



Forest Stewardship Council®



PSU Review Report

DRAFT FOR CONSULTATION

D1-0

FSC-STD-40-007 (V2-0)
Sourcing reclaimed material for use in FSC
Product Groups or FSC Certified Projects



Status:	Draft
Contact for comments:	FSC International Center - Performance and Standards Unit - Adenauerallee 134 53113 Bonn, Germany
	 +49-(0)228-36766-0
	 +49-(0)228-36766-30
	 psu@fsc.org

All Rights Reserved FSC® International 2021 FSC®F000100

No part of this work covered by the publisher's copyright may be reproduced or copied in any form or by any means (graphic, electronic or mechanical, including photocopying, recording, recording taping, or information retrieval systems) without the written permission of the publisher.

Printed copies of this document are for reference only. Please refer to the electronic copy on the FSC website (ic.fsc.org) to ensure you are referring to the latest version.

PSU Review Report

The Forest Stewardship Council (FSC) is an independent, not for profit, non-government organization established to promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

FSC's vision is that the world's forests meet the social, ecological, and economic rights and needs of the present generation without compromising those of future generations.

Summary and recommendation

Reviewed Document

Document code	FSC-STD-40-007 (V2-0)
Document title	Sourcing reclaimed material for use in FSC Product Groups or FSC Certified Projects
Objective of document	This standard stipulates the requirements that shall be followed by organizations certified according to FSC-STD-40-004 or FSC-STD-40-006 for purchasing, verifying and classifying reclaimed forest-based inputs (including materials such as bamboo and cork) for use in FSC Product Groups and FSC Certified Projects. It also specifies the provisions for the definition and implementation of an organization's verification program for reclaimed material inputs aiming at ensuring authenticity of it regarding their quantity, quality, and compliance with FSC requirements.
Last approval date	01 April 2011
Review triggered by	<input checked="" type="checkbox"/> Regular review as scheduled
	<input type="checkbox"/> GA Motion or Board decision
	<input checked="" type="checkbox"/> New or changed FSC policies or legislation
	<input type="checkbox"/> Change Requests
	<input checked="" type="checkbox"/> Other (please specify): Alignment with other FSC normative documents
Reviewer	Name: Vladislav Vejnovic
	E-mail: v.vejnovic@fsc.org
Draft Review Report	31 May 2021
Public consultation	
Final Review Report	

Recommendation

<input checked="" type="checkbox"/>	Full revision
<input type="checkbox"/>	Minor revision ¹
<input type="checkbox"/>	Editorial revision
<input type="checkbox"/>	No revision
<input type="checkbox"/>	Withdrawal

¹ According to FSC-PRO-01-001 V3-1 Annex 4

Note

This review report will be consulted with stakeholders, leading to a revised version for presentation to the FSC Board of Directors for decision making. If the FSC Board decides that the documents shall be revised, the reviewed document will then undergo a full revision process as described in FSC-PRO-01-001 V3-1 Development and Revision of FSC Normative Documents Procedure.

I. Introduction

This report was developed according to FSC-PRO-01-001 V3-1 Clause 9.6 to review and assess the continued relevance and effectiveness of the normative document. This is a mandatory step before the revision process can start. In addition, it responds to the FSC Board of Directors requirement for a feasibility and impact analysis for all review and revision processes, as mandated at their 71st meeting.

II. Rationale and points for consideration

This chapter focuses on the main triggers for this revision. These include conceptual developments, technical updates, and alignment with other normative documents. Many of these changes are overdue, considering that the last revision of the FSC-STD-40-007 *Sourcing Reclaimed material for use in FSC Product Groups or FSC certified Projects* was in 2011.

PSU recommends a full revision of the standard of FSC STD-40-007 V2-0, based on the reasons listed below. In case a revision of this standard is approved by the FSC Board of Directors, a working group will be established, as well as the work plan and budget for this process.

