



Standard

CHAIN OF CUSTODY CERTIFICATION

FSC-STD-40-004 V4-0 D1-0



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V1-0	In September 2004, the FSC Board of Directors endorsed the initial version of “FSC-STD-40-004 V1-0: FSC CoC standard for companies supplying and manufacturing FSC-certified products”.	September 2004	
V2-0	This major review of the standard introduced new concepts in CoC, such as product groups and the credit system. It took into account the various recommendations from the three technical working group meetings held between October 2005 and February 2007, as well as stakeholder inputs obtained on the various public drafts and on the FSC discussion paper “FSC-DIS-01-013: Review and revision of the FSC CoC standard”. The V2-0 was approved by the FSC Board of Directors at their 46th meeting, November 2007.	November 2007	
V2-1	This minor standard review introduced new requirements into the FSC CoC regarding the certificate holder’s commitment to FSC values and occupational health and safety. This document version was approved by the FSC Policy Director on 01st October 2011.	October 2011	
V3-0	This major review of the standard took into account five motions from the FSC General Assembly 2011 (Motions 38, 43, 44, 45, and 46), as well as studies commissioned by FSC International on cross-site credits methodology, supply chain integrity, and options for best valuing pre-consumer reclaimed materials in the FSC system. This document version was approved by the FSC Board of Directors at their 73rd meeting, November 2016.	November 2016	

V3-1	This minor review of the standard introduced the new FSC core labour requirements into FSC Chain of Custody certification and included amendments and editorial review for the improvement of the standard's performance, such as the incorporation of advice notes and interpretations. This document version was approved by the FSC Board of Directors in January 2021.	January 2021
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INTRODUCTION

The FSC chain of custody (CoC) is the path taken by materials or products from the forest (or, in the case of recycled materials, from the moment the materials are reclaimed), to the point where the materials or products are sold with an FSC claim and/or finished and FSC labelled. The CoC includes each stage of sourcing, transforming, trading, and distribution, where progress to the next stage of the supply chain involves a change of product ownership.

If The Organization wants to make an FSC claim about their products, any change of ownership in the supply chain of FSC-certified products requires:

- a) the establishment of effective CoC management systems at the level of the respective Organization; and
- b) verification by an independent FSC-accredited certification body.

CoC-certified management systems provide a credible assurance that products which are sold with an FSC claim or those provided as a service (PaaS) originate from well-managed forests, controlled sources, reclaimed materials, or a mixture of these. FSC CoC certification thereby facilitates the transparent flow of goods made from such materials and CoC-related services through the supply chain.

CONTENTS

A. Scope	7
B. References	9
C. Abbreviations	10
Part 1: Universal Requirements	11
1 CoC management system	11
2 Establishment of the scope of activities	13
3 Material sourcing	16
4 Material handling	17
5 FSC material and products records	18
6 Sales	18
7 Compliance with applicable legislation	20
8 FSC core labour requirements	21
Part 2: FSC Control Systems	23
9 Transfer system	23
10 Percentage system	25
11 Credit system	26
Part 3: Supplementary Requirements	29
12 FSC labelling	29
13 Outsourcing & provision of services	29
14 Sourcing reclaimed materials	33
PART 4: Operation Models (single, multi-site, group)	36
15 Eligibility criteria for CoC operation models	36
16 Multi-site and group CoC certification	37
Annex 1: Information Submission for Calculation of Annual Administration Fee (AAF)	43
Annex 2: Addressing False Claims	45
Annex 3: FSC Core Labour Requirements Self-Assessment	47
Annex 4: Requirements for Internal Evaluation of the Participating Sites	53
1 Requirements for the issuance of nonconformities by the central office	53
2 Remote and hybrid audits	54

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A. Scope

The standard <FSC-STD-40-004 Chain of Custody Certification> is the core standard for FSC Chain of Custody (CoC) certification. It specifies the requirements which apply to all CoC-certified and applicant organizations with respect to sourcing, transforming, trading, and distribution of forest-based products sold with the claim FSC-certified or FSC Controlled Wood, or the provision of services as FSC-certified.

The Organization managing a single Project or multiple Projects should apply for certification against <FSC-STD-40-006 FSC Standard for Project Certification>. However, The Organization can also opt to apply for <FSC-STD-40-004 Chain of Custody Certification>, whichever it considers more appropriate for its circumstances.

The Organization sourcing non-FSC-certified virgin material for use in FSC product groups as controlled material shall conform to the requirements of <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood>.

For a product to be sold with the claim as FSC-certified or FSC Controlled Wood, there must be an unbroken chain of organizations independently certified by FSC-accredited certification bodies, covering every change in legal ownership that occurs between:

- a) the sourcing of the forest-based material from the certified forest or, in the case of reclaimed materials, the point of reclamation of such material; and
- b) the point in the supply chain at which the product is sold with an FSC claim, including when the product is finished and labelled with an FSC label (or if the product is not finished and labelled, the last time it is sold with an FSC claim on the sales document).

1. Which products or materials need to be certified?

All forest-based components that have a functional purpose in the product must conform to the CoC requirements in this standard. A component has a functional purpose if the product's function is compromised by the removal of the component.

1.1 Products containing forest-based material without a functional purpose

Forest-based components that do not have a functional purpose, and instead have a solely secondary function in the product (e.g. for transportation) do not need to be certified.

In the case of packaging of a product that is made from forest-based inputs (e.g., paper, wood), the product can be sold as FSC-certified even if the packaging is not certified. This is because the packaging is considered a separate element from the product itself. The Organization may opt to have either the packaging, its contents, or both certified.

1.2 Products mixed with neutral and forest-based material

For products that contain a combination of neutral (e.g., glass, metal, plastic) and forest-based material, only the forest-based material can be certified.

1.3 Products made of a mixture of wood-based and non-timber forest products

For products that contain a combination of wood-based components (e.g., wood, paper) and non-timber forest products (NTFPs) (e.g., barks, cork, rubber):

- a) **If the wood-based components and the NTFP are distinguishable:** the wood-based components shall be certified and the NTFPs may be uncertified (except for cork, bamboo and rattan) provided that FSC label clearly indicates the FSC-certified wood-based components of the product (e.g., a wooden chair made of FSC-certified wood and non-certified latex pads).

- b) **If the wood-based components and the NTFP are indistinguishable:** both wood-based components and NTFPs shall be certified.

2. Which organizations need to be CoC certified?

CoC-certification required

CoC certification is required for all organizations that take legal ownership of the forest-based materials and products and perform one (1) or more of the following activities:

- a) selling a product with or without transformation with an FSC claim on the sales documents;
- b) provision of services (e.g., leasing certified products) with an FSC claim on the invoices;
- c) labelling a product as FSC-certified;
- d) assembling or including certified forest-based components to form a finished product with an FSC label on its packaging;
- e) promoting an FSC-certified product.

Exception: organizations (e.g., retailers) may be permitted to promote finished and FSC-labelled products without requiring their own CoC certification, so long as they have a valid FSC licence agreement.

CoC-certification not required

CoC certification is not required for organizations providing the services listed below to certified organizations without taking legal ownership of the material/ products, including:

- a) agents or auction houses who arrange the trade of certified products between a buyer and seller, and take physical possession (but not legal ownership) of the certified products;
- b) providers of logistics services, who are transporting and/or temporarily storing or warehousing certified products without changing their composition or physical integrity; or
- c) contractors operating under an outsourcing agreement in accordance with Section 13 of this standard.

Non-certified organizations are not allowed to make FSC claims on their sales or delivery documents. In the case of non-certified service providers (see examples a) and b) above), and when such information is required by the customer, the certified supplier must provide a supplementary letter or delivery document to the customer, including all the information required in Section 6 of this standard.

NOTE: Although the above types of organizations are not required to obtain CoC certification, they may still choose to apply for CoC certification for various reasons. For example, a contractor operating under multiple outsourcing agreements with different certified organizations, might apply for its own CoC certification, as this could reduce the number of audits it undergoes.

3. Structure of this standard

This standard is divided into four (4) parts.

- Part 1 and 2 set the universal requirements that are mandatory for all CoC certificate holders.
- Part 3 outlines additional requirements that apply in accordance with the scope of each certification.
- Part 4 defines the operation models for CoC certification and specific requirements for group and multi-site certifications.

For group and multi-site certification, the central office is the certificate holder and is required to conform to Section 1 and Section 16 of this standard. The participating site is required to conform to the applicable requirements in this standard according to their scope of activity.

The Organization sourcing reclaimed materials for use in FSC-product groups or certified projects is required to conform to Section 14 of this standard.

Unless otherwise stated, all aspects of this standard are considered to be normative, including the scope, effective date, references, terms and definitions, footnotes, applicability boxes, graphics, tables, boxes, and annexes. Notes, informative guidance and examples are not considered normative.

As part of the FSC normative framework, this standard is subject to the review and revision requirements of <FSC-PRO-01-001 The Development and Revision of FSC Requirements>.

B. References

The following documents are indispensable for the application of this document.

For references without a version number, the latest version of the referenced document (including any amendments) applies:

FSC-POL-01-004	Policy for the Association of Organizations with FSC
FSC-STD-40-004a	FSC Product Classification
FSC-DIR-40-004	FSC Directive on Chain of Custody Certification

The following documents are complementary for the application of this document.

FSC-STD-50-001	Requirements for use of the FSC trademarks by certificate holders
FSC-STD-40-005	Requirements for Sourcing FSC Controlled Wood

Verbal forms for the expression of provisions:

[Adapted from *ISO/IEC Directives Part 2 Principles and Rules for the structure and drafting of ISO and IEC documents*]

- “shall”: indicates requirements strictly to be followed in order to conform with the standard.
- “should”: indicates that among several possibilities one is recommended as particularly suitable, without mentioning or excluding others, or that a certain course of action is preferred but not necessarily required. A ‘should requirement’ can be met in an equivalent way provided this can be demonstrated and justified.
- “may”: indicates a course of action permissible within the limits of the document.
- “can”: is used for statements of possibility and capability, whether material, physical or causal.

C. Abbreviations

AAF	Annual Administration Fee
ASI	Assurance Service International
CB	Certification Body
CFM	Controlled Forest Management
CH	Certificate Holder
CLR	Core Labour Requirements
CoC	Chain of Custody
FPT	Forest Products Turnover
FSC	Forest Stewardship Council
FTE	Full-time Equivalent
ISO	International Organization for Standardization
OHAS	Occupational Health and Safety
MRF	Material Recovery Facility
NTFP	Non-timber forest product
PaaS	Product-as-a-Service
REG	Regulatory Claim
REG+	Regulatory+ Claim
RFID	Radio Frequency Identification
TLA	Licence Agreement for the FSC Certification Scheme
USD	United States dollar
VAT	Value-added tax

Part 1: Universal Requirements

1 CoC management system

- 1.1 The Organization shall have a valid certification status and Licence Agreement for the FSC Certification Scheme (TLA) in order to use FSC claims and FSC trademarks.
- 1.2 The Organization shall commit to the FSC values as defined in <FSC-POL-01-004 Policy for Association>.
- 1.3 The Organization shall implement and maintain a CoC management system adequate to its size and complexity to ensure its continuous conformity with all applicable certification requirements, including the following:
 - a) appoint a management representative who has overall responsibility and authority for The Organization's conformity with all applicable certification requirements;
 - b) implement and maintain up-to-date documented procedures covering the certification requirements applicable to the scope of the certificate;
 - c) assign the key personnel responsible for the implementation of each procedure;
 - d) train staff on the up-to-date version of The Organization's procedures to ensure their competence in implementing the CoC management system;
 - e) maintain complete and up-to-date records of the documents that are relevant to demonstrate The Organization's conformity with all applicable certification requirements which shall be retained for a minimum period of five (5) years. At a minimum, The Organization shall keep records of the following documents as applicable to the certification scope:
 - i. procedures;
 - ii. product group lists;
 - iii. training records;
 - iv. purchase and sales or lease documents;
 - v. material accounting records and annual volume summaries;
 - vi. trademark approvals;
 - vii. records of suppliers (including verification records);
 - viii. complaints;
 - ix. outsourcing agreements;
 - x. control of non-conforming products;
 - xi. (if applicable) supplier audit programme and verification records for reclaimed material;
 - xii. (if applicable) records related to a due diligence programme for controlled material.
- 1.4 The Organization shall demonstrate conformity with the FSC core labour requirements (FSC CLR) according to Section 8 of this standard, and:
 - a) adopt and implement a policy (or policies) covering FSC CLR, and ensure this is made available to workers, with consideration for the language(s) understood by the workers;
 - b) complete and maintain a self-assessment (Annex 3), detailing how it conforms to FSC CLR. This must be signed or approved by a responsible person;
 - c) give due consideration to the rights and obligations established by national law, while at the same time fulfilling the objectives of the requirements.

- 1.4.1 The Organization with no workers, that consists solely of owner(s) or employer(s), is exempt from requirements in Clause 1.4.
- 1.4.2 The Organization having a valid FSC-approved verification scheme is exempt from Clause 1.4 b). In this case, The Organization shall:
- a) provide related verification scheme records to the certification body; and
 - b) inform the certification body of any change to the validity.
- 1.5 The Organization shall commit to the provision of a safe and healthy workplace adequate to the size and complexity of its operation, and shall at minimum:
- a) appoint occupation safety and health (OHAS) representative(s); and
 - b) establish and implement procedures on OHAS; and
 - c) train workers on OHAS; and
 - d) provide, where necessary and at no cost to the worker, personal protective equipment (PPE) appropriate to the worker's assigned task(s).
- 1.5.1 The Organization may provide other certifications (e.g., ISO 45001) and/or compliance with local legislation on OHAS as evidence of conformity if these meet all requirements in Clause 1.5.
- 1.5.2 The Organization shall, consistent with national law and regulations, provide workers the right to freely and regularly elect or appoint their own representative(s) to represent workers' interests in consultations with management on matters of OHAS, with the number of representatives to reflect the risks and number of workers involved.
- NOTE: The function(s) of the representative(s) may include wider labour rights interests, not limited to OHAS.
- 1.5.3 The Organization may provide other certifications, compliance with local legislation, or other, as evidence of conformity with Clause 1.5.2 if these meet the objective of this requirement.
- 1.6 The Organization shall ensure that complaints received regarding The Organization's conformity with the requirements applicable to the certification scope are adequately considered, including the following:
- a) acknowledge receipt of the complaint to the complainant within two (2) weeks of receiving the complaint; and
 - b) investigate the complaint and specify its proposed actions in response to the complaint within three (3) months. If more time is needed to complete the investigation, the complainant and The Organization's certification body shall be notified; and
 - c) take appropriate actions with respect to complaints and any deficiencies found in processes that affect conformity with the certification requirements; and
 - d) notify the complainant and The Organization's certification body when the complaint is considered to be successfully addressed and closed.
- 1.7 The Organization shall have procedures in place to ensure that any non-conforming products are identified and controlled to prevent their unintended sale and delivery with FSC claims (as specified in Annex 2).
- 1.8 The Organization shall provide the certification body with all necessary assistance to verify the conformity with the requirements of this standard. This shall include, but not be limited to:
- a) granting access to premises and making documentation and records available; and

- b) facilitating the review of corrective measures implemented in response to identified nonconformities and False Claims (as specified in Annex 2); and
- c) providing samples of FSC transaction data to support transaction verification conducted by the certification body and/or Assurance Services International (ASI) upon request by the certification body; and
- d) supporting fibre testing conducted by its certification body and ASI by surrendering samples and specimens of materials and products, and information about species composition for verification upon request.

NOTE: Pricing information is not within the scope of transaction verification data disclosure.

2 Establishment of the scope of activities

Establishment of operation model

- 2.1 The Organization shall define its CoC operation model (single, multi-site, group), using the eligibility criteria specified in Section 15 of this standard.

Establishment of product groups

Applicability box 1:

Organizations are required to establish product groups and define the scope of activities to include in their certification scope.

Organizations are required to include in their product groups only the products and species that they sold with FSC claims since the last assessment by the certification body and those that are feasible to be supplied with FSC claims.

For The Organization that provides services only, “output product” is to be understood as the product that is serviced or provided to customers. For example, in the case of leasing, the product group needs to be established according to the products being leased to customers.

