



Standard

SPECIFIC REQUIREMENTS FOR CERTIFICATION BODIES - CHAIN OF CUSTODY

FSC-STD-20-011 V4-4 D2-0 EN



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Contact for comments:	<p>FSC International – Policy and Performance Unit Adenauerallee 134 53113 Bonn Germany</p> <p>Phone: +49 -(0)228 -36766 -0 Fax: +49 -(0)228 -36766 -65 Email: chainofcustody@fsc.org</p>

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INTRODUCTION

FSC chain of custody (CoC) certification is designed to provide a credible guarantee that all operations and sites included in the scope of an FSC CoC certification conform to the requirements of the applicable standard(s).

Certification audits are based on inspection of each requirement of the applicable FSC certification standards by the certification body. This includes inspection of documents and records, on-site inspections, and interviews with personnel. Audit evidence may be collected from a range of sites and using different means.

This standard specifies the requirements and procedures to be followed by FSC-accredited certification bodies (and applicant certification bodies) to evaluate CoC operations in order to assess The Organization's conformity to applicable certification requirements.

This version of the standard aims to align with <FSC-STD-40-004 V4-0 Chain Custody Certification>, increase consistency of requirements in the FSC system with ISO requirements, and harmonize structures within the different FSC schemes.

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A. SCOPE

This standard applies to certification bodies granting FSC chain of custody (CoC) certification, following assessment of conformity to the applicable FSC normative requirements.

The objective of this standard is to provide specific requirements for certification bodies to audit the FSC CoC scheme. All requirements in <FSC-STD-20-001 General requirements for certification bodies> are applicable to all certification bodies granting FSC certification. The requirements in this standard are additional and do not replace those in <FSC-STD-20-001 General requirements for certification bodies>.

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

Informative Guidance 1.

Additional requirements in this standard and the relation to the functional approach of ISO.

The requirements of ISO/IEC 17065:2012, which is based on a functional approach, are embedded in <FSC-STD-20-001 General requirements for certification bodies>, which is applicable to all certification bodies. The standard <FSC-STD-20-011 Specific requirements for certification bodies – Chain of Custody> introduces the following additional requirements relevant to the FSC CoC scheme:

Part 1 General requirements

- Basic Principles

Part 2 Application

- Information access and collection
- Preparation requirements for evaluation

ISO/IEC 17065:2012 includes requirements for 'application review.' In FSC's system, the requirements for application review are listed in Section 7.3 of <FSC-STD-20-001 V5-0 General requirements for certification bodies>, with no further specific requirements for CoC.

Part 3 Chain of custody evaluations

- Determination of required capacity
- Determination of the audit requirements
- Evaluation at the level of the site
- Sampling - Selection of sites for group and multi-site CoC certification
- Sampling - Selection of sites for supplier audit programs for reclaimed materials
- Sampling - Selection of sites for project certifications
- Stakeholder consultation according to <FSC-STD-40-005 Requirements for sourcing FSC Controlled Wood>
- Evaluation of The Organization's due diligence system
- Evaluation of contractors operating under outsourcing agreements
- Transaction verification
- Evaluation of FSC core labour requirements
- Surveillance evaluations
- Non-conformities and corrective actions

ISO/IEC 17065:2012 includes requirements for 'review'.

Part 4 Certification decision

- General requirements

ISO/IEC 17065:2012 includes requirements for 'certification documentation' and directory of certified products. In FSC's system, the requirements are listed in Section 7.7 and Section 7.8 respectively of <FSC-STD-20-001 V5-0 General requirements for certification bodies> with no further specific requirements for CoC.

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-STD-20-001	General Requirements for Certification Bodies
FSC-STD-40-004	Chain of Custody Certification
FSC-STD-40-005	Requirements for Sourcing FSC Controlled Wood
FSC-STD-40-006	FSC Standard for Project Certification

C. TERMS AND DEFINITIONS

For the purposes of this standard, the terms and definitions given in <FSC-STD-01-002 FSC Glossary of Terms>, <FSC-STD-40-004 Chain of Custody Certification>, <FSC-STD-20-001 General requirements for certification bodies>, <FSC-STD-40-006 FSC Standard for Project Certification> and the following apply:

Audit method: structured approach used by FSC-accredited certification body to verify conformity of The Organization with applicable FSC requirements. These methods include:

- a) on-site audit
- b) remote audit
- c) hybrid audit

Auditing time: Auditing time includes the time spent by an auditor or audit team in planning including off-site document review, if appropriate; physically or remotely auditing an organization, personnel, records, documentation, and processes; and report writing.

Certification: Third-party attestation related to processes.

