Welcome to the FSC webinar, my name is Miranda Lin, I am the Policy Manager in Controlled Wood Program here at FSC International, our Program Manager, Joanna Nowakowska together with my colleagues Tania Einfeldt who is our Controlled Wood Policy Manager responsible for Normative Documents, Tatjana Stutzkowsky who is also our Controlled Wood Policy Manager responsible for FSC Risk Assessment coordination and William Cook, our Controlled Wood Communication Officer responsible for communication and administration are also with me in this webinar, they will support responding your questions about the revised controlled wood standard towards end of the webinar.

In this webinar, I am going to present to you about the technical revision of the requirements for sourcing FSC controlled wood. For your information, this webinar is being recorded, we will publish it on the FSC website after the webinar.

The focus of this webinar is FSC-STD-40-005 V3-1 Requirements for sourcing FSC controlled wood, which was published in today, following a technical revision process. While the revision has finished and the standard has been published, we at FSC recognize that due to the changes in this new version of the standard, we would like to ensure that stakeholders are aware of what has changed and can understand the revised requirements.

At the end of the webinar, I will provide you with the link where you can find the
most updated controlled wood standard from our FSC webpage.
For this webinar, it is going to be divided into 3 parts. The first part will briefly explain why we introduce all the changes of the standard, then, in part 2, I will introduce all of the changes from the technical revision and in part 3, it will be the Q & A session open for everybody in this webinar.

In total, the presentation should take about 35 minutes. Afterwards, we’ll use the rest of our allotted time to receive your questions and any feedback you may have regarding V3-1 of the standard.
So, let’s us start with the fundamental question on why the FSC controlled wood standard introduces all the changes? The revision of the standard was resulting from the decisions by the FSC Board of Directors from BM 72 in July 2016. Besides, we are also aware of the gap between the “old NRAs” and the requirements of EU Timber Regulation (EUTR), therefore, further alignments were done together with some editorial corrections which will be introduced to you in this webinar.
After understanding the reason behind for the introduction of the changes, let us take a look of WHAT are going to be changed.

The first changes that I am going to introduce in here is the transition period for the FSC controlled wood standard. According to V3-0, the transition period will be ended by the end of June 2017. However, we would like to provide more time for both the certificate holders and the accredited certification bodies to conduct the transition from V2-1 to V3-0. We decided to extend the transition period for 6 additional months from 1 July 2017 to 31 December 2017.

With the application of the new transition period, which mean organization has already conducted the audit against V3-0 by 30 June 2017, they do NOT have to be re-evaluated against V3-1 by the end of the transition period. They just need to follow the regular audit cycle and be audited against V3-1 in the next audit.

Just a reminder for you, according to the FSC Procedure, 01-001, by the end of the transition period all Certificate Holders and applicants for certification shall have been evaluated against the revised normative document. When using the revised version for the first time, Certification Bodies shall address major and minor nonconformities as usual, but extended timelines for their correction may be granted for new or significantly changed requirements.
The next one is related to the deadline of using Company Risk Assessment. As we’ve announced on the technical updates news on 14 November 2016, the Board removed the deadline by which company-conducted risk assessments (now called company risk assessment and extended company risk assessment) were allowed. The original deadline was 31 December 2017, at which time FSC’s risk assessments would replace company-conducted risk assessments. However, the Board decided that current company-conducted risk assessments could continue until FSC delivered its own assessment, that is Centralized National Risk Assessments (CNRA)/National Risk Assessments (NRA), no matter how long that takes.

Meanwhile, the deadline by which Company Risk Assessments (CRAs) must cease being used for organization-owned or -managed forests has been removed as well.

Just a reminder, the principle of the adoption of the approved FSC risk assessment within 6 months of the date of their approval by FSC will remain the same. That means when the CNRA/NRA are approved, organization is required to adapt its DDS to use the approved CNRA/NRA within 6 months from the date of the approval by FSC.
The next change here is the rules for using the NRAs.

In the revised standard, the organization will be able to use part of the FSC risk assessment where the process is still taking place. Originally this was only possible where all categories of the FSC risk assessment were approved.

