

Soil Association Certification Ltd

Forestry Sector Technical Update

FSC® Mix Percentage products in the timber, furniture and construction industry



Prepared by:	Meriel Robson	Date	5/5/2020
Subject(s):	Reducing the labelling threshold for FSC Mix Percentage products in the timber, furniture and construction industry		
Circulation:	SA Staff, Agents, COC Auditors, All COC Certificate holders		
Reason for update:	<p>The timber, furniture, and construction industry are currently facing disruptions in supply lines due to both supply constraints and travel restrictions in many areas of the world due to the COVID-19 pandemic situation.</p> <p>Many of the products sold by the industry carry the FSC Mix Percentage claim and FSC Mix label, which requires a minimum of 70% of FSC material in the product by weight/volume. However, supply restrictions are making it challenging for organizations to meet this 70% threshold in this situation.</p> <p>Due to the logistical, contractual and practical difficulties that do not permit changing of packaging material and labels at short notice, there are requests from organizations to allow a temporary relaxation in the labelling threshold for FSC Mix percentage claims for products carrying the FSC Mix label. This is expected to be a short-term measure until the COVID-19 situation improves, and relevant supply chains and volumes can be re-established.</p> <p>This derogation is valid until 31 October 2020. It will be regularly reviewed by FSC prior to the end of the validity date and updated and possibly extended as necessary.</p>		
Reference or Background Documents:	FSC-DER-2020-006 Reducing the labelling threshold for FSC Mix Percentage products in the timber, furniture and construction industry (ref: FSC-STD-40-004 v3-0 Clause 11.1)		

	The text of this derogation is re-produced in this Technical Update
Actions:	<p>Certificate Holders (timber, furniture, construction) may follow the guidance below if having trouble sourcing enough FSC material to meet the minimum percentage.</p> <p><u>Certificate Holders</u> – if you intend to use this derogation please contact your Certification Manager <u>prior to use of derogation</u> and complete the relevant parts of the form below, including sending documented plan for recovery of the volumes of FSC material. Please use the appendix form below this Technical update to do so. <u>You will need approval before you may use the derogation.</u></p> <p>Note: that if you do wish to apply this derogation SA Cert may need to apply a charge for review of documentation- note monthly reports will need reviewed.</p> <p><u>SA Certification staff/Agents</u> – please collect the information required by the derogation from the Certificate Holder and record on the form below how verified. Keep a copy of the information on file and send to Auditor with next Job instructions. Note also the FSC Chain of custody programme chainofcustody@fsc.org will need to be notified by Soil Association as necessary with the information in the form below. Note: that if a CH does wish to apply this derogation SA Cert may need to apply a charge for review of documentation – note monthly reports will need reviewed.</p> <p><u>Auditors</u> – if the CH you are auditing has applied for and received a derogation using this Technical Update, you will be notified with the next Job instructions. If a CH has applied the derogation without submitting the information below and without approval this will be a Major Non-compliance.</p>
Details:	<p>Organizations in the timber, furniture, and construction industry that use the FSC Mix label on their products may reduce the percentage of FSC material in products with the FSC Mix percentage down to 51% under the following conditions:</p> <ol style="list-style-type: none"> 1. The organization demonstrates that it has been achieving a consistent share of FSC percentage (minimum 70%) in their products over a significant period (at least 1 certification cycle) and regularly sold products with the FSC Mix label. 2. The organization demonstrates that there is a scarcity of eligible input in their supply chains due to the COVID-19 pandemic. 3. The organization demonstrates that it is logistically, practically or contractually not viable or potentially business critical to: <ol style="list-style-type: none"> a. remove the FSC Mix label from the product packaging for the period of the derogation. b. switch to a credit system and use the FSC Mix label only for the corresponding part of their products. <p>OR</p>

4. The organization demonstrates that it has secure FSC supply lines in place (long-term purchase agreements etc.) which can be verified by the CB.

5. The organization ensures that the proportion of FSC material in the product group does not fall below the 51% threshold in labelled products during the validity period of this derogation.

6. The organization shall:

a. Have a clear and documented plan for recovery of the volumes of FSC material that was not used in FSC labelled products on account of going below the 70% threshold ('negative balance').

b. Pay back the "overdraft" or "negative balance" in the mix % as calculated in 6 a) **no later than December 31, 2021**.

c. Report to the CB monthly with the average 12-month rolling average and provides up to date records regarding volumes, material sourcing, and 'negative balance' recovery.

7. **CBs shall inform the FSC Chain of Custody program** when they have information on their certificate holders making use of this derogation. This information shall include, at a minimum the following aspects and would need to be updated at the end of the derogation period:

a. Product groups for which this derogation is to be applied;

b. Duration for which the derogation is going to be applied;

c. The total volume of 'negative balance' created over the period;

d. The plan to recover the 'negative balance' and when the recovery is expected to be completed.

Appendix 1 (see form next page)

	Certificate Holder to complete:	
Certificate Holder name and Code:		
a. Product groups for which this derogation is to be applied		
b. Duration for which the derogation is going to be applied		
c. The total volume of 'negative balance' created over the period (to be confirmed once period has ended)		
	Certificate Holder - Evidence provided	Soil Association Cert check
1. The organization demonstrates that it has been achieving a consistent share of FSC percentage (minimum 70%) in their products over a significant period (at least 1 certification cycle) and regularly sold products with the FSC Mix label.	<i>Eg. records of quantities of sales of FSC Mix</i>	<i>Eg Verified and meets requirement</i>
2. The organization demonstrates that there is a scarcity of eligible input in their supply chains due to the COVID-19 pandemic.	<i>Eg. communications from suppliers/ confirmation that harvesting activities have not been done during Covid-19</i>	<i>Eg Verified and meets requirement</i>
3. The organization demonstrates that it is <u>logistically, practically or contractually</u> not viable or potentially business critical to: a. remove the FSC Mix label from the product packaging for the period of the derogation. b. switch to a credit system and use the FSC Mix label only for the corresponding part of their products. OR 4. The organization demonstrates that it has secure FSC supply lines in place (long-term purchase agreements etc.) which can be verified by the CB	<i>Eg. practically Company cannot get labels reprinted currently due to closure of printer and has existing business critical contracts to supply FSC Mix</i> <i>OR</i> <i>Eg. long term purchase agreements attached</i>	<i>Eg. verified contracts</i> <i>Eg. verified purchase agreements</i>
5. The organization ensures that the proportion of FSC material in the product group does not fall below the 51% threshold in labelled products during the validity period of this derogation.	<i>Eg. records submitted for remote audit</i>	<i>Eg. verified through remote audit</i>
6. The organization shall: a. Have a clear and documented plan for recovery of the volumes of FSC material that was not used in FSC labelled products on account of going below the 70% threshold ('negative balance').	<i>Eg. a) documented plan and revised volume summary template submitted</i> <i>b) to be submitted in future</i>	<i>Eg. a) documented plan reviewed</i> <i>b) included plan for increasing certified volumes when possible and prior to Dec 31, 2021</i>

<p>b. Pay back the "overdraft" or "negative balance" in the mix % as calculated in 6 a) no later than December 31, 2021</p> <p>c. Report to the CB monthly with the average 12-month rolling average and provides up to date records regarding volumes, material sourcing, and 'negative balance' recovery</p>	<p>c) <i>*NOTE: Monthly reports need to be submitted to CBs on the items left*</i></p>	
<p>Notify FSC Chain of Custody programme at end of derogation period including information as described above.</p>	<p>NA</p>	<p><i>Eg. copy of records submitted to FSC xx date</i></p>