

FSC POLICY ON PERCENTAGE-BASED CLAIMS

15 May 2000

CONTENTS

	Introduction
Section 1	FSC Trademarks on-product
Section 2	FSC Trademarks off-product
Section 3	Uncertified contents and controversial sources
Section 4	Monitoring compliance.
Section 5	Classification of Materials
Section 6	Definitions and interpretations
Section 7	Examples of permitted percentages

INTRODUCTION

The first Policy for Percentage-Based Claims came into effect in October 1997. The first pulp and paper products carrying the FSC Trademarks came onto the retail markets in early 1998, with the permitted percentages of recycled and uncertified raw materials.

A new version of the policy was approved and published in February 1999, replacing the policy of October 1997. The FSC board then agreed to open the policy for renewed discussion and revision. In June 1999 a discussion paper on "Options for the FSC Percentage Based Claims" was prepared for a workshop held after the General Assembly. The document explained some of the practical problems created by the current policy, with case histories, and presented some of the options for a revised and improved policy.

Comments and contributions on the policy and the discussion paper were received from many people. In Europe, interested parties set up an informal committee, as a contribution to the discussion. This committee prepared some detailed suggestions in October 1999, on the FSC Percent forum.

The FSC considered a wide range of options and suggestions, at its board meetings in October 1999 and February 2000, and decided to change elements of the policy. These decisions were widely publicised after the board meetings. This document is designed to include the new policy decisions, and to provide guidance on how to implement them.

Many anomalies and problems arise in interpretation and implementation of such a complex policy, but our aim is to keep the policy as simple as possible. We aim to deal with anomalies case by case. For this reason, we avoid setting technical prescriptions for individual components (such as decorative face veneers for plywood), when they would add to the complexity of the regulations, and would create extra anomalies. Any buyers who require products complying with stricter requirements than those laid down in this policy are strongly encouraged to include those requirements in their purchasing contracts. Further technical guidelines will be developed as required.

Objectives of this policy The objective of the FSC Policy for Percentage Based Claims is to allow public recognition for products containing less than 100% FSC-endorsed raw materials, and to reduce the barriers facing industries which rely on large numbers of suppliers, not all of which are yet certified, and to reduce the perceived disadvantages faced by small forest properties supplying the same markets as larger integrated forest enterprises. FSC recognises that one effect of this policy will be that many more products may be marketed with the use of FSC Trademarks, which may then become more widely

recognised. Another effect will be that the message carried by the Trademark is no longer a simple link to a certified forest, and greater care will be needed to provide clear, correct information and to avoid misleading the public.

More detailed guidelines on specific issues will be produced by FSC from time to time, based on experience.

Guidance on the implementation of this policy, in cases of doubt or of unresolved issues, may be obtained from Gabriela Méndez, FSC Trademark Officer to:

e-mail: gmendez@fscoax.org

or by fax to: + 52 (9) 51 621 10

SECTION 1 FSC TRADEMARKS ON-PRODUCT for percentage-based claims

1.1 SOLID WOOD PRODUCTS

1.1.1 For collections of solid wood products, in retailers' display cases, wood yards, containers, packages and similar:

The FSC interpretation of a collection of products is given in the list of definitions and interpretations, Section 6, as follows:

The FSC Trademarks (name initials and logo) may be used for percentage based claims on labels, wrapping, packaging, tags, etc. when at least 70% by volume of the wood used in manufacturing the product line, or the collection of products, is FSC certified.

1.1.2 For individual solid wood items in a collection

This section refers to rules for identifying individual items in a collection covered by a Percentage Based Claim, for example: an individual curtain pole in a display case of poles, or an individual fence post in storage area of posts.

Percentage based claims on individual solid wood products will present special problems for providing a clear truthful message. At this stage, any one of the following options may be applied, under the supervision of the certification body.

Option 1 FSC Trademarks are NOT used on individual solid wood items. (in percentage based claims on individual solid wood items), This option is currently recommended where the certification body is satisfied that precautions are taken to avoid substitution of products not legitimately covered by the chain of custody certificate.

Option 2 The Chain of Custody number, assigned by the certification body is used on each product, without any FSC Trademarks.

This option is recommended as a security check, to be used in monitoring compliance, when the certification body or the client needs extra provision to check the chain of custody, and to avoid substitution of materials not properly covered by the COC certificate or claim

Normally, options 1 or 2 will be chosen.