Overview of proposed recommendations from PSU:

1. Update normative requirements:

- 1.1. Terms and definitions
- 1.2. Incorporation of relevant Advice Notes and Interpretations
- 1.3. Alignment with other FSC Normative Documents
- 1.4. Expanding the range of product types and materials covered in the Annexes

Details of the major items of revision in this section are provided in Annex A. These aspects are intended to be the starting point for the revision process, to be expanded upon by the working group, through stakeholder feedback received during public consultation, recommendations from the Policy Steering Group (PSG) and the FSC Board of Directors (as per FSC-PRO-01-001 V3-1).

Furthermore, there is a need to reconsider the FSC Recycled and Reclaimed material definitions across the CoC-related standards, including the post-consumer category found in FSC-STD-40-004 V (3-1) Chain of Custody Certification Standard. Further consideration on the current post- and pre-consumer material terminology might be needed (e.g., recognizing pre-consumer wood as claim contributing input).

These changes would facilitate the progress towards the three main goals of *The FSC Global Strategy 2021-2026*, and directly contribute to Goal 1.2. *Streamline policies and standards towards outcome orientation.*

2. Expand the scope of the standard to make it more ‘fit for purpose’ and increase the range of product types, material categories and material origin sources covered by the standard, including:

- 2.1. Incorporate circularity concepts (inclusion of textiles, NTFPs etc.)
- 2.2. Reassess treatment of salvaged wood and trees harvested in urban areas
- 2.3. Consider the inclusion of certain categories of co-products under the scope of the standard

2.1. Incorporate circularity concepts (inclusion of textiles, NTFPs etc.)

Since 1970s, the use of natural resources around the globe has tripled and it is projected that we will be consuming three times more resources by 2050, while annual waste generation is expected to increase by 70%. Globalization and fast growth contribute to the inefficient use of natural resources and will continue to create unsustainable pressures on the environment and livelihoods.

Given the above-mentioned trends, this section examines the potential of circular economy as a topic to be explored to update FSC-STD-40-007 and make it fit for purpose. It provides a rationale for the inclusion of textiles, NTFPs, and other forest fibre-based materials (bioethanol, biopolymers etc.) in FSC-STD-40-007.

The circular economy can provide the whole new range of sustainable services and high-quality functional products, which are efficient and affordable, last longer and are designed for reuse, repair and recycling. Due to the increase in consumer awareness towards more sustainable products, businesses have already been introducing the 4R framework in their operations and processes (i.e., reduce, reuse, recycle and recover materials in production, distribution and consumption).

In the long run, and according to the feedback from various stakeholders, there is a need to integrate circular economy elements in the FSC Normative Framework, and the upcoming revision of the 40-007 standard gives this opportunity. The previous efforts in the production of wood-based textiles and natural rubber show that FSC is eager to tap the potential of the new markets to contribute to the sustainable management of the world's forests.

In the past decade, there has been an increasing demand for textiles made from renewable raw materials. The global production of all apparel and textile fibers amounts to more than 110 million tons annually. Less than 1% of the material used to produce clothing is recycled in a closed-loop process, according to the [Ellen MacArthur Foundation](#). Tree-based fibers are the fastest-growing fibre group in the textile industry, though they currently constitute less than 7% of the global fibre market.

Changes to the current version of the standard might consider expanding the scope and make the document more explicit and wider in its design, especially in relation to the aspects of reuse and repair of wood products and other forest-based materials (i.e., textiles), NTFPs (i.e., rubber).

By addressing the above-mentioned points, FSC would be able to increase the uptake of products and services and unleash the potential of forest certification to all stakeholders.

In addition, these changes would directly contribute to achieving all three goals indicated in *The FSC Global Strategy 2021-2026*:

- *1.4 Expand the reach of FSC and its relevance in the fight against climate change and loss of biodiversity*
- *2.4 Accelerate the market uptake of FSC-certified products and ecosystem services*
- *3.4 Accelerate awareness of the value of forests.*

2.2. Reassess treatment of salvaged wood¹ and trees harvested in urban areas

This revision provides the opportunity to make FSC-STD-40-007 more inclusive regarding new products and materials, and at the same time address shortcomings in the FSC normative framework that are limiting potential market reach of FSC certification.