- 2.2 The Organization shall establish the product group(s) with the relevant output product(s) for the purpose of controlling FSC output claims and labelling. For each product group, the output product(s) shall:
- a) belong to the same product type in accordance with <FSC-STD-40-004a FSC Product Classification>; and
 - b) be controlled according to the same FSC control system.
- 2.3 The Organization shall maintain an up-to-date list of product groups, specifying for each:
- a) the product type(s) of the output products in accordance with <FSC-STD-40-004a FSC Product Classification>;
 - b) the FSC control system according to Part 2: FSC Control Systems;
 - c) the applicable FSC claims for the output products in accordance with Clause 2.4, and the applicable ‘add-on’ claim in accordance with Clause 2.5; and
 - d) the species (common and full scientific name), where:
 - i. it is required by applicable legislation; or
 - ii. the species information designates the product characteristics; or
 - iii. the species has been designated by FSC as having a ‘high integrity risk’.

2.3.1 Each output product from a product group shall be made of:

- a) the same singular eligible input material; or
- b) the same eligible input material or same combination of eligible input materials.

Box 1. What are the eligible inputs for a product group?

Eligible input materials for a product group (applicable to all FSC control systems)

Eligible input materials can be either:

- the same singular eligible input - e.g. pine lumber; or
- the same combination of input materials – e.g. a product group of veneered particle boards, where all products are made of a combination of particle board and veneer of equivalent species.

Substitution of input materials within a product group (applicable to all FSC control systems)

Input materials can be substituted within a product group if the materials or species are considered as being equivalent (meaning they can be substituted without changing the output product characteristics).

The following indicators are considered as a change of output product characteristics:

- change of the product type (in accordance with FSC-STD-40-004a);
- change in the product function;
- change of the product price (price should not be used as a single indicator due to possible variations caused, for example, by market demand, price negotiations, or volumes purchased or sold; however, it can be used in combination with other indicators to characterize variations of output product characteristics);
- increase of the product grade; or
- change of the product appearance (the appearance is determined by the intrinsic material properties. Printing, painting, and other finishing processes are not applicable in this case).

Variations of material or product dimension or shape are accepted within the same product group. Different types of wood pulp are considered as equivalent input materials, except virgin and reclaimed wood fibres.

FSC output claims and 'add-on' claims

2.4 To determine the applicable FSC output claim for a product group, The Organization shall ensure, in accordance with Table 1, that:

- a) all inputs into the product group are 'eligible inputs'; and
- b) the output claim is permitted under the applicable control system.

Table 1 FSC claims for output products according to each FSC control system and eligible inputs.

FSC output claim	Transfer system	Percentage system	Credit system	Eligible Inputs
FSC 100%	✓	N/A	N/A	Exclusively FSC 100%
FSC CFM	✓	✓ (see Clause 2.7)	✓ (see Clause 2.7)	One or both of: FSC 100%, FSC CFM

				NOTE: In case Clause 2.7 applies, eligible inputs can be the same eligible inputs as FSC Mix x%.
FSC Mix x%	✓	✓	N/A	One or more of the following: FSC 100%, FSC Mix x%, FSC Mix Credit, FSC Recycled x%, FSC Recycled Credit, controlled material, FSC Controlled Wood, FSC CFM, pre-consumer reclaimed, post-consumer reclaimed.
FSC Mix Credit	✓	N/A	✓	Same as for "FSC Mix x%"
FSC Recycled x%	✓	✓	N/A	One or more of the following: FSC Recycled x%, FSC Recycled Credit, pre-consumer reclaimed, post-consumer reclaimed.
FSC Recycled Credit	✓	N/A	✓	Same as for "FSC Recycled x%"
FSC Controlled Wood	✓	✓ (see Clause 2.7)	✓ (see Clause 2.7 and 11.10)	One or more of the following: FSC 100%, FSC Mix x%, FSC Mix Credit, controlled material, FSC Controlled Wood, FSC CFM, FSC Recycled x%, FSC Recycled Credit, pre-consumer paper, post-consumer reclaimed.

NOTE: For finished and labelled products, "FSC Mix" and "FSC Recycled" (i.e., without x% or credit) are also eligible input as per Clause 6.2.

2.5 To determine the applicable 'add-on' FSC output claim (if any), The Organization shall ensure, in accordance with Table 2, that:

- all inputs into the product group are 'eligible inputs' for that 'add-on' claim; and
- the 'add-on' claim is permitted under the applicable control system.

2.6 The Organization shall use the 'add-on' claim in combination with the applicable FSC claim (e.g., FSC 100% / Regulatory).

NOTE 1: FSC claims may be abbreviated provided that the abbreviation of FSC claims is clearly defined in The Organization's documented procedures; and the complete FSC claim is provided to customers through supplementary documents, as defined in Clause 6.4.

NOTE 2: The Organization cannot pass the REG+ Claim without including the FSC Regulatory Module in its certification scope. However, it can still receive input material with the Regulatory+ Claim and downgrade it to the Regulatory Claim.

Table 2 'Add-on' FSC claims for output products according to each FSC control system and eligible inputs.

'Add-on' claims	Transfer system	Percentage system	Credit system	Eligible Inputs
Regulatory+ (or REG+)	✓	N/A	N/A	Regulatory+ (REG+)
Regulatory (or REG)	✓	✓	✓	Exclusively input material that is claimed as 'Regulatory+ (REG+)' and/or 'Regulatory (REG)'

2.7 The Organization may opt to downgrade an FSC output claim as per Figure 1.

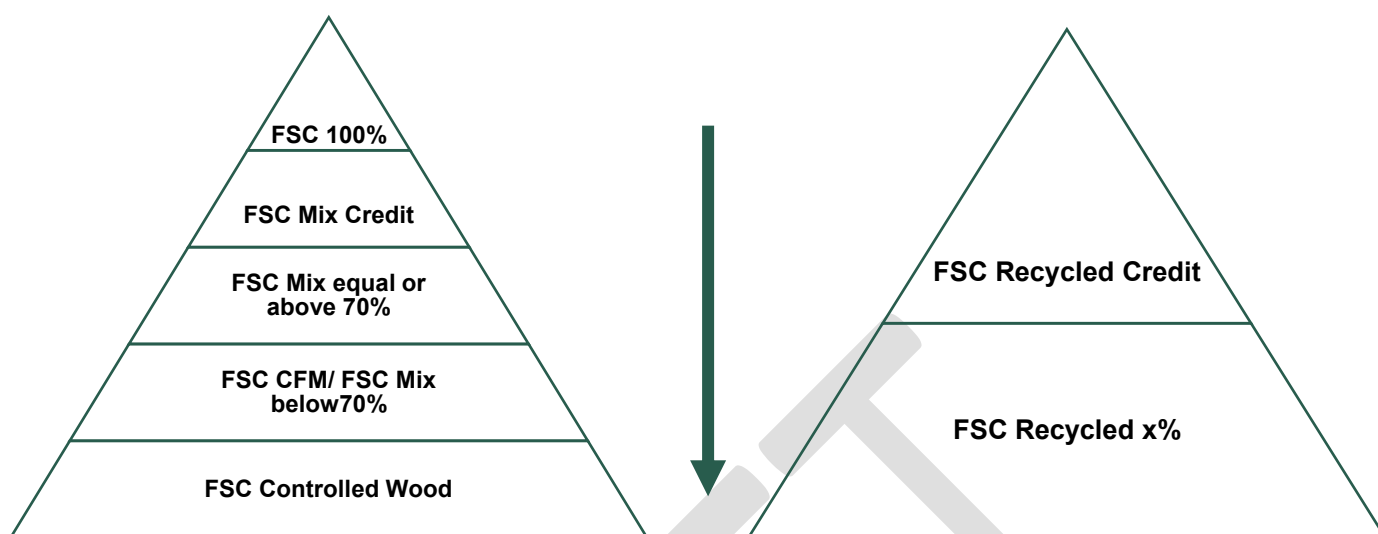


Figure 1. Rules for downgrading FSC output claims

- 2.8 The Organization may opt to claim products which are exclusively made of reclaimed materials (FSC Recycled Credit/x%) as FSC Mix (Credit/x%).
- 2.9 The Organization sourcing non-FSC-certified reclaimed material for use in FSC product groups shall conform to the requirements in [Section 14](#).
- 2.9.1 The Organization that reclaims materials from primary or secondary processing at their own site may classify the material as the same or lower material category as the input from which it was derived.
- 2.9.2 The Organization may reclaim materials from secondary processing and classify them as pre-consumer reclaimed material. This is not applicable to materials that are discarded by a manufacturing process but that can be reused by being incorporated back into the same manufacturing process that generated it.
- 2.10 The Organization sourcing non-FSC-certified virgin material for use in FSC product groups as controlled material shall conform to the requirements of [FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood](#).

3 Material sourcing

- 3.1 The Organization shall maintain up-to-date information about all suppliers who are supplying materials used for the product groups, including names, certification code(s) (if applicable), and materials supplied.
- 3.2 The Organization shall regularly verify the product groups' scope and the validity of the FSC certification of its active suppliers through the FSC certification database ([FSC Search](#)), in order to detect any changes that might affect the authenticity of the supplied products.

NOTE: Other FSC platforms synchronized with the FSC certification database (e.g., Certificate Status Watch, FSC Trace) may support The Organization's conformity with this requirement by sending automatic notifications to The Organization in the case of a change in the certification scope of its suppliers.

- 3.3 The Organization shall check the supplier's sale or delivery (or both) documentation to confirm that:
- a) the supplied material type and quantities are in conformity with the supplied documentation; and
 - b) the FSC claim is specified; and
 - c) the supplier's FSC certification code is quoted.
- 3.4 In cases where the FSC claim or certification code (or both) could not be provided through the sales or delivery documentation, The Organization shall check the relevant supplementary documentation provided by its supplier.
- 3.5 The Organization may classify material held in stock at the time of the main evaluation by the certification body, or material received between the date of the main evaluation and the date The Organization's CoC certification is granted, as eligible input, provided that The Organization is able to demonstrate that the materials meet the requirements in Sections 3 and 4 of this standard.

4 Material handling

- 4.1 In cases where there is a risk of non-eligible inputs entering product groups, The Organization shall implement one or more of the following segregation methods:
- a) physical separation of materials;
 - b) temporal separation of materials;
 - c) identification of materials.

Take-back

Applicability box 2:

The requirements below (Clauses 4.2 – 4.4) apply to The Organization that collects and reintroduces FSC-claimed product(s) into the supply chain after the initial sale of the product(s). Products that have been transformed by the customer are not eligible for FSC take-back.

- 4.2 The Organization shall ensure the traceability of FSC-claimed product(s) to ascertain their eligibility for reintroduction into the supply chain after take-back. The Organization shall assess the eligibility of take-back product(s) according to the following criteria:
- a) product identification:
 - i. product is uniquely identified;
 - ii. product and customer information is consistent with existing records (e.g., sales records, order confirmation) and product specifications; and
 - b) product condition: there is no evidence of transformation by the customer.
- NOTE: Identifiers such as fixed tags, labels, barcodes, microchips, QR codes, Radio Frequency Identification (RFID) and serial numbers may be used as means of identifying products.
- 4.3 The Organization shall establish a take-back agreement with its customers for the return of used products, specifying that the customer shall:
- a) not transform, modify or carry out maintenance on the products; and

- b) not relabel, remove FSC labels or other identifiers.

NOTE: Eligible damaged product(s) can be taken back by The Organization, repaired with eligible inputs and re-introduced into the supply chain.

- 4.4 The Organization shall, in accordance with the requirement of Clause 5.5, ensure that the quantities of product(s) sold, and quantities taken back are reconciled to avoid inaccuracies in the annual volume summary.

5 FSC material and products records

- 5.1 For each product group or job order, The Organization shall identify the main processing steps involving a change of material volume or weight and specify the conversion factor(s) for each processing step or, if not feasible, for the total processing steps.

- 5.2 The Organization shall have a consistent methodology for calculating conversion factor(s) for each product group and shall keep them up to date.

NOTE: The Organization that produces custom manufactured products is not required to specify conversion factors before manufacturing. However, it is required to maintain production records that enable conversion factors to be calculated.

- 5.3 The Organization shall maintain up-to-date material accounting records (e.g., spreadsheets, production control software) of materials and products in the certification scope, including:

- a) inputs: purchase/supplier's sales document number, date, quantities, and material category including the percentage or credit claim (if applicable);
- a) outputs: sales document number, lease document number (if applicable), date, product description, quantities, FSC claim, and applicable claim period or job order;
- b) FSC percentage calculations and FSC credit accounts.

- 5.4 The Organization that is certified to FSC and other forestry certification schemes and that have inputs and outputs that simultaneously carry claims from these schemes shall demonstrate that the quantities of products are not inappropriately counted multiple times.

- 5.5 The Organization shall prepare reports of annual volume summaries (in the measurement unit commonly used by The Organization), covering the period since the previous reporting period, demonstrating that the quantities of output products sold with FSC claims are compatible with the quantities of inputs, any existing inventory, their associated output claims, and the conversion factor(s) by product group.

NOTE 1: The Organization that does not carry out transformation of FSC materials or products (i.e., traders) may provide the annual volume summary in counting units (e.g., number of items).

NOTE 2: Organizations that make custom manufactured products (e.g., woodworkers, building contractors, construction companies) may present the annual volume summary as an overview of the job orders or construction projects instead of by product group.

6 Sales

- 6.1 The Organization shall ensure that sales documents (physical or digital) issued for products sold with FSC claims include the following information:

- a) name and contact details of The Organization;
- b) information to identify the customer, including name and address (except for sales to end consumers);
- b) date of issuance;

- c) product name or description;
 - c) quantity of product(s);
 - d) The Organization's certification code associated with FSC-certified products and/or the controlled wood code associated with FSC Controlled Wood products; and
 - e) the applicable FSC claim for each product item or the total products.
- 6.2 The Organization selling or leasing FSC finished and labelled products (e.g., retailers, publishers) may omit the percentage or credit information in sales or lease documentation (e.g., using "FSC Mix" claim only instead of "FSC Mix 70%" or "FSC Mix Credit").
- 6.3 If the sales documentation issued by The Organization is not included with the shipment of the product and this information is relevant for the customer to identify the product as being FSC-certified, the related delivery documentation shall include the same information as required in Clause 6.1 and a reference linking it to the sales documentation.
- 6.4 If The Organization is unable to include the FSC claim or certification code in sales or delivery documents (or both), the required information shall be provided to the customer through supplementary documentation (e.g., supplementary letters). In this case, The Organization shall obtain permission from its certification body to implement supplementary documentation in accordance with the following criteria:
- a) there shall exist clear information linking the supplementary documentation to the sales or delivery documents;
 - b) there is no risk of the customer misinterpreting which products are or are not FSC-certified in the supplementary documentation; and
 - c) where sales documents contain multiple products with different FSC claims, each product shall be cross-referenced to the associated FSC claim provided in the supplementary documentation.
- 6.5 The Organization that supplies custom manufactured FSC products (e.g., woodworkers, building contractors, construction companies) that does not list the FSC-certified products on the sales documents as required by Clause 6.1, may issue supplementary documentation to the sales document issued for custom manufacturing or other related services. The supplementary documentation shall include the following:
- a) reference information sufficient to link the service invoice(s) to the supplementary documentation;
 - b) a list of the FSC-certified components used with the related quantities and FSC claims; and
 - c) The Organization's certification code.
- 6.6 The Organization shall sell products that it has labelled itself, or labelled products it has sourced as certified input and recorded accordingly in an FSC product group, with the corresponding FSC claim.
- 6.7 The Organization may consider Clause 6.6 as not applicable for finished and labelled products sold to end-users not requiring the FSC claim.
- 6.8 The Organization selling finished and labelled products via online marketplace and not having access to their customer contact information may use a combination of existing sales and delivery documents and internal sales records to record and pass on information regarding FSC claims. In the absence of sales and delivery documents, the internal sales records shall meet the requirements of Clauses 6.1 and 6.2.

NOTE: For Clause 6.1 b), information identifying the online marketplace can be used instead of information to identify the consumer.