In another word, the organization will be able to use the FSC risk assessments under development even when only some, but not all, categories are concluded. This includes approved categories of centralized national risk assessment, and/or, b) categories developed under national risk assessment process agreed by national consensus.
The next change here is related to the old NRAs, which were developed according to FSC-PRO-60-002 V2-0, as you may remember the original deadline for using the old NRAs was 31 December 2017. After the revision which mean the V3-1, a new deadline has been applied, the old NRAs will remain valid until 31 December 2018. The reason of the change on the deadline was due to the delay in processes in replacing the old NRAs.

With the application of the new deadline, if the old NRA is not revised according to FSC-PRO-60-002 V3-0 by 31 December 2018, areas covered become unassessed areas.
After we’ve introduced some changes of the standard, let us do some refreshing of some points that I’ve just mentioned earlier in this webinar. Let’s do it as a Q & A in which I will ask you a question and I would like to invite you to select the answer on your screen. I will give you 1 minute to select the right answer. Your name will remain anonymous, I will just check out the answers for you.

OK, let’s start!

Question number 1: What will be the transition date according to the revised standard FSC-STD-40-005?

A. 30 June 2017  
B. 31 December 2017  
C. 31 December 2018

The correct answer is... B, 31 December 2017. The original deadline for the transition period was 30 June 2017 in V3-0, however, according to V3-1, the deadline of the transition will be extended to 31 December 2017.
Question number 2: Does organization need to be audited against V3-1 by end of the transition period?

A. No. Organization does not need to be audited against V3-1 by the end of the transition period if they have already been audited against V3-0

B. Yes. Organization is requires to conduct evaluation against V3-1 even they have been evaluated against V3-0 in the beginning of this year.

C. Yes. The organization shall conduct audit against V3-1 within 6 months from the effective date of the standard.

The correct answer is...A, No. Organization does not need to be audited against V3-1 by the end of the transition period if they have already being audited against V3-0.
Ok, The last question here is “can organization continue to use the company risk assessments after 31 December 2017”?

A. Organization can continue to use its CRA until CNRAs/NRAs are in place, no matter how long that takes

B. No, organization shall not use the company risk assessment after 31 December 2017

C. Organization can continue to use its CRA as long as they like regardless of the approval of CNRAs/NRAs

Again, you can select your answer now.

The correct answer is...A

The deadline at which FSC’s risk assessments would replace CRAs has been removed and therefore organization can continue to use its CRA until CNRAs/NRAs are in place, no matter how long that takes.

Hope you got all correct even you did not drop me an answer.

Let me continue my presentation about the rest of the changes in the revised
standard.
The next change here is the Terminology for the risk assessments. In version 3-0, we have introduced the terms “simplified risk assessment” and “extended risk assessment”.

In order to use terminology more familiar to current certificate holders and stakeholders, in the revised standard of the version 3-1, the term “simplified risk assessment” has been changed to “company risk assessment” while the term “extended risk assessment” has been changed to “extended company risk assessment”.

Please note that the requirements for both assessments will remain UNCHANGED as of V3-0, only the changes of the terminology involved.
The next change I am showing here is the alignment with the EU Timber Regulation, EUTR requirements.

We are aware that the old NRAs did not fully cover all the requirements of EUTR, therefore in the V3-1, we provide the option for compliance with the EUTR for those who are using the old NRAs.

The organizations that want to demonstrate compliance with EUTR requirements, shall replace the assessment for category 1 in ‘old NRAs’ by a draft FSC risk assessment for category 1 in CNRA or new NRA developed according to FSC-PRO-60-002 V3-0.
Notable change: Alignment with FSC-STD-40-004 V3-0 (definitions)

- Alignment with FSC-STD-40-004 V3-0: The term “by-product” will be changed to “co-product”
- Alignment with Chain of Custody (CoC): definition of controlled material
  “Input material supplied without an FSC claim, which has been assessed to be in conformity to the requirements of the standard FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood."

Here is the next change of the standard which ensure the alignment with the Chain of Custody standard FSC-STD-40-004 V3-0. In controlled wood standard V3-0, we introduced the term “by-product” for defining output produced during the process of primary manufacturing of another (principal) product from the same inputs (e.g. sawdust and chips generated during lumber processing).

However, we are aware of the confusion of the term “by-product” and therefore, we changed the terminology of “by-product” to “co-product” while the content of the definition will remain UNCHANGED.