According to stakeholder feedback, FSC should reconsider the treatment of certain wood-based materials and consider incorporating them in the scope of this standard. This would facilitate more sustainable resource management and allow FSC to increase the amount and the type of materials entering the FSC system. While allowing additional materials and products, which are usually disposed as waste, into the FSC system would most probably increase the market uptake of FSC-certified products, this change might also bring different challenges and integrity risks in the FSC upstream value chains.

Salvaged wood (specifically with uncertain or unknown origin and therefore cannot be covered by the forest management or controlled wood standards) and trees from urban areas generate large quantities of wood material globally and present a great opportunity for FSC. However, the current version of the standard recognizes salvaged urban trees as forestry waste which is not accepted as a reclaimed wood material source (ANNEX I).

Therefore, FSC should consider allowing such materials to be recognized as controlled or, in cases when that is not possible, as reclaimed material. By treating salvaged wood and elements generated from wood waste as reclaimed material, FSC will promote greater recovery and higher value uses of these materials in an energy-efficient manner, while helping to reduce landfill disposal of recyclable materials.

2.3. Consider inclusion of certain categories co-products under the scope of the standard²

Co-products that are result of wood processing are an alternative and valuable source of woody biomass. In general, sawmills can recover approximately 50% of the input material as sawn product, with the balance being co-product in the form of bark, sawdust, and woodchip. To use these co-products in the FSC system, however, it is imperative that we are able to trace the material back to its origin. When that is not possible, it is not possible to consider this material under either FM certification, or under Controlled Wood. This, in many cases, renders this material ineligible to enter the FSC system.

¹**Salvaged wood:** Wood that was:

- naturally felled (e.g. by storm or snow);
 - felled and subsequently lost or abandoned (e.g. logs that sank to the bottom of a river or lake while being transported, felled trees never picked up in a log yard, logs washed up on shore);
 - felled for purposes other than wood production (e.g. wood from orchard clearance, wood from road clearance, and urban harvested wood);
 - submerged by water and abandoned as a consequence of artificial reservoirs and dam construction.
- For the purposes of FSC CoC control and labelling, salvaged wood is considered as virgin material and shall be assessed as controlled material or sold as FSC Controlled Wood.

Taken from: FSC-STD-40-004 V3-1 *Chain of Custody Certification*

² **Co-product:** Output produced during the process of primary manufacturing of another (principal) product from the same inputs (e.g. sawdust, chips generated during lumber processing).

Taken from: FSC-STD-40-004 V3-1 *Chain of Custody Certification*

Unfortunately, this represents a significant source of biomass material that could be sustainably utilized if enabled to enter the FSC system. This revision process is the chance for FSC to reconsider the position of some of the co-products (e.g., sawdust) and explore the chance to include them as reclaimed material.

The proposed changes would directly help to transform the markets and achieve the relevant goals indicated in the *FSC Global Strategy 2021-2026*:

- *2.1 Advance FSC in value chains that have the highest potential for contributing towards our 2050 vision;*
- *2.2 Accelerate the market uptake of FSC-certified products and Ecosystem services*

III. Impact analysis

The table below outlines the estimated impacts of the proposed changes. The estimated impacts are presented by stakeholder category and can be positive (+), negative (-), or both (+/-).

Stakeholder category	Impact	Description
FSC International	++	<ul style="list-style-type: none"> • Revision anticipated to enhance/consolidate FSC`s position on the circular economy discussion • Changes to the product materials and types resulting in a more robust FSC coverage would lead to a positive impact on the uptake of FSC products and services, allowing for new certificate holders to enter the system. • Alignment with other normative documents, the inclusion of existing interpretations and advice notes, together with the changes to make the scope more up-to-date and easier to understand are envisioned to make the standard fit for its purpose. • Proposed modifications should result in an overall increase in number of certificates globally and a consequent increase in FSC products in the market. • Additional resources would be required from FSC International to provide guidance and facilitate the implementation of the revised standard. • Proposed changes could bring potential integrity concerns to the system when we increase scope.
FSC Network Partners	+	<ul style="list-style-type: none"> • The proposed changes are foreseen to have a positive impact on the independent network partners. Detailed impact assessment should be done in regional contexts to better understand the extent of the impact. • Increased COC certificates should have positive impacts both on revenues for Network Partners and should also drive an increase in FM certified area to meet demand • Additional resources would be required to provide guidance, coordination, and training activities across the FSC Network and regions.