Certification decision: Granting, maintaining, renewing, expanding the scope of, reducing the scope of, suspending, reinstating, or withdrawing certification.

Chain of custody (CoC) operation: Individual, company, or other legal entity operating one or more facilities or sites at any 'stage' of the forest product supply chain, that can make claims and use the FSC trademarks to identify and promote products or projects as being FSC-certified.

Chain of custody (CoC) system: A control system established by CoC operations within and between each stage of the supply chain that allows certification claims along the CoC.

Critical control point: A critical control point is a place or situation in the supply chain where materials from uncertified or uncontrolled sources could enter or where certified or controlled materials could leave the system.

Directly affected stakeholder: Any person, group of persons, or entity that is, with high probability, subject to the effects of the activities of the organization. With respect to evaluation of controlled wood according to <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood>, directly affected stakeholders are those who are relevant for the scope of the due diligence system (including activities of the organization and its suppliers¹), as well as those who influence risk identified through the due diligence system.

Evaluation: Systematic examination of the extent to which a process, fulfils specified requirements (term used in ISO/IEC Guide 65).

Typical types of evaluation include:

- pre-evaluation: assessment to determine the applicant's readiness for the main evaluation;
- main evaluation: initial assessment of an applicant for FSC certification;
- re-evaluation: assessment for renewing certification;
- surveillance evaluation: see 'surveillance'.

NOTE: The certification body may also conduct other types of evaluations in addition to the ones listed above, e.g. pre-condition verification audits, expansion of scope evaluations, or certification transfer evaluation.

Evaluation findings: Results of the evaluation of the collected audit evidence against audit criteria and can thus indicate conformity or nonconformity. Audit evidence consists of records, statements of fact, or other information relevant to the audit criteria and is verifiable. Audit reports for CoC shall include systematic presentation of findings rather than simply evidence. Findings demonstrating conformity shall include a description of how conformity is achieved or maintained.

Force majeure: A circumstance beyond the control of The Organization, also known as "act of God". Examples are war, strike, riot, political instability, geopolitical tension, terrorism, crime, pandemic, flooding, earthquake, malicious computer hacking, other natural or man-made disasters (adapted from IAF ID3:2011).

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

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

- a) applying the due diligence system according to <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood>;
- b) performing a supplier audit program for reclaimed materials according to Section 14 of <FSC-STD-40-004 V4-0 Chain of Custody Certification>;
- c) outsourcing to an uncertified contractor with an outsourcing agreement classified as 'high-risk';
- d) operating in a supply chain or region designated by FSC as having a 'high risk'.

¹ When a supplier is mentioned in this standard in relation to controlled wood evaluations, it includes both suppliers and sub-suppliers as defined in <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood>.

Low-risk participating site: A participating site that does not meet any of the 'high-risk' criteria above.

Scope of a chain of custody (CoC) certification: The scope of a CoC certification defines the sites, products (by product types and labelling category or material status) or projects (in the case of project certification), and processes or activities that are included in an evaluation, together with the certification standard(s) against which these have been audited in order to ensure that products from those sites and processes meet all applicable requirements. The scope determines the point at which the certified CoC system starts (i.e. the point at which The Organization takes possession of certified and controlled material), covering the basic material-related processes (i.e., sourcing, transforming, trading, and distribution), up to the point at which it finishes (i.e. the point that the certified product leaves The Organization's control). Any product which is within the defined scope of certification at the time the certification is granted has to conform to the applicable requirements of the relevant FSC normative document(s).

Through an FSC CoC Certification, The Organization is allowed to communicate its status as FSC-certified with the FSC trademarks and to sell the listed products with the FSC claims, and to promote listed products as supporting responsible forest stewardship.

Through an FSC CoC Project Certification, The Organization is allowed to communicate its status as FSC-certified with the FSC trademarks, to sell the listed projects with the FSC claim, and to promote the listed projects as supporting responsible forest stewardship.

Products which have already left the CoC system (i.e., products which have been sold or shipped) before the certification is granted cannot be considered certified and are not eligible to carry FSC claims.

NOTE: In the case of joint FSC forest management and CoC certification, timber that was felled prior to granting the certification, but which has not yet been sold by the forest management enterprise may be sold as certified.

Equivalent considerations apply when an FSC CoC certification is withdrawn or expired. Certified products that were produced in conformance to all applicable FSC requirements which left the evaluated CoC system whilst the certification was valid remain certified even after the certification has been withdrawn/ expired. Products which have not yet left The Organization's CoC system at the time the certification is withdrawn/ expired lose their certified status with immediate effect.

