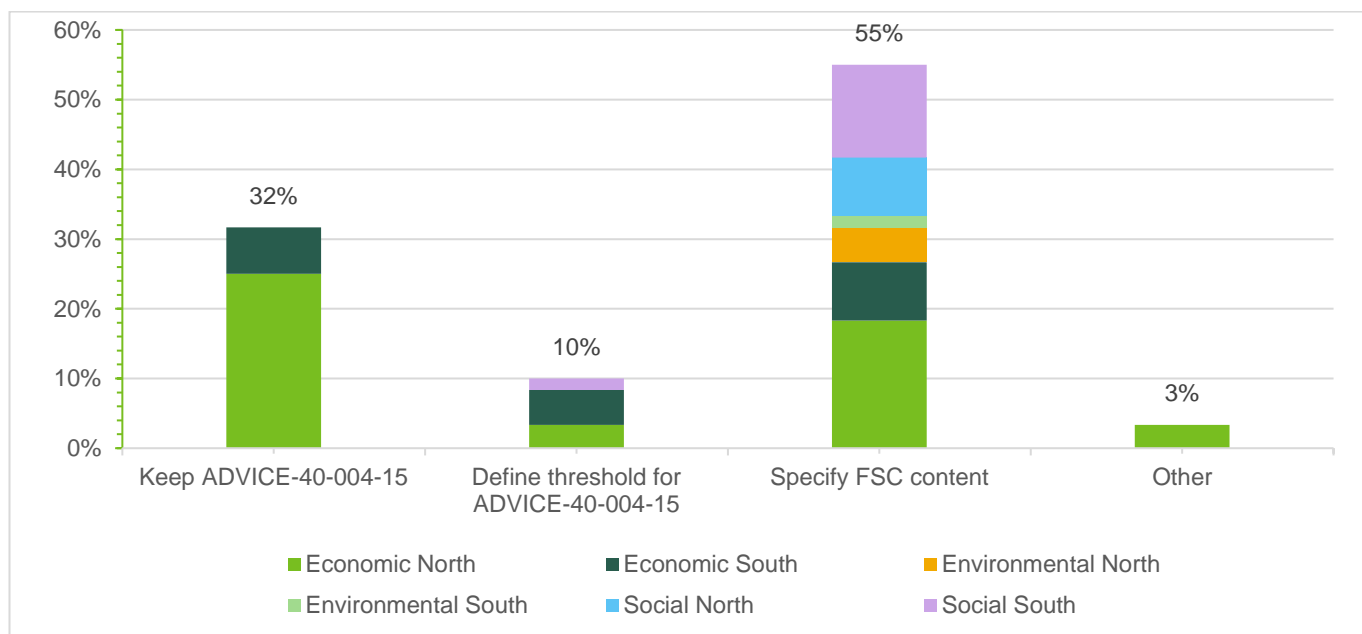

Figure 25 Breakdown of responses for Q29 per member groups

Below is the key feedback from participants:

Option	Comments
Keep ADVICE-40-004-15	Simpler and avoids potential misinterpretation of the claim/label.
	Calculating precise proportions may be difficult for CHs, thus keeping 'FSC Mix' label is the easiest solution.
	Provides a good solution, although clarity could be improved.
	EU Green Claims Directive is a welcomed initiative, and any changes should be analyzed against it.
Specify FSC content	Provides the highest level of transparency and clarity for consumers, preventing misleading claims and maintaining FSC's credibility.
	'FSC Mix' does not necessarily make it clearer that the product is only partially forest-based – which would be done by an extra text.
Define threshold where ADVICE-40-004-15 would apply	Ensures that products with greater proportion of FSC content continues to be valued (as FSC 100%).
	Balances the need for transparency with operability.
	Works in cases where there is no precise proportion, or the proportion varies from batch to batch.
Combination of ADVICE-40-004-15 with FSC content being specified	CHs to specify FSC content (e.g., FSC 100%, 5% viscose), and when not possible (due to space constraints), use the FSC Mix label (ADVICE-40-004-15).

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Combination of minimum threshold with specified FSC content	'FSC Mix' should not indicate a mix of forest-based and neutral materials – It is a new logic compared to current rules, confusing even more customers/ consumers. Require a minimum input to be able to use FSC 100%, and below that, require a disclaimer.
Other/ complementary	The FSC label could have a broader range of product types to serve this purpose.

7 Outsourcing

No.	Question
31	To what extent do you agree with the directional changes to outsourcing requirements. (1 - strongly disagree; 5 - strongly agree)
32	Please provide the rationale for your answer and/or any suggestion for improvement.

Summary

A total of 120 stakeholders provided feedback on this topic, with an overall consensus (55%) in favour of the directional changes to the outsourcing requirements (Figure 26). It is worth noting a large proportion of stakeholders (28%) took a neutral stance, which may be partially explained by the fact that different topics were being discussed and stakeholders may not necessarily agree or disagree with all directional changes.

Half of the CHs (50% of 46 respondents) agreed with the proposals, in contrast to the 20% that shared their disagreement. CBs showed a higher level of agreement (58% of 12 respondents) and a lower level of disagreement (17%).
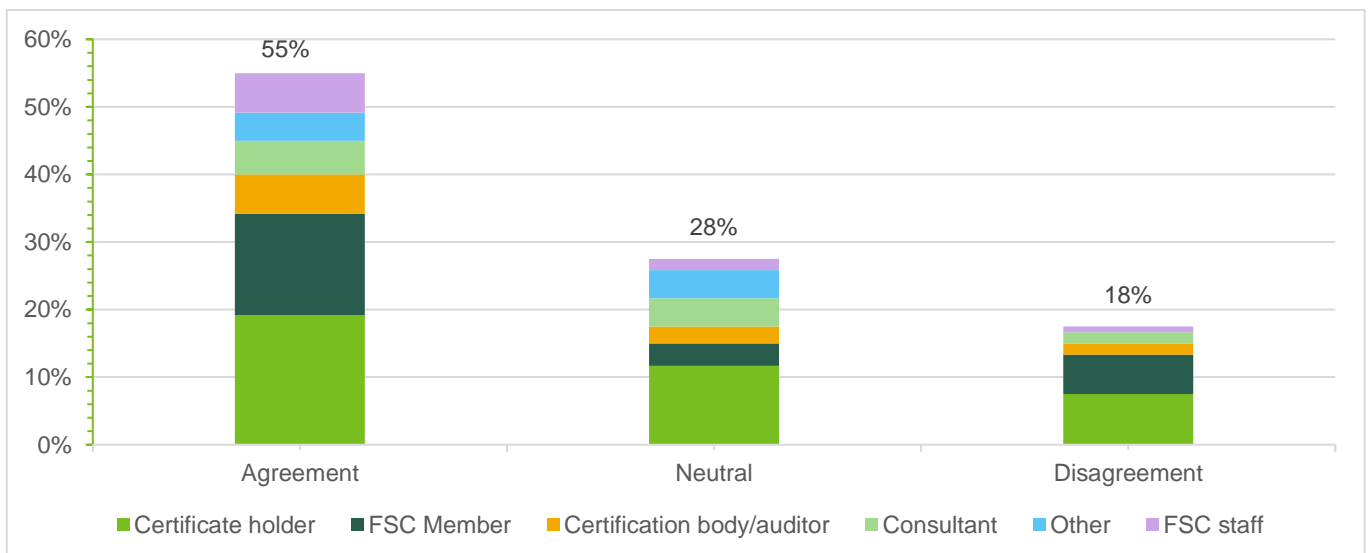
Figure 26 Breakdown of responses for Q31 per stakeholder groups

At the membership level (Figure 27), where 65 stakeholders responded, the majority (60%) agreed with the directional changes in outsourcing requirements. The remaining FSC members either disagreed or remained neutral (20% each). In the Economic chamber, 55% (out of 47 respondents) agreed with the proposal. With the exception of one FSC member, the Social chamber have either remained neutral or

agreed (79% of 14 respondents). In the Environmental chamber, 50% of the 4 respondents agreed, while the other half remained neutral.
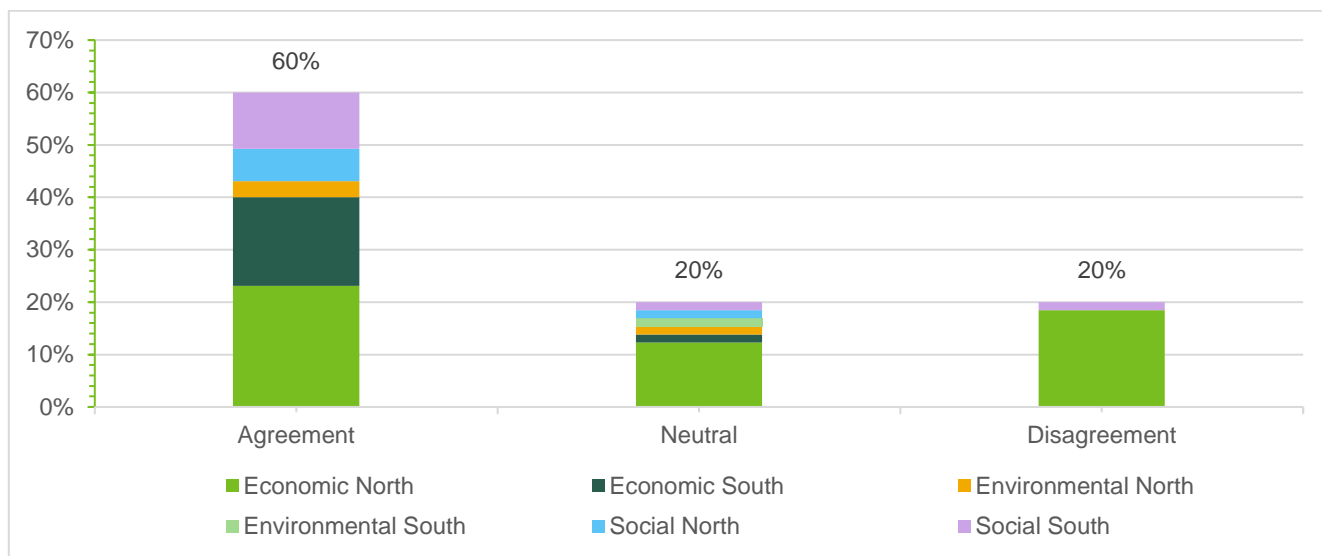

Figure 27 Breakdown of responses for Q31 per member groups

Detailed Analysis

Below is the key feedback from participants:

Option	Comments
Agreement Strengthens integrity, transparency and accountability; provides additional tools Disassociated companies should not play a role in FSC supply chains Further clarity to the scope of outsourcing is required	Reduces the risk of engaging with disassociated organizations. CHs will have access to additional tools for identifying potential risks. Improves transparency and accountability within the FSC system. Very important that FSC disclose disassociated companies (they should not work as contractors). Not possible for CHs for constantly check for disassociation of their contractors (or their mother company). Welcomed clarification, especially on which activities are covered by an outsourcing agreement.
Disagreement Simplicity is needed FSC not to regulate business practices of non-CHs	FSC should not pose requirements to non-certified companies; neither enforce business practices – up to the CH to manage risks. Reinstate Clause 13.4 e) may have strong negative impacts on the choice of contractors. Requirement should be exempted for regions/supply chains with no disassociated companies. Accept the risk as inevitable and unavoidable.
Other/ complementary	The list currently publicly available should suffice. Adherence to FSC Trace to remain voluntary. The self-disclosure should still be kept. The more automated information is (FSC driven), the better. FSC to become more efficient in disassociating 'bad actors'.

8 "Small-enterprises" – Motion 28/2020

No.	Question
33	To what extent do you agree with introducing new provisions for "small enterprises"? (1 - strongly disagree; 5 - strongly agree)
34	Please provide the rationale for your answer and/or any suggestions for improvement.

Summary

Question 33 received an almost equal balance of support and opposition. Respondents who supported this proposal believed this would add value and clarity to the standard, and would be helpful in terms of social aspects. Meanwhile, opposers stated that this would further complicate the system without much added value. Some stakeholders stated that small enterprises should not be given an advantage, just because they are small.

Detailed Analysis

Out of 118 responses, 31% (37) were in agreement and 35% (41) disagreed while the rest stayed neutral. Agreement was mainly received from certificate holders (10%) and FSC members (7%) which similarly were the highest group who voted against this proposal, as 8% of certificate holders and 8% of FSC members were opponents of this proposal (Figure 28).

Figure 28 Breakdown of responses for Q33 per stakeholder groups

Below is the key feedback from participants:

Key feedback	Comments
Agree Adds value and clarity to the standard, helpful in terms of social aspects	Supporters of this proposal (9) believed this would be helpful for small enterprises to have a specific definition and would help in terms of social aspect

Disagree	Some respondents (36) stated that this definition does not bring so much added value and would further complicate the system.
Adds more complexity with little added value + more work for CBs	
2 million is too high to be considered for all countries	Additionally, $2 million may be too high for countries with lower economic capacity.
Other	Some respondents were in favour of using EU's definitions for small organizations.

No.	Question
35	In your opinion, what should be the criteria for "small enterprises"?
36	Please provide the rationale for your answer and/or any suggestions for improvement.

Summary

More than half of respondents agreed that there should be a cap on both the number of employees and the total annual turnover of organizations. Other respondents suggested that there could be other factors such as the type of business, the location of the organization and in general a ratio of staff/turnover to be considered.

Detailed Analysis

Out of the 110 responses received, the majority of the stakeholders (57%) preferred a cap on both number of employees and total annual turnover. 13% preferred only a cap on annual turnover, whereas 11% opted for a cap on the number of full-time employees only (Figure 29).

