

Forest Stewardship Council®

FSC® INTERNATIONAL STANDARD

Chain of Custody Certification

FSC-STD-40-004 V3-0 EN

CHAIN OF CUSTODY

DRAFT – simplified by MixedWood LLC

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PART I: Universal Requirements

1 Quality management system

1.1 Responsibilities

1.1.1 The organization shall appoint a management representative that has overall responsibility and authority for the organization's conformity with all applicable certification requirements.

1.1.2 The organization shall define the personnel responsible for each procedure, together with the qualifications and/or training measures required for implementation of said procedure.

1.2 Documented procedures

1.2.1 The organization shall implement and maintain documented procedures and work instructions covering all applicable certification requirements according to the scope of the certificate and adequate to the organization's scale and complexity.

1.3 Training

1.3.1 The organization shall train its staff to ensure that all applicable certification requirements and the measures defined in the documented procedures are correctly implemented.

1.3.2 All relevant staff shall demonstrate awareness of the organization's procedures and competence in implementing the organization's chain of custody management system.

1.4 Record keeping

1.4.1 The organization shall maintain complete and up-to-date records covering all applicable requirements of this standard.

1.4.2 Retention time for all records shall be at least five (5) years.

1.5 Commitment to FSC values

1.5.1 The organization shall demonstrate conformance to the *FSC-POL-01-004 Policy for Association of Organizations with FSC*.

1.5.2 The organization shall demonstrate its commitment to occupational health and safety.

1.6 Complaints

1.6.1 The organization shall define the controls and related responsibilities and authorities for receiving, handling, and recording complaints relating to conformity with certification requirements.

1.7 Control of non-conforming products

1.7.1 The organization shall define the controls and related responsibilities and authorities for dealing with non-conforming products.

2 Scope of the FSC chain of custody system

2.1 Sites

2.1.1 The organization shall include in the scope of its FSC certificate all sites where activities related to purchase, sale, storage, processing, labelling, and physical handling of materials and FSC products take place.

2.1.2 Organizations that include multiple sites in the scope of the certificate, shall conform with the requirements specified in FSC-STD-40-003.

2.2 Products groups

2.2.1 The organization shall establish & define product groups for the purpose of controlling products that will be sold with FSC claims.

- 2.2.2 Product groups shall be formed by products that:
- a) Are classified under the same product type category (Level 1, 2 or 3), according to FSC-STD-40-004a;
 - b) Are made of the same type of input or set of inputs;
 - c) Are controlled according to the same FSC control system (transfer, percentage, or credit system).

3 Material Sourcing

3.1 Records of suppliers

3.1.2 The organization shall periodically verify the validity and scope of the FSC certificate's of suppliers who are supplying material for use in FSC product groups..

3.2 Eligible input material

3.2.2 The organization shall ensure that only eligible inputs according to Table B are used in FSC product groups.

3.2.5 Organizations which reclaim material at their own site shall classify the material category and, if applicable, the associated percentage claim or credit claim as follows:

- a) Co-products of primary manufacture that retain the same material category;
- b) Reclaimed material. .

3.3 Sourcing of non-certified material for use in FSC product groups

3.3.1 Applicable requirements of FSC-STD-40-005 shall be implemented when inputs to FSC product groups include material lacking FSC claims.

3.3.2 Applicable requirements of FSC-STD-40-007 shall be implemented when inputs to FSC product groups include Reclaimed material without FSC claims.

4 Material handling

4.1 Segregation of materials and products

4.1.1 Segregation of materials and products, as necessary to ensure the integrity of FSC product groups, that be maintained by the following methods:

- a) Physical separation of materials;
- b) Temporal separation of materials; and/or
- c) Identification of materials.

5 Material accounting records and volume control

5.1 Material accounting records

5.1.1 The organization shall establish and keep up-to-date records of material accounting covering the following minimum information regarding the purchase and sale of materials and products in the scope of the FSC certificate, including:

- a) transaction reference;
- b) date;
- c) Quantities by volume or weight. If information on volume or weight is not available (e.g. for traders) the number of pieces;2
- d) Material and product descriptions;
- e) Material category of inputs;
- f) FSC claim of the outputs;
- g) Species (including scientific and common name) and country(ies) of harvest of input materials, where the species information designates the product characteristics and/or where required by law.