Set of sites: 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, in accordance with [Section 7](#) of this standard.

Surveillance: systematic repetition of conformity assessment activities as a basis for maintaining the validity of FSC certification (adapted from ISO/IEC 17000:2020).

Verbal forms for the expression of provisions:

[Adapted from *ISO/IEC Directives Part 2: Rules for the structure and drafting of International Standards*]

- “shall”: Indicates requirements strictly to be followed in order to conform to 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.

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D. ABBREVIATIONS

AAF	Annual Administration Fee
ASI	Assurance Services International
CB	Certification body
CLR	Core Labour Requirements
CNRA	Centralized national risk assessment
CoC	Chain of Custody
DDS	Due diligence system
FSC	Forest Stewardship Council
ha	Hectares
H&S	Health & Safety
IAF	International Accreditation Forum
ICT	Information and Communication Technology
ILO	International Labour Organization
ISO	International Organization for Standardization
NRA	National risk assessment

PART 1: GENERAL REQUIREMENTS

1 Basic principles

- 1.1 An FSC chain of custody (CoC) certification granted by an FSC-accredited certification body provides a credible guarantee that all CoC operations within the scope of the certification conform to all applicable FSC requirements. To ensure this, the certification body shall:
- a) analyse and describe the CoC operation to be evaluated, including all relevant sites (and sub-sites);
 - b) confirm that there is a control system in place capable of ensuring that all the applicable requirements are implemented by every site, including uncertified suppliers as part of controlled wood and reclaimed-material verification programmes, project members in the case of project certification, and contractors/ sub-contractors as part of outsourcing agreements, within the scope of the evaluation;
 - c) where applicable, carry out the sampling of sites², uncertified suppliers³, contractors/ sub-contractors, project sites, uncertified project members, documents, management records, and interviews with personnel sufficient to verify that the control system is being implemented effectively and consistently across the whole scope of certification;
 - d) confirm The Organization's commitment to FSC's values defined in the <FSC-POL-01-004 Policy for Association>; and
 - e) confirm that any nonconformity is adequately addressed by The Organization within the established timelines.

NOTE: The FSC CoC requirements are designed to be applied at the site (and if applicable, the sub-site) level of a CoC operation, unless otherwise specified in the standard.

² Sampling of sites or CoC operations is only permitted for evaluations of group, multi-site and project certification. All sites included in the scope of a single CoC certification must undergo a full evaluation by the certification body.

³ The sampling of suppliers is applicable for suppliers of material according to <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood> and suppliers of reclaimed material included in a supplier audit programme according to <FSC-STD-40-004 Chain of Custody Certification>.

PART 2: APPLICATION

2 Information access and collection

2.1 The certification body shall request access to key documents and records of The Organization to be used in preparation for the evaluation (e.g. management system documentation, organizational structure, inventory results).

2.2 The certification body should request access to the documented CoC management system if necessary to confirm the scope of evaluation.

NOTE: Examples may include documented procedures, organizational structure, inputs inventory, The Organization's policies, The Organization's FSC core labour requirements (FSC CLR) self-assessment, and up-to-date records of other documents that are relevant to determine the scope.

2.3 The certification body may share its checklists (e.g. draft evaluation report) with The Organization prior to the evaluation, and ask The Organization to complete, for example, information on the scope of certification and sources of evidence of conformity in advance. This information will then be reviewed by the certification body as part of the evaluation process.

3 Preparation of requirements for evaluation

3.1 The certification body shall complete an analysis and description of the sites (and if applicable, the sub-sites) included in the scope of the evaluation, as well as the structures and systems in place for their management.

NOTE: The results of this analysis and description are required as the basis for subsequent evaluation of the management structure and for sampling the sites included in the scope of the evaluation.

3.2 The certification body shall define the scope of the CoC evaluation by the following parameters:

a) Organizations certified according to <FSC-STD-40-004 Chain of Custody Certification>: site(s), product group(s), processes or activities performed by The Organization (including participating sites of a multi-site or group certification and contractors/ sub-contractors) and applicable FSC normative document(s) against which these processes or activities are audited;

b) Organizations certified according to <FSC-STD-40-006 FSC Standard for Project Certification>: projects, participating sites, project members, specification of the scope as one-time or continuous certification, processes or activities performed by The Organization and project members and applicable FSC normative document(s) against which these processes or activities are audited.

PART 3: CHAIN OF CUSTODY EVALUATIONS

4 Determination of required capacity

4.1 The certification body shall complete an analysis of The Organization's management system to ensure that all applicable certification requirements are implemented across the full range of CoC operations, including the identification and analysis of the critical control points.