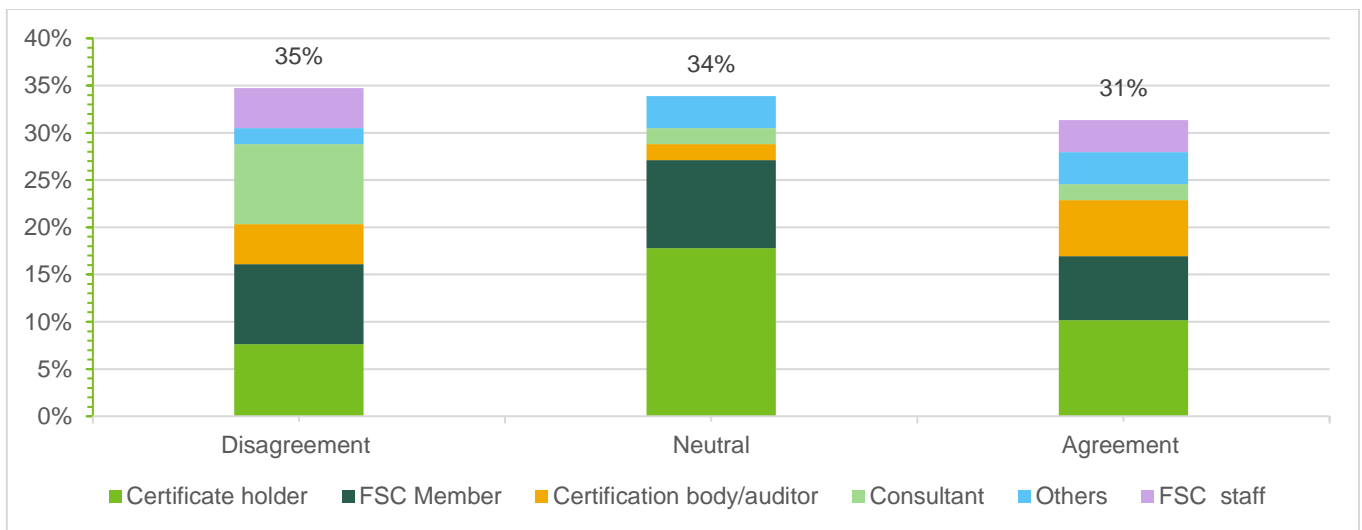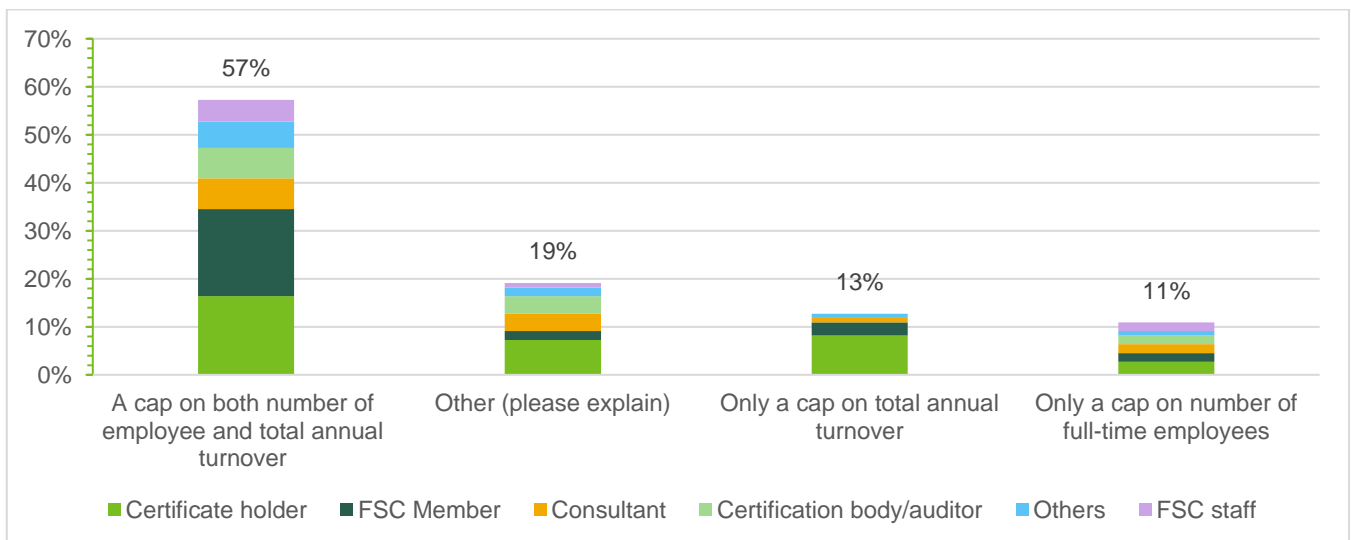*Figure 29 Breakdown of responses for Q34 per stakeholder groups*

Below is the key feedback from participants:

Key feedback	Comments
A cap on both number of employee and total annual turnover	Participants considered this as the most comprehensive approach which could clearly indicate if an organization is small. Some argued that an 'and/or' option could be used, similar to FSC's criteria for group certification.
Only a cap on total annual turnover	Proponents of this option stated this would better reflect reality, as different organizations in different regions would have different numbers of staff, which does not necessarily mean that they would be small. Some stated that the cap should be USD 5 million.
Only a cap on number of full-time employees	A cap turnover would not be helpful for traders. Different countries have different economies and one generic total turnover would not show the small organizations. Criteria on turnover would disincentivize small producers from growing.
Other	Other suggestions were: - Include other factors such as type of organization (processor, trader), location; - Instead of these two criteria, use ration of staff/turnover.

9   Group and multi-site certification

No.	Question
37	Which option do you consider more suitable for the revision of CoC group certification? - 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. In this option, organizations falling under Class 2, would be eligible for group certification - Other (please elaborate in next question)
38	Please provide the rationale for your answer and/or any suggestions for improvement.

Summary

A significant number of stakeholders, mainly FSC members, support Scenario B (most preferred option), seeing it as a balanced approach that preserves the integrity of group certification by focusing on smaller organizations for whom it was designed. They argue that the AAF classification will prevent misuse, ensuring that group certification effectively benefits smaller organizations, while excluding larger ones that can obtain individual certification. Contrarily, the stakeholders who supported Scenario A indicated that the approach would offer organisations the flexibility to choose their own path of certification without restrictive barriers. Other stakeholders suggested that, setting clear requirement and economically grounded thresholds or classifications by national offices could be adapted to benefit smaller enterprises that rely on group certification.

Detailed Analysis

For Question 37, from 114 responses, 41% supported Scenario B (using the established classifications of AAF in FSC-POL-20-005), meaning organizations who fall under AAF Class 2, would be eligible for group certification). However, 36% supported Scenario A (removing the thresholds and leaving it to organizations to decide to join groups or have a single CoC certification) (Figure 30).
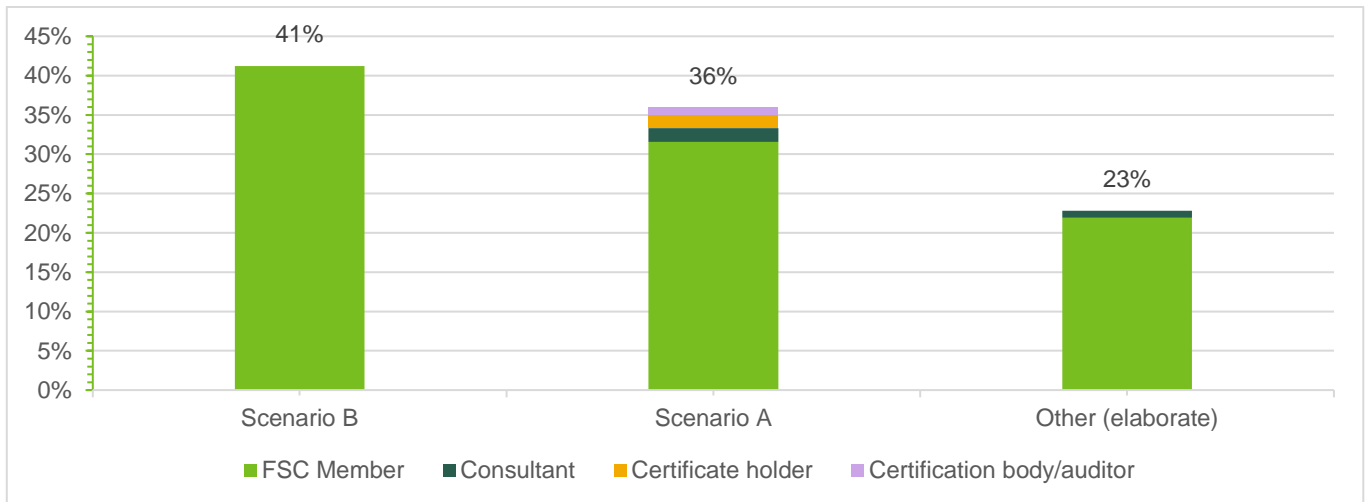

Figure 30 Breakdown of responses for Q37 per stakeholder groups

At the membership level, there was a stronger preference for Scenario B, with 45% selecting this option. The majority of these were from the Economic Chamber (27%), while scenario B received 31% from the FSC members overall (Figure 31).
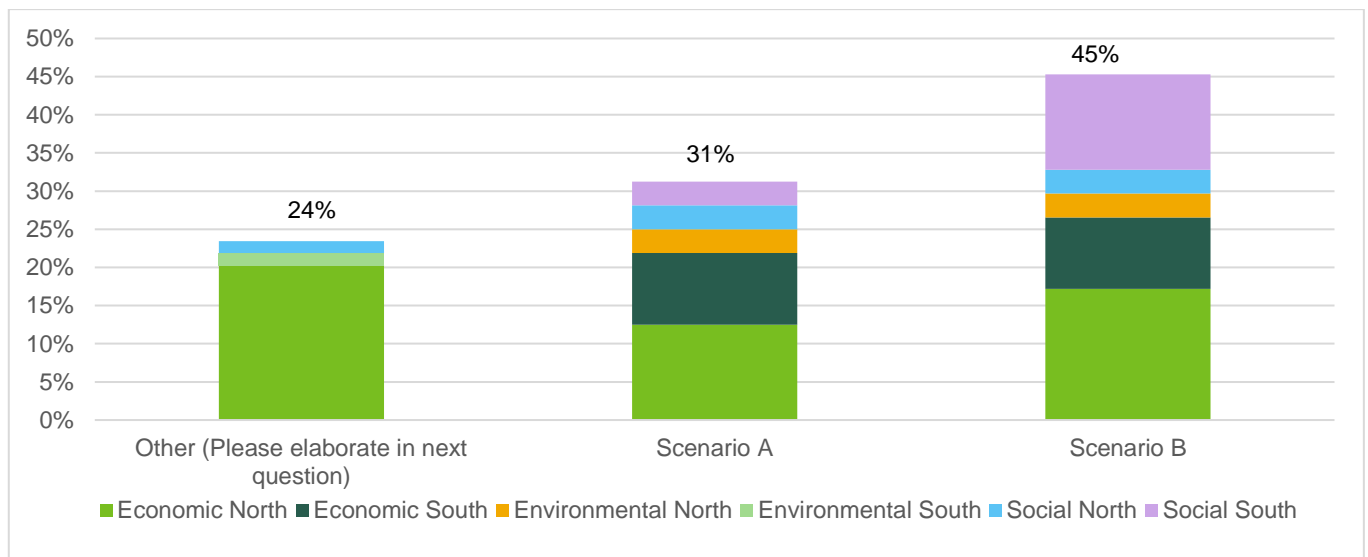

Figure 31 Breakdown of responses for Q37 per stakeholder groups

Below is the key feedback from participants:

Key feedback	Comments
Scenario A: Removing the thresholds and leaving it to organizations to decide to join groups or have a single CoC certification	Offers freedom for companies to choose between group or individual certification path according to their resources and capacity. Will ensure an increase in the number of CoC certifications as there are no barriers for the preferred type of certification by companies. Thresholds may limit companies interested in acquiring certification.
Scenario B: Using the established classifications of AAF in FSC-POL-20-005. In this option, organizations falling under Class 2, would be eligible for group certification	Offers a balanced approach that maintains the integrity of group certification while allowing for a wider range of eligible organizations to be considered. By using the established AAF classifications, FSC can ensure that group certification is focused on organizations that can truly benefit from it and contribute to the broader goals of sustainable forestry. A clear threshold is essential to avoid misuse that could harm FSC's credibility. The AAF classification will benefit small organisations.
Other	Countries/national offices should define this criterion for organisations to join group certification based on economic parameters. Simplified and regionally adaptable thresholds will improve system integrity without excluding smaller enterprises that rely on group certification. Scenario A will defeat the purpose of group certification, as even bigger companies can join group certification, presenting an integrity risk, and, therefore, should not be allowed. Adapt the criteria to the definition of SMEs of EU. 2 different thresholds should be provided for "traders" and "processors". Neither approach would work. Scenario A will be a chaos, Scenario B will not necessarily capture small organizations, as lower AAF classification does not necessarily mean smaller organization.

10   Reclaimed material and circularity

10.1   Material Inspection and Supplier Audit Program

No.	Question
40	How effective do you consider the proposed changes will be in streamlining the material inspection and audit process
41	What specific challenges or opportunities do you foresee in implementing these proposed changes? (Please specify) (open-ended)

Summary

Many stakeholders (51%) indicated that the proposal to streamline the requirements for material inspection and allowing remote audits in certain contexts would be effective. Some stakeholders indicated that remote

inspections and audits would be particularly effective for organizations that only source homogenous materials, and therefore, the risks associated are minimal. Additionally, some stakeholders proposed alignment with some regional/national requirements and classifications of reclaimed materials to simplify FSC's requirement. Stakeholders called for the development of clear requirements, guidance, and criteria for remote audits, without compromising FSC's integrity and making the system more complex.

