Use of Virgin Fibre in FSC Recycled Products

PSU Derogation

<table>
<thead>
<tr>
<th>Code</th>
<th>FSC-DER-2020-003</th>
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<tbody>
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<td>Requirements</td>
<td>FSC-STD-40-004 V3-0 Clauses 2.4, 4.2, 5.1, 10.8, 10.9, 11.1</td>
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**Rationale**

There is an increased demand for tissue and hygiene products on account of the COVID-19 pandemic situation. A significant amount of these products contains recycled paper using the FSC Mix and FSC Recycled labels. We are now beginning to see a shortage of recycled fibre to use in these products due to supply constraints and travel restrictions in many areas of the world arising out of the COVID-19 situation.

Due to the logistical and practical difficulties that do not permit changing of packaging material at short notice, there are requests from organizations to allow substitution of recycled fibre with virgin fibre in products carrying the FSC Recycled label. This is expected to be a short-term measure till the COVID-19 situation improves and relevant supply chains and volumes can be re-established.

**PSU conclusion**

Organizations may use virgin fibre for tissue and hygiene products carrying the FSC Recycled label under the following conditions:

NOTE: Organizations that are producing FSC Recycled products but are not using the FSC Recycled label on the product should move these products to a new ‘FSC Mix’ product group with recycled and virgin material inputs and sell them with the corresponding claim on the invoice.

1. The organization demonstrates that there is a scarcity of recycled fibre due to the COVID-19 pandemic.

2. The organization demonstrates that it is logistically not viable to change the FSC Recycled label to FSC Mix on the product packaging for the period of the derogation.

NOTE: Organizations which are able to update their packaging labels in time should establish a new FSC Mix product group and provide the product with ‘FSC Mix’ claims accordingly.

3. The virgin fibre used in place of recycled fibre is either FSC 100%, FSC Mix, controlled material or FSC Controlled Wood.

NOTE: Use of virgin fibre as controlled material requires the organization to be certified against FSC-STD-40-005.

4. The proportion of virgin fibre in any given product labelled as FSC Recycled is below 50%.

5. The organization...
a. has FSC Recycled credits covering the corresponding volume of virgin fibre:

NOTE: Unused FSC Recycled credits from other product groups can be transferred if the relevant material generating these credits can be considered equivalent according to the Note under Clause 7.2 of FSC-STD-40-004.

i. the corresponding volume of virgin fibre is deducted from the Recycled credits;

NOTE: The claim on sales documents continues to be FSC Recycled Credit and the products can have the corresponding labels.

or

b. has not enough FSC Recycled credits covering the corresponding volume of virgin fibre:

i. the corresponding volume of virgin fibre is put into the FSC Recycled credit account as a negative balance;

ii. the negative credit balance is evened out within 12 months from the end of the validity period of this derogation, based on an agreed recovery plan with the certification body.

NOTE: The claim on sales documents continues to be FSC Recycled Credit and the products can have the corresponding labels.

6. The organization maintains up to date records regarding volumes, material sourcing and accounting of both virgin and recycled fibre and agrees to share it with FSC/ASI upon request for any project aimed at tracking/managing such issues.

| Scope of derogation | ☒ Generic (applicable by all certification bodies)  
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<td>☐ Specific (applicable only upon individual request and PSU confirmation)</td>
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<th>Approval date</th>
<th>16 April 2020; amended on 29 June 2020 to extend validity.</th>
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| Period of validity | Until 30 June 2020; extended till 30 September 2020. This derogation will be regularly reviewed prior to the end of the validity date and updated and possibly extended as necessary. |