- 6.9 The Organization shall claim products made of indistinguishable mix of neutral and certified material only as 'FSC Mix Credit/ x%', unless The Organization specifies the amount of certified material on the product.
- 6.10 The Organization may only sell products with the 'FSC CFM' or 'FSC Controlled Wood' claim on sales and delivery documents if the products are raw or semi-finished and the customer is FSC-certified (i.e., chain of custody or project certification).
- 6.11 The Organization shall retain responsibility for products that have been sold but not yet shipped to the customer, and that remain in its physical possession.

7 Compliance with applicable legislation

- 7.1 The Organization shall ensure that its FSC-certified, and FSC Controlled Wood products comply with all applicable legislation. At a minimum, The Organization shall:
- have procedures in place to ensure the import and/or export and commercialization of FSC-certified and controlled wood products by The Organization comply with all applicable trade and customs laws¹ (if The Organization exports and/or imports FSC products); and
 - upon request, collect and provide information on species (common and scientific name) and country of harvest (or more specific location details if required by legislation) to direct customers and/or any FSC-certified organizations further down the supply chain that need this information to comply with legislation; and

NOTE 1: The form and frequency of providing this information may be agreed upon between The Organization and the requester, as long as the information is accurate and can be correctly associated with each material supplied as FSC-certified or FSC Controlled Wood.

NOTE 2: Information on the sub-national regions or concessions of harvest is required where the risk of illegal harvesting between concessions of harvest in a country or sub-national region varies. Any arrangement conferring the right to harvest timber in a defined area is considered a concession of harvest.

- provide proof of compliance with relevant trade and customs laws; and
- ensure that FSC-certified products containing pre-consumer reclaimed wood (except reclaimed paper) being sold or leased to companies located in countries where applicable legislation applies either:
 - only include pre-consumer reclaimed wood materials that conform to FSC Controlled Wood requirements in accordance with <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood>; or
 - inform their customers about the presence of pre-consumer reclaimed wood in the product and support their due diligence system as required by applicable legislation.

NOTE: The Organization applying option d) (i) above may apply the requirements for co-products outlined in <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood>

¹ Trade and customs laws include, but may not be restricted to:

- Bans, quotas and other restrictions on the export of timber products (e.g. bans on the export of unprocessed logs or rough-sawn lumber);
- Requirements for export licences for timber and timber products;
- Official authorisation that entities exporting timber and timber products may require; and
- Taxes and duties applying to timber product exports.

- 7.2 If The Organization does not possess the requested information on species or country of origin, the request shall be passed on to upstream suppliers until the information can be obtained.

8 FSC core labour requirements

- 8.1 The Organization shall not use child labour.
- 8.1.1 The Organization shall not employ workers below the age of fifteen (15) years old, or below the minimum age as stated under national, or local laws or regulations, whichever is higher, unless exceptions in Clause 8.2.2. apply.
- 8.1.2 If The Organization is located in a country where the minimum working age is defined below fifteen (15) years old, The Organization should only employ workers aged between thirteen and fifteen years old (13-15) in light work, if the work meets all of the following conditions:
- a) it does not interfere with compulsory education laws, including mandatory schooling hours;
 - b) it is not detrimental to the health or development of the child; and
 - c) it occurs only during normal daytime working hours.
- 8.1.3 The Organization shall not employ workers below the age of eighteen (18) (i.e., young workers) in hazardous or heavy work, unless this is for training purposes in accordance with approved national laws and regulations.
- 8.1.4 The Organization shall prohibit the worst forms of child labour.
- 8.2 The Organization shall eliminate all forms of forced and compulsory labour.
- 8.2.1 The Organization shall establish employment relationships that are voluntary and based on mutual consent, without the threat of a penalty.
- 8.2.2 The Organization shall ensure that there is no evidence of any practices indicative of forced or compulsory labour, including, but not limited to, the following:
- a) physical and sexual violence;
 - b) bonded labour;
 - c) withholding of wages/including payment of employment fees and or payment of deposit to commence employment;
 - d) restriction of mobility/movement;
 - e) retention of original passport or identity documents;
 - f) intimidation and threats, including threat of denunciation to the authorities.
- 8.3 The Organization shall only use prison labour for any activities under the scope of certification, including any outsourcing, if the work is voluntary with conditions of employment approximate to those of a free labour relationship².
- 8.4 The Organization shall ensure that there is no discrimination in employment and occupation (i.e., practices are non-discriminatory).
- 8.5 The Organization shall respect freedom of association and the effective right to collective bargaining.
- 8.5.1 The Organization shall ensure that workers are able to establish or join worker organizations of their own choosing.

² Source: For 'free labour relationship', guidance on indicators of conditions approximate to those of a free labour relationship, see 'Question: When is it ok to use prison labour', [Q&As on Business and Forced Labour | International Labour Organization](#).

- 8.5.2 The Organization shall provide workers' representatives (including trade union representatives) access to the workplace at first instance, where such access is necessary to fulfil their representative function including communication with workers on unionization.

NOTE: The exercise of this right by representative(s) is with due respect to rights of property and management and not at the detriment of the efficient functioning of The Organization.

- 8.5.3 The Organization shall respect the full freedom of workers' organizations to draw up their constitutions and rules.
- 8.5.4 The Organization shall respect the rights of workers to engage in lawful activities related to forming, joining or assisting a workers' organization, or to refrain from doing the same, and will not discriminate or punish workers for exercising these rights.
- 8.5.5 The Organization shall negotiate with lawfully established workers' organizations and/or duly selected representatives in good faith and with the best efforts to reach a collective bargaining agreement.
- 8.5.6 The Organization shall implement collective bargaining agreements where they exist.

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Part 2: FSC Control Systems

9 Transfer system

Box 2. Transfer system application

The transfer system is an FSC control system which provides the simplest approach for the determination of output claims by transferring the FSC claims of inputs materials directly to the output products. Through segregation from non-eligible materials, the link between input and output material is assured through all stages of The Organization's processes.

The transfer system can be applied to all types of product groups, FSC claims, and activities.

There are no valid output claims for pre-consumer reclaimed wood since it is not considered an eligible input in the transfer system.

NTFPs used for food and medicinal purposes are restricted to the transfer system only.

- 9.1 The Organization shall specify claim periods or job orders for each product group, for which a single FSC claim shall be made.
- 9.2 For claim periods or job orders in which inputs belong to a single material category with an identical FSC claim, The Organization shall determine this to be the corresponding FSC claim for the outputs.
- 9.3 For claim periods or job orders with inputs of different material categories or with varying associated percentage or credit claims, The Organization shall use the lowest FSC claim per input volume as the FSC claim for the outputs, as indicated in Table 3.

Table 3. Possible combinations of FSC input claims and resulting output claims when applying the transfer system

	FSC 100%	FSC CFM	FSC Mix Credit	FSC Mix X%	FSC Recycled Credit	FSC Recycled X%	Pre-cons. reclaimed wood	Pre-cons. reclaimed paper	Post-cons. reclaimed wood and paper	FSC Controlled Wood and controlled materials
FSC 100%	FSC 100%	FSC Mix X%	FSC Mix Credit		FSC Mix Credit				FSC Mix 100%	
FSC CFM	FSC Mix X%	FSC CFM							FSC Mix X%	
FSC Mix Credit	FSC Mix Credit		FSC Mix Credit		FSC Mix Credit				FSC Mix Credit	
FSC Mix X%									FSC Mix X%	
FSC Recycled Credit	FSC Mix Credit		FSC Mix Credit		FSC Recycled Credit	FSC Recycled X%			FSC Recycled Credit	
FSC Recycled X%			FSC Mix X%				No FSC claims allowed		FSC Recycled X%	
Pre-cons. reclaimed wood										
Pre-cons. reclaimed paper	FSC Mix 100%	FSC Mix X%	FSC Mix Credit	FSC Mix X%	FSC Recycled Credit	FSC Recycled X%			FSC Recycled 100%	
Post-cons. reclaimed wood and paper										
FSC Controlled Wood and controlled materials				FSC Controlled Wood					FSC Controlled Wood	

NOTE: For combinations of FSC CFM and other FSC claims with different claim contributions (e.g., FSC 100%, FSC Mix Credit, post-consumer reclaimed material), the output claim is FSC Mix x% where 'x' is equivalent to the lowest claim contribution amount of the mixed claims.

10 Percentage system

Box 3. Percentage system application

The percentage system is an FSC control system which allows all outputs to be sold with a percentage claim that corresponds to the proportion of claim-contributing inputs over a specified claim period.

NTFPs used for food and medicinal purposes are restricted to the transfer system only. The percentage system is an FSC control system which allows all outputs to be sold with a percentage claim that corresponds to the proportion of claim-contributing inputs over a specified claim period.

The percentage system can be applied to FSC Mix and FSC Recycled product groups at the level of a single or multiple physical sites.

The percentage system can be applied to FSC Mix and FSC Recycled product groups at the level of a single or multiple physical sites.

The percentage system cannot be applied to the following activities:

- sale of products with the FSC 100% output claim;
- trade and distribution of finished products (e.g., paper merchants);
- trade without physical possession;
- trade and processing of NTFPs, except for bamboo and NTFPs derived from trees (e.g., cork, resin, bark, rubber/latex).

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

10.2 The Organization shall use the percentage claim or credit claim stated on the supplier's sales documentation to determine the quantity of claim-contributing inputs.

NOTE: The amount of contribution from each FSC material category is according to [Table 7](#) in the definition of claim-contributing input.

10.3 The Organization shall calculate and record the FSC (Mix/ Recycled) % for each claim period or job order by using the following formula:

$$FSC\% = \frac{Q_c}{Q_T} \times 100$$

FSC% = FSC percentage

Q_c = Quantity of claim-contributing inputs

Q_T = Total quantity of forest-based inputs

10.4 The Organization may apply the percentage system at the level of multiple sites within the same product group. For a cross-site percentage system, The Organization shall calculate the percentage as an average FSC percentage (FSC%) of the inputs received by all sites and shall meet the following conditions:

- a) all sites shall be within the scope of a single or multi-site certification with a common ownership structure;
- b) all sites shall use a harmonized data management system that ensures consistent input/output recording and calculation;

- c) each site participating in a cross-site percentage calculation shall be located in a geographic area, or have a certification scope, that is not designated by FSC as having a “high integrity risk”; and
 - d) each site participating in a cross-site percentage calculation shall maintain a site-specific FSC% of at least 50%.
- 10.5 The Organization shall calculate the FSC% for each product group 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).
- 10.6 The Organization shall ensure that the time period over which the input percentage is calculated does not exceed 12 months, unless otherwise warranted by the nature of the business and approved by The Organization’s certification body.
- 10.7 The Organization using the single percentage method may apply the calculated FSC% to the FSC claim of the output products produced either during the same claim period/ job order or in the following claim period.
- 10.8 The Organization using the rolling average percentage method shall apply the calculated FSC% from the specified number of previous claim periods to the FSC claim of the output products produced in the following claim period.
- 10.9 The Organization applying the FSC percentage in the following claim period according to Clauses 10.7 and 10.8 shall ensure that fluctuations in the supply of input materials are not used to increase the amount of output products sold with FSC claims.
- 10.10 The Organization can sell the total output of a claim period or job order with an FSC Mix or FSC Recycled percentage claim that is identical to or lower than the calculated FSC%.

11 Credit system

Box 4. Credit system application

The credit system is an FSC control system which allows a proportion of outputs to be sold with a credit claim corresponding to the quantity of claim-contributing inputs and the applicable product group conversion factor(s).

The credit system can be used for FSC Mix and FSC Recycled product groups at the level of a single or multiple physical sites.

The credit system cannot be applied to the following activities:

- sale of products with the FSC 100% output claim;
- trade and distribution of finished products (e.g., paper merchants);
- trade without physical possession;
- trade and processing of NTFPs, except for bamboo and NTFPs derived from trees (e.g., cork, resin, bark, rubber/latex).

Establishment of the credit account

- 11.1 The Organization shall set up and maintain an FSC credit account for each product group, according to which additions and deductions of FSC credits shall be recorded.
- 11.2 The Organization shall maintain credit accounts of either input materials or output products.

- 11.3 The Organization may apply the credit system at the level of multiple sites within the same product group within the scope of the chain of custody certification. For a centralised credit account, The Organization shall meet the following conditions:
- a) all sites shall be within the scope of a single or multi-site certification with a common ownership structure;
 - b) all sites shall use a harmonized data management system that ensures consistent input/output recording and calculation;
 - c) each site participating in a centralised credit account shall be located in a geographic area, or have a certification scope, that is not designated by FSC as having a “high integrity risk”; and
 - d) each site participating in a cross-site credit account shall provide at least 10% of the input credits used by its own site in a (rolling) 12-month period.

Credit account administration

- 11.4 The Organization shall use the percentage claim or credit claim stated on the supplier's documentation to determine the quantity of claim-contributing inputs.

NOTE: The amount of contribution from each FSC material category is according to Table 7 in the definition of claim contributing input.

- 11.5 The Organization shall not accumulate more FSC credits in the credit account than the total amount of credits added during the previous 24 months. Any FSC credits exceeding this amount shall be deducted from the credit account at the start of the following month (at the 25th month after they have been added to the account).

NOTE: Credits which were not used for output claims within this period expire.

- 11.6 The Organization shall determine the output credit quantities by multiplying the input quantities by the applicable conversion factor(s) specified for each component of the product group.

- 11.7 The Organization shall ensure that, when the credit system is applied to assembled wood products and different quality inputs are combined, high-quality components that are sourced as controlled material or FSC Controlled Wood do not exceed 30% of the product group's composition (by volume or weight).

NOTE: In the context of Clause 11.7, the following are examples of quality:

- a) all products that are made of chip and particles of wood are considered as having the same quality;
- b) solid wood components are considered as having a higher quality than components of chip and particles of wood;
- c) solid hardwood is considered as having higher quality than softwood.

Sale of outputs with credit claims

- 11.8 The Organization shall convert the quantity of input materials into credits according to Clause 11.6 and deduct them from the FSC credit account.
- 11.9 The Organization shall only sell products with FSC credit claims if there are credits available in the corresponding credit account.
- 11.10 The Organization may supply the portion of the output quantity that has not been sold as FSC Mix Credit as FSC Controlled Wood, on the basis of a corresponding FSC Controlled Wood credit account.

NOTE: FSC Controlled Wood credit accounts are not required if the FSC Mix Credit account covers the entire organization's production.

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Part 3: Supplementary Requirements

12 FSC labelling

- 12.1 The Organization may apply the FSC label on FSC-certified products following the requirements specified in <FSC-STD-50-001 Standard for use of the FSC trademarks by certificate holders>. The type of FSC label shall always correspond to the FSC claim made on sales documents, as specified in Table 4.

Table 4. FSC claims and corresponding FSC labels

FSC Claims	FSC label
FSC 100%	FSC 100%
FSC Mix percentage of at least 70%	FSC Mix
FSC Mix Credit	FSC Mix
FSC Recycled wood - percentage of at least 70% post-consumer reclaimed	FSC Recycled
FSC Recycled paper - no threshold applies	FSC Recycled
FSC Recycled Credit	FSC Recycled

13 Outsourcing & provision of services

13.1 General requirements

- 13.1.1 The Organization may outsource activities included in the scope of its certification (i.e., logging, harvesting, purchasing, processing, storing, labelling, and selling) to FSC-certified or non-FSC-certified contractors.

NOTE: The Organization's outsourcing activities are subject to risk assessment and sampling by the certification body for auditing purposes.

- 13.1.2 The Organization may exempt storage sites or logistic activities (e.g., forwarding) from outsourcing agreements, provided there is no risk of mixing.

- 13.1.3 The Organization shall maintain legal ownership of all materials during outsourcing.

NOTE: The Organization is not required to re-take physical possession of the products following outsourcing (i.e., products may be shipped directly from the contractor to The Organization's customer or contractors for further outsourcing).

- 13.1.4 The Organization shall inform its certification body, prior to outsourcing activities to a new contractor, about the outsourced activity, name, and contact details of the contractor, unless the contractor is FSC-certified and has such activities and product groups included in their certification scope.

- 13.1.5 The Organization shall not outsource activities within the scope of FSC certification to:

- a) organizations listed in the FSC certification database as 'suspended and blocked' or 'terminated and blocked'; or

- b) disassociated organizations listed in the FSC website in accordance with the <FSC-POL-01-004 Policy for Association>.