Option 3 FSC Trademarks, with full details of raw materials and sources and certified percentages used in the manufacturing process, are used for on-product labels

The FSC Trademarks may be used, so long as the label makes it clear that the FSC guarantee applies to the manufacturing process and the raw materials used in manufacture, and is not a guarantee that each individual item is guaranteed to come from a certified forest. If this cannot be clearly described, then options 1 or 2 will be used.

This option may be chosen as an exception, when there is a particular requirement to provide a full and detailed label on individual solid wood items. Each request for option 3 must be approved individually by the FSC Trademark Manager.

PLEASE SEE ADDENDUM I

A target for increasing the percentage of certified timber used in manufacturing collections of solid wood products over time may be set by the FSC Board in due course. This item will be included in the next formal review of this policy.

1.1.3 CHAIN OF CUSTODY ISSUES

Complications may arise when certified consignments of solid wood items are combined or separated. Such consignments may be combined with uncertified products, or with products covered by a different percentage based claim.

Two points are needed for guidance:

* Percentage based claims are voluntary. Clients are not obliged to make the necessary calculations, nor are they obliged to hire the certification bodies to verify the calculations or the chain of custody. If they choose not to proceed, then FSC Trademarks cannot be used for percentage based claims.

* The essence of a percentage based claim is that "at least X % of the wood used to manufacture the product or collection came from FSC-certified forests". If a collection is divided, the same claim may legitimately be made about the separate collections. The percentage based claim DOES NOT state that X % of the wood IN THE COLLECTION came from a certified forest.

The arithmetic of combining or dividing consignments covered by different percentage based claims is not a major challenge. A simple example:

1 ton of components covered by a 70 % claim are combined with 1 ton covered by a 80 % claim, and 1 ton covered by a 90 % claim, to yield three tons of products.

The final 3 tons of products may be covered by a claim as follows:
(70 + 80 + 90) divided by 3 = "at least 80 % of the wood used in the manufacturing process of this product line comes from FSC-certified forests".

Many cases will be more complicated than this example, but the calculations will follow the same lines.

1.2. CHIP AND FIBRE PRODUCTS

The FSC Trademarks (logo, name, initials) may be used on-products and labels when:

At least 17.5 % by weight of the total chip or fibre (including Neutral Category B and Uncertified Category C) used in manufacturing the product is FSC-certified (Category A).

And

At least 30% by weight of the new virgin wood chip or fibre used in manufacturing the product is FSC-certified (Category A)

This minimum will be increased to fifty percent in June 2005.

1.3 ASSEMBLED PRODUCTS

1.3.1 ASSEMBLED PRODUCTS MADE OF SOLID WOOD PARTS

i.e. Assembled products in which all wooden parts are comprised of solid wood material, including blockboard, plywood and mouldings.

The FSC Trademarks (logo, name, initials) may be used on-products and labels when:

At least 70 % by volume of the timber used in manufacturing the products is FSC-certified (Category A material, see Section 5)

1.3.2 ASSEMBLED PRODUCTS CONTAINING BOTH SOLID AND CHIP & FIBRE PARTS

i.e. Assembled products in which some items are comprised of solid wood parts, and some are chip & fibre parts such as particle board.

Two options are available. One is a continuation of the current practice. The other is the option of calculating the percentages separately for the solid and the chip - fibre contents.

Option 1. FSC Trademarks may be used if the combination of all wood and virgin chip or fibre components contains at least 70% (by volume or weight) of FSC certified content. This is the policy applied since 1997, unchanged.

The application of this option may result in the following case, as an example. An assembled product such as a table may be made from plywood, solid wood and particle board. So long as 70 % of the overall total of virgin raw materials used in its manufacture are FSC-endorsed, the final product may use FSC Trademarks on-product.

Option 2. Alternatively, if the client prefers,

The rules for Solid Wood apply to the sum of the solid wood components (Section 1.1).

The rules for Chip & Fibre products apply to the sum of the chip & fibre components (Section 1.2). FSC Trademarks may be used on-product if the solid wood components and the chip and fibre components both comply with their respective rule.