6 Sales

6.1 Identification of sales documents

6.1.1 The organization shall ensure that sales documents issued for outputs sold with FSC claims include the following information:

- a) Name and contact details of the organization;
- b) Name and address of the customer;
- c) Date when the document was issued;
- d) Description of the product;
- e) Quantity of the product sold;
- f) The organization's FSC certificate code
- g) Clear indication of the FSC claim for each product item or the total products.

6.1.4 The organization shall ensure that unfinished products which carry an FSC label are always sold with the corresponding FSC claim on their sales and delivery documentation.

6.1.5 The organization shall ensure that products sold with an FSC claim on sales and delivery documentation do not carry any labels from other forestry conformity assessment schemes.

6.1.6 Organizations are only allowed to sell products with an FSC Controlled Wood claim on sales and delivery documentation to FSC certified customers according to FSC-STD-40-004 and/or certified or applicant projects according to FSC-STD-40-006.

PART II: Systems for Controlling FSC Claims

7 Transfer system

7.2 Specification of claim periods and job orders

7.2.1 The organization shall define claim periods or job orders for assigning claims to FSC product groups.

7.3 Inputs with identical FSC claims

7.3.1 For claim periods or job orders in which inputs belong to a single material category carrying an identical FSC claim, the organization shall transfer this FSC claim to the outputs, .

7.4 Inputs with different FSC claims

7.4.1 For claim periods or job orders in which inputs of different material categories are mixed, the organization shall assign the lowest (or least specific) FSC claim to the outputs.

8 Percentage system

8.1 Application

8.1.1 The percentage system shall be applied only to FSC Mix and FSC Recycled product groups.

8.1.2 The percentage system shall be applied only at the level of a single, physical (e.g. storage, distribution, manufacturing).

8.1.3 The percentage system shall not be applicable to the following scopes:

- a) Trading and processing of products carrying FSC 100% label and/or output claim;
- b) Trading, distribution, and retail of finished products and paper (e.g. paper merchants);
- c) Trading of products without physical possession;

d) Trading and processing of non-timber forest products (NTFPs), except bamboo and NTFPs derived from trees (e.g. cork, resin, bark);

e) Trading and processing of food and medicinal NTFPs.

8.2 Accounting of claim-contributing inputs

8.2.1 Material inputs shall be recorded in terms of claim-contributing units, as follows:

a) FSC 100%, FSC Mix Credit, FSC Recycled Credit, Post-consumer reclaimed, Pre-consumer reclaimed paper & fiber are recorded in their full quantity.

b) FSC Mix %, & FSC Recycled % are recorded in the appropriate percentage of the stated quantity.

c) Pre-consumer reclaimed wood, Controlled Wood, and neutral material are not recorded as claim contributing units.

8.3 Specification of claim periods or job orders

8.3.1 The organization shall specify claim periods or job orders for each product group for which a single FSC percentage claim shall be made.

8.4 Calculation of the FSC claim percentage

8.4.1 The organization shall calculate and record the percentage for each claim period or job order by using the following formula:

$$\text{FSC\%} = \frac{Q_{\text{CCI}}}{Q_{\text{Total}}} \times 100$$

FSC% = FSC percentage

Q_{CCI} = Quantity of claim-contributing inputs

Q_{Total} = Total quantity of eligible forest-based inputs

8.4.2 For each product group, the organization shall calculate the FSC percentage based on:

a) The input to the same claim period or job order (single percentage); or

b) The input to a specified number of previous claim periods (rolling average percentage).

8.4.3 The time period over which the input percentage is calculated shall not exceed twelve (12) months.

8.5 FSC claim for outputs

8.5.1 The organization shall apply a percentage claim that is identical to or lower than the calculated input percentage to the total output of a claim period or job order .

8.5.2 The claim "FSC Controlled Wood" shall apply to outputs from percentage calculations that will not be sold as FSC certified.

9 Credit system

9.1 Application

9.1.1 The credit system shall be applied only to FSC Mix and FSC Recycled product groups.

9.1.2 It shall not be applicable to printers nor to the activities listed in Clause 8.1.3.

9.1.3 The credit system shall be applied at the level a single or accross multiple sites ("shared credit accounts").

9.1.4 Shared credit accounts shall be subject to the following conditions:

a) All sites are within the scope of a multi-site certificate with a common ownership structure;

- b) All sites are located in the same ecoregion (e.g. Canadian boreal forests, Amazon river) and country;
- c) Each site participating in a shared credit account shall contribute at least 10% of the input credits used by its own site in a twelve (12) month period.