13.2 Organizations outsourcing activities to non-FSC-certified contractors

- 13.2.1 The Organization shall establish an outsourcing agreement with each non-FSC-certified contractor, specifying that the contractor shall:
 - a) conform to all applicable certification requirements and The Organization's procedures related to the outsourced activity;
 - b) not make unauthorized use of the FSC trademarks (e.g., on the contractor's products or website);
 - c) not further outsource any activity unless:
 - i. to an FSC-certified organization, and inform The Organization; or
 - ii. The Organization establishes a tri-party agreement (with the same provisions as the outsourcing agreement) between The Organization, the primary contractor, and the subcontractor;
 - d) accept the right of The Organization's certification body to audit the contractor, and for ASI to conduct an on-site visit; and
 - e) conform to FSC core labour requirements.
- 13.2.2 The Organization shall ensure that its non-FSC-certified contractor(s) have documented procedures in place that cover the following:
 - a) the certified and controlled material under the contractor's responsibility shall not be mixed or contaminated with any other material during the outsourced activity;
 - b) the contractor shall keep records of all material covered by the outsourcing agreement, including inputs, outputs, and delivery documentation; and
 - c) if the contractor applies the FSC label to the product on behalf of The Organization, the contractor shall only label the eligible products covered by the outsourcing agreement.
- 13.2.3 The Organization shall be able to describe how its non-FSC-certified contractor with an outsourcing agreement conforms to FSC CLR, and shall:
 - a) include its contractor within The Organization's FSC CLR self-assessment; or
 - b) refer to the contractor's own FSC CLR self-assessment within The Organization's self-assessment.
- 13.2.4 The Organization may, for the certification body to determine risk classification of the outsourcing agreement, provide and make available documentation and records of a first-/second-/third-party audit of the contractor that meets all of the following criteria:
 - a) the audit demonstrates conformance to FSC CLR; and
 - b) the audit is conducted at least annually; and
 - c) the audit findings are made available to the certification body for review; and
 - d) the audit includes worker interviews.

NOTE: Provision of this evidence can be used by the certification body to approve a lower risk classification in its application of the FSC CLR Risk Matrix, where applicable.
- 13.2.5 The Organization may exempt any non-FSC-certified contractor with an outsourcing agreement from requirements in Clause 13.2.3 if the requirements in Clause 1.4.1 or Clause 1.4.2 apply to the contractor.

13.3 Provision of services

Applicability box 3:

The requirements in subsection 13.3 apply to The Organization that provides services to other organizations as a contractor or leases certified products to customers.

Leasing requirements are applicable to The Organization that offers FSC-certified products to customers for temporary use, while retaining legal ownership of the products. Sub-leasing is possible, provided that the customer is CoC-certified.

FSC Controlled Wood is not included in the scope of leasing.

Organization acting as an FSC-certified contractor

- 13.3.1 The Organization may act as an FSC-certified contractor providing services to other contracting organizations. In this case, The Organization shall include the provision of services under the scope of its certification, ensuring that all applicable certification requirements are met.
- 13.3.2 The Organization may provide FSC-certified services to a non-FSC-certified organization. In such cases, The Organization shall:
- a) ensure that the material is transported directly from an FSC-certified supplier to The Organization; and
 - b) implement the requirements outlined in Clause 3.3; and
- NOTE: Information on prices can be censored.
- c) ensure that the output product is finished and FSC labelled.

Leasing FSC-certified products

- 13.3.3 The Organization shall ensure that the leased product is uniquely identified and remains as such throughout its use.
- NOTE: Identifiers such as fixed tags, labels, barcodes, microchips, QR codes, RFID (Radio Frequency Identification), and serial numbers may be used as a means of identifying a leased product.
- 13.3.4 The Organization shall assess the eligibility of the returned leased product for re-lease according to the following criteria:
- a) product identification:
 - i. product is uniquely identified;
 - ii. product and customer information is consistent with existing records (e.g., lease records, order confirmation) and product specifications; and
 - b) product condition: there is no evidence of transformation by the customer.
- NOTE: Products that have been transformed by the customer, or for which identification has been removed, are not eligible for re-lease with FSC claims.
- 13.3.5 The Organization may modify, carry out maintenance, and repair leased products.
- 13.3.6 The Organization shall ensure that only eligible inputs are used in the modification, maintenance or repair of the leased product.

NOTE: Such activities may result in changes to product groups, in which case the requirements in Section 2 apply accordingly.

- 13.3.7 The Organization shall ensure that lease documents (physical or digital) issued for products leased with FSC claims include the following information:
- a) name and contact details of The Organization;
 - b) information to identify the customer including name and address of the customer;
 - c) date when the lease invoice was issued;
 - d) product name or description and the attached identifier;
 - e) quantity of products leased;
 - f) The Organization's FSC certification code; and
 - g) the FSC claim for each leased product (or the total products).
- 13.3.8 The Organization shall establish a lease agreement with its non-FSC-certified customers, specifying that the customer shall:
- a) not transform, modify or carry out maintenance on the product;
 - b) not relabel, remove FSC labels or other identifiers;
 - c) not further lease the products to other parties; and
 - d) not make unauthorized use of the FSC trademarks.

Requirements not applicable to The Organization exclusively providing leasing services

The table below provides requirements not applicable to The Organization conducting leasing activities only. The Organization with leasing in the certification scope together with other activities (processing, manufacturing, repairing, inputting forest-based materials, trading) shall conform to all CoC requirements without exemptions, however leasing requirements are only applicable to leased products.

Table 5. Applicability of requirements for The Organization based on the scope of certification.

Clause No.	Leasing purchased finished products without inputting forest-based materials
[2.9], [2.9.1], [2.9.2], [2.10]	X
[5.1], [5.2], [5.3.c)]	*(not applicable unless it is transformed (e.g. cutting to size, modification))
[6]	X
[9.3]	X
[10]	X
[11]	X

[Not applicable (X), Partially applicable (*)]

14 Sourcing reclaimed materials

Applicability box 4:

This Section specifies the requirements applicable to The Organization that intends to or is sourcing non-certified reclaimed materials for use in FSC CoC product groups in accordance with this standard, or in an FSC-certified project according to <FSC-STD-40-006 FSC Chain of Custody Standard for Project Certification>. It outlines the requirements for verification, categorization and the establishment and implementation of The Organization's supplier validation and audit programme for sourcing reclaimed materials.

In the context of this standard, reclaimed materials include timber and non-timber forest-based reclaimed materials, such as wood, paper, bamboo, cork, natural rubber, forest-based fibres (textiles) (See Annex 5 for examples of eligible reclaimed materials).

The following materials are not considered eligible as reclaimed material inputs within the scope of this section:

- a) forest-based materials that are discarded by a manufacturing process but that can be reused by being incorporated back into the same manufacturing process that generated it;
- b) co-products;
- c) forestry residue;
- d) forest salvaged wood;
- e) NTFPs used for food or medicinal purposes.

Purchasing reclaimed materials

- 14.1 The Organization shall ensure that reclaimed material inputs purchased without FSC claims conform to FSC definitions for pre-consumer or post-consumer reclaimed materials.

NOTE: Manufactured recycled products or components purchased from non-FSC-certified companies are not considered eligible reclaimed material inputs.

Suppliers' validation and monitoring

- 14.2 The Organization shall validate and monitor its suppliers of reclaimed materials to ensure that the supplied materials conform to FSC definitions. The Organization shall:
- a) maintain records and define the necessary actions, documentation and objective evidence needed to demonstrate that materials purchased from each supplier are eligible. At least, this shall include:
 - i. the name and address of the supplier;
 - ii. supplier activity (e.g., collector from point of reclamation, trader);
 - iii. the reclaimed material category(ies) to be supplied;
 - iv. the level of control required as specified by Causes 14.3 – 14.12 below;
 - b) monitor the conformance of suppliers; and
 - c) take correction and corrective actions (e.g., requesting for the correction of purchase documentations, temporary or permanent invalidation of the supplier when there is non-conformance).

Material verification and categorization

- 14.3 The Organization shall verify all reclaimed materials upon receipt and categorize them as pre-consumer reclaimed material, or post-consumer reclaimed material.
- 14.4 The Organization shall retain objective evidence for each supply, confirming that the materials conform to FSC definitions and the amount of forest-based components in reclaimed materials is specified.
- NOTE: Evidence may include official reclaimed paper classification and assortment systems, material samples, pictures, quality and content analysis reports, invoices, delivery notes and shipping documents.
- 14.5 The Organization shall take one of the following actions upon receipt of materials containing a mixture of post-consumer and pre-consumer reclaimed materials:
- a) categorize the full amount of material as pre-consumer reclaimed; or
 - b) analyse and confirm the quantities of pre-consumer and post-consumer material in the mix received. In this case, The Organization shall:
 - i. request its suppliers to declare in writing the quantities of post-consumer and pre-consumer material in each material mix supplied; and
 - ii. include the supplier in its supplier audit programme.

Supplier audit programme

- 14.6 The Organization shall implement a supplier audit programme if:
- a) the categorization of reclaimed materials as post-consumer or pre-consumer cannot be demonstrated through objective evidence upon receipt; or
 - b) Clause 14.5 b) is applicable.
- 14.7 The Organization shall conduct at least an annual on-site audit of suppliers included in the supplier audit programme (including overseas suppliers), based on the following sampling formula:

$$y = 0.8\sqrt{x},$$

where:

y = the number of suppliers to be audited, rounded to the upper whole number.

x = the total number of suppliers included in The Organization's supplier audit programme.

- 14.8 The Organization may exclude suppliers from the audit sample (x) that have been audited by its certification body or another FSC-accredited certification body in the same calendar year.
- 14.9 The Organization shall ensure that the overall sample selected is representative in terms of:
- a) geographic distribution;
 - b) activities and products; and
 - c) scale of operation and volume of reclaimed materials supplied.

NOTE 1: Traders or sales offices that do not take physical possession of reclaimed materials, or do not alter or re-package the reclaimed materials, may be verified through remote audits.

NOTE 2: The Organization may appoint an accredited certification body or other external qualified party to conduct the supplier audits. The certification body that evaluates the conformity of The Organization to this standard is not eligible for such activity.

- 14.10 The Organization shall ensure that when a supplier selected for auditing sells reclaimed materials previously handled by other companies, the entire supply chain is audited back to the point where their categorization as pre-consumer or post-consumer materials can be demonstrated through objective evidence.
- 14.11 The Organization shall verify the supplier's documentation and obtain other objective evidence regarding the supplied material categorization, quantity and conformance to FSC definitions.

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 supplementary evidence to demonstrate that the material conforms to FSC definitions.

Informative guidance 1:

The Organization can check the following:

- a) supplier's instructions or procedures for controlling and categorizing the reclaimed materials;
- b) when applicable, trainings or instructions provided to the supplier's personnel in relation to the categorization and control of reclaimed materials;
- c) material documentation or records detailing sources, delivery date, quantities, forest-based contents.

- 14.12 The Organization shall document the supplier audits, including a record of the audit date, the audit findings in relation to the requirements in Clause 14.11, the names and qualifications of the auditors and examples of any evidence collected to verify the categorization of materials.

PART 4: OPERATION MODELS (SINGLE, MULTI-SITE, GROUP)

15 Eligibility criteria for CoC operation models

- 15.1 The Organization is eligible for a single CoC certification with one site (as the certificate holder) and optional sub-sites in the scope.
- 15.2 The Organization (acting as the central office) may establish a multi-site CoC certification if its scope of certification includes two or more sites or legal entities (referred to as 'participating sites') that conform to the following criteria:
- a) all participating sites and The Organization that holds the certificate are linked through a common ownership; or
 - b) all participating sites:
 - i. have a legal and/or contractual relationship with The Organization; and
 - ii. have common operational procedures (e.g., same production methods, same product specifications, integrated management software); and
 - iii. are subject to a centrally administered and controlled management system established by The Organization that has authority and responsibilities beyond those related solely to certification, including:
 - centralized purchase or sales function of forest products; or
 - operation under the same brand name (e.g. franchise, retailer).
- 15.3 The following organizations are not eligible for multi-site CoC certification:
- a) organizations that do not have authority over the admission or removal of participating sites from the certification scope;
 - b) associations;
 - c) non-profit organizations that have for-profit members.
- 15.4 The Organization (acting as the central office) may establish a group CoC certification that includes two (2) or more independent legal entities (referred to as 'participating sites') that meet the following criteria:
- a) staff headcount of up to 49 full-time equivalent (FTE) persons; or
 - b) maximum annual Forest Products Turnover (FPT) of USD 10,000,000.
- NOTE 1: Total annual FPT refers to the total annual revenue (gross annual sales) of all forest products sold by the participating site. The reference period is the most recently completed fiscal year. Gross annual sales refer to the gross annual revenue of The Organization derived from the sale of goods, less trade discounts, VAT, and other sales-based taxes.
- NOTE 2: The turnover threshold specified in Clause 15.4 b) is adapted every five years in line with the inflation adjustment applied to <FSC-POL-20-005 Annual Administration Fee (AAF)>, to maintain consistency and reflect economic changes over time.
- 15.5 All sites included in the scope of certification shall conform to:
- a) Parts 1-3 of this standard; and
 - b) for multi-site and group CoC certification, Section 16 of this standard.
- NOTE: For single CoC certification, the certification body evaluates all applicable CoC requirements at the site and sub-sites included in the scope of certification within each audit (i.e., no sampling applies).

16 Multi-site and group CoC certification

16.1 Administrative requirements

- 16.1.1 The central office shall be responsible for administering the multisite or group CoC certification and shall either be, or act on behalf of, The Organization holding the certification.
- 16.1.2 The central office shall demonstrate its CoC management system's capacity, including the following:
- a) the management structure and procedure(s) needed to ensure all participating sites conform with CoC requirements; and
 - b) the technical and human resource capacity to continuously manage the number of participating site(s).
- 16.1.3 The central office shall sign a 'consent form' or a contract with participating sites that are not linked through common ownership. This document shall include the following:
- a) acknowledgement and agreement to the general obligations and responsibilities for participation in the multi-site or group CoC certification stipulated in this standard, the certification contract, and the documented procedures of the central office;
 - b) agreement to conform to all applicable FSC certification requirements and the documented contractual obligations, nonconformities and procedures of the central office;
 - c) authorization of the central office to apply for and administer the FSC CoC certification on behalf of the participating site; and
 - d) acknowledgement of mutual responsibility for the maintenance of the certification, where nonconformities identified at the level of the participating sites or the central office may result in nonconformities, certification suspension, and/or certification withdrawal.
- 16.1.4 When The Organization holds a CoC certification for less than 100% of its associated sites or when a central office holds more than one (1) CoC certification, the central office shall establish procedures to ensure that only the participating sites included under each respective CoC certification are authorized to make FSC claims and use the FSC trademarks.
- 16.1.5 All participating sites shall be subject to the central office audit programme, unless the certification body is auditing all participating sites (100% audit sampling) during each evaluation.
- 16.1.6 If a participating site acts as the central office, the central office may exclude that site from the central office audit programme.

Informative guidance 2:

At an evaluation, nonconformities identified at the level of a participating site may result in nonconformities at the central office when the nonconformities are determined to be the result of the central office's performance (e.g., where identical nonconformities are issued to several participating sites, it may be a result of ineffective training or support by the central office). Five (5) or more major nonconformities issued to the central office by the certification body will result in suspension of the entire certification. Five (5) or more major nonconformities issued to a participating site by the certification body will result in suspension of that particular participating site, but it will not necessarily result in the suspension of the entire certification.

The certification body evaluates both the central office and a sample of the participating sites. The sampling methodology is stratified by the set of sites, considering both high-risk and low-risk participating sites.

A participating site is considered to be high-risk if it meets at least one of the following criteria:

- a) applying a due diligence system according to <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood Standard>;
- b) performing a supplier audit programme for reclaimed materials according to Section 14;
- c) high-risk outsourcing to a non-FSC-certified contractor; or
- d) situated in a geographic area, or having a certification scope, that is designated by FSC as having a “high integrity risk”.

A participating site is considered to be low-risk if it does not meet any of the above criteria.