1.3.3 ASSEMBLED PRODUCTS CONTAINING SOLID WOOD AS WELL AS CHIP & FIBRE AND/OR NEUTRAL COMPONENTS. **SEE ADDENDUM II**

1.4 BATCH SYSTEM

1.4.1 All percentages stated in FSC rules, thresholds and labels can be calculated according to the batch system. The minimum percentage must be applicable to either a batch length or a production unit. The batch length may be varied to accommodate different industrial production process, on a case by case basis, however in all cases the length must be specified (for example 30 days). For continuous production systems, a batch length of 30 days is recommended. The batch length should not exceed 60 days except under exceptional circumstances approved by the Certification Body.

For the product to carry the FSC Trademarks, the mean proportion of FSC-certified material (Category A) in each batch, should never drop below the minimum threshold, calculated as the rolling mean (average) of the output.

When using a batch system the product types must be equivalent in terms of quality or species.

1.4.2. For chip and fibre products the certified content should be calculated and specified in terms of dry weight of relevant ingredients, using the specification which is most convenient for the purpose (e.g. at 0% or at 2% moisture content). Certification bodies must ensure that the specification used is consistent whenever percentages are calculated.

1.4.3 Manufacturers must have appropriate contingency plans to ensure that the rolling mean (average) will be maintained above the minimum threshold over time, and/or to prevent the application of the FSC Trademarks (name, logo and initials) to products produced after the rolling mean (average) drops below the threshold. Certification bodies will evaluate such plans in their chain of custody evaluations.

1.4.4 The batch length (or control time unit) may be varied to accommodate different industrial production processes, on a case by case basis. The use of percentages by weight or by volume may also be varied. Percentages may be calculated by weight, volume, or both, to match the realities of different processes and mixtures. In all cases the details will be specified and monitored by the certification body issuing the chain of custody certificate.

1.4.5 Percentage Based Claims may also be based on the absolute content of certified wood in each individual product, when the contents can be verified by the Certification Body. The wording of the claim will be adapted to each case.

1.5 CONTINUOUS IMPROVEMENT

- 1.5.1 Within one year of approving this policy, FSC will prepare terms of reference for an evaluation of the impact of this policy on several market indicators, to be completed within six months. The indicators will include the numbers of certified and labelled products and product lines, the amount of FSC-certified material being used to manufacture labelled products, and the proportion of the total output from certified forests reaching the market carrying the FSC logo. The evaluation will include surveys of certificate holders, manufacturers and retailers, consumers, and analyses of product databases. The evaluation will also include a review of competitive distortions created by the new policy including those that might disadvantage pioneers that have managed to label their products at high or 100% levels. The results will be used to introduce continuous improvements in the policy, aiming at increasing the percentage content of certified material and improving market access and visibility for FSC certified products, compatible with furthering FSC's mission and goals.
- 1.5.2 Companies making percentage based claims for Chip and Fibre products must develop an action plan for continuous increase in the use of certified raw materials, and for achieving the five-year target. The contents of this action plan will be monitored by the certification bodies. New companies will enter above or at the minimum threshold set at the time of certification.
- 1.5.3 The percentages and minimum thresholds set in this policy will be reviewed when necessary. FSC reserves the right to change the thresholds and will provide appropriate notice of any changes.

1.6 LABELS

- 1.6.1 Labels should show the FSC logo with the actual percentage content of FSC-certified Category A wood. The type face of the numbers representing the percentage shall be at least as large as the letters ' FSC ' of the Logo. The label will provide an assurance that the minimum percentage rules have been satisfied.

For example:

for an assembled product:



or

for a paper product:



- 1.6.2 Labels must include descriptive statements to explain the meaning of the FSC

Logo and to disclaim responsibility for other attributes of the product. FOR EXAMPLE:

"At least 70 % of the wood used in making this product line comes from well-managed forests independently certified according to the rules of the Forest Stewardship Council".

"At least 30% of the fibre used in the manufacturing process of this paper comes from well-managed forests independently certified according to the rules of the Forest Stewardship Council".

" At least 17.5 % of the fibre used in the manufacturing process of this paper comes from well-managed forests independently certified according to the rules of the Forest Stewardship Council, and 82.5 % are post-consumer recycled waste paper."

"At least 70% of the wood used in manufacturing this line of products comes from forests certified under Forest Stewardship Council rules".

