# Developing sustainable Wood Sourcing Policy – FSC How-to Guide

SET OF RECOMMENDATIONS AND GUIDELINES FOR PRODUCERS AND RETAILERS ON INCLUDING FSC-CERTIFIED MATERIALS IN THEIR SOURCING POLICIES

(VALUE CHAIN DEVELOPMENT TEAM)

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#### INTRODUCTION

#### Why are forests important?

Forests provide clean water, purify the air, maintain biodiversity, provide habitat for species, and play a central role in reducing the impacts of climate change. Forests are also vital for the livelihood of forest-dependent communities. When managed responsibly, forests are also a source of variety of renewable and recyclable timber products. (Learn more)

Wood –as one of the world's most versatile resources, stands out for its durability, recyclability, aesthetic appeal, and significantly lower carbon footprint. However, industries that rely on wood face the challenge of ensuring sustainable practices to protect the long-term health of forests. Without a commitment to responsible sourcing, the future viability of these vital ecosystems is at risk.

One effective solution is FSC® certification, which helps industries maintain healthy, resilient forests while ensuring the sustainability of forest products for generations to come. To support this, companies must adopt a clear sourcing policy— a set of guidelines and procedures that direct the organization in selecting, negotiating, and managing contracts with suppliers. This policy ensures that decisions are informed and aligned with the company's values.

As the environmental and social repercussions of product supply chains continue to escalate, consumer awareness and concern are likewise growing. Therefore, beyond merely producing high-quality goods at competitive prices, companies must also ensure that their suppliers adhere to manufacturing processes aligned with environmental and social impact standards. In essence, companies must prioritize responsible sourcing and transparently communicate their intentions through a comprehensive sourcing policy.

#### The purpose of having a sustainable wood sourcing policy

A sustainable wood sourcing policy is crucial in ensuring everyone in your organization knows what wood is acceptable to use. It can also support your brand in meeting environmental social governance targets, showcase your forest commitment to others, and become an industry leader for sustainable forest materials. It is just as beneficial to your business or organization as it is to the environment. The following are the objectives of having a sustainable wood sourcing policy.



#### What is FSC certification about.

The Forest Stewardship Council® (FSC®) – a nonprofit organization governed by environmental, social, and economic perspectives equally – covers more than 150 million hectares of certified forests and is the global benchmark for sustainable forestry. NGOs, consumers, and businesses alike trust FSC to protect and enhance healthy and resilient forests, for all, forever. (To learn more about FSC).

FSC-certified wood is derived from sustainably harvested forests that are managed to protect and strengthen their biodiversity, productivity, and vitality.

When your company sources FSC-certified wood, it is helps to prevent deforestation, protect biodiversity, ensure fair wages, safe work environment, community rights' protection and compliance to regulation (EUDR). It has proved to be a sustainable choice for many industries including but not limited to construction and furniture production.

Sourcing FSC-certified Wood and other wood-based materials is a smart choice for sustainably minded brands and businesses, as it protects the integrity of your brand while making real change for the health and resilience of the world's forests. To source FSC certified product. (Click Here).

#### How can FSC help?

FSC certification and product labels promotes responsible forest management globally. It helps consumers identify eco-friendly wood products and supports wood industries in meeting sustainability goals. Through initiatives like risk assessments and ecosystem evaluations, FSC enhances industry practices for long-term success. For more information on FSC label check the site. (What the FSC Labels Mean | Forest Stewardship Council)

#### Advancing certification compliance.

We're bring together people and organization around the world to create new solutions for protecting the health and resilience of forest everywhere- at every step of the supplying chain.

#### FSC Trace



We're leveraging the power of blockchain to ensure certification compliance throughout the supply chain.

### **Wood Identification**



We're piloting cutting-edge technology to trace and prove the origins of wood.

## **Earth Observation**



We're harnessing the power of satellite data to help auditors monitor forest health.

#### Why include FSC in your sourcing policy?



FSC Standards: The FSC standards are among the most rigorous certification standards in the world. FSC standards are globally consistent and nationally adapted. Ensuring utmost protection of high conservation values species and natural forest.



Unique certifications and regulations: FSC is the only forest certification scheme accredited by the ISEAL Alliance, and the exclusive system endorsed by the US Green Building Council's LEED standards.