Detailed Analysis

Figure 32 below indicates that, of 109 responses to Question 40, majority of the stakeholders (51%) believe that the proposed changes to streamline the requirement for material inspection and allow remote supplier audit program would be effective, while 12% consider it would not be effective.
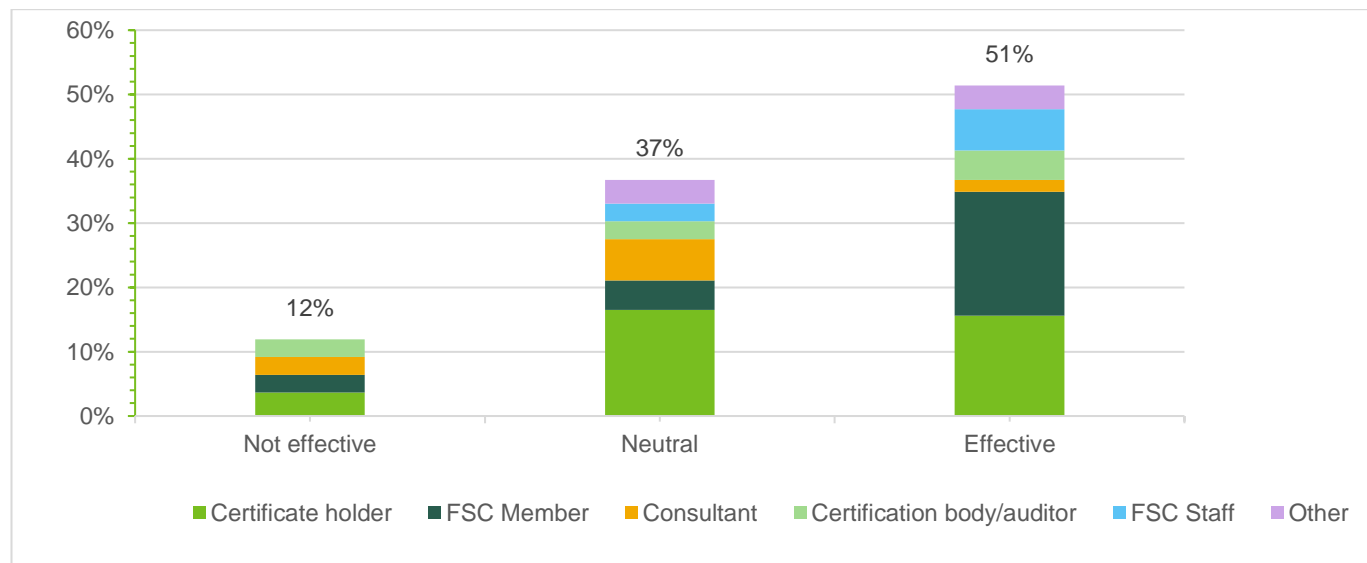

Figure 3232 Breakdown of responses for Q40 per stakeholder groups

Below is the key feedback from participants:

theme	Comments
Criteria for remote audits	Clear criteria for remote audits should be developed to reduce audit costs without compromising FSC's integrity. Remote audits are particularly effective when materials (e.g., recycled fibres) are visually identifiable.
Streamline requirements	Remote audits should be applicable in specific contexts. Organisations such as recycling paper mills and others where virgin fibres are not used should be exempted from physical audits. Suppliers providing homogenous material should be exempted from detailed audits. Onsite audits remain necessary when the composition of materials is not visually identifiable or verifiable.
Country-based and industrial classification	Existing industrial or national reclaimed material classification systems should be incorporated into FSC processes to simplify material handling and audit procedures. This would help reduce unnecessary audit costs and align with existing waste management laws. The use of classification systems like EN 643 (for reclaimed paper) could help replace some supplier audits in Europe.

Other	The proposed changes will add further complexities to the system and should therefore be avoided.

10.2   Inclusion of New Circularity Concepts

Take-back

No.	Question
42	To what extent do you agree that FSC should incorporate take-back models into its circularity concepts? (1 - strongly disagree; 5 - strongly agree)
43	Please provide the rationale for your answer and/or any suggestions for improvement. (open-ended)

Summary

The proposal to incorporate a take-back concept into the FSC system received support from majority of the stakeholders (54%). Many highlighted that it would enhance sustainability, promote circular economy principles, and create new market opportunities for FSC-certified products. These stakeholders emphasized the need for simplified, clear guidelines and requirements for implementation to prevent added complexity and uphold FSC's credibility. However, some stakeholders raised concerns, pointing to limited market demand for the take-back approach, its functionality without formal certification requirements, and a perceived misalignment with FSC's core mission and values.

Detailed Analysis

Figure 33 illustrates that out of 106 responses to Question 42, majority of the stakeholders (54%) support incorporating a take-back model into the FSC system. In contrast, 25% do not support integrating the take-back concept within FSC standards.
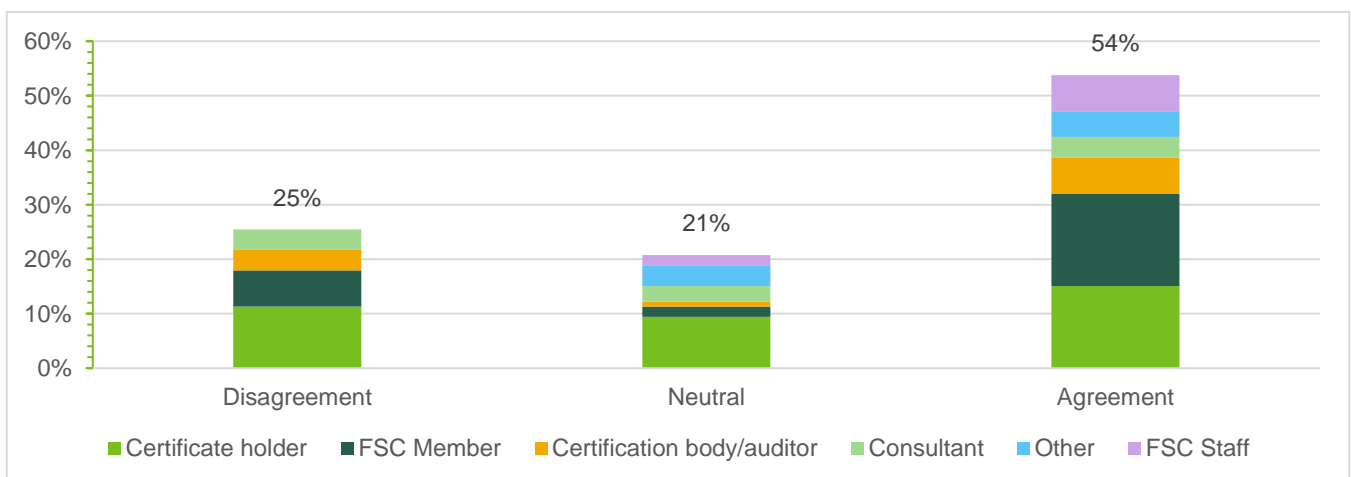

Figure 33 Breakdown of responses for Q42 per stakeholder groups

Below is the key feedback from participants:

Key feedback	Comments

Support sustainability, circularity, and new market opportunities.	Stakeholders emphasized the advantages of take-back models in fostering product reuse and extending product lifecycles. They highlight that this approach not only aligns with circular economy principles in enhancing resource efficiency and reducing dependency on virgin materials but could also create new market opportunities for interested organizations and promotes greater adoption of FSC-certified products.
Limited market demand and uptake	Some stakeholders expressed reservations about the take-back model, citing current low market demand and questioning the potential value it could bring to FSC. These stakeholders perceive limited market uptake and scalability for take-back initiatives, emphasizing that such programmes already operate effectively without formal certification requirements.
Not in line with FSC Mission,	Some stakeholders voiced concerns that integrating take-back provisions could introduce unwarranted activities and complexities within the FSC system. These stakeholders questioned whether such initiatives align with FSC's core mission of promoting responsible forest management. They argue that expanding into take-back and circularity concepts may dilute FSC's focus, diverting resources and attention away from its primary goal of ensuring sustainable forestry practices.
Need for simplification and clear standards to avoid complexity and ensure auditability	Some stakeholders expressed conditional support for incorporating the take-back model, emphasizing the need for simplified and clearly defined requirements. They cautioned that overly complex or restrictive control measures could increase FSC system complexity, complicating audits, and implementation for participating organizations. Stakeholders highlighted concerns specific to sectors like construction, where products are not always distinctly labelled, suggesting that rigid controls may hinder feasibility in such contexts.

Leasing

No.	Question
44	To what extent do you agree that FSC should incorporate leasing models into its circularity concepts? (1 - strongly disagree; 5 - strongly agree)
45	Please provide the rationale for your answer and/or any suggestions for improvement. (open-ended)

Summary

Similar to the feedback on the take-back proposal, stakeholder indicated that the inclusion would enhance FSC's influence in the evolving circularity markets. These stakeholders noted that circularity principles are gaining traction worldwide, thus the proposed direction will position FSC better in the circularity markets to influence sustainable practices. Stakeholders also reiterated the need for more simplified, less complex, and clearer guidance to ensure adoption and implementation by organizations. However, other stakeholders indicated that leasing concepts are outside FSC's core mission and should therefore be avoided.

Detailed Analysis

According to Figure 34, out of 106 responses, 47% of the stakeholders support the inclusion of leasing concept into the FSC chain of custody standards. Conversely, 26% do not support this inclusion.
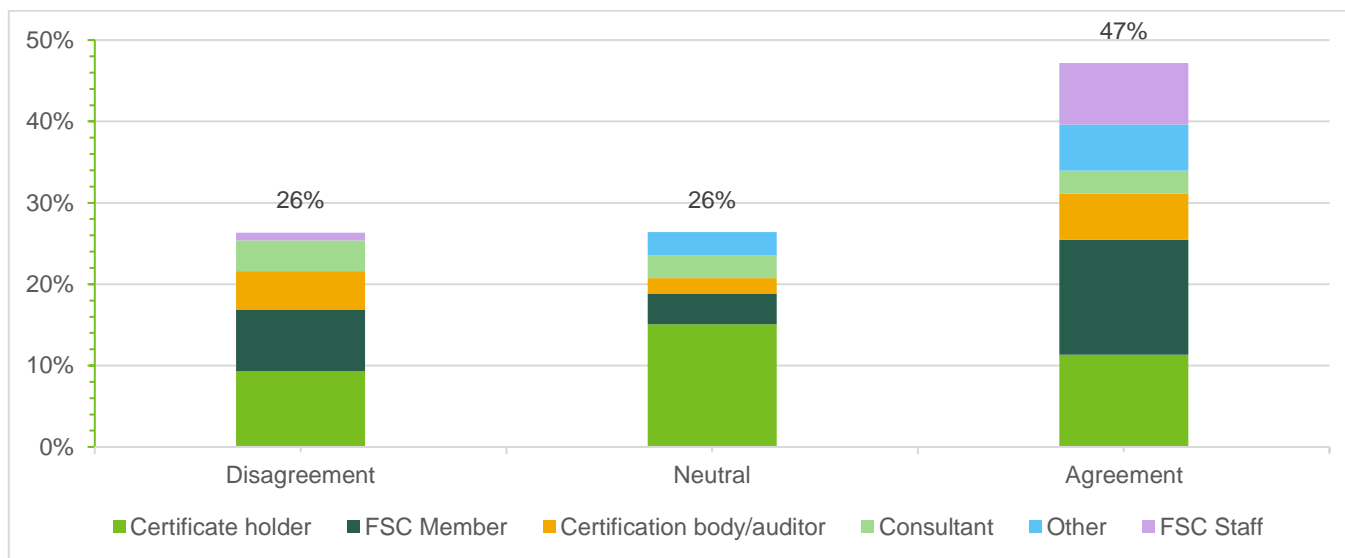

Figure 34 Breakdown of responses for Q44 per stakeholder groups

Below is the key feedback from participants:

Key feedback	Comments
Not in line with FSC's focus	Concerns that FSC is over-extending its role by focusing on leasing concepts, which are seen as outside its core mission of responsible forest management. Stakeholders argued that FSC should prioritize its resources on its primary responsibilities, rather than venturing into new areas. Several remarks highlight that leasing models work without certification and that adding these modules could divert FSC's focus from its main objectives.
Potential benefits, new market opportunities and circularity promotion	Stakeholders recognized that it could enhance FSC's relevance in the evolving market. Several stakeholders emphasized that circularity models, particularly leasing, could support sustainability goals and improve product utilization.
Need for clear guidance and practical applicability.	Other stakeholders called for the development of clear and specific guidelines for CHs and CBs regarding the leasing model and its implementation. Concerns were raised on how traceability and conformity will be implemented, especially for products that cannot carry specialized labels.
Introduction of complexities into the FSC system.	A few respondents also indicated that new requirements and certification paths would complicate FSC's system rather than streamline it. These stakeholders expressed that, the addition of leasing models (and the accompanying guidelines), would increase administrative burdens and create more bureaucratic hurdles for organizations.

Repair and Reuse

No.	Question
46	To what extent do you agree that a "reuse claim" would benefit FSC's stakeholders? (1 - Strongly disagree, 5 - Strongly agree)
47	Please provide the rationale for your answer and/or any suggestions for improvement. (open-ended)

Summary

Stakeholder feedback on the proposal for 'repair and reuse' (including a new reuse claim) was polarized. Supporters of the model emphasized its benefits for resource efficiency, promotion of circularity and sustainability, and the potential to open new market opportunities for FSC. They also noted that, the concept would require clear guidelines and simplified requirements for effective implementation. In contrast, some stakeholders argued that existing recycled and post-consumer material claims already cover similar aspects, making an additional reuse claim redundant for consumers. They further expressed concerns that adding a reuse claim and certification pathway could dilute FSC's system, increasing the risk of misuse and misinterpretation of FSC claims.