For products in which 100 % of the wood, chip and fibre materials FSC-endorsed, with no neutral materials, the label does NOT need to state 100%.

- 1.6.4 The standard "recycled" moebius loop logo may be used with the FSC logo. Companies should follow the standard ISO 14021 *Environmental Labels and Declarations-Self Declared Environmental Claims* in making a claim about the recycled content of the label.
- 1.6.5 For greater information and transparency, FSC recommends that labels provide a more detailed list of ingredients and their proportions. Simple labels, without full descriptive statement, may be authorised case by case by the certification body, especially on very small articles.
- 1.6.6 In all cases, labels must state the mean minimum percentages of FSC-certified material as a percentage of the total wood, fibre and neutral raw materials used in the batch manufacturing process (section 1.4) and will be monitored by FSC accredited certification bodies.

SECTION 2 FSC TRADEMARKS OFF-PRODUCT

- 2.1 Any organization with all or part of its forests covered by a valid FSC-endorsed forest management certificate, or with products that meet the minimum thresholds for percentage based claims covered by a valid chain-of-custody certificate, may be authorized to use FSC's registered Trademarks (name, initials and logo) in off-product claims about certified forest management and about the use of products from certified forests. Claims may be made in official reports, press releases, advertisements, brochures and leaflets and other market mechanisms and media. Claims must be approved prior to publication by the FSC accredited certification body that issued the certificate, as described in the FSC Logo Guides.
- 2.2 In all cases, claims must include full information and descriptions, including the proportions of certified and uncertified forests and raw materials. Some examples

and guidelines of methods of presenting information are incorporated in the FSC Logo Guides.

- 2.3 Products may be covered by an FSC chain of custody certificate, even when the proportion of certified contents is below the minimum threshold. Off-product market claims may be made on invoices or chain of custody documentation such as Bills of lading, but the products may not carry the FSC Trademarks (name, initials or logo). The FSC Trademarks may NOT be used for advertisements, publicity, promotion or any on-product or off-product claim.

(Note: This Policy enables certificate holders to inform their commercial clients about their progress towards satisfying the terms of FSC's percentage based claims policy, by making reference to FSC endorsed COC certificates. It does NOT enable them to use FSC's Trademarks on leaflets, advertisements or other publicity, promotional or media materials, because such usage is most likely to confuse or mislead the public when it is associated with products which do not comply with FSC's policy and which may not carry the FSC Trademarks on-product).

- 2.4 Forest management enterprises, processors and manufacturers that do NOT have a valid FSC-endorsed certificate may NOT make use of the FSC Trademarks in public reports, press releases, advertisements, brochures and leaflets and other market mechanisms and media.
- 2.5 Forest managers, retailers, wholesalers and others in possession of a valid FSC ID Code issued by an FSC nominated agent or the FSC Secretariat, may use the FSC Trademarks for the purposes of promoting FSC labelled product lines, promoting their association with or support of FSC, and disseminating information within their organisations about FSC, in accordance with the FSC Logo Guides. In all such cases, the use of the FSC Trademarks must be approved in writing prior to publication by an FSC nominated agent or the FSC Secretariat. Procedures for requesting approval, and technical guidelines for use of the Trademarks are provided in the FSC Logo Guides.
- 2.6 Dealers and manufacturers may use the FSC name and initials in company reports such as Annual Reports and company policy documents and in dealings between trading partners and commercial clients. In all cases, use must be approved in writing prior to publication.
- 2.7 FSC will study any such claims to determine whether claimants are 'passing off' their products or services, and will take legal advice as to what action is justified on a case by case basis.

SECTION 3 UNCERTIFIED CONTENTS AND CONTROVERSIAL SOURCES.

- 3.1 This policy now introduces safeguards for certificate holders who choose to apply the newly introduced percentage thresholds for percentage based claims, using FSC Trademarks. FSC wishes to avoid the use of its Trademarks on-products, or for promoting products, which contain uncertified raw materials from illegal or other unacceptable sources. These new rules apply to on-product use of FSC Trademarks, under the FSC percentage based claims policy, as follows:

Chip and fibre products in which the FSC-endorsed virgin raw materials used in manufacture are less than 70 % of the total of virgin raw materials.

(Note: The permitted percentage was 70% from 1997, until reduced to 30% in 2000.)

Solid wood products (in collections) in which the FSC-endorsed raw materials used in manufacture are less than 100 % of the total wood.