NOTE: In the case of cross-continent multi-site organizations, the requirement to evaluate conformity implies the need to evaluate management systems and their functioning at regional and sub-regional offices.

4.2 The certification body shall evaluate the capacity of The Organization to implement its management system consistently and effectively as described. This evaluation shall include consideration of:

- a) the technical and material resources available (e.g. system and technology for FSC-certified production control, segregation of materials);
- b) the human resources available (e.g. the number of people involved in management, their training and experience; the availability of expert advice, if required); and
- c) for group and multi-site certification, the complexity and scale of the activities covered by the certification scope. This information will be used to evaluate the central office's ability to manage the number of participating sites within the scope of certification and determine its annual growth limits.

NOTE: The certification body may make use of information that is available as a result of previous evaluations in relation to FSC normative requirements and/or in relation to other standards such as those published by ISO. In all cases, the certification body is required make its own independent decision as to whether or not The Organization conforms to the applicable certification requirements.

5 Determination of the audit requirements

Informative Guidance 2.

Means for evaluation in FSC certification

FSC CoC certification is a process certification evaluating FSC's requirements for processing FSC-certified sources of forest-based material, reclaimed and controlled sources. Therefore, the main part of the FSC evaluation consists of the FSC audit, being the central part of the FSC certification. Means of evaluation in CoC audits are document review, on-site inspections and interviews depending on the processes and structure of The Organization.

5.1 The certification body shall include in the audit process the documentation and records as listed in [Annex 2](#).

5.2 The certification body shall include in the audit process the sites as listed in [Annex 3](#).

5.3 The certification body shall maintain a procedure for determining the audit time required to carry out a sufficient evaluation. When calculating the audit time needed to conduct and complete an effective audit, the certification body shall consider aspects including, but not limited to, those listed in [Annex 4](#).

- 5.4 The certification body shall prepare an audit plan appropriate to evaluate all applicable requirements, including consideration of specified and unspecified risks in the business sector and geographical region on-site. If applicable, remote and hybrid audits may be conducted under the conditions specified in [Annex 5](#).

NOTE: For hybrid audits, the certification body may choose the aspects that can be evaluated remotely and those that need to be evaluated on-site.

6 Evaluation at the level of the site

- 6.1 The certification body shall evaluate each site within the scope of the evaluation (including a sample of participating sites in group and multi-site certification and uncertified project members in the case of project certification) in order to make direct, factual observations to verify The Organization's conformance to all applicable certification requirements. The evaluation shall include:

- a) identification and assessment of management documentation and a sufficient variety and number of records at each site selected for evaluation in order to confirm that management is functioning effectively and as described, particularly with respect to the identified critical control points;
- b) interviews with a sufficient variety and number of workers, their representatives, including worker's organizations, and if applicable, contractors, to verify training measures, understanding of individual responsibilities and implementation of FSC CLR at different locations across the operation under evaluation. The interviewer shall ensure that comments can be provided in confidence;
- c) if applicable, review of The Organization's corrections and corrective actions to address the documented nonconformities;
- d) review of all complaints, disputes, or allegations of nonconformities received by The Organization, the certification body or both;
- e) sales, lease and delivery documentation of FSC-certified materials or products (e.g. invoices, lease agreements, bills, transport and shipment documents, sales contracts). If applicable, verification of accounting records for non-FSC sales or leases in cases where:
 - i. there are complaints or evidence that lead to suspicion of False Claims;
 - ii. The Organization was part of a Transaction Verification data request since the last evaluation;
 - iii. The Organization declared no FSC activity (according to Clause 15.5) since the last evaluation;
 - iv. The Organization waived the last evaluation; or
 - v. any other reasons for reviewing the non-FSC sales or leases of The Organization, as deemed necessary by the certification body;
- f) confirmation that inputs described as FSC-claimed material were covered by a valid FSC certification and supplied with the applicable FSC claims and certification codes;
- g) review of systems for controlling FSC claims:
 - i. for transfer systems, review of a sample of records of FSC-claimed outputs, and confirmation that these can be traced to eligible inputs;
 - ii. for percentage and credit systems, review of calculations of percentages or credits for each product group within the scope of certification;

- iii. for project certification: verification that only eligible materials were used in projects (or components thereof) and the FSC claims made on them are true and correct;
- h) confirmation of the correct use of FSC trademarks (on-product and promotional) and the 'FSC Controlled Wood' claim in segregation marks, invoicing, and transport documentation;
- i) if applicable, controlling segregation of material sold but not yet shipped to The Organization's customer;
- j) review of training records (e.g. training materials and list of participants); and
- k) for leasing and take-back:
 - i. implementation of the eligibility criteria and verification methods used to ensure that FSC-claimed products meet the conditions for acceptance after take-back or end of lease; and
 - ii. verification of the implementation of a volume reconciliation system to avoid inaccuracies in the annual summary.