Detailed Analysis

Out of 108 responses for Question 46, Figure 35 indicates a polarized response from the stakeholders, with 41% disagreeing to the proposal and 40% agreeing. A comparison between agreement and disagreement reveals that while more FSC members favoured the former, more Certificate holders opted for the latter.
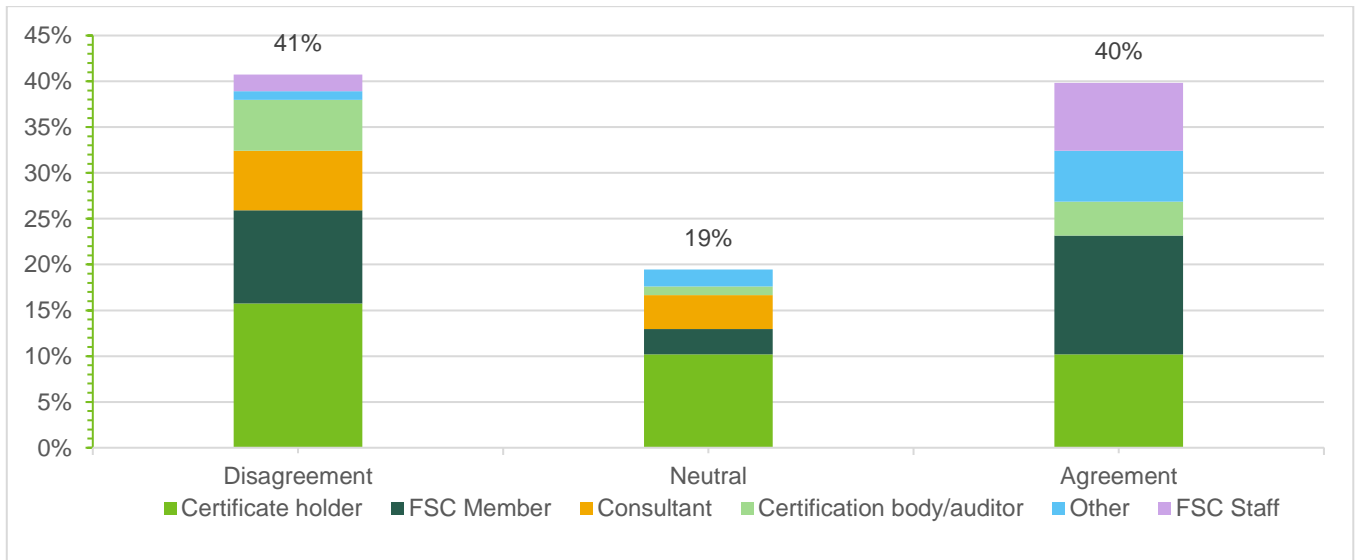

Figure 3535 Breakdown of responses for Q46 per stakeholder groups

Figure 36 illustrates the results from 61 FSC members who responded. Major disagreement stemmed from members of the Economic North, while members from the social chamber mainly supported this proposal.
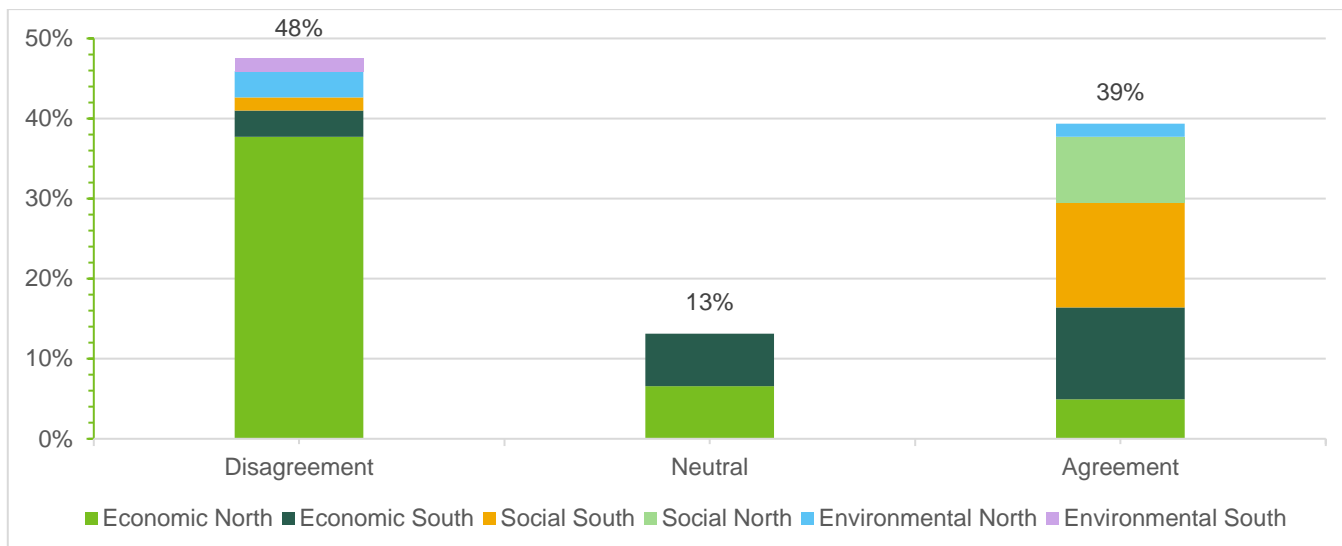
Figure 3636 Breakdown of responses for Q44 per member groups

Below is the key feedback from participants:

Key feedback	Comments
Would lead to complexities, auditing challenges and claim dilution	Concerns about the added complexity a repair and reuse model (claim) would introduce to the FSC certification system were raised. Stakeholders emphasized that the system is already viewed as overly complex, and adding another layer of certification may lead to confusion.
	Others expressed fears that the proliferation of claims could dilute the credibility and strength of existing FSC claims, making the system harder to navigate and manage. There were also concerns that it could introduce loopholes or opportunities for misrepresentation, such as the mislabelling of virgin materials as reused.
Market demand and existing applicability	Stakeholders questioned the market demand for a specific FSC reuse claim. They pointed out that similar benefits could be achieved under existing claims, such as those for recycled or post-consumer products. They believed that it would be more effective to integrate the reuse concept into existing FSC standards rather than creating a new claim, as the differentiation between recycled and reused materials may not be significant to consumers.
Support circularity, sustainability, and new market opportunities	Stakeholders acknowledged the potential benefits of a reuse claim in aligning FSC's work with broader circular economy initiatives. There were calls for FSC to consider the growing importance of circularity in business and society, suggesting that a reuse claim could offer value and new market opportunities in sectors like furniture, construction, and distribution, where reuse practices are gaining traction.
Need for clear guidance to avoid complexity, confusion, and integrity risks	Stakeholders also expressed support for the inclusion but highlighted the importance of clear and structured guidance if a reuse claim is introduced, stressing that without it, the FSC system could become very confusing for users. They noted that a lack of clarity could threaten the integrity of FSC system, as stakeholders might struggle to distinguish between recycled and reused material certifications.

Not in line with FSC focus	Few stakeholders suggested that this initiative could divert both resources and focus away from more critical and core issues related to ensuring responsible forest management, which is FSC's mission. As such, arguments were made for FSC to avoid the inclusion of this concept into its system.

Salvaged Wood

No.	Question
48	To what extent do you agree that salvaged wood should be included as reclaimed material in the FSC standard? (1- strongly disagree – 5 strongly agree)
49	Please provide the rationale for your answer and/or any suggestions for improvement. (open-ended)
50	Do you foresee any risks for considering salvaged as reclaimed material? (Open-ended)
51	What measures should FSC implement to ensure the traceability and integrity of salvaged wood in the certification process? (Open-ended)

Summary

Most stakeholders (60%) emphasized that recognizing salvaged wood as a reclaimed material could benefit the environment, promote circularity, reduce virgin fibre demand, and enhance resource efficiency, by keeping materials out of landfills. These stakeholders also called for the need for clear definitions and categories for acceptable salvaged wood, adherence to local regulations, and alignment with responsible forestry practices to maintain the credibility and integrity of the FSC system. Many suggested mandatory documentation, verification, and proof from local authorities (e.g., 'salvaged wood license') in order to control its eligibility within the FSC system. Contrarily, some stakeholders disagreed with the proposal, raising concerns about potential risks, such integrity challenges, materials from unacceptable sources and the risk of people intentionally creating salvaged wood for FSC certification.

Detailed Analysis

With reference to Figure 37, 21% of the stakeholders disagreed with the proposal for recognising salvaged wood as a reclaimed material in the FSC system, whereas the majority of stakeholders (60%) supported the proposal.
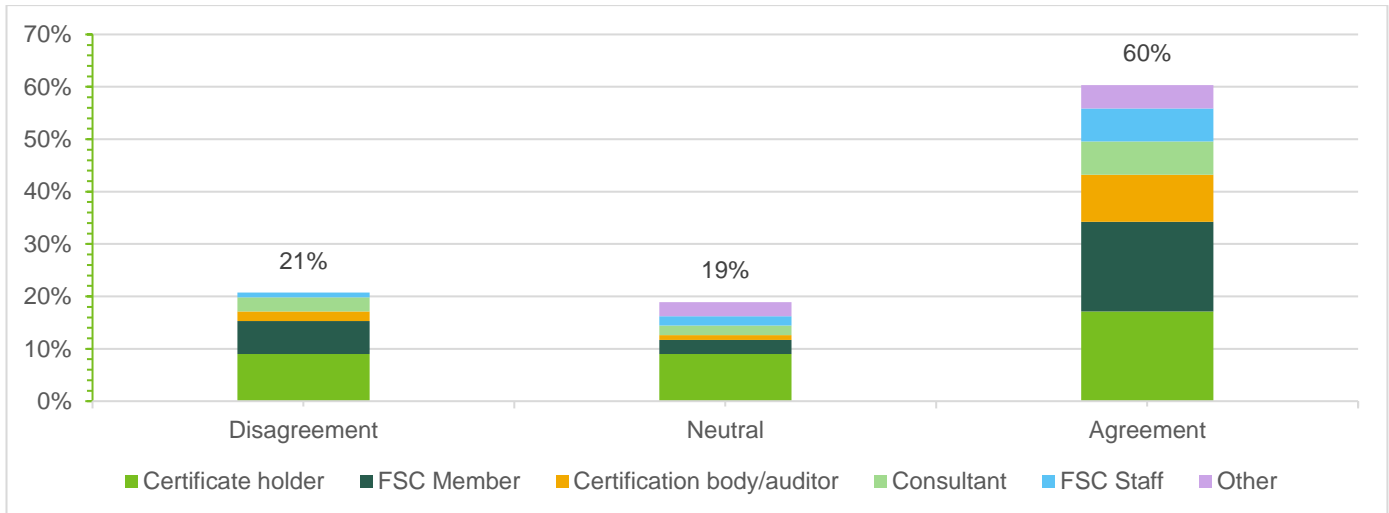
Figure 3737 Breakdown of responses for Q48 per stakeholder groups

62 FSC members provided a response to Question 48. A similar pattern was observed compared with the general stakeholder responses: 61% agreed, but 23% disagree (Figure 38). While the Economic chamber tended towards agreement, there was a mixed level of agreement/disagreement at the Economic North level. The Social chamber was largely supportive of the proposal, with no disagreement.
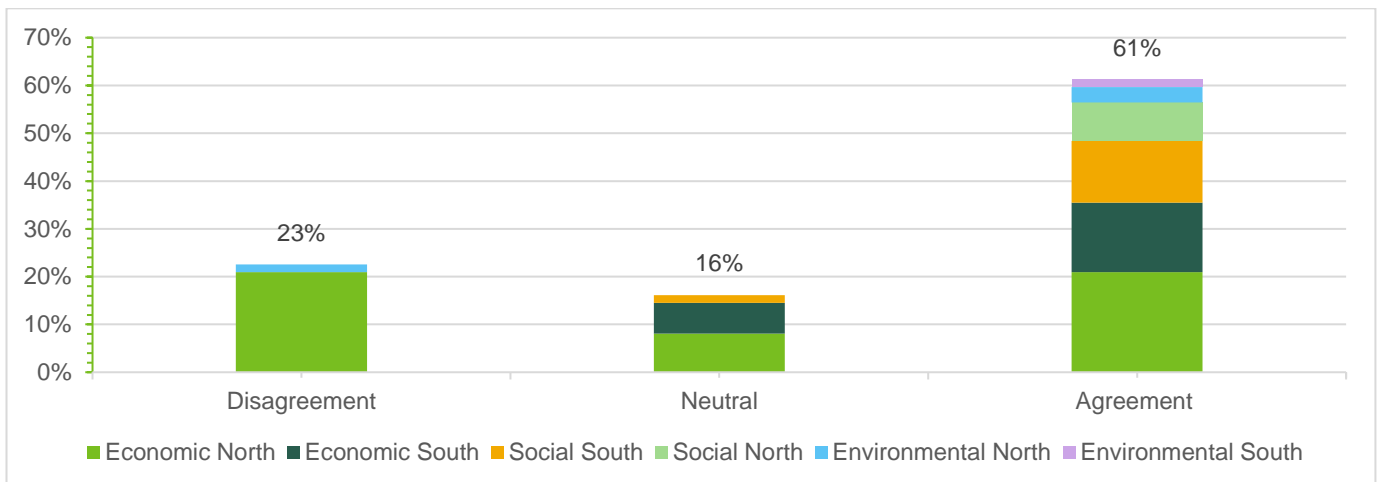

Figure 38 Breakdown of responses for Q48 per member groups

Below is the key feedback from participants:

Key feedback	Comments
Positive environmental and circularity benefits	Majority of the stakeholders emphasized the positive impact that recognising salvaged wood as a reclaimed material could have on the environment and in promoting circularity. These stakeholders considered that salvaged wood would be easy to identify and would increase the available pool of reclaimed resources. Stakeholders reiterated that the proposal would reduce the need for virgin fibre, promote resources use efficiency, as it would prevent materials from ending up in landfills or being burned.
Risks to the FSC system and integrity concerns	Some stakeholders expressed concerns about the potential risks and challenges associated with introducing salvaged wood into the FSC system as a reclaimed material. A recurring concern was that FSC might invest a lot of time and resources in developing

	requirements with minimal returns while facing integrity and credibility risks. According to these stakeholders, basic traceability challenges, particularly when it comes to salvaged wood, might not justify the effort required to develop a specific risk approach for the inclusion. There were also concerns about the possibility of people deliberately creating salvaged wood just so it could be considered an eligible input, which could undermine the credibility of the FSC system.
Need for clear requirement, defined, and categorized acceptable salvaged wood	The need for clear requirements and defined categories for acceptable salvaged wood was reiterated by stakeholders. It was emphasized that it is critical to define 'salvaged wood' clearly and what would be acceptable in the FSC system in order to mitigate integrity risks. Stakeholders emphasized that, salvaged wood should not be treated as a one-size-fits-all category, but rather be segmented based on its nature and context. These stakeholders support categorizing salvaged wood as reclaimed material, but only if the term "reclaimed" fits the specific circumstances.
Align requirement with existing legislations	Additionally, some respondents emphasized the need to ensure the proposal aligns with existing legislation and local regulations. Stakeholders highlighted the importance of recognizing local authorities' collection rights and ensuring that FSC requirement for salvaged wood respect these directives/regulations. Stakeholders also stressed that salvaged wood must fit within the framework of responsible forest management and relevant forestry laws to avoid illegal practices
Risk mitigation measures	Majority of the stakeholders propose that documentation, verification, and proof of salvaged wood license issued by local or national authorities should be a core requirement in controlling and determine the eligibility of salvaged wood in the FSC system. Certain stakeholders also suggested that a 'Due Diligence System' from FSC-STD-40-005 or a similar concept should be applied.

Urban Waste Wood

No.	Question
52	To what extent do you agree that FSC should include urban wood trees as post-consumer reclaimed material? (1- strongly disagree – 5 strongly agree)
53	Please provide the rationale for your answer and/or any suggestion for improvement.
54	Do you foresee any regulatory and integrity risks associated with allowing urban waste trees as 'post-consumer reclaimed material'. (Open-ended)

Summary

The proposal received support from certain stakeholders citing positive environmental benefits, the promotion of circularity and resource-use efficiency. However, concerns were raised about challenges in defining, identifying, and auditing urban wood sources, with risks of greenwashing and public controversies over urban tree harvesting. Stakeholders who supported the proposal emphasized the need for strong traceability, proper documentation, local authority involvement, and tracking systems to ensure responsible sourcing. These stakeholders indicated that, clear and robust requirements would help to mitigate reputational risks and address legal complexities, making urban wood a credible option for

reducing reliance on forest fibre and minimizing landfill waste. Additionally, some stakeholders argued that urban waste wood does not align with the definition of post-consumer reclaimed material, suggestions were made to classify it separately, potentially as 'urban waste trees' with claim contribution or treating it similarly to controlled wood within FSC system.

Detailed Analysis

As displayed in Figure 39, 33% of the stakeholders agree that urban waste wood should be recognised as an eligible input, equivalent to post-consumer reclaimed material in the FSC system. However, 28% disagree with the proposal.
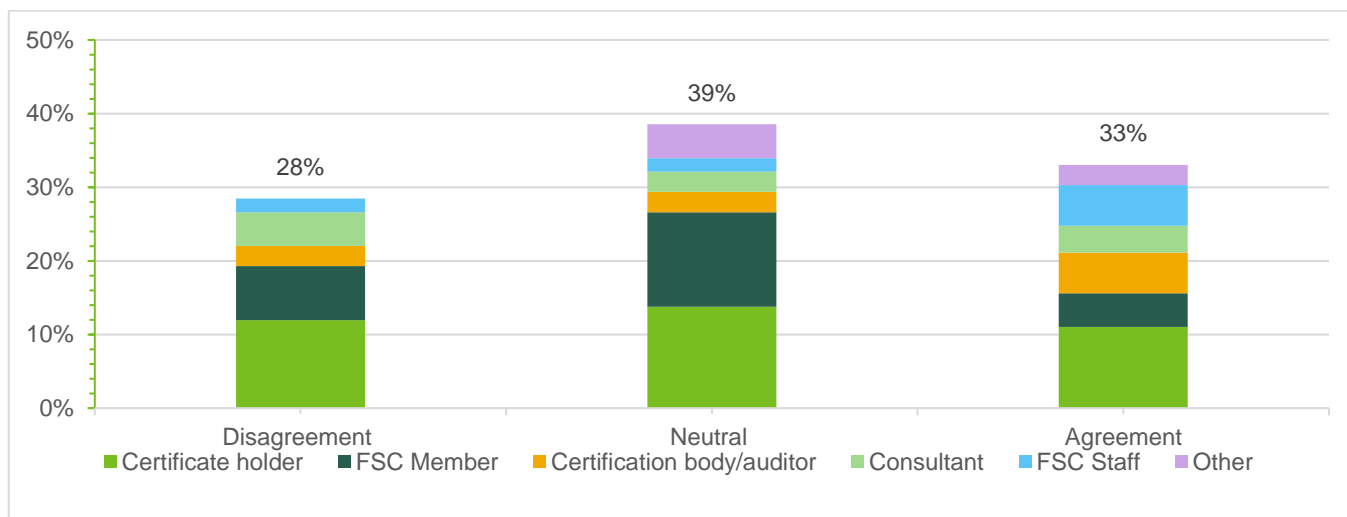

Figure 3939 Breakdown of responses for Q52 per stakeholder groups

Further analysis at the membership level (61 responses), indicated a polarized response, with 31% for agreement and disagreement, while 39% remained neutral (Figure 40).
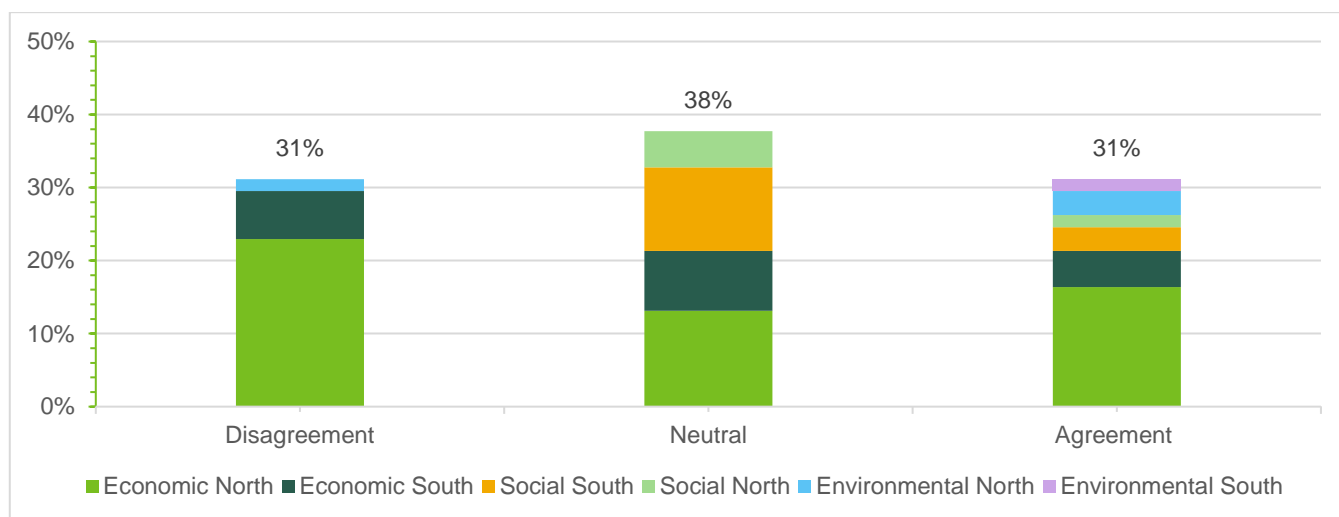

Figure 40 Breakdown of responses for Q52 per stakeholder groups

Below is the key feedback from participants:

Key feedback	Comments
Should not be classified as post-consumer material	Some respondents argued that urban waste wood does not fit into the definition of post-consumer reclaimed material since it is trees from urban environments that have not undergone any processing nor been used by consumers. Classifying it under this category would cause confusion and misrepresent the nature of urban waste wood. Suggestions were made to classify urban wood under a different material input other than post-consumer reclaimed. Suggestions included leaving it as urban waste trees with claim contribution or treating urban waste wood like controlled wood material in the FSC system.
Present risk to FSC, should not be included	Some stakeholders made emphasis on the challenges associated with defining, identifying, and auditing urban wood sources and how this could lead to accusations of greenwashing. Additionally, stakeholders indicated that public, and legal controversies related to urban tree harvesting could damage FSC's reputation, as these practices could be seen as questionable or illegal. Further concerns were raised about the complexity and legality issues involved with incorporating urban wood, which could divert resources away from more critical areas of FSC's work without offering significant value.
Promote circularity, should be included with robust requirement and traceability	Urban waste wood presents a valuable opportunity to reduce reliance on forest fibre while preventing wood waste from being landfilled or incinerated. Several suggestions emphasized the need for robust traceability mechanisms to verify the origin of urban wood and ensure it meets varying levels of certification requirements to avoid negative public perception and other risks to the FSC system. Stakeholders suggested that requirements include proper documentation, involvement of local authorities, consultations and tracking systems to guarantee the responsible sourcing of urban waste wood.

11   FSC initiatives

11.1   CoC Procurement Claims

No.	Question
55	To what extent do you agree that verified procurement claims will help increase the market for FSC-certified output? (1 - strongly disagree; 5 - strongly agree)
56	Please provide the rationale for your answer and/or any suggestions for improvement.

Summary

46% of respondents agreed that verified procurement claims would help increase the market for FSC-certified products, while 41% remained neutral. Only 13% of respondents disagreed with the proposal (Figure 41).
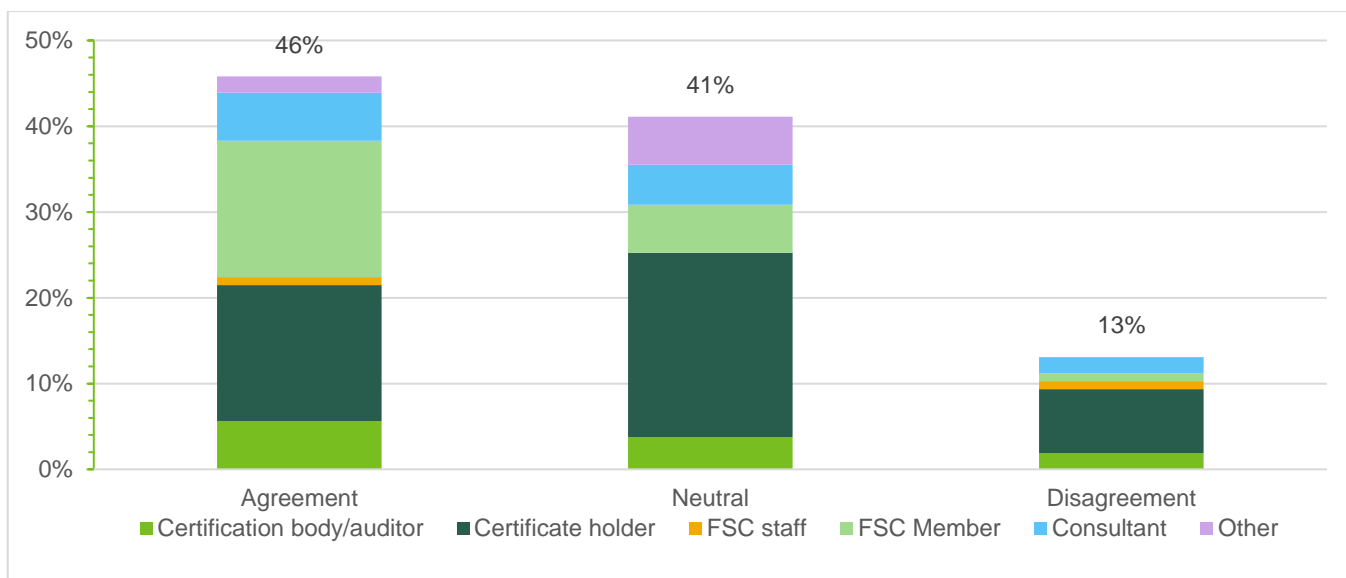
Figure 41 Breakdown of responses for Q55 per stakeholder groups

Below is the key feedback from participants:

Option	Comments
Strong need on some specific sectors, remove administrative burden	Verified procurement claims would create opportunities for sectors such as car manufacturing or energy. The requirements could reduce the volume of fraud in the supply chain. In the meantime, concerns about the stringent requirements and the auditing process could hinder a successful implementation. Furthermore, the verified procurement claims could bring greater visibility to FSC certification.
Availability of FSC-certified materials	Concern about the lack of certified inputs to cover demand, which may increase the use of controlled wood and may not increase the availability of certified products.
Potential integrity risk to FSC	Some stakeholders supported the initiative to increase the use of FSC materials, while others viewed it as unnecessary and potentially risky to the integrity of FSC. Some respondents suggested that verified procurement claims should be customized for specific industries.
	Regarding FSC's integrity, allowing non-CoC-certified entities to make procurement claims may raise strong integrity risks and could lead to misunderstandings about the certification status of the products.
Better communication to spread awareness about procurement claims	Stakeholders emphasized the need to raise awareness about the verified purchase claim processes among prospective users and stakeholders.
Complexity added to the system, t**he change may not be viable in the market**	Concerns were raised about added complexity in the FSC system, which could create additional challenges for CHs due to differing requirements. There were also worries about negative impacts on resources that might detract from FSC's core focus. The implementation of procurement claims should prioritize clarity, accuracy, and verifiability, with straightforward programme criteria to avoid

	confusion and prevent complications for users. Some regions, particularly in developing countries, may find the proposed changes irrelevant due to additional costs and lack of market viability.
Proposal not within CoC, but rather new standards	Some stakeholders proposed that verified procurement claims should be distinct from existing standards, as these claims focus solely on the input materials. Others suggested adopting a modular approach to standards, which would offer flexibility by allowing companies to choose specific modules for procurement claims without having to conform with more complex requirements.