9.2 Specification of claim periods

9.2.1 For each product group, the organization shall specify a claim period for each credit account, according to which additions and deductions of credits shall be recorded.

9.2.2 The maximum claim period length shall be one (1) month.

9.3 Establishment of credit accounts

9.3.1 The organization shall select one of 2 options:

- a) Input-based credit accounts; or
 - b) Output-based credit accounts.
- 9.3.2 A credit account shall have inputs of the same quality or shall be exchangeable for manufacturing purposes without affecting the output quality of the product.

9.4 Accounting and maintenance of claim-contributing inputs

9.4.1 Material inputs shall be recorded in terms of claim-contributing units, as follows:

- a) FSC 100%, FSC Mix Credit, FSC Recycled Credit, Post-consumer reclaimed, Pre-consumer reclaimed paper & fiber are recorded in their full quantity.
- b) FSC Mix %, & FSC Recycled % are recorded in the appropriate percentage of the stated quantity.
- c) Pre-consumer reclaimed wood, Controlled Wood, and neutral material are not recorded as claim contributing units.

9.4.3 The organization shall not accumulate more FSC credit in the credit account than the sum of new FSC credit that has been added during the previous sixty (60) months.

9.5 Withdrawing FSC credit from credit accounts

9.5.1 For the sale of products with FSC credit claims, the organization shall withdraw the respective credits from the relevant credit account(s).

9.5.2 The organization shall ensure that the credit account is never overdrawn and that records of the remaining credit in the account are up-to-date.

9.6 FSC claim for outputs

9.6.1 The organization shall apply FSC Mix or FSC Recycled credit claims to the output of credit accounts.

9.6.2 The organization shall apply FSC Controlled Wood claims to the portion of the output volume that has not been sold as FSC Mix Credit or FSC Recycled Credit .

PART III: Labelling

10 FSC labelling requirements

10.1 Eligibility for labelling

10.1.1 Only FSC products that are eligible for FSC labeling shall be promoted with the FSC trademarks.

NOTE: FSC Controlled Wood products are not eligible for FSC labeling or promotion with the FSC trademarks.

10.1.2 The organization shall apply the FSC label which corresponds to the specific FSC claim as defined here:

- a) FSC 100% label: to products sold with the FSC 100% claim
- b) FSC Mix label: to products sold with the FSC Mix Credit claim, or the FSC Mix >70% claim.
- c) FSC Recycled label (on paper products): to products sold with the FSC Recycled Credit claim, or the FSC Recycled 100% claim.
- d) FSC Recycled label (on wood products): to products sold with the FSC Recycled Credit claim, or the FSC Recycled >70% claim.

10.1.3 Organizations applying the FSC label on-product shall ensure that products carrying the FSC label conform with the applicable requirements for labeling in this standard and the requirements specified in FSC-STD-50-001.

10.1.4 Organizations labelling products exclusively made of input materials from small or community producers may apply the FSC Small or Community Producer label, according to the requirements specified in FSC-ADV-50-003.

PART IV: Supplementary Requirements

11 Outsourcing

11.1 Outsourcing activities to contractors

11.1.2 If the organization outsource activities to an FSC certified contractor, the organization shall verify the scope and validity of the contractor's certificate to ensure that the activities are covered under the scope of a valid certificate.

11.1.3 Prior to outsourcing the processing or production of FSC-certified materials to a new contractor, the organization shall inform its certification body about the outsourced activity, names, and contact details of the contractor. 11.1.4 The organization shall maintain a record with the names, certification status, and contact details of all contractors.

11.1.5 The organization shall establish an outsourcing agreement with each non-FSC certified contractor, specifying that the contractor shall:

- a) Conform with all applicable certification requirements and applicable organization's procedures related to the outsourced activity;

12 Compliance with timber legality legislations

12.1 Trade and custom laws

12.1.1 Organizations exporting and/or importing timber or timber products shall have a system in place to ensure that the commercialization of FSC certified products complies with all applicable trade and custom laws.

12.2 Access to information

12.2.1 Upon request and if required by applicable timber legality legislations, the organization shall provide customers with the following information about FSC certified and FSC Controlled Wood products:

- a) Common name and/or scientific name of timber species as required by the applicable legislation;
- b) Origin of timber (country(ies) of harvest and, where applicable, sub-national regions and concessions of harvest);
- c) Proof of compliance with relevant trade and customs laws.

12.2.2 The organization shall provide a timely response to information requests specified in Clause 12.2.1 above.