FSC Independent Network Partners have been actively involved in providing the input for the proposed revision of FSC-STD-40-007 (V2-0).

Certification Bodies	+/-	<ul style="list-style-type: none"> • More streamlined and transparent requirements of the FSC-STD-40-007 (V2-0) will facilitate the consistency in CB evaluations. • The inclusion of new product types, material categories, and materials sources will require more clarification and guidance and new training from CB's. The proposed changes could potentially lead the FSC Certificate Bodies to invest more in their audits, which may result in higher operational costs.
Certificate Holders/ Economic stakeholders	+	<ul style="list-style-type: none"> • The proposed changes might increase the number of certificate holders and allow new organizations to come on board. Extension of the scope may open up FSC certification to previously ineligible companies and organizations. • Certificate holders would be able to expand their product portfolio and gain a competitive edge, increase their sales and market share. • PSU does not anticipate the proposed upgrade changes to this standard to put a heavy burden on certificate holders.
Environmental stakeholders	+	<ul style="list-style-type: none"> • The inclusion of circular economy aspects would contribute to more efficient resource use and the sustainable management of the world's forests which will positively impact environmental stakeholders.
Social stakeholders	+/-	<ul style="list-style-type: none"> • The updated version of the would contribute to society at large by facilitating more efficient resource use and the sustainable management of the world's forests which will positively impact livelihoods. Overall, not much impact is expected for social stakeholders

IV. Stakeholder consultation and feedback

Methodology

An international stakeholder consultation will be initiated, and stakeholders will be invited to provide comments and feedback on the draft review report via the FSC Consultation Platform. To ensure that all relevant stakeholders participate in the consultation the following communication channels will be applied:

- Email announcement on the CB Forum and Accreditation mailing lists
- Email announcement on the Network mailing list and/or a news item on Branching Out
- News item on the FSC website
- News item on the FSC members' portal

To facilitate the consultation, the following type of questions will be included in order to guide participants:

- Guided questions
- General questions about the review report (e.g., Do you agree with the proposed changes to in Section X, Clause X? Please elaborate your response).
- Ranking questions (e.g., What is your overall impression of the proposed changes? Very positive to Quite negative)

The period to submit comments on the draft review report will be thirty (30) days from its publication.

Results of consultation

(To be completed after the rest of the document has been sent out for consultation)

Number of responses per stakeholder group and region

Synopsis of comments

V. Revision process

In case a minor revision of this standard and procedure according to FSC-PRO-01-001 V3-1 Annex 4 is approved, an internal Technical Working Group of one or more staff members will be appointed by the Policy Steering Group for this task. The revision will be conducted according to clause 2.4 of Annex 4 with the final decision being taken by the FSC Director General.

However, in case of a major revision of this standard and procedure according to FSC-PRO-01-001 V3-1 Annex 4 is approved, a Technical Working Group will be established based on a public call for applications. The Terms of Reference, conditions for membership, and number of members shall be defined and approved by the FSC Board of Directors.