11.2   FSC IT Initiatives

No.	Question
57	To what extent do you agree with the proposed FSC IT initiatives for CoC. (1 - strongly disagree; 5 - strongly agree)
58	Please provide the rationale for your answer and/or any suggestions for improvement.
59	Please select the IT initiatives that should be prioritized from a CoC perspective. a) FSC Trace requirements; b) FSC database changes (e.g., improved visibility); c) CoC Digital Audit Report; d) Modular approach; e) Other (multiple choice).
60	Please provide the rationale for your answer and/or any suggestions for improvement.
61	Regarding the 'automatic conformity' (exemption from applicability) of certain requirements through use of FSC Trace, please share any concerns and/or additional suggestions with the concept and examples provided.

Summary

61% expressed their support for the proposed IT initiatives, while 19% remained neutral and 20% disagreed (Figure 42). Those who opposed the proposal included CHs, certain consultants, and members Economic North and Environmental South sub-chambers. However, some members from the Economic North and other sub-chambers held favorable views on the IT initiatives.
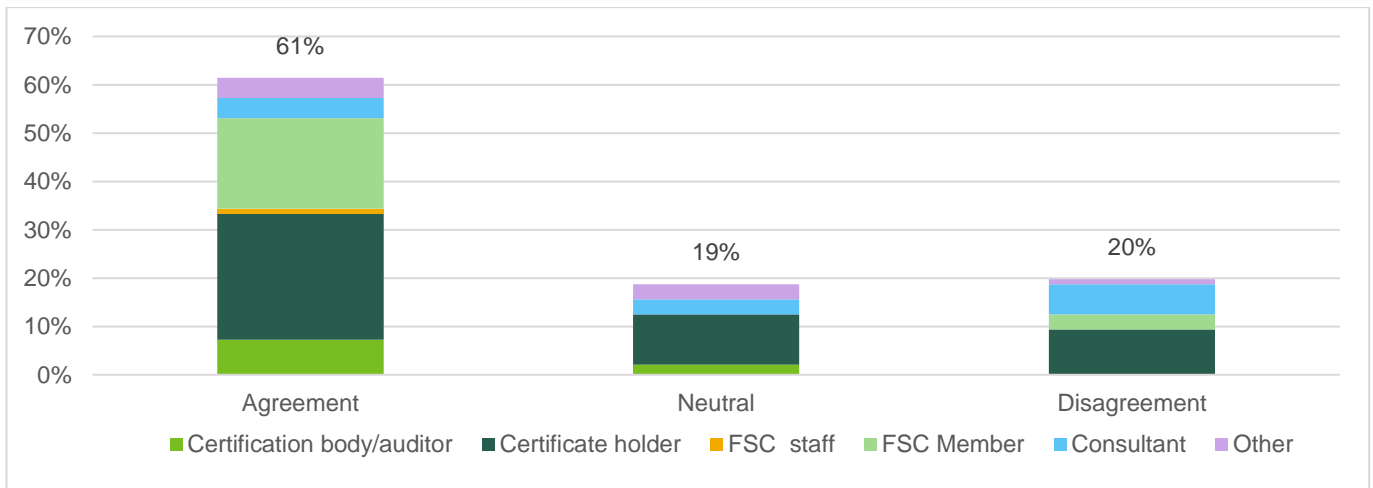
Figure 42 Breakdown of responses for Q57 per stakeholder groups

Below is the key feedback from participants:

Option	Comments
More efficiency in the FSC system (fraud reduction, reduce administrative burden, transparency, traceability)	The FSC IT initiatives were widely supported by stakeholders as they could help improve the efficiency in the FSC system, including fraud reduction, administrative burden reduction, transparency, and traceability.
Concerns about the effectiveness due to past non-successful projects	Several stakeholders expressed scepticism about the FSC IT initiative, citing past failures and concerns that the new system may complicate rather than resolve existing issues. They called for a robust implementation approach, including thorough testing and stakeholder feedback, to ensure that the promised benefits are delivered. Increased data demands might complicate data management, similar to past challenges in forest management reporting.
Concerns about excessive data requirements	Some stakeholders pointed out that not all regions would adapt well to the technology changes, which leads to the technology implementation challenges. To address this, stakeholders suggested clearer guidelines on essential data points and emphasized the need for a user-friendly, streamlined system to avoid unnecessary complexity.
Concerns on cost-effectiveness at the implementation	Concerns regarding the financial burden to FSC CHs were raised because the costs may outweigh the benefits. Stakeholders were concerned that the implementation may lead to high upfront and ongoing costs for CHs without clear evidence of cost savings or operational improvements in return. The concern highlighted the need for careful evaluation of the financial impacts on CHs before moving forward with mandatory implementation.
Other suggestions (i.e. voluntary adoption, allowing flexibility)	Stakeholders have suggested alternatives to the mandatory adoption of proposed standards, advocating for a voluntary model that allows CHs to tailor requirements to their unique contexts while maintaining core compliance. They argued that a flexible approach could enhance buy-in and effectiveness by aligning standards

	more closely with practices, as a one-size-fits-all approach might not always fit the local practices.

For Question 59, 104 respondents provided their selection on which initiative should be prioritized, resulting in a total of 188 selections.

Although the differences in preferred priorities are not substantial, the most favoured option is changing the FSC database, which received 26% support. This was closely followed by the development of a modular approach and the CoC digital audit report, each receiving 24% (Figure 43). Most CHs supported the development of a modular approach, which accounted for 13% of total responses, while 12% favoured changes to the FSC database. Additionally, 19% of the total responses came from FSC members, and the majority of them supported prioritizing FSC trace requirements.
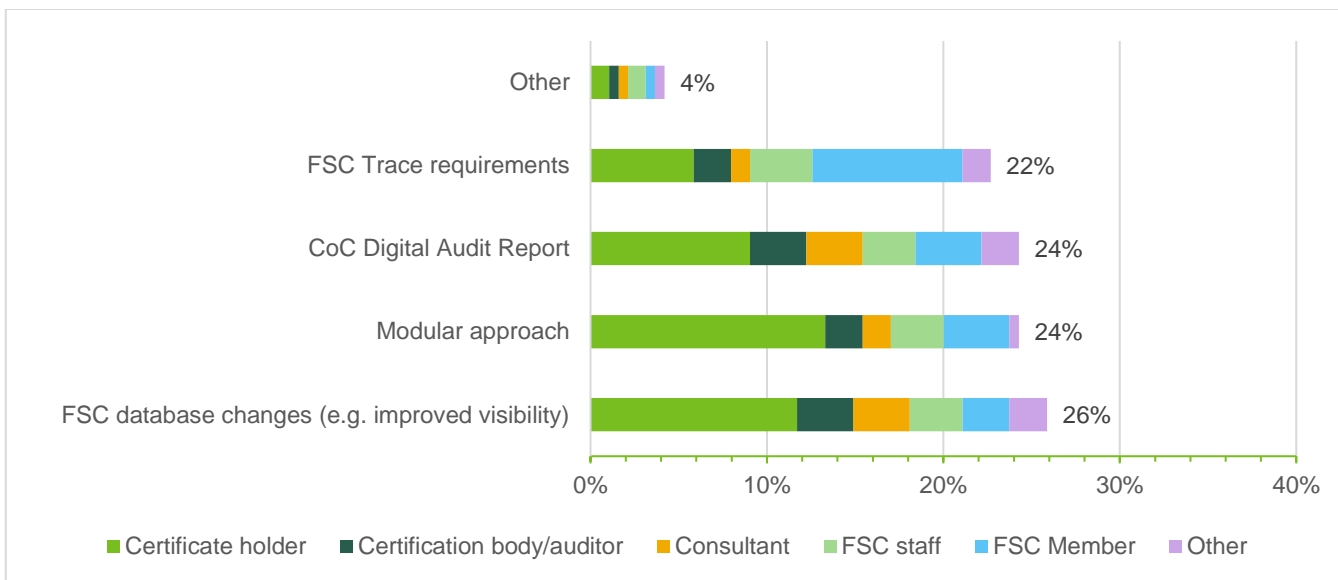

Figure 43 Breakdown of responses for Q59 per stakeholder groups

Below is the key feedback from participants:

Option	Comments
FSC database changes	It impacts various stakeholders, including CHs, Promotional License Holders (PLHs), and Trademark service providers (TSPs). Stakeholders have highlighted several changes that the FSC database would bring, such as improved visibility for multi-site and group certifications, increased transparency in verifying companies, and the ability to access relevant reports.
CoC Digital Audit Report	Some stakeholders confirmed that an effective Digital Audit Report (DAR) would enhance efficiency, transparency, and traceability by supplying more data to the system. Others emphasized that the development of the DAR should adopt a risk-based approach to minimize additional costs and workload for low-risk CHs. It is

	important to note that the CoC DAR should learn from the FM lessons and develop it into a useful tool that can support various stakeholders.
Modular approach	A modular approach could be an effective tool for streamlining standards and eliminating duplicated information. This approach can potentially enhance the user experience by reducing confusion related to complex standards. Some stakeholders believe a modular framework can simplify the CoC process, lessen the administrative burden, and improve access to various markets.
FSC Trace requirements	Some stakeholders noted that implementing FSC Trace requirements could benefit CHs, PLHs, and TSPs by significantly enhancing transparency. Additionally, these requirements could support in the implementation of other regulations, such as the EUDR. Nevertheless, some believe that FSC Trace should remain voluntary due to concerns about cost-effectiveness. Several CHs have already developed their own systems to track the relevant information, so introducing FSC Trace could lead to additional work and duplication.

Q.61.

Option	Comments
An efficient tool for simplification and streamlining the requirements and should be system-wide implemented	Regarding the 'automatic conformity' (exemption from applicability) of certain requirements through the use of FSC Trace, stakeholders indicated that it would be an efficient tool for simplification and streamlining the requirements and should be system-wide implemented. Meanwhile, stakeholders suggested that some fixed templates should be provided on FSC Trace for ease of implementation.
Increase workload and costs	Many stakeholders noted that tracing systems like FSC Trace would add layers of work and cost that companies are generally unwilling to invest in without clear incentives or simplification.
Technology over-reliance and data security concerns	Significant concerns include the risks associated with data breaches, privacy violations, and proprietary information security. This can lead to system failures and operational disruptions. Human oversight and continuous auditing are deemed essential to ensure the integrity of FSC Trace.
Active stakeholder engagements to avoid implementation challenges (i.e., pilot testing)	Several suggestions were proposed, such as remaining voluntary at applying FSC Trace and having active stakeholder engagement. Avoid making participation mandatory for companies that may not see direct benefits from it.
Remain voluntary because low-risks CHs may face burdens and the technology capacity	Respondents recalled negative experiences with past FSC initiatives, such as the Online Claims Platform (OCP), where consultation with stakeholders was limited. It is therefore suggested that FSC engage actively with companies to avoid facing similar challenges for FSC Trace. Furthermore, FSC Trace might not be

	compatible with existing systems in certain countries or sectors, particularly in developing countries.

12   FSC-STD-20-011: Accreditation requirements

12.1   Remote and hybrid evaluations

No.	Question
62	To what extent do you agree with a general risk-based approach to include remote and hybrid evaluations. (1 - strongly disagree; 5 - strongly agree)
63	Please provide the rationale for your answer and/or any suggestions for improvement. (open-ended)

Summary

Majority of the stakeholders agree with the proposal for a general risk-based approach to include remote and hybrid evaluations, to reduce auditing costs, reduce travel, and therefore reduce associated CO_2 emissions. However, few stakeholders disagreed with the proposal, stating that remote audits could pose a risk to integrity, depending on the activity. Implementing flexible criteria for remote audits, considering company non-conformities histories and risk level were recommended as indicators for remote audits by some stakeholders.