6.2 In addition to the scenarios specified in Annex 5, the certification body may replace an on-site audit with a remote audit where physical inspection of the selected sites is not possible within the annual audit cycle. In such cases, the certification body shall document the reason(s) for replacing the on-site audit, which are due to:

- a) demonstrated health and/or safety risk to auditors (according to verifiable public sources, e.g. official travel warnings or restrictions);
- b) travel restrictions imposed by organizational health and safety policies or public authorities; or
- c) other demonstrated events of force majeure (e.g. natural disasters, wars).

NOTE: In this context, "annually" is to be interpreted as at least once per calendar year, but no later than 15 months after the last evaluation (determined by the date of the audit closing meeting).

6.2.1 The certification body shall not apply Clause 6.2 for main evaluations.

6.2.2 The certification body may only apply Clause 6.2 for re-evaluation when at minimum, one (1) on-site audit was conducted during the previous certification cycle and all nonconformities are closed.

7 Sampling - Selection of sites for group and multi-site chain of custody certification

7.1 At each evaluation, the certification body shall evaluate the central office's capacity to manage the number of participating sites included in the certification scope. Based on this assessment, the certification body shall define an annual growth limit between 0% and 100%.

7.2 If a certification has twenty (20) or fewer participating sites, the certification body may define a growth limit exceeding 100%, provided that the central office demonstrates its capacity to manage a higher number of participating sites.

7.3 The certification body shall audit the central office and a sample of the new sites before any further expansion of scope if the central office intends to exceed the defined annual growth limit for participating sites.

- 7.4 In the audit for inclusion of new participating sites, the certification body shall establish a new growth limit for the period between the expansion of scope audit and the next evaluation by the certification body.
- 7.5 When the central office adds a new site within the annual growth limit, the certification body shall enter the new sites into the FSC certification database within seven (7) days after receiving the audit report, provided that the certification requirements are met.
- 7.6 In each evaluation, the certification body shall audit the central office and a sample of participating sites (in accordance with Clause 7.7), to evaluate conformity to the applicable normative requirements.
- 7.7 The certification body shall stratify the participating sites into two sets of sites - a) low-risk participating sites, and b) high-risk participating sites - which shall be sampled separately using the following formulas:
- a) For any evaluation of low-risk participating sites: $y = R \sqrt{x}$ Where:
y = minimum number of participating sites to be audited by the certification body (rounded to the next upper whole number)
- b) For any evaluation of high-risk participating sites: $y = 1.5 R \sqrt{x}$ R = risk index (see Table 1)
x = total number of participating sites in the set of sites

NOTE 1: The evaluations may include the types of evaluations as defined in <FSC-STD-20-001 General requirements for certification bodies>, and the change of scope evaluation for the inclusion of new participating sites (beyond the approved defined annual growth rate).

NOTE 2: The certification body may include in its sampling both the sites newly incorporated into the certification scope since the previous evaluation, and those that were already within the scope during that evaluation.

Table 1. Matrix for determining R (risk index) for the set of sites

Risk factor		Score	Score Given
Ownership	All participating sites have common ownership	0.1	
	Participating sites do not have common ownership	0.2	
Set of sites size	0–20 participating sites	0.2	
	21–100 participating sites	0.3	
	101–250 participating sites	0.4	
	251–500 participating sites	0.5	
	501 - 1000 participating sites	0.6	
	> 1000 participating sites	0.7	
Central office's performance	No nonconformity issued to the central office in the previous evaluation	0.1	
	Not applicable (there was no previous evaluation)	0.1	
	Only minor nonconformities in the previous evaluation	0.2	
	1–2 major nonconformities in the previous evaluation	0.3	
	3 or more major nonconformities in the previous evaluation	0.4	
Audit type	Annual surveillance evaluation	0.1	

	Re-evaluation	0.1	
	Main evaluation	0.3	
	Audit for inclusion of new participating sites in the certification	0.3	
TOTAL (R = sum of the scores given)			Σ

NOTE: R (risk index) is the sum of the scores given to the group or multi-site certification under evaluation.