A set of sites refers to a group of participating sites within the scope of an FSC certification from which the certification body selects a sample for auditing during the evaluation process.

The central office is exempt from implementing an annual audit programme if the certification body conducts annual audits of all Participating Sites (100% audit sampling). However, an annual surveillance audit of the central office by the certification body will always be conducted.

If a participating site acts as the central office, the site is subject to an annual audit by the certification body to verify conformance to the requirements of this standard.

16.1.7 The central office shall remove participating site under the following conditions:

- a) immediately, if the participating site has five (5) or more major nonconformities issued by the central office or certification body; or
- b) within three (3) months, if the participating site has held the ‘transitional’ status for twelve (12) months and still do not conform to the group eligibility criteria.

16.2 Central office’s management system

16.2.1 The central office shall assign a certification manager with legal or management authority and the technical support necessary to implement the responsibilities specified in this standard and manage the number of participating sites.

16.2.2 The central office shall develop, implement, and maintain documented procedures covering the applicable requirements of this standard, including procedures for inclusion and removal of participating sites.

16.2.3 The central office shall ensure that a training programme for participating sites is established, implemented, and maintained that enables them to meet the requirements of this standard.

16.2.4 The central office shall maintain records of all participating sites under the scope of certification, including each participating site’s:

- a) product group list;
- d) contact information (name, phone number, email address, physical address);
- b) appointed CoC representative;
- c) date of entry into the multi-site or group CoC certification;
- d) date of withdrawal from the scope of certification;
- e) sub-certification code issued;
- f) indication and justification if the participating site is considered high-risk;
- g) indication if the participating site has signed a declaration stating that no material has been FSC labelled, sourced as controlled material, or sold with an FSC claim since its most recent audit (internal or external), and indication if the participating site has been designated by FSC as having a ‘high integrity risk’, if applicable;

- h) if applicable, contractors and sub-contractors list in the certification scope of each participating site; and
- i) if applicable, sub-sites of each participating site.

16.2.5 The central office shall maintain records pertaining to central office management, including:

- a) if applicable (as required in Clause 16.1.3), the signed 'consent form' or contract of each participating site;
- e) records of all central office's audits, including nonconformities identified and actions taken to correct them, and the central office's annual review of its audit programme (according to Clause 16.4.8);
- b) training provided by, or on behalf of, the central office, and of participation therein; and
- c) records of the central office's auditors and their qualifications.

16.3 Qualification of certification manager and the central office's auditors

16.3.1 The central office shall appoint a certification manager with responsibility and authority for the management of a multi-site or group CoC certification, with professional experience, knowledge, competence, and the technical support or resources to manage the group certification according to scope, scale, intensity, and risk.

16.3.2 The criteria for the central office's auditor shall include:

- a) professional experience and demonstrated ability to evaluate conformance to all aspects of this standard according to the scale and complexity of the participating site being assessed;
- b) fluent in the language used at the participating site, or be accompanied by a designated independent interpreter who is not an employee or consultant of the participating site under evaluation; and
- c) objectivity and impartiality: auditors shall not audit activities for which they are responsible for overseeing or participating in (e.g., direct supervisors of staff), or for which they have any conflict of interest.

NOTE: Training activities provided by the central office do not constitute a conflict of interest. A general manager can conduct audits where they are not the direct supervisor, even though they are ultimately responsible for the activities of the organization.

16.3.3 The central office shall ensure that the central office's auditors are trained to audit participating sites in accordance with the latest version of the applicable certification requirements and any relevant central office procedures.

16.3.4 For certifications with more than twenty (20) participating sites that are not linked through common ownership, the central office's auditors shall be in possession of either:

- a) a formal ISO 9001, ISO 14001, or ISO 45001 lead auditor certificate achieved through a recognized³ accredited training course; or
- b) a lead auditor training certificate provided by an FSC-accredited training provider.

NOTE: Under this requirement, notwithstanding the above provisions, individuals acting as FSC CoC auditors by the time this standard reaches the end of its transition period are deemed to meet the qualification requirements.

16.4 Central office audit programme

³ Refers to course certificates accepted by auditor registration schemes such as IRCA and Exemplar Global.

- 16.4.1 The central office shall conduct an initial audit of each applicant prior to their inclusion as a participating site within the certification scope, to ensure conformity with all applicable certification requirements and any additional requirements established by the central office.
- 16.4.2 The central office shall conduct one (1) annual audit of each participating site to evaluate the conformity with the certification requirements and any additional requirements established by the central office.
- 16.4.3 The central office may waive the annual audit for the participating site that signs a declaration stating that no material has been FSC labelled, sourced as controlled material, or sold with an FSC claim since its most recent audit (internal or external), unless the participating site is situated in a geographic area, or has a certification scope, that is designated by FSC as having a 'high integrity risk'.
- 16.4.4 The central office shall review records starting from the date of the site's most recent internal or external audit to verify the declared period of inactivity when auditing a site that was previously granted a waiver from the annual audit.
- 16.4.5 The central office shall not waive more than two (2) consecutive annual audits for each participating site.
- 16.4.6 The central office shall determine the appropriate audit methods to evaluate all applicable requirements, including consideration of specified and unspecified risks in the business sector and geographical region. Remote and hybrid audits may be conducted under the conditions specified in [Annex 4](#).
- NOTE: For hybrid audits, the central office may choose the aspects that can be evaluated remotely and those that need to be evaluated on-site.
- 16.4.7 For the evaluation to include new participating sites, the central office may apply the remote audit method. However, in this case, the central office shall conduct an on-site or hybrid audit within twelve (12) months from the inclusion of new participating sites, except for traders without physical possession.
- 16.4.8 The central office shall have the formal authority to issue nonconformities to the participating sites and to enforce implementation, according to the requirements specified in [Annex 4](#).
- 16.4.9 The central office shall document each participating site's audit in a report covering, at minimum, the following information:
- f) participating site details (sufficient to identify the site);
 - a) checklist covering the certification requirements applicable to the participating site, providing a systematic presentation of findings and demonstrating conformity or nonconformity with each requirement;
 - b) status of nonconformities issued by the certification body and/or by the central office, including nonconformities issued during the previous audit and current audit;
 - c) information on FSC volumes based on the participating site's annual volume summary (Clause 5.5), including the total input and output volume for each product group; and
 - d) summary of audit conclusions, including the decision on whether the site is eligible to be included in, or remain in, the scope of certification.
- 16.4.10 The central office shall conduct an annual management review of its audit programme and procedures. The results of all audits shall be included in the management review to ensure that the identified issues are addressed and corrected.

16.5 Provision of information and documents to participating sites

- 16.5.1 The central office shall provide each participating site with documentation specifying the relevant terms and conditions of participation and certification. The documentation shall include:
- a) the applicable FSC CoC requirements;
 - b) the documented procedure(s) of the central office;
 - c) explanation of the certification body's, ASI's, and FSC's requirements with respect to collecting and publishing information; and
 - d) explanation of any implementation of requirements with respect to participation in the certification, including:
 - i. implementation of the applicable FSC control system;
 - ii. requirement to correct nonconformities issued by the certification body or the central office within their established timelines;
 - iii. requirements related to marketing or sales of products covered by the scope of certification; and
 - iv. the use of FSC trademarks under the assigned certification sub-code.
- 16.5.2 The central office shall issue a notification to participating sites when participating sites leave the certification or cease to meet the eligibility criteria. The notification shall include:
- a) a clear statement about the status of the participating site's certification (i.e., transitional, suspended, or withdrawn); and
 - b) the date from which the certification status is officially changed; and
 - c) the rationale supporting the change in certification status, which shall include, but is not limited to, the details of any breach of the certification agreement or the demonstration of nonconformities with certification requirements (if applicable); and
 - d) the requirement to stop making FSC claims and/or to withdraw all uses of the FSC trademarks if the status of the participating site is suspended or withdrawn.

16.6 Change of participating sites in the certification scope

- 16.6.1 The central office may add new participating sites to the certification scope, provided that:
- a) such additions are made at any time, within the annual growth limit defined by its certification body; or
 - b) where the number of participating sites is going to exceed the approved growth limit, the inclusion of new participating sites is made after the certification body has done an audit of the central office and a sample of new participating sites.
- 16.6.2 The central office shall verify the status in the FSC certification database before adding a new participating site to the group or multi-site certification, and shall reject:
- a) any participating site applicant that is listed as 'suspended', 'suspended and blocked', or 'terminated and blocked'; or
 - b) any participating site applicant that currently holds a valid FSC certification - either as an individual certificate holder or as part of another group or multi-site certification - and has not formally ended that certification prior to inclusion.
- 16.6.3 Multi-site and group CoC certification without a central office audit programme (see Clause 16.1.5 above) may only include new participating sites to the certification scope after the certification body has made its certification decision.

- 16.6.4 The central office shall submit to its certification body the internal audit report of each participating site applicant, together with a request to include the new participating site(s) in the FSC certification database.

NOTE: A new participating site added within the growth limit may be considered certified after its publication in the FSC certification database.

Informative guidance 3:

The certification body will evaluate the ability of the central office to manage the number of participating sites in the certification and define an annual growth rate up to a limit of 100% based on the number of participating sites at the time of each evaluation. The central office may justify its capacity to manage a higher number of participating sites.

In the audit for inclusion of new participating sites, the certification body will establish a new growth limit for the period between the date of the expansion of the scope audit and the next certification body's evaluation.

The certification body is not required to review and approve the central office's audit reports.

- 16.6.5 A participating site of group CoC certification shall be granted a 'transitional' status if it ceases to conform to the eligibility criteria due to an increase in staff headcount or turnover (see Clause 15.4).
- 16.6.6 The central office shall reassess participating sites with 'transitional' status on their eligibility for group certification twelve (12) months after the central office grants this status.
- 16.6.7 When a participating site leaves the certification or is suspended, the central office shall inform the certification body in writing within five (5) days.

16.7 Requirements for the participating sites

- 16.7.1 Each participating site shall be responsible for:
- a) assigning a representative who has legal or managerial authority to be responsible for ensuring the implementation of and adherence to all applicable procedures necessary for conformance to the relevant certification requirements and central office procedures, including any outsourced activities; this representative shall be the contact for the central office;
 - b) conforming to all applicable FSC CoC certification requirements;
 - c) conforming to all applicable participation requirements as specified by the central office;
 - d) responding effectively to all requests from the central office and/or the certification body;
 - e) informing the central office of all changes in ownership, staff, procedures, or processes that may affect conformance to certification or participation requirements;
 - f) providing the central office and the certification body with all necessary assistance to verify the conformity with the requirements of this standard; and
 - g) ensuring that all nonconformities issued by the central office or the certification body are addressed within their established timelines.
- 16.7.2 For the sale of FSC-certified products, participating sites may use their issued sub-certification code on sales documentation.

Annex 1: Information Submission for Calculation of Annual Administration Fee (AAF)

This annex provides the requirements for The Organization to provide the necessary information for the calculation of AAF to the certification body on request. Additionally, for exceptional cases, this annex clarifies how the AAF is to be calculated when The Organization does not provide the Forest Products Turnover (FPT) and/or Revenue.

1. The Organization shall, on request of the certification body, provide for each site (and if applicable, its participating site(s)) verifiable information on FPT and/or Revenue for calculation of the AAF.

NOTE: Some options for providing this information are included in the Box 5.

2. If The Organization does not have a FPT due to not selling any certified or uncertified forest-based materials or products (e.g., distributing promotional catalogues made from FSC-certified material for free; FSC-certified packaging for products they sell), The Organization shall provide information on the annual overall purchasing cost of FSC-certified and FSC Controlled Wood material and products.
3. If The Organization is an existing company that has been purchased by another legal entity or a newly founded company that has not yet completed a full fiscal year and therefore cannot provide the required FPT, information on the FPT shall be provided in the following annual audit.

NOTE: In the aforementioned case, the certification body would use USD '100,000' as a fictitious figure for the FPT, as per AAF Policy, as the basis for the AAF calculation, until the fictitious figure is replaced by the actual FPT figure in the following annual audit.

4. For projects certified according to this standard The Organization shall provide information on FPT. This shall include all projects independent of whether a project claim is made or not.

NOTE: The 'project' is considered equivalent to a 'product' that contains wood, fibre or non-timber forest components. Therefore, the FPT refers to the revenue of the project (e.g., a house) including certified and uncertified forest products and the revenue from all non-forest products (e.g., concrete, steel).

5. The Organization is not required to disclose information on FPT and/or revenue to the certification body if such disclosure is prohibited by either:

- a) legal restriction(s); or
- b) organizational policy restriction(s).

6. If Clause 5 of this annex applies, the Organization shall disclose the following applicable figure to the certification body for the purposes of calculating the AAF:

- a) If The Organization has previously disclosed information on FPT and/or Revenue to the certification body, the applicable figure will be based on the mid-point of two AAF classes higher than the latest figure provided, or at a cap of USD '10,000,000,000', whichever is lower; or
- b) If The Organization has not previously disclosed information on FPT and/or Revenue to the certification body, the applicable figure will be based on:
 - i. a cap of USD '5,000,000' for each participating site of Group CoC certification; or
 - ii. a cap of USD '10,000,000,000' for all other types of CoC certification.

NOTE: In the aforementioned cases, the AAF may be charged on the applicable basis until the required information has been provided.

BOX 5. Examples of evidence and supporting documentation

To provide the certification body information on FPT and/or Revenue according to Clauses 1 to 6 of this annex, The Organization may choose from the options provided below.

Option 1

A signed statement from a reputable professional services firm that includes the name of the Chartered Accountant or auditor, as well as The Organization.

Option 2

Financial data published by a reputable risk management and scoring company:

- a) in the case of organizations with a 100% forest-based business where the Revenue reported by a reputable risk management and scoring company represents the FPT;
- b) in the case of organizations with a business that is not 100% forest-based, the Revenue reported by a reputable risk management and scoring company represents the Revenue instead of FPT.

NOTE: If a range for the FPT can be determined from a reputable risk management and scoring company, the upper value is to be used.

Option 3

A formal self-declaration that meets the following criteria:

- a) state that the information is correct to the best of The Organization's knowledge; and
- b) be in writing (not oral); and
- c) be personally, or electronically (the threshold of advanced electronic signature according to Article 3 (11) and Article 26 of Regulation (EU) No 910/2014 applies) signed by an authorized individual (such as a legal representative or a designated accountant).

NOTE 1: A central office for a CoC Multi-site or Group is not required to collect written self-declarations of their individual sites/group members.

NOTE 2: Option 3 is not considered sufficient on its own. A self-declaration may be used as supporting documentation only and it will be assessed by the certification body for its reasonableness, plausibility and, as far as possible, accuracy.

Other documentation that the certification body may ask for in order to assess the reasonableness, plausibility, and accuracy of the reported FPT and/or Revenue include, but are not limited to:

- a) Sales tax filings;
- b) Income tax records and filings;
- c) Accounting records;
- d) Financial statements;
- e) Declaration from an accountancy firm;

Management accounts showing financial general ledger coding.

Annex 2: Addressing False Claims

This annex addresses situations where False Claims have been made and non-conforming product has been used as input in products and projects claimed, labelled and/or promoted as FSC-certified or FSC Controlled Wood and it specifies the actions for The Organization responsible for these False Claims to address relevant situations.

1. The Organization that produced and released the non-conforming product shall:
 - a) upon detection, immediately stop the further release and distribution of non-conforming products and related promotional claims;
 - b) notify its certification body and all affected direct customers in writing within seven (7) calendar days of the detection of delivery of non-conforming products, and maintain records of that notice;
 - c) undertake a root cause analysis to determine the reason(s) for occurrence of the False Claim and take action to eliminate the cause(s) to prevent recurrence, and submit the results of the root cause analysis to the certification body for classification of the False Claim; and
 - d) upon the detection of the delivery of non-conforming product:
 - i. recall and de-label or otherwise stop the non-conforming products from reaching the destined final customer with False Claims; or
 - ii. within six (6) months, purchase or allocate from existing stock and volume accounts an equivalent amount of eligible FSC input material to the corresponding product group that would have been necessary for the released product volume to carry a correct FSC claim. The Organization shall not use this material to produce new, conforming product, but instead consider relevant FSC credits or percentage values carried by that material to be void (i.e., products made from such material shall not be sold with an FSC claim).