Detailed Analysis

Figure 44 shows that out of the 109 responses to Question 62, 83% agreed with the proposal for general risk-based approach to include remote and hybrid evaluations, whereas 6% disagreed.
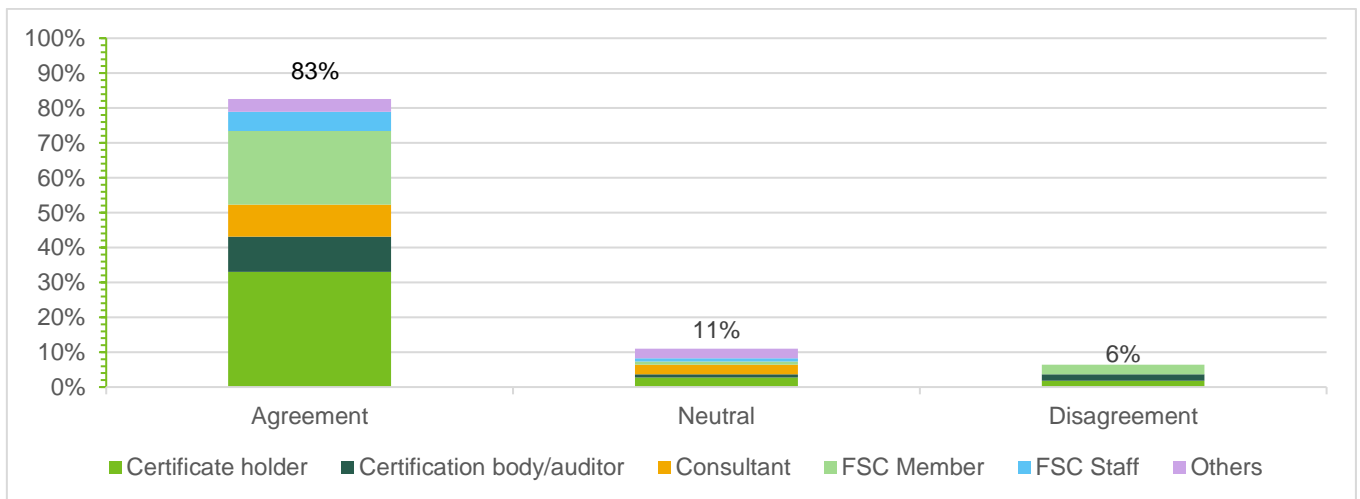

Figure 44 Breakdown of responses for Q62 per stakeholder groups

Below is the key feedback from participants:

Key feedback	Comments
Agreement Cost reduction for CHs	Remote audit has proven to be effective in times of disasters such as the global pandemic (e.g. Covid-19) and should therefore be allowed on a broader scale. Solves the issue of auditor scarcity.

Helpful with auditor scarcity issue	Remote audit reduce the cost burdens on certificate holders.
	Remote audit could be conducted for certificate holders like traders, buyers of finished products, and those dealing with only single input certified materials (e.g. FSC 100% materials).
	Clearer instructions and risk criteria should be created to make the approach effective.
Disagreement Present integrity and credibility risks. May not be cost effective	Remote audits could last for several hours and will not reduce the burden on certificate holders.
	Integrity and credibility risk would be high with this approach, especially in processing sites, as not all activities can be audited virtually.
	The risk of mixing is not the only likely risk, other risks need to be checked physically (e.g., CLR).
Other	Complement remote audits with occasional on-site audits. e.g. one on-site audit even for low-risk organisations per certification cycle.
	Organisations with no non-conformities should be consider low risk and eligible for remote audits.

12.2   Waiving surveillance audits

No.	Question
64	To what extent do you agree with the proposal for waiving surveillance audits (waiving a maximum of one per cycle). (1 - strongly disagree; 5 - strongly agree)
65	Please provide the rationale for your answer and/or any suggestions for improvement. (open-ended)

Summary

Close to half of the respondents agreed with the proposal of only allowing one audit waive per certification cycle. Other respondents disagreed for various reasons. Some considered that waiving audits should not be allowed at all as audits are not limited to checking sales (e.g., CLR, H&S). However, others noted that audits add unnecessary costs for CHs that do not have any sales and therefore, favour the current requirement to be kept.

Detailed Analysis

Figure 45 illustrates that out of the 106 responses received, 49% agree with the proposal of waiving a maximum of one surveillance audit per cycle, while 31% disagree, and the rest stayed neutral (21%).
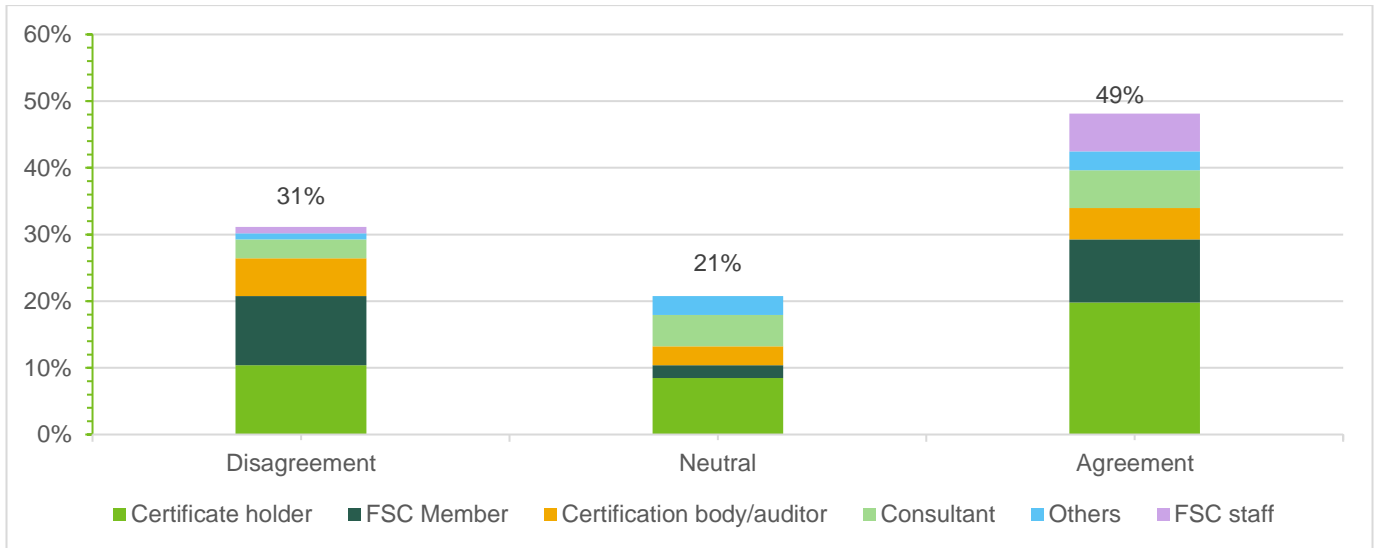
Figure 45 Breakdown of responses for Q64 per stakeholder groups

Below is the key feedback from participants:

Key feedback	Comments
Agreement Helps to control empty certificates Yearly audit is needed to ensure credibility	This option will help to control the issue of "empty certificates", where CHs only obtain the certification and rely on waiving of audits to keep their certificate. Encourages organizations (that are less engaged in FSC sales) to sell more FSC products as there is no difference in waiving audits. FSC to require CHs to provide evidence that they have not sales.
Disagreement Maintain current requirement No waiving should be allowed	The current requirement is appropriate, as it helps certain organisations to stay in business (occasional production and seasonal contracts requiring FSC certification) while maintaining their FSC certification. For transparency, credibility, and integrity of the FSC system, audit should not be waived at all. CoC audit must be conducted yearly to ensure organisations conform to all applicable requirements. Audits should not be waived at all (as they are not only for the sales, but other aspects also need to be checked like CLR, H&S)
Other	Audits should be waived for as long as there are no production activities. A risked-based approach should be applied in certain situations, (e.g., low risk supply chains) and audits should be waived accordingly. Surveillance audits for high-risk supply chains should not be waived and low risk CHs should be able to waive more than one surveillance audit.

12.3 Evaluation of group and multisite chain of custody certificates

No.	Question
66	To what extent do you agree with the proposed new sampling methodology? (1 - strongly disagree; 5 - strongly agree)
67	Please provide the rationale for your answer and/or any suggestions for improvement. (open-ended)
68	What other factors could be included to calculate the sample size of group members or multi-sites?

Summary

Almost half of the respondents agreed with the added factors for determining the sample size of group and multisite certificate holders, emphasizing that all sites/members need to be audited at least once per certification cycle. Opponents of this proposal argued that this adds unnecessary costs to CHs, mainly group members, where their main reason for joining the group certification is cost reduction.

Detailed Analysis

On the proposed introduction of a new sampling methodology, from 105 responses, 45% supported the proposal, 22% disagreed and 33% stayed neutral. Majority of proponents of this proposal were FSC members (15%), followed by certificate holders (12%). Certificate holders (10%) and consultants (6%) have showed the higher levels of disagreement. Nevertheless, to highlight that the majority of the certificate holders still remained neutral.
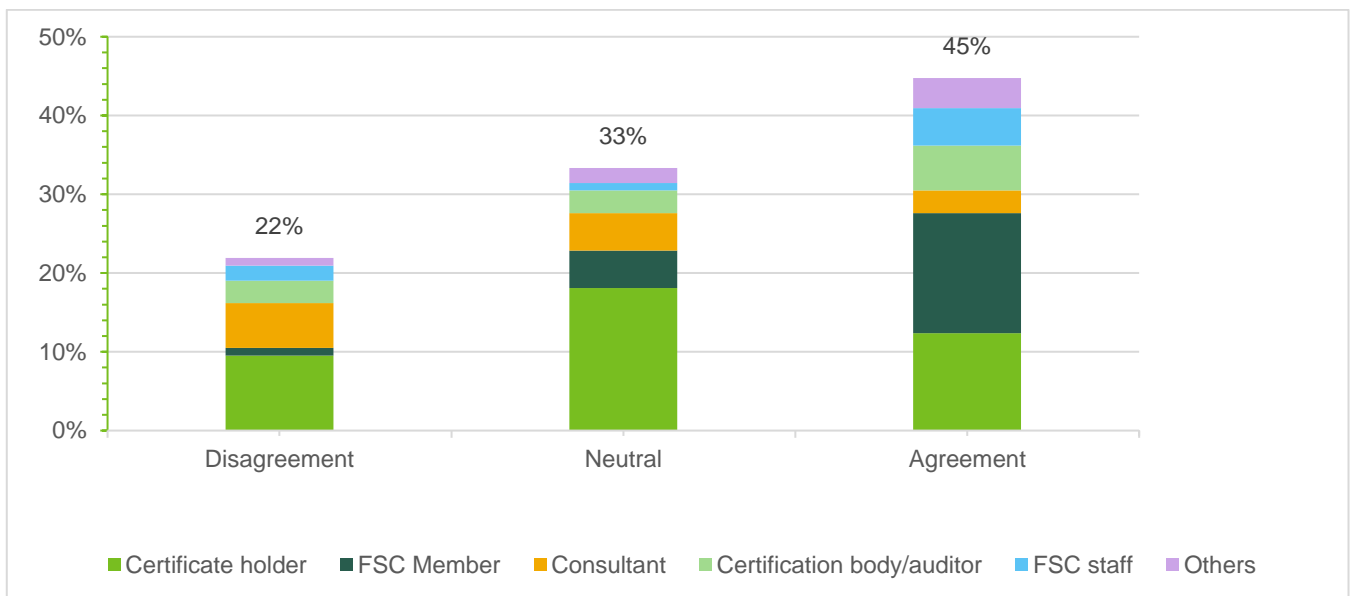

Figure 46 Breakdown of responses for Q66 per stakeholder groups

Below is the key feedback from participants:

Key feedback	Comments

Agreement	Will increase integrity in the group and multisite system.
All sites/members should at least once per cycle be audited, regardless of risk	

Disagreement	Increasing the costs for members of group certification defeats the purpose of it. If a group manager is not able to manage the group size, increasing the audits will not help integrity issues.
Increasing sampling will increase the costs for CH and complexity	Consider increasing the competence requirements of group manager instead.
	FSC Trace should not be part of determining the sample size.
Add the 20% threshold also for low risk	The increase should be applied to groups only, as multisite certifications, have stricter control over sites.

Other	Other suggestions to be considered for determining sample size are:
	• Historical performance of managers;
	• Having a centralized/digitized management system;
	• For lower number of sites/members, merge both pools;
	• Sites without activity;
	• Competence of internal auditor;
	• Type of control system they use;
	• Processor vs. Trader;
	• Have different approaches for groups vs. multisite;
	• How long they have been FSC certified.

12.4   Evaluation of FSC Core Labour Requirements

No.	Question
69	Would you consider it beneficial to add evidence requirements for each core labour requirement within the evaluation standard?
70	How could the current Section 11 of FSC-STD-20-011 be improved? Please provide detail.