- 7.8 When a selected participating site includes sub-sites, the certification body shall apply the sampling methodology specified in Clause 7.7 to the sub-sites, using the same formulas and stratification approach.
- 7.9 The certification body shall consider new participating sites that exceed the annual growth limit for inclusion in the certification scope at the beginning of a surveillance audit or re-evaluation audit process as an independent set of sites, in accordance with Clause 7.7.
- 7.10 The certification body shall select specific participating sites to achieve the required sample number for evaluation. In the selection process, the certification body shall include randomly selected sites and shall ensure that the overall sample selected is representative of the multi-site or group under evaluation and covers the widest possible range in terms of:
- geographic distribution;
 - activities and/or products;
 - scale of participating sites' operation (size may be determined by the staff headcount, and/or forest products turnover); and
 - other criteria deemed relevant by the certification body.
- 7.11 The certification body should avoid visiting the same participating site(s) in consecutive audits, unless there are clear and justified reasons for doing so (e.g. it is deemed necessary to evaluate nonconformities or complaints received about the participating site).
- 7.12 For any type of evaluation for group and multi-site certification, the certification body shall review and assess the documentation and records specified in Annex 2 of this standard.

NOTE: Site-specific documents are reviewed during the selected sample audits. To obtain a more comprehensive understanding of the central office's management, records from other participating sites may be reviewed during the audits of the central office.

8 Sampling - Selection of sites for supplier audit programmes for reclaimed materials

- 8.1 For organizations or participating sites that have a supplier audit programme, the certification body shall carry out annual on-site verification audits of the supplier sites, unless The Organization's supplier audits were carried out by another FSC-accredited certification body. The certification body shall select for evaluation as a minimum:

$$y = 0.8 \sqrt{x}, \text{ where:}$$

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

x = the number of suppliers audited by The Organization or participating site in the current evaluation period (according to Clause 16.7 of <FSC-STD-40-004 V4-0 Chain of Custody Certification>).

- 8.2 For group and multi-site certification, the calculation of the supplier audit sample shall be conducted at the participating-site level.

NOTE: Certification bodies are not required to audit the same sites audited by the participating sites in the current evaluation period.

9 Sampling - Selection of sites for project certification

- 9.1 For one-time project certification, the certification body shall conduct a main evaluation, annual surveillance evaluations and final evaluation when the project is finalized.
- 9.1.1 Even if the project may be eligible for remote audits according to Annex 5, the certification body shall conduct at least one on-site audit before a project statement is issued by The Organization.
- 9.2 The certification body shall sample uncertified project members according to the following formula:

$$y = 0.8 \sqrt{x}, \text{ where:}$$

y = minimum number of uncertified project members to be audited, rounded to the next upper whole number

x = total number of uncertified project members (ongoing and the ones that have been finalized in the period since the last evaluation)

NOTE: The concept of outsourcing does not apply to project certification, since contractors under the scope of certification are classified as project members.

- 9.3 For continuous project certification, the certification body shall conduct a main evaluation, annual surveillance evaluations and re-evaluations. At each evaluation, the certification body shall audit a sample of the participating sites' project sites included in the scope of certification to verify their conformance with the applicable FSC normative requirements, according to the following criteria:
- a) participating sites of group and multi-site certification: the certification body shall sample the participating sites for evaluation according to Clause 7.7 of this standard. The participating sites that apply <FSC-STD-40-004 Chain of Custody Certification> and <FSC-STD-40-006 FSC Standard for Project Certification> shall be sampled separately by the certification body;
- b) project sites: they shall be sampled by using the following formula:

$$y = 0.8 \sqrt{x}, \text{ where:}$$

y = minimum number of project sites to be audited, rounded to the next upper whole number

x = total number of project sites (ongoing and the ones that have been finalized in the period since the last evaluation)

Figure 1. Sampling of a group or multi-site CoC certification with multiple participating sites and projects in the scope of certification.