(Note: Up to now, solid wood collections were required to be 100% FSC-endorsed. Percentage-based claims for collections are now permitted when at least 70 % of the raw materials used in manufacture are FSC-endorsed.)

(Note: If necessary, FSC may consider similar rules for ALL users of percentage based claims).

3.2 In these cases, measures will be taken to avoid the following categories of uncertified raw materials:

3.2.1 Wood that has been illegally harvested.

(Note: This provision applies to the legality of harvesting methods and sources, and the fulfillment of national regulations covering fees and other rules.)

3.2.2 Wood from genetically modified trees.

(Note. This provision will use the latest FSC guidelines on the definition and interpretation of GM trees. The current version is dated October 1999. This provision does NOT exclude traditional tree-breeding programmes.)

3.2.3 Wood from areas where there is a clear demonstration of violation of traditional, customary or civil rights, or of serious extant disputes with indigenous peoples or other social stakeholders, involving confrontation or violence.

3.2.4 Wood from uncertified high conservation value forests (HCVFs)

(Note: The published FSC definition of HCVFs (below) will be used and should be taken into account in the implementation of this policy. As interim operational guidance, particular attention should be paid to HCVFs, which are also old-growth forests. For the purposes of this policy, old-growth forests are highly natural forest ecosystems, often characterised by abundant mature trees, whose structure and composition is largely determined by natural ecological processes and which are relatively undisturbed by human activities other than low levels of hunting, fishing and harvesting of forest products, and sometimes with low density of shifting agriculture with long fallow periods. FSC will publish further guidance on HCVFs during 2000, including guidance on cases of products harvested by local communities, and will revise this note, with appropriate notice.)

3.3 Summary: Companies making percentage based claims must have a public policy and a responsible contact person, and a monitoring or tracking system in place designed to fulfil the requirements of this policy. Certification bodies will assess the contents of this policy.

Companies using the FSC Trademarks on-product, as covered by section 3.1, must have a policy, publicly available on request, to avoid wood from the sources described in section 3.2, as well as an internal verifiable system for tracing and

monitoring its sources, and for excluding unacceptable sources. This policy statement should be equivalent to the following example:

"It is the policy of this company to avoid using wood that has been illegally harvested, and wood from genetically modified trees, from areas where traditional or civil rights are violated, and from uncertified high conservation value old-growth forests, as described in the current FSC PBC policy, when applying the FSC policy. The company has appointed a contact person responsible for implementing this policy

If it is demonstrated that this company is using wood from such sources, we will promptly take appropriate actions, including stopping purchases from such sources for products covered by this policy.

This company is committed to making best efforts to identify the sources of wood used for products labelled according to the FSC rules, and to publish reports on the origin of materials used in the products affected with sufficient geographical resolution to ensure compliance with the policy. If it proves impossible to identify the origin of some of these raw materials, we are committed to replacing them with materials which can be sourced with confidence. Our reports will describe our system for verifying and monitoring our sources, the proportions of raw materials which have not yet been verified, and the steps being taken to replace materials of unknown origin."

- 3.4 Before issuing the appropriate COC certificate for the cases described in section 3.1, the certification body must ensure that the company has a policy statement which includes a commitment equivalent to the statements in section 3.3, within a reasonable time frame in a form that is publicly and easily available, such as on the company's website.

The certification body will also monitor that the company provides a report at regular intervals on the volumes and origins of certified and uncertified raw materials. It will also assess the company's internal system for tracing and monitoring its sources, and may set CARs for improvement of the system.

Exceptional cases of confidentiality of sources will be assessed case by case by the certification body

- 3.5 If disagreements arise about the implementation of, or compliance with, these company policies, including different interpretations of the evidence available, then best efforts must be made by the parties involved to verify the facts and reach a conclusion. At the first stage, this must involve discussions between the certificate holder and the party providing evidence of non-compliance. If in doubt, the parties will seek advice from FSC staff and/or from the FSC-endorsed national initiative in the countries concerned. . If this process does not achieve resolution, the final steps may involve an investigation by an appropriate committee set up by the board, or by the FSC Dispute Resolution Committee. At any time, if the parties involved agree, the certification body which is monitoring the claim may be contracted to evaluate the implementation of the policy, the sources or the chain of custody. Disagreements and disputes will be handled case by case, and FSC will provide more detailed guidance based on experience.