Leading Growth in certification: FSC's chain of custody certificates demonstrate the highest global numbers and growth rates among forest certification schemes, while forest management certifications also exhibit continual expansion, reflecting FSC's prominent position in sustainable forestry practices.



Endorsement by leading environmental NGOs.: FSC garners robust backing from the world's foremost environmental non-governmental organizations (NGOs), underscoring its credibility and impact in sustainable forestry practices.



**Transparency**: Transparency ranks among the fundamental values upheld by FSC, highlighting our commitment to openness and accountability in all aspects of our operations.



Superior Environmental and Social Standards: FSC maintains higher environmental and social standards in comparison to other forest certification schemes, underscoring its commitment to sustainable forestry practices and community welfare.



Global presence and consistency: FSC boasts four regional offices, certifications spanning across more than 120 markets, and stands as the sole certification scheme providing uniform standards worldwide, ensuring consistency across regions.



Preferred Choice: The FSC logo is the most recognized marks for responsible forestry. Almost half of global consumers recognize the FSC logo. When compared to other organizations, consumers have the highest confidence in FSC.



Integral Stakeholder Engagement: FSC's organizational framework prioritize active stakeholder participation, reflecting our commitment to inclusive decision-making and collaborative engagement across all levels of operation.

# KEY STEPS IN DEVELOPING A SUSTAINABLE WOOD AND WOOD PRODUCTS SOURCING POLICY.

#### 1. Define commitment, benefits, and rationale.

The primary step in formulating a sustainable wood sourcing policy involves clarifying why your company wants to pursue responsible sourcing. This is an opportunity to evaluate how environmental and social values of forests fit within your company's vision and strategic objectives.

Key questions to be answered if you are a COC holder.

Why is your company considering a sustainable sourcing policy?

- Which forest wood material is your company considering?
- How do you define sustainable wood and wood-based materials?
- What do you want to achieve by implementing this policy?
- What kind of environmental efforts has your company considered and will be supporting with this policy?

Certificate holders can find requirements on how to communicate their sustainable sourcing policy with FSC trademarks in FSC-STD-50-001.

If your company holds a promotional licence, you can consider some of the following statements when defining sustainably sourced wood.

- ✓ Products support responsible management of the world's forests. (Your company could also emphasize product categories like garden furniture, kitchen furniture etc.)
- ✓ Do all certified finished products (such as furniture) carry relevant FSC labelling? If not how can the brand work with the suppliers to ensure increased labelling of those certified items?
- ✓ All FSC certified finished products (such as furniture) carry the relevant label attached to the product. If not Work with your suppliers to ensure that certified products are labelled.

Note: To communicate your sustainable sourcing policy as FSC Promotional Licence Holder (PLH) use the FSC trademark guide for Promotional Licence Holders. PLH GUIDE

# **2**. Establish executive commitment and develop an organizing committee (if one is not already established).

This step brings together colleagues from all levels of your company to ensure that the goals are seen as reasonable and attainable, while also increasing organizational buy-in. Key points to consider include:

 Commitment to sustainable sourcing should be driven and supported by senior management.

- Employees responsible for purchasing decisions play a critical role in assessing the current situation and driving change.
- Sustainability target should be monitored regularly, and track progress developed by committee members. This may involve using data collection tools, software platforms, or internal reporting mechanisms.

#### 3. Perform initial evaluation

This step helps to analyse your company's current purchasing requirements and will help in later stages when developing the implementation plan.

#### Purchasing:

- Is there already a centralized purchasing (sourcing) policy in place?
- What types and volumes of wood are being purchased?
- Who has the authority to change current policies?
- Who are your company's current suppliers? Do they currently offer FSC certified material?
   If No- Are they open to offering FSC certified materials? If yes ask them to provide specifications of the products they are currently offering, and check availability of FSC-certified products.

#### Company-specific questions:

- Is tropical timber being used in the products sold? If yes Do all suppliers provide thirdparty certification such as FSC? Please note that sourcing non-certified tropical timber
  poses significant risk to businesses, Including contributing to deforestation, illegal logging,
  and environmental degradation. Without certification, there is no assurance that the timber
  is responsibly harvested, which can lead to reputational damage, regulatory noncompliance, supply chain disruptions. Certified timber, such as FSC- certified, guarantees
  sustainable practices that protects ecosystem, meet legal standards, and enhance brand
  credibility in an increasingly eco conscious market.
- Are there any goals on increasing the share of reused and/or recycled wood and wood products? If so, can they be improved?