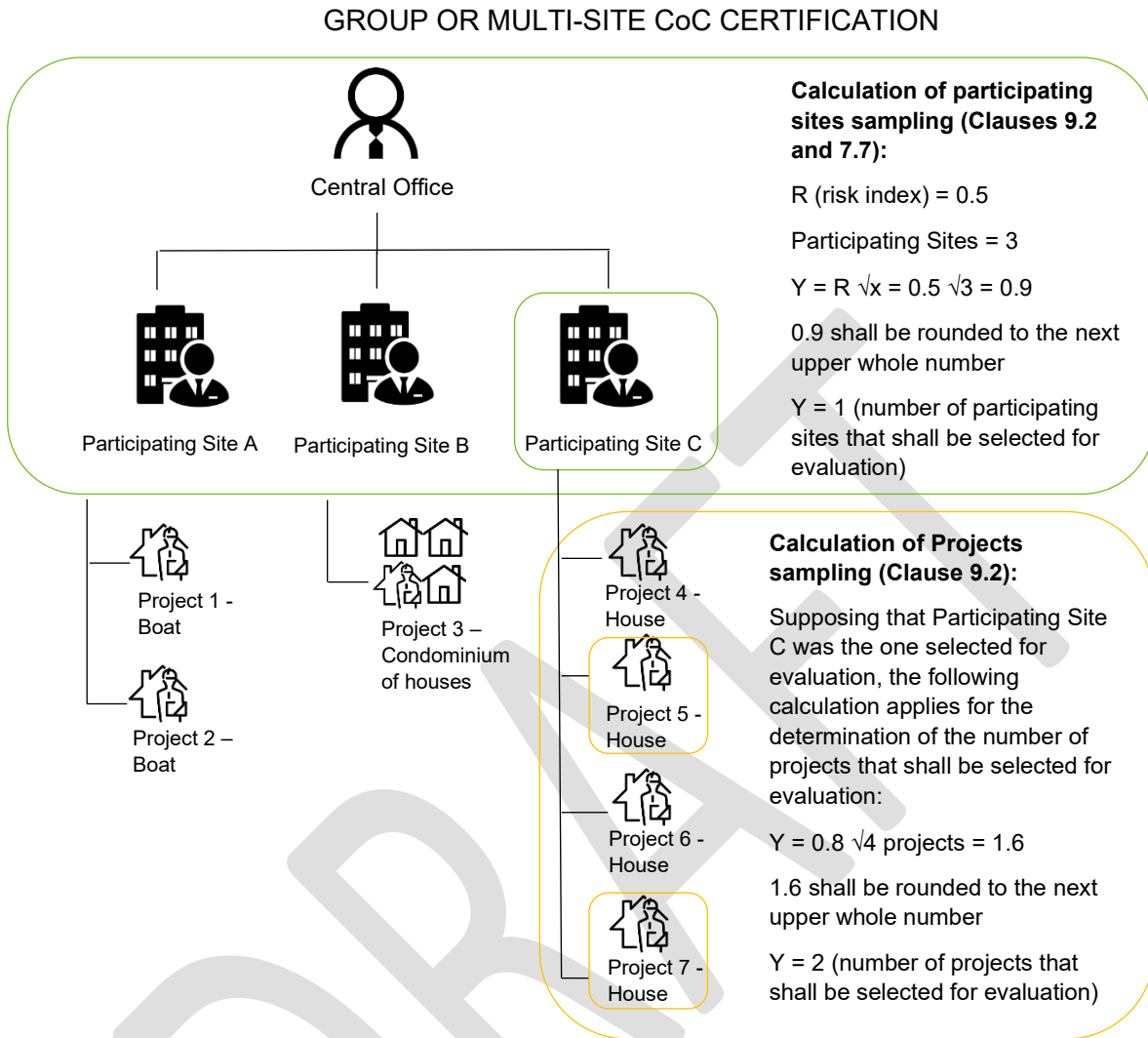
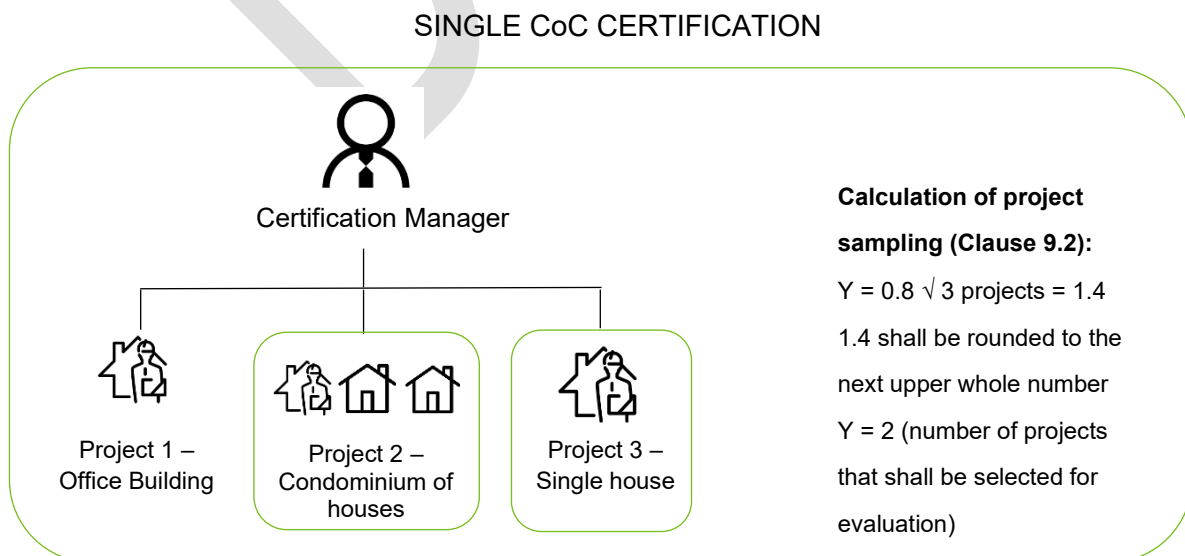