- 3.6 Certification bodies will suspend or withdraw certificates or licensing agreements when satisfied that there is clear demonstration of non-compliance, or where the certificate holder has not taken appropriate action to respond to the evidence presented.
- 3.7 The FSC secretariat will facilitate the operation of the appropriate study, in the case of disputes and disagreements about uncertified sources. FSC may intervene with the certification body to ensure that appropriate actions are taken, according to the merits of each case. FSC may issue further guidance from time to time, on topics such as regions of high risk for uncertified sources. This part of the policy will be reviewed before the end of 2001.
- 3.8 FSC's policy provides for a steady reduction in the proportion of uncertified raw materials, used to manufacture products covered by FSC Percentage Based Claims. This policy will be revised in future, to help achieve that goal.

SECTION 4 MONITORING COMPLIANCE

- 4.1 For all products covered by chain of custody certificates, and using the Percentage Based Claims Policy, an FSC accredited certification body is responsible for verifying the proportions of FSC-certified materials (Category A), and compliance with all aspects of this policy, and the truth of the stated percentages, and for monitoring and controlling the use of FSC Trademarks. These responsibilities form part of their evaluation and monitoring requirements.
- 4.2 Certification bodies will pay special attention to:
- * The percentages of FSC-certified material used in the batch manufacturing processes,
 - * The operation of the client's system for excluding unacceptable uncertified sources.
- 4.3 These policy elements will be incorporated into agreements and contracts between FSC, certification bodies, and holders of licenses and certificates, and into the FSC Guidelines for Certification Bodies.
- 4.4 FSC assessments of certification bodies will include scrutiny of all these elements.

SECTION 5 CLASSIFICATION OF MATERIALS

5.1 Category A FSC Certified

The following materials contribute to the "FSC Certified" proportion of a product when covered by a valid FSC endorsed Chain of Custody certificate:

- wood, including thinnings
- pulp, paper, chips, fibres etc. derived from FSC certified sources
- mill broke
- sawmill co-products
- pre-consumer recycled wood and wood fibre or industrial by-products.

When materials consist of a mixture of certified and non-certified materials, the certified content is calculated on a percentage basis, following the "batch rules" in section 1.4.

5.2 Category B Neutral

The following materials are considered "neutral" for the purpose of this policy.

- pre-consumer recycled wood and wood fibre or industrial by-products, including mixed waste paper, but not including mill broke or sawmill co-products
- post-consumer recycled wood and wood fibre, e.g. pallets, demolition timber, post-consumer recycled paper.
- non-wood plant fibre, e.g. cotton, rags, flax, straw, bagasse.
- drift wood
- urban wood (as defined in this policy).

5.3 Category C Non-Certified Wood

The following materials are considered non-certified wood, unless covered by a valid FSC- endorsed Chain of Custody certificate:

- wood, including thinnings
- mill broke
- sawmill co-products.

5.4 Category D Other

Other non-wood materials are ignored for the purposes of this policy. Such materials include metal, plastic, mineral fillers and brighteners, etc.

SECTION 6 DEFINITIONS and INTERPRETATIONS

Assembled Products: Products that are constructed from two or more pieces of solid wood, assembled together to form another product. Examples include furniture, shelving units, musical instruments, plywood, laminated veneer lumber, blockboard. These products may also contain components of chip and fibre products.

By-products: Products of any secondary or later processing, i.e. after the sawmill. Such products may result from the manufacture of panel boards, building structures, paper etc. They may include printers' offcuts, sawdust, fines or wood or panel board offcuts. They are classified in Category B, neutral material. Mill broke or sawmill co-products are not included in this category. The distinction between by-products and co-products will need careful attention in integrated processing plants, e.g. where a furniture factory processes round logs and produces furniture on a single site. Analogous with "Pre-consumer recycled wood and wood fibre"

Batch length: The length of time taken for a production process or a pre-determined division of a continuous production process (e.g. 30 days)

Chip and Fibre products: All products that use input-wood that has been chipped or defibrillated. Such products include pulp, paper, cardboard, particleboard, Fibreboard and chipboard.

Collection of products: Individual solid wood items or products such as logs, lumber, planks, mouldings, components, which are stored or packaged or sold or displayed together in a box, display cases, yard, or storage room.