NOTE 1: A False Claim can be detected either by the certification body, or by FSC/ASI (e.g., as a response to a complaint, transaction verification, etc.), or self-declared by The Organization.

NOTE 2: In case The Organization is not able to purchase an equivalent amount of FSC input material (due to lack of availability, capacity, etc.), the certification body may extend the period to up to 12 months provided that the False Claim is classified as non-deliberate and The Organization is able to justify the delay and demonstrate that it has taken credible and verifiable measures to procure the equivalent quantity of FSC input material.

2. In case The Organization cannot implement either options specified in Clause 1.1 d) (due to lack of availability, capacity, etc.), then it shall pay a compensation fee to FSC in accordance with <FSC-PRO-10-003 Calculating Financial Penalty/Compensation Fee and Processing Evidence for Blocked Organizations>.
3. The Organization that received the False Claim, shall upon detection:
 - a) immediately stop the further release and distribution of non-conforming products and related promotional claims;
 - b) if applicable, notify all affected direct customers in writing within seven (7) calendar days of the detection of delivery of non-conforming products, and maintain records of that notice;
 - c) undertake a root cause analysis root cause analysis to determine the reason for occurrence of the False Claim and take action to eliminate the causes to prevent recurrence;
 - d) communicate and cooperate with its supplier to recall or relabel the non-conforming products.

4. The Organization designated as 'high-risk' by FSC, in accordance with Informative guidance 4, shall use FSC Trace for all transactions. Other FSC-certified organizations engaging in transactions with high-risk organizations shall also use FSC Trace.

Informative guidance 4: False Claims Classifications

After reviewing the root cause analysis, the certification body will classify the False Claim either as:

- a) non-deliberate False Claim; or
- b) deliberate False Claim.

NOTE: A 'deliberate False Claim' classification needs to be confirmed by FSC.

Non-deliberate False Claims

After two (2) 'Non-deliberate False Claims' in 5 years, The Organization will receive a warning from FSC and its certification body.

After three (3) 'non-deliberate False Claims', The Organization will be designated as 'high-risk' and will be required to use FSC Trace for its transactions. Furthermore, any other organizations engaging in transactions with a high-risk Organization will likewise be required to use FSC Trace for these transactions.

Deliberate False Claims

For deliberate False Claims, the certification body will submit its recommendation, along with the root cause analysis and any other supporting evidence, to FSC/ASI. Following a review and assessment of the incident, FSC/ASI will make the final decision on the classification.

After confirmation of deliberate False Claims, FSC will:

- a) suspend the Granted Rights held by The Organization according to the FSC Trademark License Agreement or terminate the FSC Trademark License Agreement, whichever is most appropriate to protect the integrity, trust and credibility of the FSC Certification Scheme as well as customers, other participating certificate holders but also FSC International;
- b) block The Organization from the FSC Certification Scheme for two consecutive and equivalent periods, each ranging in duration from three (3) to sixty (60) months, and inform The Organization accordingly;
- c) inform the relevant certification body about the results of the investigation and the blocked status of The Organization.

The Organization that deliberately uses uncontrolled material as input in products claimed, labelled or promoted as FSC-certified or FSC Controlled Wood can be blocked from the FSC system for up to five (5) years.

The Organization that fails to make reasonable efforts to assist and cooperate with FSC, ASI or the certification body in doing all things necessary or advisable to perform investigations into False Claims, can be blocked from the FSC system for up to ten (10) years.

For a 'self-declared' deliberate False Claim, The Organization will be blocked only for one period with a duration as specified above.

The exact duration of the individual blockage periods is specified in <FSC-PRO-10-003 Calculating Financial Penalty/Compensation Fee and Processing Evidence for Blocked Organizations>.

Annex 3: FSC Core Labour Requirements Self-Assessment

Informative guidance 5: FSC Self-Assessment

The self-assessment table, including the declaration, is to be filled in by The Organization for review by the certification body prior to evaluation.

This covers the activities in scope of The Organization, including any outsourced activities performed by a non-FSC-certified contractor under an Outsourcing Agreement, where applicable.

If there are any update(s) made to the self-assessment by The Organization, these are to be clearly noted in the self-assessment.

Unless otherwise stated, all elements are mandatory.

Declaration

I, on behalf of [insert Organization name], hereby affirm that the following statements provided in each section of this self-assessment are true and correct to the best of my knowledge, and I acknowledge making a knowingly false statement can result in the suspension, termination, or non-issuance of the certification.

Responsible Person Name

(First name, Last name)

Function of Responsible Person

Signature/Proof of Approval

(Ink or digital)

Date

(DD/MM/YYYY)

Last Updated Date

(DD/MM/YYYY)

Version

NOTE: The following Location information may be provided in other document(s).

Location(s)	Answers	Details
Organization location(s) (country/countries)		
Use of non-FSC-certified outsourcer(s)	☐ Yes (provide names in Details) ☐ No	
Location of non-FSC-certified outsourcer(s)	☐ Located in same country as organization ☐ Located in different country/countries as organization (provide country/countries in Details)	
Provision of non-FSC-certified outsourcer(s) information	☐ Provided in organization's self-assessment. ☐ Provided as separate document(s)	

Child Labour

Requirements (Clauses 8.2 – 8.2.4)

- 8.1 The Organization shall not use child labour.
- 8.1.1 The Organization shall not employ workers below the age of fifteen (15) years old, or below the minimum age as stated under national, or local laws or regulations, whichever is higher, unless exceptions in Clause 8.1.2. apply.
- 8.1.2 If The Organization is located in a country where the minimum working age is defined below fifteen (15) years old, The Organization should only employ workers aged between thirteen and fifteen years old (13-15) in light work, if the work meets all of the following conditions:
- a) it does not interfere with compulsory education laws, including mandatory schooling hours;
 - b) it is not detrimental to the health or development of the child; and
 - c) it occurs only during normal daytime working hours.
- 8.1.3 The Organization shall not employ workers below the age of eighteen (18) (i.e., young workers) in hazardous or heavy work, unless this is for training purposes in accordance with approved national laws and regulations.
- 8.1.4 The Organization shall prohibit the worst forms of child labour.

Questions

a) Does your organization conform to Clause 8.2?

b) Provide relevant documents/records that demonstrate your organization's conformance.

c) Are you aware of any relevant legal obligations that may negatively impact your ability to conform?

Answers

- ☐ Yes
- ☐ No (provide more information in Details)

- ☐ Documents/records provided in Details
- ☐ No documents/records provided in Details

- ☐ Yes (Provide information in Details of any relevant legal obligation(s))
- ☐ No

Details

Forced Labour

Requirements (Clause 8.3 – 8.3.3)

- 8.2 The Organization shall eliminate all forms of forced and compulsory labour.
- 8.2.1 The Organization shall establish employment relationships that are voluntary and based on mutual consent, without the threat of a penalty.
- 8.2.2 The Organization shall ensure that there is no evidence of any practices indicative of forced or compulsory labour, including, but not limited to, the following:
- a) physical and sexual violence;
 - b) bonded labour;
 - c) withholding of wages/including payment of employment fees and or payment of deposit to commence employment;
 - d) restriction of mobility/movement;
 - e) retention of original passport or identity documents;
 - f) intimidation and threats, including threat of denunciation to the authorities.
- 8.2.3 The Organization shall only use prison labour for any activities under the scope of certification, including any outsourcing, if the work is voluntary with conditions of employment approximate to those of a free labour relationship¹.

¹ Source: For 'free labour relationship', guidance on indicators of conditions approximate to those of a free labour relationship, see 'Question: When is it ok to use prison labour', [Q&As on Business and Forced Labour | International Labour Organization](#).

Questions	Answers	Details
a) Does your organization conform to Clause 8.3?	☐ Yes ☐ No (provide more information in Details)	
b) Provide relevant documents/records that demonstrate your organization's conformance.	☐ Documents/records provided in Details ☐ No documents/records provided in Details	
c) Are you aware of any relevant legal obligations that may negatively impact your ability to conform?	☐ Yes (Provide information in Details of any relevant legal obligation(s)) ☐ No	

Discrimination

Requirements (Clause 8.4)

8.3 The Organization shall ensure that there is no discrimination in employment and occupation (i.e., practices are non-discriminatory).

Questions

Answers

Details

- | | | |
|--|---|--|
| a) Does your organization conform to Clause 8.4? | ☐ Yes
☐ No (provide more explanation in Details) | |
| b) Provide relevant documents/records that demonstrate your organization's conformance. | ☐ Documents/records provided in Details
☐ No documents/records provided in Details | |
| c) Are you aware of any relevant legal obligations that may negatively impact your ability to conform? | ☐ Yes (Provide information in Details of any relevant legal obligation(s))
☐ No | |

Freedom of Association and Right to Collective Bargaining

Requirements (Clauses 8.5 – 8.5.6)

- 8.4 The Organization shall respect freedom of association and the effective right to collective bargaining.
- 8.4.1 The Organization shall ensure that workers are able to establish or join worker organizations of their own choosing.
- 8.4.2 The Organization shall provide workers' representatives (including trade union representatives) access to the workplace at first instance, where such access is necessary to fulfil their representative function including communication with workers on unionization.
NOTE: The exercise of this right by representative(s) is with due respect to rights of property and management and not at the detriment of the efficient functioning of The Organization.
- 8.4.3 The Organization shall respect the full freedom of workers' organizations to draw up their constitutions and rules.
- 8.4.4 The Organization shall respect the rights of workers to engage in lawful activities related to forming, joining or assisting a workers' organization, or to refrain from doing the same, and will not discriminate or punish workers for exercising these rights.
- 8.4.5 The Organization shall negotiate with lawfully established workers' organizations and/or duly selected representatives in good faith and with the best efforts to reach a collective bargaining agreement.
- 8.4.6 The Organization shall implement collective bargaining agreements where they exist.

Questions	Answers	Details
a) Does your organization conform to Clause 8.5?	☐ Yes ☐ No (provide more explanation in Details)	
b) Provide relevant documents/records that demonstrate your organization's conformance.	☐ Documents/records provided in Details ☐ No documents/records provided in Details	
c) Are you aware of any relevant legal obligations that may negatively impact your ability to conform?	☐ Yes (Provide information in Details of any relevant legal obligation(s)) ☐ No	

Annex 4: Requirements for Internal Evaluation of the Participating Sites

1 Requirements for the issuance of nonconformities by the central office

- 1.1 If the central office comes across indications of a potential conformity issue, the central office shall investigate the matter to secure evidence of conformity or lack thereof.
- 1.2 The central office shall consider a non-conformity as minor if:
 - a) it is a temporary lapse; or
 - b) it is unusual/non-systematic; or
 - c) the impacts of the nonconformity are limited in their temporal and organisational scale; and
 - d) it does not result in a fundamental failure to achieve the objective of the relevant requirement.
- 1.3 The central office shall consider a nonconformity as major if, either alone or in combination with further nonconformities, it results in, or is likely to result in a fundamental failure to achieve the objective of the relevant requirement in the participating site under the scope of the evaluation. Such fundamental failure shall be indicated by a nonconformity which:
 - a) continues over a long period of time; or
 - b) is repeated or systematic; or
 - c) affects a wide range of the production or a large proportion of workers; or
 - d) affects the integrity of the FSC system.
- 1.4 The central office's auditor shall consider the impact of a nonconformity, taking account of how it affects the integrity of the relevant supply chains for FSC-certified products and the credibility of the FSC system, when evaluating whether a nonconformity results in or is likely to result in fundamental failure to achieve the objective of the relevant requirement.
- 1.5 The central office shall, for nonconformities issued to the participating site, apply a maximum timeline of six (6) months, from the date of the internal audit closing meeting.

NOTE: This timeline also applies to a nonconformity identified between evaluations, for example, because of a False Claim or an investigation. In such a case, the audit closing meeting date is to be understood as the date on which nonconformity was identified.
- 1.6 The central office's auditor shall determine whether nonconformities have been appropriately implemented within their timelines. Minor nonconformities that are not closed within the established timelines shall be upgraded to major nonconformities. Participating sites that do not close major nonconformities within established timelines shall be immediately suspended from the certification scope until they are able to close the nonconformity.
- 1.7 The occurrence of five (5) or more major nonconformities in a central office's audit shall be considered as a breakdown of the chain of custody, and the central office shall suspend participating sites immediately from its multi-site and group CoC certification.
- 1.8 The central office shall not include participating sites that have received nonconformities during the initial audit into the scope of the multi-site or group CoC Certification until all nonconformities are closed.

- 1.9 The central office's auditor may also identify the early stages of a problem that does not constitute a nonconformity, but which the auditor considers may lead to a future nonconformity if not addressed by the participating site. The central office shall record such observations in the evaluation report as 'observations' for the benefit of the participating site.

2 Remote and hybrid audits

- 2.1 The central office may conduct evaluations of operational sites/ organizations remotely or hybrid, provided that:

- a) The participating site and central office have secure and confidential access for document sharing, review, and workers' interviews;
- g) The participating site and the central office have access to information and communication technology (ICT).

- 2.2 The central office may conduct an evaluation of participating sites that meet the criteria specified in Table 6, using a remote method, provided that:

- a) there are no substantiated complaints or unresolved disputes or public cases (e.g., NGO reports, media articles, ASI incidents, court cases, legal proceedings) related to participating sites regarding the activities within the scope of certification;
- b) the participating site does not have a history of major nonconformities in the past 3 years that would require an on-site visit to evaluate corrections and corrective actions;
- c) the participating site has not had a False Claims registry in the past 5 years.

NOTE: The central office is not required to conduct remote or hybrid audits, even when all the criteria in this Annex are met for 'low' risk. At its own discretion, at any time, the central office may decide to carry out on-site audits where and when necessary to ensure confidence in a certification.

- 2.2.1 The central office may conduct an evaluation of a participating sites not meeting the criteria in Table 6, using a hybrid method. Provided that the conditions in Clause 1.1 of this annex are met, aspects of the chain of custody evaluation that can be evaluated remotely may be conducted accordingly.

- 2.2.2 The central office shall allocate sufficient time to the on-site auditing to ensure that the objectives of the audit are met.

Table 6 Criteria for a remote audit method.

Participating sites	
Sites and sub-sites	• Without physical possession (e.g., sales office) • Physical possession of finished and FSC on-product labelled products • Storage sites with logistical activities, provided there is no risk of mixing.
Traders	• Without physical possession • Having physical possession of only FSC-certified products
Processors	• Physical possession and transformation of products takes place through FSC-certified contractors

-
- Exclusively handling FSC-claimed material or claim contributing material (or both), physical segregation is not required
-

Projects

- Single delivery of materials to the projects and all project members supplying FSC-certified products
-

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Annex 5: Examples of Reclaimed Material (Informative)

The examples in this Annex are not exhaustive, however all other reclaimed materials examples must conform to FSC's definition of pre- and post-consumer reclaimed materials.

1. Post-Consumer Wood/Bamboo/Cork	Pre-consumer Wood/Bamboo/Cork
Municipal Sources	
Construction and Demolition Debris⁴ Doors, flooring, mouldings, old cabinets, dimensional lumber, architectural elements	Commercial and Institutional sources Damaged stock, rejected products, overstock and discontinued items not used for their intended purposes.
Commercial and Industrial Packaging Pallets, crates, cable drums and other packaging products at the end of their useful life ⁵	
Institutional and Residential sources products recovered from households, business, schools, telephone poles, railroad ties, cabinets, shop fittings, shelves that have been used for their intended purposes and discarded	
Landfill and Recovery Facilities Sources Materials recovered from landfills, transfer stations and Material Recovery Facilities (MRFs) ⁶	
Industrial Sources	
Post-consumer Wood Processing Waste Off-cuts, shavings, sawdust and other materials reclaimed during re-milling of post-consumer products.	Process Waste from Converters and Secondary Manufacturing onwards Offcuts, shavings, sawdust generated during secondary manufacture or subsequent steps in manufacturing an end product.
2. Post-consumer Paper	Pre-consumer Paper
Commercial and Industrial sources Used tabulating cards, commercial transport and industrial packaging, used cardboard boxes from retail and distribution centres	Commercial sources (Merchant and Distributors) Merchant return stock, obsolete inventories from distributors, printers, converters and others beyond the original manufacturer, over-issue publications,

⁴ Construction and demolition debris is not considered 'municipal' waste in the US, but for the purposes of this standard it will not be separated. Construction debris may contain pre-consumer reclaimed wood.