The other change in terminology is “controlled material” where we did some minor amendments in the definition as shown on the slide here. This change is aligned with the CoC standards.
Here comes to the next changes of the CW standard.

In section 4 of the standard which is about the Risk Mitigation, in order to have a better clarification, some words and a sentence at the end on the first paragraph under the section of Risk Mitigation were added as shown on the slide here. Again, I marked the additional words in green for your easy reference. Therefore, the revised standard requires organization to have implement adequate control measures to either avoid or to mitigate the risk. If the purpose of the control measures are to mitigate risk, then the rest of Section 4 of the standard will apply.
Another change on V3-1 is the removal of mandatory use of Global Forest Registry (GFR) as FSC database.

Since the Global Forest Registry (GFR) is not owned by FSC, we are moving away from its mandatory use. The use of the GFR is still required but when the risk assessment is available on the database. This prevents FSC from being responsible for the information provided on the GFR. This way we want to move towards using FSC own websites that provide information on risk assessments.

I’ve marked the revised text on green for your easy reference of the changes in the standard.

Also, in V3-1, organizations shall also include a list of applicable laws for countries not undergoing FSC risk assessment processes, if available on the FSC Global Forest Registry in its risk assessment.
This slide brings you to the final changes of the standard before we start our Q & A session.

Apart from the above mentioned elements, we also collectively reviewed and made some amendments on editorial elements such as spelling mistakes, grammatical mistakes and numbering. In addition to that, we also added additional footnotes for clarification of common misunderstandings such as origin of material and list of sub-suppliers.

Regarding sub-suppliers, the inclusion of suppliers and sub-suppliers is not equivalent to listing all sub-suppliers in the supply chain(s). Names and addresses of suppliers are required in Clause 2.1. The level of additional information required from the supply chain(s) (and sub-suppliers) will depend on the identified risk and control measures.
Additionally, I would like to update you about the status of the CNRA process and the timetable of the NRA and CNRA development before the end of this presentation. So that you can have a better understanding of the progress on the development of the FSC Risk Assessments.

As you might have noticed, FSC is putting great effort in finalizing numerous (C)NRA. For your information, we are updating the timetable for the CNRA process from time to time. I have selected some countries for your reference. For example, in Indonesia, we are expecting to have the final assessment after the national consultation on all categories, while in the CNRA of Malaysia and Mexico, we are planning to conduct the international consultation in May 2017 and a new NRA is currently under revision for Brazil. For more information on the timetable of the CNRA development, please refer to our FSC website and I will show you where you can find it in the next slide.
So, how can the organization know the timetable of the CNRA development?

As you might have noticed, FSC launched its new website recently. From the FSC webpage, you can simply click on the „What is FSC Certification?“ then, select „Controlled Wood“ from the drop down menu, then, you should able to find „risk assessment“ on the right under „REVISION OF THE CONTROLLED WOOD SYSTEM“.

The timetable is being updated from time to time by FSC controlled wood program. Therefore, if you want to know the most updated schedule of the CNRA development this is where you can find the information.
For the NRA and CNRA documents and the most updated standard of controlled wood, version 3-1, you can find them from our „Document Centre“ in our FSC website.

Again, when you go to our FSC webpage, please drag it down to the bottom of the page, you will find “Quick Links” and select “Document Centre”, then, a list of documents will be shown, you just need to select “Controlled Wood Risk Assessment (CW)” , then, a full list of NRAs and CNRAs will be listed as shown on the screen here.

The revised controlled wood standard can be found in here as well, by selecting “Standard” instead of “Controlled Wood Risk Assessment (CW)”. You should able to find the most updated controlled wood standard.
Here comes to the end of the presentation. Thank you for your attention. We now open ourselves for the questions and answer session. I would like to invite you to submit your questions which you may have from the presentation.

Through the chat box of this platform, you can enter questions and we will respond to them in the order we receive them.
Please send your question to Miranda Lin at m.lin@fsc.org

Due to the limited time we have for the webinar, if you have any further questions regarding the revised standard, please email to me directly at m.lin@fsc.org. I will follow up the question with you. As I mentioned in the beginning of this webinar, the powerpoint and the recording of this webinar will be post on our FSC website after this webinar.
Again, thank you very much for attending this webinar, we hope that it’s been useful for you. Bye bye!