#### **4**. Develop specifications and identify suppliers

In this step you must clearly specify what characteristics of sourced materials your company is looking for and identify existing and potential suppliers who can meet these requirements.

• Provide a glossary of environmental terms used in your specifications to clearly communicate your intentions.

To ensure best practices are being employed, stipulate requirements for suppliers to possess FSC certification (e.g., by simply stating that 'Suppliers shall be FSC-certified and must provide a valid FSC chain of custody (CoC) certification)'.( learn more | COC)

Compare existing and prospective suppliers to determine the degree to which they can
offer products or employ practices consistent with the environmental specifications you
have set out.

#### 5. Set up goals and timelines

Your company's sustainable wood sourcing goals can be set up using a two-pronged approach:

- 1. Set the long-term, strategic goals (with timelines) you wish to achieve (e.g., 'Our goal by 2027 is to ensure that (100%) wood used in our products comes from sustainable sources, and all the tropical hardwood supplied is FSC-certified').
- 2. Set incremental milestones (with timelines) that work towards the ultimate goals (e.g., 'In 2022, 60 per cent of our wood products were made from FSC-certified wood. Our goal is to increase this share to 80 per cent by 2025').

Your company should ensure that those milestones are SMART (specific, measurable, achievable, realistic, and time-bound). This approach allows all the stakeholders to understand that it takes smaller, measurable actions to achieve overall success. These goals should be based on:

- the breadth of the change (Enterprise-wide.)
- volumes and purpose of current wood consumption
- existing contracts with suppliers.

In addition to purchasing sustainably sourced wood, your organization might also set goals to increase wood reuse and recycling.

#### 6. Implement and evaluate new sourcing policy

After developing and documenting a detailed action plan based on the goals your company has set out, it is also crucial to:

- Roll out the new policy to all employees, clearly outlining roles and responsibilities for its implementation.
- Translate the new policy into actionable plans by converting into a detailed processes, procedures and programmes that align with organization goals.
- Establish an internal feedback and monitoring system to ensure continuous improvement and adherence to the policy.
- Carry out periodic reviews of the procurement programme to ensure that goals and objectives are being met.
- Conduct periodic procurement program reviews to ensure that it align with the organization's goal and objective.
- Conduct regular supply vendor reviews requiring all forest product suppliers to submit annual performance reports detailing their progress in environmental management and forest certification programmes.

#### **7**. Communicate the policy

When communicating your organization brand's\_initiative to switch to responsible sourcing, it is important to explain to all stakeholders how the set goals will be reached and why the programme is being launched.

Please note that all public communication using FSC trademarks must follow the requirements outlines in the FSC-STD-50-001 for (COC) Chain of custody and PLH guide for PLH (Promotional License Holder) depending on what your company have.

#### To suppliers:

- Inform current suppliers of your new policy, why you have adopted it, when the implementation is expected to start, and work with them to implement it.
- Inform your suppliers about the third-party compliance management systems, including regular audits and reporting mechanisms, to ensure adherence to sustainability standards and regulatory requirements such as the Renewable Energy Directive for Wood, Regulation on deforestation Free Product. (RDUE, EUDR) according to the country and market policy.
- If your company's current suppliers are not certified yet, encourage them to obtain FSC chain of custody (CoC) certification and inform them how they can do it. (Please contact FSC International or FSC country offices and representatives if you have any questions or visit Chain of Custody Certification | Forest Stewardship Council (fsc.org)

#### To employees:

- Communicate to employees why your company has adopted this policy and explain how it will benefit company's public image and the forestry sector.
- Educate them on their roles in the process and provide guidance on how they can further communicate this sustainability approach to the final customers (e.g., in the company's stores), kindly refer to the normative trademark documents mentioned above.

#### To customers:

- Use environmental social governance reports, official websites, and social media channels to inform relevant stakeholders that you have adopted a sustainable wood sourcing policy.
- Make your procurement policy publicly available to further communication with employees, customers, and stakeholders, and to ensure transparency.
- Develop a platform that allows customers to share feedback and ask questions related to the policy.