⁵ In the US, 'Durable Goods' are defined as products that have a lifespan of three years or longer, but that distinction is not relevant for the purpose of this standard. Wood transport packaging is more logically categorized as a durable good.

⁶ Wood waste generated at MRFs, landfills, and transfer stations originated from other municipal sources listed above but is mentioned separately for clarification. These sources may contain pre-consumer reclaimed wood.

	printers' scraps, pre-printing, overruns, errors, rejections, publisher overruns and returns
Residential and Institutional sources Used magazines and newspapers from residential and office collections, household scrap paper, office waste, packaging, used corrugated boxes, paper towels	Industrial sources (Secondary and subsequent manufacturing) Sheeting scrap from converters, bindery trim and scrap, forms conversion scrap, scrap from production including bag, box and carton manufacturing, scraps from converters, mail order houses and others in value-added chain
Landfill and Recovery Facilities sources Paper materials recovered from landfills, transfer stations and MRF	
3. Post-consumer Textile	Pre-consumer Textile
Residential and Institutional sources Used viscose clothing from households and institutional facilities, used lyocell garments, recovered cellulose based wipes	Commercial sources Overstock, defective, rejected products Merchant return stock, obsolete inventories from distributors, converters and others beyond the original manufacturer, other textile-based product not used for their intended purposes
Landfill and Recovery Facilities sources Forest-based textile materials recovered from landfills, transfer stations and MRF	Industrial sources Offcuts, trimmings, scraps, etc., generated during the secondary production or subsequent steps in the manufacturing of textile-products
4. Post-consumer Natural Rubber	Pre-consumer Natural Rubber
Landfill and Recovery Facilities sources Natural rubber materials recovered from landfills, transfer stations and MRF (e.g., tyres, gloves, shoe soles)	Commercial sources Overstock, defective, rejected and other natural rubber products not used for their intended purposes
Residential and Institutional sources Used gloves from household and institutional facilities, shoe soles, used tyres, used footwears, rubber foam pillows, mattresses, and other used articles manufactured from natural rubber	Industrial sources Trimmings, scraps, etc., generated during the secondary production or subsequent steps in the manufacturing of natural rubber products such as shoe soles, rubber gloves, tyres

NOTE: The examples listed above specifically refer to forest-based textile and rubber products derived from natural sources such as wood-based fibres (e.g., viscose, lyocell, modal) and natural rubber. Synthetic textiles (e.g., polyester, nylon, acrylic) and synthetic rubber (e.g., styrene-butadiene rubber, neoprene) are not within the scope of this standard.

D.Terms and Definitions

For the purposes of this document, the terms and definitions included in <FSC-STD-01-002 FSC Glossary of Terms>, and the following apply:

Affected stakeholder: Any person, group of persons or entity that is or is likely to be subject to the effects of the activities of the organization. Examples include but are not restricted to workers, persons, groups of persons or entities located or working in the operations and sites of the organization.

Annual Administration Fee (AAF): The AAF is the fee charged by FSC Global Development (FSC GD) to accredited certification bodies (CBs) calculated on the basis of the respective certificate holder (CH) portfolio. The purpose of the fee is to support the service provided by FSC GD to uphold the FSC certification scheme.

(Source: FSC-POL-20-005 V3-4)

Approval date: The date on which an FSC normative document is approved by the approval body.

Assembled product: Product that is constructed from two or more forest-based components (e.g. solid wood and particle board), assembled together to form another product (e.g. furniture, musical instruments, plywood, laminated products, and packaging or printed materials containing different paper components).

Central Office: The identified central function (e.g. office, department, person) of a multi-site or group CoC, that holds overall management responsibility for maintaining the certification contract with the certification body, for ensuring the CoC system is upheld, and all participating sites comply with applicable CoC certification requirements.

Central Office Audit Programme: A systematic process conducted by the central office to evaluate participating sites for conformity with applicable requirements of the chain of custody certification.

Certification body: A body that performs conformity assessment services and that can be the object of accreditation (adapted from ISO/IEC 17011:2004 (E)).

Chain of custody (CoC): The FSC CoC is the path taken by products from the forest, or in the case of recycled materials from the moment when the material is reclaimed, to the point where the product is sold with an FSC claim and/or is finished and FSC-labelled. The CoC includes each stage of sourcing, transforming, trading, and distribution where progress to the next stage of the supply chain involves a change of product ownership.

Child: any person under the age of 18 (ILO Convention 182, Article 2).

Chip and fibre product: A product in which all wood inputs are chipped or defibrated (e.g. pulp, paper, print materials, cardboard, particle board, fibreboard).

Claim-contributing input: Input material that counts towards the determination of the FSC Mix or FSC Recycled claims for products controlled under the percentage or credit system. Eligible claim-contributing inputs are the following: **FSC-certified materials, post-consumer reclaimed materials, and pre-consumer reclaimed paper** (Note: this last category excludes other pre-consumer reclaimed materials, such as wood and cork).

Table 7 Contribution amount of each material category

Material category	Amount of contribution
FSC 100%	Full amount
FSC Mix/ Recycled Credit	Full amount

FSC Mix/ Recycled x%	Same amount as X %
FSC CFM	70%
Pre-consumer reclaimed paper	Full amount
Post-consumer reclaimed material	Full amount
FSC Controlled Wood/ controlled material/ Pre-consumer reclaimed wood	Zero

Claim period: A period of time that has been specified by the organization for each product group for the purpose of making a specific FSC claim. The minimum length of the claim period is the length of time to complete a batch run including receipt, storage, processing, labelling, and sale of the output product.

CoC management system: The organizational structure, policies, procedures, processes, and resources needed to successfully meet the requirements of this standard.

Collective bargaining: a voluntary negotiation process between employers or employers' organization and workers' organization, with a view to the regulation of terms and conditions of employment by means of collective agreements (ILO Convention 98, Article 4).

Common Ownership: Ownership structure where all sites under the scope of the CoC certification are owned by the same Organization. Ownership means more than 50% of ownership interest over the sites.

Complaint: An expression of dissatisfaction provided in writing by any person or organization in relation to The Organization's conformity with the requirements. The complaint must be applicable to the scope of The Organization's CoC certification and include the name and contact information of the complainant, a clear description of the issue, and evidence to support each element or aspect of the complaint.

Component: An individual and distinguishable part of an assembled product.

Contracting organization: Individual, company, or other legal entity using a contractor for any activities under the scope of an FSC CoC certification.

Contractor: Individual, company, or other legal entity contracted by an organization for any activities under the scope of an FSC CoC certification.

Controlled material: Input material supplied without an FSC claim which has been assessed to be in conformity with the requirements of the standard <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood Standard>.

Conversion factor: The ratio which is used to determine the quantity of output(s) that can be obtained from the quantity of input(s) used in the manufacturing or production process, considering losses and wastage. The conversion factor is calculated by dividing the output quantity by the input quantity and is applied either to the whole product or to each individual component of a product. [adapted from <ISEAL Chain of Custody Models and Definitions v2 (2025)>]

Co-products: Output produced during the process of primary manufacturing of another (principal) product from the same inputs (e.g., sawdust and chips generated during lumber processing). (Source: <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood Standard>)

Credit account: A record kept by The Organization operating a credit system which lists entries and withdrawals of volume credits for the purpose of controlling the quantity of products that are eligible to be sold with FSC Mix Credit, FSC Recycled Credit, or FSC Controlled Wood claims.

Credit system: FSC control system which allows a proportion of outputs of a product group to be sold with a credit claim corresponding to the quantity of claim-contributing inputs and the applicable conversion factor(s).

Delivery document: Document accompanying a shipment of goods that lists physically or electronically the description, grade, and quantity of the goods delivered. Examples of delivery documents are delivery notes, shipping documents, transport documents, or packing lists.

Discrimination: includes

a) any distinction, exclusion or preference made on the basis of race, colour, sex, gender, religion, political opinion, national extraction, social origin, sexual orientation, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation;

b) such other distinction, exclusion or preference which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation as may be determined by the Member concerned after consultation with representative employers' and workers' organizations where such exist, and with other appropriate bodies.

Effective date: The date on which the published FSC normative document becomes applicable for use.

Eligible input: Virgin and reclaimed input material that is eligible to enter a specific FSC product group depending on its material category.

Employment and occupation: includes access to vocational training, access to employment and to particular occupations, and terms and conditions of employment, and is inclusive of the recruitment and hiring processes (adapted from ILO Convention 111, Article 1.3).

End-user (end-consumer): A person or organization that purchases and uses a product rather than one that manufactures, trades and/or sells it.

False Claim: FSC claim made on sales documents (physical or digital) or the use of the FSC trademarks, on non-conforming products or for the projects that are not eligible to be claimed as being FSC-certified or FSC Controlled Wood. False claims are classified as:

Non-deliberate False Claim: A False Claim that has been unintentionally made by The Organization due to its failure to exercise reasonable care or under exceptional or uncontrollable circumstances.

Deliberate False Claim: A False Claim that has been made deliberately/ intentionally by The Organization with knowledge and awareness of the consequences. Clear and convincing evidence is required to determine a False Claim incident as deliberate.

False Claim incident: A single instance of a False Claim that can be attributed to a root cause. Multiple incidents of False Claims may originate from the same root cause.

Finished product: A product that will not undergo further transformation prior to its intended end use or sale to the end-user.

NOTE: Some products may or may not be classified as a finished product depending on the intended use by the customers. For example, lumber or paper does not classify as a finished product if sold to a manufacturer that will further transform these materials into other products.

Fibre testing: a suite of wood identification technologies used to identify the family, genus, species and origin of solid wood and fibre-based products.

First-party audit: an assessment that is performed within the organization by their own auditing resource (i.e., internal audit).

Forced or compulsory labour: Work or service exacted from any person under the menace of any penalty and for which said person has not offered themselves voluntarily (adapted from ILO Convention 29, Article 2.1).

Forest Products Turnover:

- a) The Revenue of all certified and uncertified forest products; and
- b) The Revenue of all products containing wood or fibre, and all products containing non-timber forest components, including forest-based reclaimed materials regardless of the percentage.

NOTE 1: Forest products refers to wood products, pulp and paper products, and non-timber forest products as per <FSC-STD-40-004a FSC Product Classification>.

NOTE 2: Forest Products Turnover does not refer to 100% non-forest products that companies might produce.

NOTE 3: Forest Products Turnover does not refer to related services that The Organization may provide to another organization. The related services The Organization receives under an outsourcing agreement, that contribute to adding value of the product are already inherently included in the Forest Products Turnover figure and do not need to be incorporated in addition to the value.

(Source: <FSC-POL-20-005 Annual Administration Fee (AAF)>)

Forest salvaged wood: Wood originating from forest matrix that were harvested but subsequently lost or abandoned, felled due to dam or reservoir construction or naturally felled due to disaster occurrence (e.g., storm or snow felled timber, sunken logs in rivers or lakes, uncollected logs in log yards, logs washed ashore, underwater submerged timber)

For the purposes of FSC CoC control and labelling, Forest salvaged wood is considered as virgin material and shall be assessed as controlled material or sold as FSC Controlled Wood.

Forestry certification scheme: A scheme based on the development of standards for forest management or CoC certification of forest products.

Forest-based: Organic materials and products produced within a forest matrix, including wood and non-timber forest products

Forestry residue: Virgin residues or leftover forest materials such as branches, small or rotten pieces of wood and trunks of old trees.

FSC 100%: FSC claim for products based on inputs exclusively from FSC-certified natural forests or plantations.

FSC approved verification scheme: Third-party verification scheme recognized as partially or fully equivalent to the requirements entailed under FSC core labour requirements.

FSC-certified material: Input material that is supplied with an FSC 100%, FSC Mix, reclaimed, FSC CFM and FSC Recycled claim from an FSC-certified supplier.

FSC-certified product: A product that conforms to all applicable certification requirements and is eligible to be sold with FSC claims on invoices and to be promoted with the FSC trademarks. FSC Controlled Wood is not considered to be FSC-certified product.

FSC claim: A claim made on sales and delivery documents for FSC-certified or FSC Controlled Wood output products. The FSC claims are: FSC 100%, FSC CFM, FSC Mix x%, FSC Recycled x%, FSC Mix Credit, FSC Recycled Credit, and FSC Controlled Wood.

FSC-claimed: FSC-certified and FSC Controlled Wood material sold with an FSC claim on their sales documents.

FSC control system: Systems used for controlling the quantities of products in a product group that can be sold with the relevant FSC claims. The FSC control systems are: **transfer, percentage and credit.**

FSC Controlled Forest Management: FSC claim for products/materials based on inputs from Controlled Forest Management (CFM) certified management units. FSC CFM has 70% claim contribution and can only be sold as raw or semi-finished material to FSC-certified customers.

FSC Controlled Wood: Material or product with the 'FSC Controlled Wood' claim.

FSC core labour requirements: International Labour Organization (ILO) generic criteria and indicators that are underlined in the FSC report⁷ covering fundamental principles and rights at work: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

FSC credit: Amount of product (volume or weight) that can be sold from a credit account with an FSC Mix Credit or FSC Recycled Credit claim.

FSC Mix: FSC claim for products based on inputs of one or more of the following material categories: FSC 100%, FSC CFM, FSC Mix, FSC Recycled, controlled material, FSC Controlled Wood, post-consumer reclaimed, and/or pre-consumer reclaimed.

FSC Recycled: FSC claim for recycled products based on inputs exclusively from reclaimed sources.

FSC Transaction: Purchase or sale of products with FSC claims on sales documents.

Fully verified supply chain: Supply chain where every certificate holder has applied the FSC Regulatory Module and establishes a product group for the purpose of controlling the Regulatory+ output claim.

Good faith in negotiation: The Organization (employer) and workers' organizations make every effort to reach an agreement, conduct genuine and constructive negotiations, avoid unjustified delays in negotiations, respect agreements concluded and give sufficient time to discuss and settle collective disputes (Gerning B, Odero A, Guido H (2000), Collective Bargaining: ILO Standards and the Principles of the Supervisory Bodies. International Labour Office, Geneva).

Group certification: The certification of independent small and medium-sized enterprises that, in accordance with the eligibility criteria in Section 15 of this standard, are collectively certified under a group certification managed by a central office.

Hybrid audit: a combination of on-site and remote audit to fulfil evaluation objectives.

Input: Raw materials, semi-finished products, or finished products that are procured or generated by The Organization and either physically entered into the production process or traded under the scope of an FSC certification.

Integrity risk: likelihood and/or severity of an incident(s) that can compromise the integrity and credibility of the FSC's system.

Low integrity risk: a conclusion by FSC, following a risk assessment or absence of evidence, that the likelihood and/or severity of an incident(s) affecting FSC's integrity and credibility is low.

High integrity risk: a conclusion by FSC, following a risk assessment, that the likelihood and/or severity of an incident(s) affecting FSC's integrity and credibility is high.

(Source: <FSC-STD-20-001 General requirements for certification bodies>).

Interested stakeholder: Any person, group of persons, or entity that has shown an interest, or is known to have an interest, in the activities of the organization.

⁷ FSC report on generic criteria and indicators based on ILO Core Conventions principles, 2017.

Lease document: A legal commercial instrument that attests to the lease of a product (e.g., invoice, billing document, lease contract), serving as a demand for payment, proof of possession and use of a product. It can be physical or digital (e.g., e-invoicing, electronic invoices, electronic lease/rent receipts) and identifies both parties (The Organization and the customer), the products being leased, the quantities, prices, issue date, and associated FSC claims. The issuance of a lease invoice does not constitute a transfer of legal ownership.

Leasing: The temporary provision of FSC-certified products by an Organization (Lessor) to a customer (Lessee) under a contractual agreement, whereby the legal ownership is not transferred, and the products are returned to The Organization at the end of the contractual period.

Legality legislation: National or international legislation established to ban the illegal trade of forest products (e.g. EU Deforestation Regulation (EUDR), US Lacey Act, Australian Illegal Logging Prohibition Act).