Driftwood: Classified in Category B, Neutral material. Wood that has been drifted by water unintentionally, not including logs intentionally rafted, floated or transported by water. The aim of this policy is to ensure that loggers or managers do not use this policy to obtain any benefit from careless or irresponsible water transport. Logs that are subsequently retrieved by another organisation may be classified as neutral for the purposes of this policy, so long as no advantage is obtained by the company responsible for losing them. Drift wood should not be classified as neutral if it forms part of a forest ecosystem Further clarification of this category may be needed when this issue arises in practice.

High Conservation Value Forests:

High Conservation Value Forests are those that possess one or more of the following attributes:

- significant :
- a) forest areas containing globally, regionally or nationally concentrations of biodiversity values (e.g. endemism, endangered species, refugia); and/or large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance
 - b) forest areas that are in or contain rare, threatened or endangered ecosystems
 - c) forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control)
 - d) forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health) and/or critical to local communities traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).
- Millbroke: Paper or pieces of paper arising at any point in the mill which are suitable only for repulping, e.g. wet paper removed from the paper machine or dry paper arising as trimmings etc. faulty paper.
- Off-product use: Use of the Trademark on brochures, point of sale materials, leaflets, advertising, promotions, company prospectuses, posters, reports, etc.
- On-product use Labeling of products or on the packaging of products that came from FSC certified forests. This use is unique to those holding either a COC, or a joint FM/COC certificate that comply with the regulations for labeling products. Such uses include product tags, labels, stencils, heat brands, retail packaging for small loose products (such as pencils,) protective packaging, plastic wrap, etc.
- Post-Consumer Recycled wood and wood fibre:
Domestic, household or office paper waste and reclaimed post-consumer wood material, e.g. demolition waste, pallets, posts, poles, used furniture. Classified in Category B, neutral material.
- Pre-Consumer Recycled wood and wood fibre:
Category B, neutral material. Analogous with "By-products".
- Sawmill co-products: Products resulting from primary processing of logs, including offcuts, slabs, chips, sawdust and bark co-produced during sawmilling. The distinction between by-products and co-products will need careful attention in integrated processing plants, e.g. where a furniture factory processes round logs and produces furniture on a single site.
- Solid wood products: A single solid piece of timber, such as a log, beam, plank, wooden spoon.
- Thinnings: Trees removed before a final harvest, to promote growth or quality of the remaining trees, or to provide economic returns from the

forest in several phases. A class of solid wood, in Categories A or C.

Urban wood:

Trees and timber from urban environments, including street, park and garden trees. Arboricultural arisings. Classified in Category B, neutral sources, unless from an FSC-certified source, when it would be in Category A.

SECTION 7 EXAMPLES OF PERMITTED PERCENTAGES

7.1 COLLECTIONS OF SOLID WOOD PRODUCTS AND COMPONENTS, and ASSEMBLED PRODUCTS MADE OF SOLID WOOD PARTS

Products which are manufactured from the following mixtures may carry the FSC Trademarks:
at least 70 % FSC-certified wood + not more than 30 % non-certified wood.

7.2 CHIP AND FIBRE PRODUCTS AND COMPONENTS

- * at least 30 % of the virgin fibre must be FSC-certified and
- * at least 17.5 % of the total fibre must be FSC-certified.

Products which are manufactured from the following mixtures may carry the FSC Trademarks:

Category A	Category B	Category C
17.5% FSC-certified	+ 50 % neutral/recycled	+ 32.5 % non-certified virgin fibre
17.5% FSC-certified	+ 82.5 % neutral/recycled	
30% FSC-certified		+ 70 % non-certified virgin fibre

The following mixtures would NOT be eligible to carry the FSC Trademarks:

5 % FSC-certified	+ 25 % neutral/recycled	+ 70 % non-certified virgin fibre
8 % FSC-certified	+ 92 % neutral/recycled	
25% FSC-certified		+ 75 % non-certified virgin fibre

7.3 ASSEMBLED PRODUCTS CONTAINING BOTH SOLID AND CHIP & FIBRE PARTS

Two options are allowed:

EITHER: for the product overall

70 % FSC-certified wood + 30 % non-certified wood.