#### SUSTAINABLE WOOD SOURCING POLICY TEMPLATES

This template aims to serve for your company's needs in formulating sustainable wood sourcing policy and respective measures. It can be further adjusted according to company's vision and strategic objectives, scope of work, and global presence.

You can also refer to the shortlisted companies that already have such policy in place, on the following pages.

Please contact <u>vcd@fsc.org</u> if you have any questions or require our assistance in formulating your new wood sourcing policy.











Procurement policy for private sector

Criteria

At (company name), within the next five years, our overarching objective is to guarantee that every wood product available in our stores originates exclusively from well-managed forests. To realize this vision, our responsible wood sourcing policy is designed to transparently communicate our principles and commitments to both the public and our suppliers. We pledge to collaborate with current and prospective suppliers to responsibly source all wood and wood-based products. Moreover, we are setting specific time-bound goals over the next five years to incrementally augment the proportion of wood sourced from Forest Stewardship Council (FSC) certified sources. This time-bound commitment underscores our dedication to advancing sustainable and responsible practices in the procurement of wood materials.

#### Labelling

Wood and wood-based materials and products should carry an FSC label. The label should be applied under a valid FSC chain of custody (COC) certificate in line with the requirements of the certification scheme.

#### Evidence

When requested, suppliers must be able to provide evidence to [Organisation Name] that the wood or wood products they supply are from responsible sources. Products supplied as FSC certified will only be accepted as such if accompanied by an invoice which confirms the FSC status of the products and the FSC certificate number of the immediate supplier.

#### Alternatives

Timber or paper from other certified sources with a complete chain of custody, will be accepted only in situations where a particular type of product or timber species is needed, and it is not possible to source FSC certified products. The company must commit to the following criteria.

- Comes from a known source and is legally harvested and traded does not threaten high conservation value or high carbon stock forests does not come from deforestation or other ecosystem conversion.
- which leads to biodiversity loss including rare, threatened, and endangered species.
- . Is harvested and produced in a way that recognizes and upholds indigenous and other local community rights and customs.
- Is harvested and produced ensuring that human and workers' rights are protected, including decent and humane working conditions and no forced labour.

#### Tropical timber

Tropical timber products are only accepted by (company name) when FSC certified. As (specify species) can often be used in products in the (...........) category, (Company Name) explicitly requires (species of wood) products to be FSC-certified with the relevant documentation.

#### Recycled Material

At (company name) we recognize the advantages of reused and recycled wood products. We aim to accelerate our uptake of recycled wood and wood-based products by collaborating closely with our direct suppliers and importers to source more FSC- certified recycled materials. Whenever possible we encourage our direct suppliers and importers to source wood and wood-based products with the FSC recycled label.

#### Procurement policy for public sector.

[Organisation Name] is committed to the responsible sourcing of wood and other forest products. Our long-term intention is that all timber and paper used in the products that we purchase or specify is sourced from responsibly managed forests and/or recycled sources.

#### Criteria

We (organizational name) recognize that environmental and socio-economic issues are often directly related to forest products and, as a responsible corporate citizen, we take addressing these issues seriously. Our wood sourcing policy aims to contribute to environmental protection and to adopt ethical business practices. This policy requires that all wood- driven products must have forest stewardship council (FSC) chain of custody certification. (Organization name) believes that FSC currently represents the highest standard for responsible forest management.

#### Evidence (preferred)

Our preferred method of meeting the above criteria is to require of our existing and future vendor to act in accordance with this policy. (Organization name) requires vendor to declare all wood suppliers and wood species used in the products and obtain chain of custody documents to verify that wood materials comply with this policy.

#### Labelling

Wood and wood-based materials and products should carry an FSC label whenever possible. That label should be applied under a valid FSC chain of custody (COC) certificate in line with the requirement of the certification scheme.

#### Tropical wood

(Organization name) will source tropical timber that are FSC-certified. As (species name) can be used in products in the (what it's used for) category. (Organization name) explicitly requires (species name) products to be FSC-certified with relevant supporting documentation.



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Developing sustainable Wood Sourcing Policy – FSC How-to Guide
Set of recommendations and guidelines for producers and retailers on including FSC-certified materials in

their sourcing policies