VI. Annex A

Main aspects to be considered for the revision of FSC-STD-40-007 (V2-0):

Items to be revised	Justification/concern										
Foreword											
A Scope	Inclusion of textiles, NTFPs and other forest fibre-based materials (bioethanol, biopolymers etc.).										
B Effective date											
C References	<table border="1"> <thead> <tr> <th>CoC Interpretations</th> <th>CoC Advice Notes</th> </tr> </thead> <tbody> <tr> <td>INT-STD-40-007_01</td> <td>ADVICE-40-004-12</td> </tr> <tr> <td>INT-STD-40-007_02</td> <td>ADVICE-40-004-13</td> </tr> <tr> <td>INT-STD-40-007_03</td> <td>ADVICE-40-004-18</td> </tr> <tr> <td>INT-STD-20-011_11</td> <td></td> </tr> </tbody> </table>	CoC Interpretations	CoC Advice Notes	INT-STD-40-007_01	ADVICE-40-004-12	INT-STD-40-007_02	ADVICE-40-004-13	INT-STD-40-007_03	ADVICE-40-004-18	INT-STD-20-011_11	
CoC Interpretations	CoC Advice Notes										
INT-STD-40-007_01	ADVICE-40-004-12										
INT-STD-40-007_02	ADVICE-40-004-13										
INT-STD-40-007_03	ADVICE-40-004-18										
INT-STD-20-011_11											
D Terms and definitions	<i>Add Salvaged wood, Trees harvested in urban areas, Co-products.</i>										
1 Purchase of reclaimed forest-based materials											
2 Suppliers validation and monitoring											
3 Material inspection and classification upon receipt											
3.4	<p>In case that the material received does not comply with purchase specifications and/or the quantities informed in the invoices are not correct, the organization shall carry out immediate follow-up actions to correct the deviation, as required in Clause 2.1 b) above. The actions shall be recorded and communicated to the organization's certification body during the annual audits.</p> <p><i>Can CB be informed immediately? When the annual audit comes, the issue might no longer be valid.</i></p>										
4 Supplier Audit Program	More detailed guidance (clarifications) when a Supplier Audit Program is needed (e.g. it isn't needed when material by physical inspection can be assigned to a material category, but more information is required).										
4.1	<p>"(...)The organization shall perform regular (<u>at least annual</u>) on-site audits of the suppliers included in the Supplier Audit Program (...)"</p> <p><i>Change 'at least annual' to "annual" or "semi-annual"</i></p>										
4.1 NOTE	<p>Traders or sales offices that do not take physical possession of reclaimed materials, and will not alter, store or re-package the reclaimed materials may be verified through desk audits (remote audits).</p> <p><i>Consider developing a platform, where a trader or a sales office has to upload a required paper before the certain deadline each month/quarter and doesn't have access to</i></p>										

	<i>changing or other way altering it. For example, every 3rd day of the month, the documentation for the previous month has to be uploaded and locked.</i>
4..2	The organization may contract an accredited certification body or other external qualified party to carry out the supplier audits. <i>Consider adding the list of other external qualified parties, and the requirements for them to meet in order to carry out the supplier audit.</i>
4.3	
4.4	<i>Can “organization” be changed with “auditor” or “auditing company” as the supplier audits can be carried out by the organization, its CB, or other qualified external party.</i>
4.4 NOTE	A declaration from the supplier, even if part of the contractual agreement, is not considered sufficient proof of the origin and material category. However, it can be used as additional evidence to demonstrate the material compliance with FSC definitions. <i>What would be considered ‘sufficient proof’?</i>
4.5	The organization shall document the supplier audits, including a record of the audit date, the audit findings in relation to the requirements in Clause 4.4, the names and qualifications of the auditors and examples of any evidence collected to verify the classification of the materials. <i>Consider changing “organization” to “auditor” or “auditing company” and add “examples of any evidence of misuse or non-compliance”. “In case the audit was carried out by other party than the organization, the audit report with the documented information shall be shared with the organization”.</i>
Annexes	
Annex I: Examples of reclaimed wood material	<i>Add Salvaged wood Textiles NTFPs</i>
Annex II: Examples of reclaimed paper material	<i>Are tabulating cards still in use? I didn’t find any information on the internet. And instead of tabulating cards, they were mainly referred to as “Punched cards”.</i> <i>What about pizza boxes, receipts, wrapping paper? Would it be correct to include the list of eco-labels for paper, like Blue Angel as an example of “good” reclaimed paper?</i>
	<i>If it will be decided to go with Textiles, there should be one more Annex “Examples of reclaimed textile material”.</i>