OR:

for the chip & fibre components:

30% FSC-certified + 70 % non-certified virgin fibre

for the solid wood components:

70 % FSC-certified wood + 30 % non-certified wood

7.4 An example of a more complex case: This applies when Percentage Based Claims are required when various raw materials, each covered separately by different PBCs, are combined in a manufacturing process. For example, the following mixture is used to manufacture a line of products:

1 tons of chips covered by a 40 % claim are mixed with
2 tons of veneer with a 90 % claim, and
3 tons of solid wood components with an 80 % claim, and
0.5 ton of uncertified wood with a zero claim.

The line of products manufactured from this mixture may carry the following claim:

$$\begin{aligned} & (1 \times 40 + 2 \times 90 + 3 \times 80 + 0.5 \times 0) \text{ divided by } 1 + 2 + 3 + 0.5 \\ & = (40 + 180 + 240 + 0) \text{ divided by } 6.5 \\ & = 70.77 \% \end{aligned}$$

Permitted claim:

"At least 70 % of the wood used to manufacture this line of products came from....."

Summary: Materials used in manufacture:

a tons covered by a w % claim, +
b x % claim, +
c y % claim, +
d z % claim.

Permitted percentage claim $\frac{aw + bx + cy + dz}{a+b+c+d} = \%$.

Addendum I:

The Board of Directors in the last 21 Board Meeting approved the following:

Section 1.1.2, Option 3 should be the rule rather than the exception.

"FSC Trademarks, with full details of raw materials and sources and certified percentages used in the manufacturing process, are used for on-product labels.

The FSC Trademarks may be used, so long as the label makes it clear that the FSC guarantee applies to the manufacturing process and the raw materials used in manufacture, and is not a guarantee that each individual item is guaranteed to come from a certified forest..."

Section 1.1.1 of the Policy shall remain for packaged products that are already carrying the FSC Trademarks, which will be sold as a collection and not as individual items that form part of a collection.

Examples of wording for labels for individual items in collections of solid wood products

Considering that the labels for solid wood items must make it clear that the FSC guarantee applies to the manufacturing process and the raw materials used in manufacture, and is *not* a guarantee that each individual comes from a certified forest, the following wording for individual labels on solid wood items is proposed in these examples:

"A minimum of 70 % of the wood used in making this product line comes from well-managed forests independently certified according to the rules of the Forest Stewardship Council".

"This product has been manufactured from batches of timber where a minimum of 70% of the timber is from forests certified in accordance with the rules of the Forest Stewardship Council."

"At least 70 % of the wood used in making this product line comes from well-managed forests independently certified according to the rules of the Forest Stewardship Council".

"At least 70% of the wood used in manufacturing this line of products comes from forests certified under Forest Stewardship Council rules".

All requests to use a different wording, which do not conform to the above requirements or are not included in this policy, must be submitted to the FSC Secretariat for consideration.

Addendum II.

ASSEMBLED PRODUCTS CONTAINING SOLID WOOD AS WELL AS CHIP & FIBRE AND/OR NEUTRAL COMPONENTS.

i.e. Assembled products in which some components are solid wood, and some are chip and fibre (such as wood-particle board) and/or neutral ingredients (such as strawboard or recycled paper fibre).

FSC trademarks may be used if the assembled product is comprised of no more than 75% of Neutral (Category B) material, and the remaining combination of all virgin solid wood and virgin wood chip or fibre components (Categories A plus C) is comprised of at least 70 % (by volume or weight) FSC certified wood (Category A).

(Note: Assembled products containing only chip & fibre and neutral materials will be covered by paragraph 1.2.)

EXAMPLES OF PERMITTED PERCENTAGES

Assembled products comprised in part of solid wood and which contain the following mixtures may carry the FSC trademarks:

Category A	Category B	Category C
25% FSC-certified	+ 75% neutral/recycled	
17.5% FSC-certified	+ 75% neutral/recycled	+ 7.5% non-certified
50% FSC-certified	+ 35% neutral/recycled	+ 15% non-certified

The following are examples of mixtures that would NOT be eligible to carry the FSC trademarks:

Category A	Category B	Category C
15% FSC-certified	+ 85% neutral/recycled	
25% FSC-certified	+ 50% neutral/recycled	+ 25% non-certified
50% FSC-certified	+ 25% neutral/recycled	+ 25% non-certified