On whether there should be evidence requirements for each FSC CLR, more stakeholders answered negatively (55%), with this mirrored by FSC membership, which were also not supportive of this proposal by 55% to 45%.
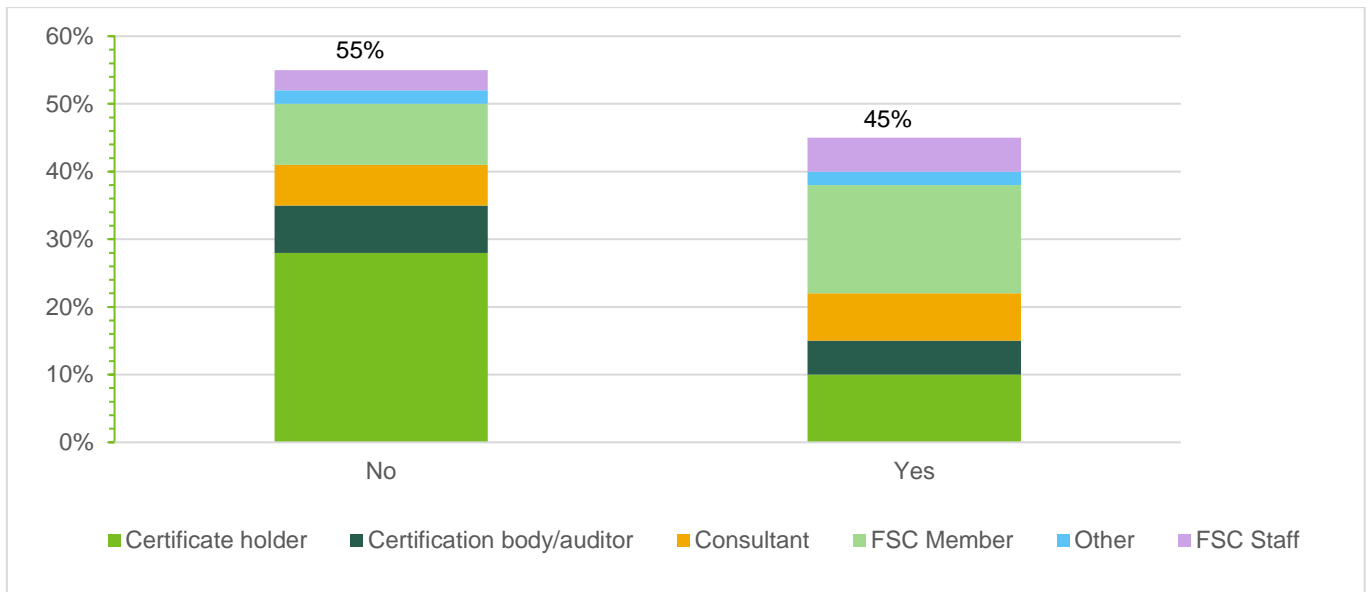
Figure 47 Breakdown of responses for Q69 per stakeholder groups

Below is the key feedback from participants:

Type	Detail
Recommendation	**Evidence-based Requirements** Instructions on what information to audit to verify conformance, such as minimum documentation to check. Some stakeholders would consider specifying evidence required useful, but only as guidance and not mandatory due to 'regional or local legal restrictions', with some pointing to requirements only for 'high risk' to 'avoid the worst performer setting the standard universally for all CHs'. **Flexibility** Requirements that are more accommodating for remote areas and smaller organizations, favoring increased use of digital tools for 'sample selection, documentation, communication'. This would also minimize carbon footprint of auditors. **Guidance** More direction on how to evaluate outsourcers, with specific examples. **Risk-based & Proportionate** Considering limited knowledge of social auditing and ILO conventions, the requirements should be proportionate to the risk, with the option to 'skip evaluation' in countries where there are no issues, to ensure cost-time benefit. Request for FSC to develop 'country-specific risk-based analysis', similar to the FSC Controlled Wood Risk Assessment (CWRA). Proportionate evaluation to the activity performed and the degree of responsibility of the contractor within the CoC requirements e.g. warehouses.
Neutral	**No changes** No change or additions to current requirements, as requirements already exceed regular audit duration. Any changes may add 'more frustration and unclarity'.

13　FSC-PRO-20-001 V1-1: Procedure on Commitment to FSC Values and OHAS

No.	Question
71	Do you foresee any issues with the proposed recommendation to incorporate this procedure (FSC-PRO-20-001 V1-1) into FSC-STD-20-011?
72	If you foresee any issues with proposed approach, please detail your concerns

Summary

On the idea of incorporating <u>＜FSC-PRO-20-001 V1-1 *Evaluation of the organization's commitment to FSC Values and occupational health and safety in the Chain of Custody>,*</u> the majority of stakeholders did not foresee issues with this concept. Reducing redundancies in the system was widely supported, with several stakeholders highlighting how this proposed change would help simplify the system, with sentiment such as, *'anything to reduce the effort is positive'* (R109).

For the minority who did have concerns, these were more general on the topic of workers' rights in the chain of custody standard, with some stakeholders voicing frustration that *'FSC is increasingly devoting itself to a topic for which FSC is not commissioned'* (R80). Despite the general nature of the comments, ensuring that inclusion of elements of the procedure considers auditability and alignment with organizational requirements were highlighted for consideration.

Detailed Analysis

81% of stakeholders did not foresee issues with the procedure being incorporated into the changes for <u>＜FSC-STD-20-011 *Chain of Custody Evaluations>,*</u> however 19% did consider there would be issues, with the most objections from certificate holders and certification bodies/auditors, however these still represented the minority view for both stakeholder types.

Below is the key feedback from participants:

Response	Comments
Supportive	• Elimination of redundant procedure to support streamlining of requirements. • Requirements are covered in the Trade License Agreement (TLA) and FSC-STD-40-004.
Requests	• Ensure clear and auditable requirements • Ensure requirement for certificate holders and certification bodies mirror one another • Risk-based approach, with rules for countries of 'non-objection' (i.e. low risk) not required to apply additional rules as 'already prescribed by law'
Other	• FSC CLR goes beyond the objective of its Directive of 'sustainable forest management'

14   Key intended outcomes for the revision of chain of custody standards (Annex 1)

No.	Question
73	To what extent to you agree with the proposed key intended outcomes? (1 - strongly disagree; 5 - strongly agree)
74	Please provide the rationale for your answer and/or any suggestions for improvement
75	In your opinion, what could be other indicators for addressing the key intended outcomes?

Summary

The key intended outcomes were strongly supported by stakeholders, with the most-favored intended outcome *'FSC CoC requirements are streamlined'*. Underlining this support, stakeholders recommended ensuring the inclusion of advice notes, and for the upcoming expert working group (EWG) to consider these outcomes as fundamental objectives of the revision. However, in addition to support for these 'ambitious' outcomes, stakeholders also pointed to potential misalignment and contradictory outcomes; highlighting proposed inclusion of more requirements to the system going against the intent to streamline, adding more burden on ensuring system integrity, and in turn, requiring more 'unnecessary' effort from certificate holders.

Overall, stakeholders recommended that the monitoring criteria, indicators and the intended outcomes be revised to ensure causality is made clearer, and to link the proposed revision outcomes with the overarching FSC mission, '*to promote environmentally sound, socially beneficial and economically prosperous management of the world's forests.'*

Detailed Analysis

Stakeholders were strongly supportive of the key intended outcomes, with 69% providing positive feedback, with 26% neutral, and the remaining 5% providing some level of disagreement. Figure 48 provides how these levels of agreement relate to the different stakeholder types.
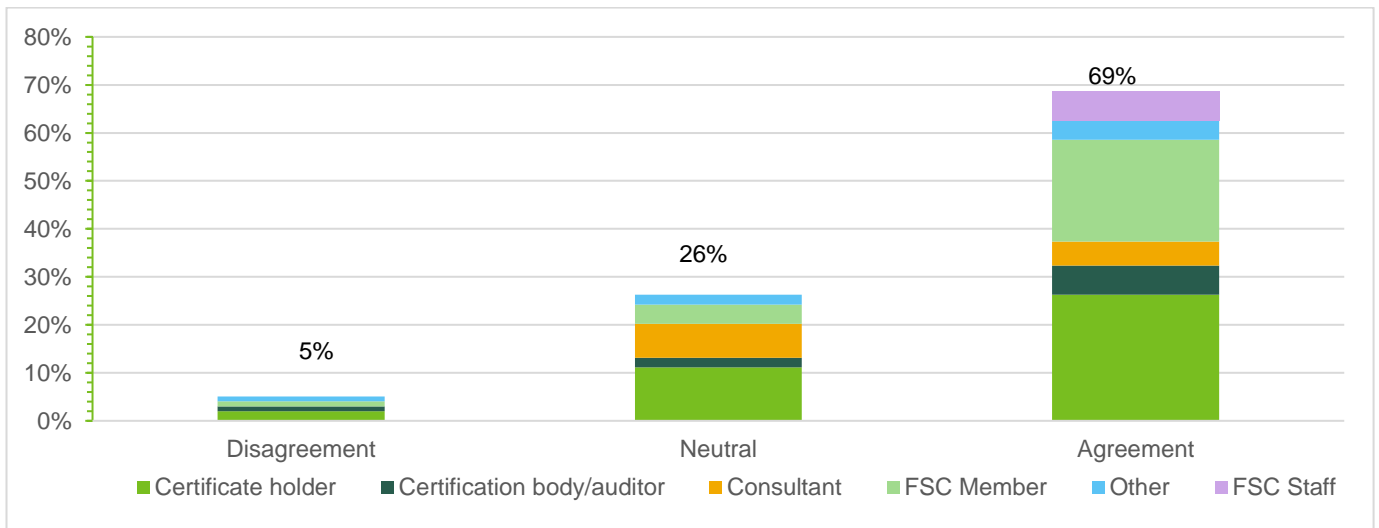

Figure 48 Breakdown of responses for Q73 per stakeholder groups

Below is the key feedback from the participants:

Response	Comments
Supportive	• Ambitious outcomes • Support for simplification and streamlining to reduce bureaucracy • Outcomes to be considered as 'beacon for upcoming working group' • Less complex system supports maintenance of certification
Requests & Recommendations	• Focus efforts of simplification on 'main risks' • Focus on streamlining and system integrity, as market uptake is dependent on 'addressing supply chain issues' • Provide causal link between indicator and outcomes • Outcomes to align with the FSC's mission
Queries	• Contradictory elements, especially between streamlining and enhanced system integrity • Query on the markets and sectors that will be expanded
Other	• Concern over enhanced system integrity with suggestion that this 'really means "make CoC more complex and less efficient"' • Key Intended Outcomes section not translated into French for consultation • Acknowledgement that any changes to requirements put strain on system integrity • CoC certificate holders should be seen as 'supporters' rather than 'dangerous'

Q.75

Topic	Suggestions
Indicators	• Include monitoring of diversity of stakeholder participation in consultations • Consider 'reduction in requirements' as an indicator for streamlining • 'User-friendliness' added alongside requirements that are clear and understandable. • Certificate holder retention per region or per certificate holder type could be added in addition to 'market uptake', considering existing and new CHs.
Outcomes	Creation of outcomes of social and environmental nature, which align with FSC's mission, e.g., *'Improved Social & Economic Benefits. Through this Outcome, the FSC promotes and contributes to the development of local communities and promotes fair labour practices and decent working conditions for workers and the wood and forestry sector.'*
Other	• FSC should consider the cost of changes for certificate holders • FSC should consider rewarding existing stakeholders as well as looking to increase numbers of certificates.

CHAIN OF CUSTODY STANDARDS REVISION
Report of Consultation on Conceptual Phase of Chain of Custody Standards Revision

15   General Feedback

No.	Question
76	Please share any additional comments on the conceptual phase report

Summary

The last question (Q76) of the consultation provided opportunity for stakeholders to add any additional comments they have on the conceptual phase report. 46 comments were received, covering a variety of topics, with the main request from stakeholders to streamline the requirements and ensure these are clear for all stakeholders to apply and implement. This sentiment was shared by those urging to ensure auxiliary documents to the main standards, such as advice notes, are incorporated and included in the revision.

Other comments were more specific requests on topics relevant to circular economy, rules on the controlled wood selling, and environmental considerations supporting increasing remote auditing in the system.

In addition to support and comments, there were some critiques. Several criticised the process of the conceptual phase, with request for more time for consultation – the time provided was sixty (60) days, in line with the FSC-PRO-01-001 V4-0. Others stated disappointment for the proposals, including a concern over the digital transformation proposals.

Detailed Analysis

Below is the key feedback from participants:

Type of Comment	Suggestions
Agreement	**Simplification** Stakeholders supported the intention of simplification, to ensure these are more understandable for stakeholders and avoid complexity for efficient implementation. Underpinning this, stakeholders stressed the importance to ensure that no relevant remain outside the main requirements (e.g. Directives) and reduce the number of documents the certificate holder needs to be aware of. **Group Membership Threshold** Stakeholders (USA) support the group threshold to be set by national stakeholders and defined nationally.
General Requests	**FSC Certificate Database** The database and 'Certificate Status Watch' or equivalent, should be updated in order for certificate holders to properly apply clause 2.2 in FSC-STD-40-004. Suggestion of addition of tracking function for species and product groups added or removed to be publicly available. **Multi-site Auditing** Request to remove the requirement for internal audit for multi-sites to have impartial, and in certain cases, require ISO training or equivalent. This could be provided by second-party verification instead. **More Remote Auditing** The cost of auditing as well as the climate aspect of the resources to travel to conduct on-site audit was raised as justification to move towards more remote audits,

| | especially for Group certification and in large countries such as Australia, Canada, and USA. The risk of auditor 'burnout' from the necessity to travel was also raised as a reason for promoting remote auditing.

Post- and Pre-Consumer Reclaimed Material
Request for pre-consumer reclaimed material from secondary wood processors to be eligible credit input.
Request to establish connection between FSC requirements and the waste code numbers, so that processes are 'practicable and feasible'.

Risk-based Approach
Request for FSC to focus on the flow of materials and spend time to define and adapt requirements for low risk supply chains, to ensure good actors are not unduly burdened to accommodate high risk.
Request to follow a similar approach to FSC FM where some indicators are not audited unless there is a risk.

Rules for Controlled Wood
Request to remove the prohibition on selling controlled wood to non-FSC-CoC certificate holders, with suggestion that this should be promoted rather than limited.

Request to remove requirement for FSC CW claim to be on invoices, with suggestion that for the credit system, outside of invoices would suit better. |
|---|---|
| **Disagreement** | **Limit Claims**
With reference to the promotion of responsible forest management, one stakeholder suggested to limit the number of claims to 'FSC 100%', 'FSC XX%' and 'FSC Mix', with other materials such as reclaimed, salvaged wood, urban trees as 'neutral materials' as they consider both CW and CFM to be extremely weak and fragile concepts.

Digital Changes
Concern over the rapidly changing digital environment and how this will be reflected within the requirements, with reference to FSC Trace, where potentially some requirements will become obsolete once blockchain technology is operational.
Other stakeholders suggested previous efforts from FSC in IT options did not provide confidence in the performance, maintenance and access to data these could offer.

Outsourcing & CLR
CLR noted as the biggest issue for stakeholders, with specific reference to the requirements applicable to outsourcing, which organizations have limited or no control over. Improved 'simple guidance and templates' would be considered useful for certificate holders.

Process
Stakeholders criticized the time provided for this consultation, considering it insufficient to answer the number of questions, described as, 'not stakeholder friendly'. They suggested for a more targeted questionnaire in future.

Proposals
While acknowledging the effort, there were comments on the proposals being limited and concern that some elements are already not considered for the revision, and some questions with options where none were satisfactory. |