Licence Agreement for the FSC Certification Scheme (TLA): an agreement, that the organization has to enter into with FSC Global Development, in order to be eligible for FSC certification. Also known as Trademark Licence Agreement (TLA).

Light work: National laws or regulations may permit the employment or work of persons 13 to 15 years of age on light work which is- a) not likely to be harmful to their health or development; and b) not such as to prejudice their attendance at school, their participation in vocational orientation or training programmes approved by the competent authority or their capacity to benefit from the instruction received (ILO Convention 138, Article 7).

Material category: Class of virgin or reclaimed material that can be used in FSC product groups. The material categories are the following: **FSC 100%, FSC CFM, FSC Mix, FSC Recycled,, FSC Controlled Wood, controlled material, post-consumer reclaimed, and pre-consumer reclaimed.**

Material Recovery Facility (MRF): Specialized facility that collects, sorts and prepares recyclable materials for sale and/or reuse in product manufacturing, thereby diverting them from waste streams intended for landfill or incineration.

Multi-site certification: The certification of enterprises that are linked by common ownership or legal/contractual agreements, managed under a centralized administration and internal control function. The eligibility criteria for this certification model are provided in Section 15 of this standard.

National laws: The whole suite of primary and secondary laws (acts, ordinances, statutes, decrees), which is applicable to a national territory, as well as secondary regulations, and tertiary administrative procedures (rules/ requirements) that derive their authority directly and explicitly from these primary and secondary laws.

Neutral material: Material that comes from outside a forest matrix (i.e. non forest-based material). Neutral materials do not include non-timber forest products and forest salvaged wood. Neutral materials used in FSC product groups are exempted from CoC control requirements. Once a non-forest-based material has been included in the scope of an FSC certification, FSC will determine and communicate when it can no longer be classified as neutral material.

Examples: non-forest salvaged wood, non-wood plant fibres or lignified materials (e.g. flax used in the manufacture of a board classified as a wood-based panel or of a composite product) and synthesized or inorganic materials (e.g. glass, metal, plastics, fillers, brighteners).

Non-conforming product: Product or material that:

- a) does not conform to the applicable FSC certification requirements and, therefore, is not eligible to be claimed, labelled and/or promoted as being FSC-certified or FSC Controlled Wood; or
- b) is eligible to be claimed as being FSC-certified or FSC Controlled Wood but have been sold with a wrong (e.g., a 'higher') claim (i.e. inaccurate claims); or

- c) is sold as FSC-certified or FSC Controlled Wood or labelled with FSC trademarks without a valid certification status.

Non-forest salvaged wood: Wood originating from outside a forest matrix where trees were not intentionally produced for commercial or wood production purposes, but felled due to factors such as natural disasters, disease, end-of-life, or lawful clearance for development or safety and would have otherwise been landfilled or incinerated. (e.g. wood from road clearances, urban salvaged wood and wood from orchard clearances).

Official reclaimed paper classification and assortment system: Official classification and assortment systems of reclaimed papers are developed by (supra-)national organizations (e.g., state, industry associations) and are based upon defined, verifiable and transparent criteria, offering a benchmark for dispute resolution mechanism. These criteria usually aim at the categorisation of reclaimed paper material according to certain quality aspects, but their application in specific supply chains should allow the characterization of the relevant points of reclamation. Official classification and assortment systems are recognized and used in the market in such a way that the classifications and corresponding claims are basic elements in commercial transaction documents and incorrect claims may lead to legal actions against the one who made the claim.

On-site audit: an audit conducted at the physical location(s) of The Organization and if applicable, its contractors, suppliers or project members where processes, people, and evidence can be directly assessed in-person by the certification body to verify conformity of applicable requirements.

On-product: The term applied to any FSC-certification-related label or marking that is attached or applied to a product or its packaging. Examples of on-product labels or marks include product tags, stencils, heat brands, information on retail packaging for small loose products (e.g. pencils), protective packaging, and plastic wrap.

The Organization: The person or entity holding or applying for certification and therefore responsible for demonstrating conformance to the applicable requirements upon which FSC certification is based. (Source: <[FSC-STD-01-001 FSC Principles and Criteria for Forest Stewardship](#)>)

Output: Raw materials, semi-finished products, or finished products that are produced and/or supplied by an FSC-certified organization with an FSC claim.

Outsourcing: The practice of contracting an internal business process (i.e. activities or tasks that produce a specific service or product) to another a separate legal entity. Outsourcing activities usually take place outside The Organization's facilities. However, The Organization may establish outsourcing agreements with other non-certified contractors operating within its facilities when The Organization has no control or supervision over the activities performed by the contractor.

Outsourcing agreement: A documented agreement between The Organization and a non-certified contractor, requiring the contractor to provide services related to activities included in the scope of The Organization's certification.

Participating site: A site included in the scope of a multisite or group certification. Contractors conducting outsourcing activities within the scope of the CoC certification are not considered participating sites.

Percentage system: FSC control system which allows outputs to be sold with FSC claims corresponding to the proportion of claim-contributing inputs in a job order or over a specified claim period.

Physical possession: Physical handling of FSC-certified materials and products by The Organization either directly or through outsourcing (e.g. logging, storage, manufacturing, distribution). Transportation is not considered physical possession in the context of this standard.

Point of reclamation: The location, process or site where material is diverted from the waste stream from industrial, residential or municipal sources and reclaimed thereby constituting the starting point within the

supply chain for reclaimed material, e.g., industrial scrap yards, MRFs, municipal waste collection centres, reclaimed material brokers).

Post-consumer reclaimed material: Forest-based material that is reclaimed from a consumer or commercial product that has been used for its intended purpose by individuals, households or by commercial, industrial and institutional facilities in their role as end-users of the product.

Pre-consumer reclaimed material: Forest-based material that is reclaimed from a process of secondary manufacture or further downstream industry, in which the material has not been intentionally produced, is unfit for end use and not capable of being re-used in the same manufacturing process that generated it.

Primary manufacturing: Any processing that transforms virgin roundwood or chip materials into other products. For chip and fibre products, primary manufacturing includes the pulp and paper production from virgin roundwood or chip materials.

Procedure: A specified way to carry out an activity or process.

Product grades: categories assigned to products having the same or similar functional use and/or nomenclature (e.g. lumber) but different technical or visual characteristics (e.g. lumber with several knots is typically graded in a different category than lumber without knots).

Product group: A product or group of products specified by the organization, which share basic input and output characteristics and thus can be combined for the purpose of control of FSC output claims and labelling.

Product type: A general description of outputs based on a classification system specified in <FSC-STD-40-004a FSC Product Classification>.

Publication date: The date on which the approved FSC normative document is announced and published on the FSC website (usually a minimum of 90 days prior to the effective date).

Reclaimed material: Forest-based material that demonstrably would have otherwise been disposed of as waste but has instead been collected and reclaimed as input material, in lieu of virgin material, for re-use, recycling in a manufacturing process or other commercial application.

NOTE: Inputs of the following materials are categorized as reclaimed material: **FSC Recycled, post-consumer reclaimed, and pre-consumer reclaimed**. This category excludes the reuse of virgin forest residues; forest salvaged wood and other organic materials produced outside a forest matrix (e.g., agricultural residues).

Regulatory Claim: A claim made on sales and delivery documents based on inputs that meet the requirements of FSC Regulatory Module. It can only be used in combination with the FSC claims (except FSC Recycled), e.g., FSC 100% / Regulatory.

Regulatory+ Claim: A claim made on sales and delivery documents based on inputs exclusively with an FSC 100% / Regulatory+ claim and where every certificate holder within a fully verified supply chain has applied the FSC Regulatory Module. It can only be used in combination with the FSC 100% claim.

Remote audit: In the context of this standard, an audit method in which the auditor employs Information and Communication Technology (ICT) to remotely audit aspects of FSC certification scope (e.g., sales document, internal procedures, FSC core labour requirements). Examples of the use of ICT during audits may include:

- a) evaluation of The Organization's sites and facilities, as well as worker interviews by means of telephone calls or teleconference, including audio, video, and data sharing;
- b) assessment of documents and records by means of remote access synchronously (in real time during an audit).

NOTE: In the context of this standard, documentation review is not considered part of remote audit.

Retailer: An organization that sells finished products to the public for use or consumption rather than for resale.

Revenue: Revenue means the total revenue of an organization derived from the provision of goods and services, less trade discounts, VAT, intracompany sales (i.e., after any consolidation where a financial group is existing), and any other Taxes based on this Revenue. Revenue refers to the most recently completed fiscal year and is the exact number to the nearest whole USD. The Revenue figure includes the revenue from all certified and uncertified products that an organization produces irrespective of the fact whether they include forest-based material or not.

NOTE: Intracompany sales relate to sales within one specific certification only, including the sales within a multi-site certification. Sales from one CH to another CH (even if within the same corporate group) and sales made within a group between group members are not considered intracompany.

(Adapted from: <FSC-POL-20-005 Annual Administration Fee (AAF)>)

Rolling average percentage: The FSC percentage calculated for the claim period of a specific product group which is based on an average calculation of a specified number of previous claim periods, not greater than 12 months.

Sales document: A legal commercial instrument that attests to the sale of a product (e.g. invoice, bill of sale, contract of sale, or credit note), serving as a demand for payment and becoming a document of title when paid in full. It can be physical or digital and it identifies both the trading parties, the items sold, and the quantities, dates of sale, and prices.

Scope: The Organization's product groups, sites, and activities that are included in the evaluation by an FSC-accredited certification body, together with the certification standard(s) against which these have been audited.

Second-party audit: an assessment that is performed by a person or organization that has an interest in the object of the assessment.

Self-declared False Claim: A False Claim is considered self-declared if the organization:

- a) detects it in an unforced manner, and
- b) notifies its certification body and all affected direct customers in writing within five business days of the detection, and maintain records of that notice, *and*
- c) analyzes the root cause for occurrence of the False Claim, and implement measures to prevent their reoccurrence, *and*
- d) cooperates with its certification body in order to allow the certification body to confirm that appropriate actions were taken to correct the non-conformity.

NOTE: False Claims declared by organizations which are subject to a transaction verification or any other announced or ongoing investigation would not be considered to be made unforced and hence not fall into this category.

Site: A single functional unit, situated at one physical location and geographically distinct from other units. The site may be a purchase, production, storage, or sales facility and can never include more than one legal entity. Contractors conducting outsourcing activities within the scope of the CoC certification (e.g., outsourced warehouses) are not considered sites. For single CoC certification, the site is the certificate holder responsible for making FSC claims in sales documents and the use of FSC Trademarks.

Solid wood product: A product that is composed of a solid piece of wood (e.g. log, beam, plank).

Staff headcount: the number of full-time equivalent (FTE) persons who worked full-time within the enterprise in question or on its behalf in the last twelve (12) months. The work of persons who have not worked the full year, the work of those who have worked part-time, regardless of duration, and the work of seasonal workers are counted as fractions of AWU. The staff headcount consists of all individuals working

under the enterprise's direction or control whose work contributes directly to the enterprise's core operations, products, or services. This includes owner-managers and partners who regularly participate in such activities and share in the enterprise's financial benefits.

NOTE: Staff headcount excludes:

- a) independent contractors providing services to the enterprise,
- b) apprentices, students with formal training contracts,
- c) periods of maternity or parental leave
- d) personnel whose work is limited to auxiliary or support services (e.g., building maintenance, janitorial, catering) that do not contribute directly to production or core operations.

Stakeholder: See definitions for 'affected stakeholder' and 'interested stakeholder'.

Sub-site: A sub-site is a physical location that operates under the same legal entity as, or under a contractual agreement with, a site that works exclusively on behalf of, and under the direct management of, that site. A sub-site is situated at a distinct physical location (such as a separate building, facility, or registered address), but is not considered an independent site for certification purposes. A sub-site performs no purchasing, processing, or sales on its own.

Supplier: An individual, company, or other legal entity providing forest-based input materials to The Organization.

Supplier Audit Programme: A structured auditing process based on predefined sampling formula used by an Organization to audit suppliers to verify the categorization and conformance of purchased reclaimed materials to FSC definitions and requirements. This programme only applies in cases where material categorization as pre-consumer or post-consumer reclaimed material cannot be demonstrated through objective evidence upon receipt and serves as a control measure for mixed material supplies and to ensure the exclusion of non-eligible materials.

Supply chain: The network of companies producing, handling, and/or distributing a specific product, encompassing the steps it takes to transform a product from the raw material to the final product and its distribution to the end-customer.

Subcontractor: Individual, company, or other legal entity contracted by a contractor for further outsourcing activities under the scope of an FSC CoC certification (see definition for contractor).

Suspension: Temporary invalidation of FSC certification for all or part of the specified scope.

Take-back: The systematic process by which an Organization collects FSC-claimed product(s) from its customers after the initial sale with the aim of reintroducing the products into the supply chain.

Third-party audit: an assessment that is performed by a person or organization independent to the object of the assessment.

Trader: A person or legal entity that buys and sells forest-based products and who takes legal possession of the goods. Traders do not conduct any transformation of these products, either directly or through outsourcing.

Trading partners: Suppliers and customers of the organization for products purchased or sold with FSC claims.

Transaction verification: Verification by certification bodies and/or Assurance Services International (ASI) that FSC output claims made by certificate holders are accurate and match with the FSC input claims of their trading partners.

Transfer system: FSC control system which allows outputs to be sold with an FSC claim that is identical to, or lower than, the input material category and, if applicable, the lowest associated percentage claim or credit claim.

Transformation: Any activity that alters the state, composition, or integrity of a forest-based product, from its initial extraction to its final form. This includes:

- a) harvesting and logging of timber or non-timber forest products;
- b) primary processing such as cutting, debarking, sawing, or pulping;
- c) secondary processing such as mixing, combining, or chemically/ physically modifying forest-based materials;
- d) reconfiguration activities such as repackaging, labelling with FSC trademarks or altering products sold with FSC claims.

Transition period: The period of time after the effective date in which the new version of an FSC normative document is phased-in and, in parallel, the old version is phased-out (where it exists). To allow for gradual introduction, both versions are valid for an overlapping period of time. By the transition end date, all certificate holders or certification bodies (as applicable) shall have transitioned to the revised set of requirements and the previous version of requirements is replaced. All certificates or accreditations issued against the previous version will automatically expire and be considered terminated at the transition end date (normally eighteen (18) months after the effective date).

Virgin material: Primary material originating in natural forests or plantations. This category excludes reclaimed materials.

Withdrawal: Revocation or cancellation of FSC certification.

Workers⁸: All employed persons, including public employees as well as 'self-employed' persons. This includes part-time and seasonal employees, of all ranks and categories, including laborers, administrators, supervisors, executives, contractor employees as well as self-employed contractors and sub-contractors (Source: ILO Convention 155 Occupational Safety and Health Convention, 1981).

- a) In the context of Outsourcing:

For situations where The Organization has outsourced activities within the scope of its certification, persons working at the outsourcer (contractor) are included within this definition.

- b) In the context of External Recruitment:

For situations where The Organization has workers from an external agency (i.e., recruited from a labour provider and not employed directly by The Organization), these persons are included within this definition.

- c) In the context of Non-FSC activities:

For situations where The Organization contracts external agencies for services unrelated to FSC activities, e.g., cleaning, where no FSC outsourcing agreement is established, these persons are not included in this definition.

Workers' organization: Any organization of workers for furthering and defending the interest of workers (adapted from ILO Convention 87, Article 10). It is important to note that rules and guidance on composition of workers' organization vary from country to country, especially in relation to those who are considered as rank and file members, as well those who are deemed to have power to "hire and fire". Workers' organization tend to separate association between those who can "hire and fire" and those who cannot.

Worst forms of child labour: Comprises a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced labour, including forced or compulsory recruitment of children for use in armed conflict; b) the use, procuring or offering of a child for

⁸ Definition of functions of employees such as supervisors varies from country to country. In situations where they have authority, in the interest of the employer or management to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward or discipline other employees or have responsibility to direct them, they may be non-eligible to join unions.

prostitution, for the production of pornography or for pornographic performance; c) the use, procuring or offering of a child for illicit activities, in particular for production and trafficking of drugs as defined in the relevant international treaties; d) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children (ILO Convention 182 , Article 3).

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