Figure 2. Sampling of a single CoC project certification with multiple projects in the scope of certification



- 9.4 The certification body shall select specific projects to achieve the required sample number for evaluation. In the selection process, the certification body shall include randomly selected projects and shall ensure that the overall sample selected is representative of the certification scope under evaluation and covers the widest possible range in terms of:
- geographic distribution;
 - types of projects;
 - size of projects; and
 - other criteria deemed relevant by the certification body.
- 9.5 The certification body shall avoid visiting the same project sites in consecutive audits, unless there are clear and justified reasons for doing so (e.g. deemed necessary for the evaluation of nonconformities or complaints received about The Organization).
- 9.6 When evaluating the materials that have been used in projects, the certification body may also accept materials that have been purchased by The Organization before the main evaluation, provided that The Organization is able to provide evidence of conformance to Sections 4 and 5 of <FSC-STD-40-006 V2-0 FSC Standard for Project Certification>. The retroactive certification of projects that have already been finalized is not possible.

10 Stakeholder consultation according to FSC-STD-40-005 (Controlled Wood)

- 10.1 The certification body shall conduct stakeholder consultation when The Organization implements or extends its due diligence system (DDS) to a supply area that is unassessed or has a non-negligible risk designation. The certification body shall conduct stakeholder consultation in subsequent re-evaluations.
- 10.2 The certification body shall conduct stakeholder consultations adequate to the size and scale of The Organization's DDS to verify its conformance to applicable requirements. The certification body shall:
- identify and invite directly affected stakeholders to participate in the consultation. Invitation of relevant FSC network partners is mandatory;
 - provide a public notification about the consultation process, including dates and activities in the scope of the consultation, in order to accommodate participation of interested stakeholders. Means of notification shall ensure that interested stakeholders can access information about the consultation;
- NOTE 1: Invitation of directly affected stakeholders aims to ensure they are directly informed about the consultation process and to increase their engagement, whilst public notification aims to provide additional opportunity for engagement of interested stakeholders.
- NOTE 2: Consultation can only be conducted based on voluntary engagement of directly affected or interested stakeholders.
- provide participating stakeholders with access to information as required in Section 6 of <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood> at least six (6) weeks prior to the evaluation;
 - employ effective and culturally appropriate means of invitation, notification, and consultation;

NOTE: Examples of techniques may include announcement via the certification body's website; face-to-face meetings; personal contacts by phone, email, or letter; notice published in the national and/or local press and on relevant websites; local radio announcements; announcements on local customary notice boards. Consultation may include a request for written comments on a predetermined set of specific questions.

- e) ask participating stakeholders for consent for the publication of their comments;
- f) provide stakeholders with the opportunity to comment in confidence;
- g) evaluate information and comments provided by stakeholders objectively and meaningfully. The certification decision shall only be affected in so far as the comments provide evidence of conformity or nonconformity to the applicable requirements;
- h) respond to all stakeholders who participated in the consultation process and explain how their comments were taken into account within thirty (30) days of making the certification decision; and
- i) maintain records of the consultation process, including stakeholders identified, stakeholders who participated in the consultation and their comments, and evidence that the consultation was carried out in line with the requirements of this standard.

11 Evaluation of The Organization's due diligence system

General requirements

- 11.1 The certification body shall design and implement a system for evaluating the relevance, effectiveness, and adequacy of the DDS, according to the scope and scale of The Organization's operation. The certification body shall specify and justify in its system the means of verification of risk assessments and mitigation measures established, including, but not limited to:
- a) a mechanism for verifying risk designations against available sources of information and applicable requirements;
 - b) field verification⁴ with a scope and sampling pool relevant for the DDS under evaluation. The sampling pool shall be sufficient to confirm mitigation of risk related to origin and risk of mixing of material with non-eligible inputs; and
 - c) corroborating evidence provided by The Organization with independent sources when possible.

NOTE: Specific requirements for evaluating adequacy of mitigation measures are included in Clause 11.16.

- 11.2 The certification body shall evaluate whether the DDS has been implemented as designed and in accordance with all applicable requirements and any additional guidance provided or approved by FSC.
- 11.3 The certification body shall verify whether information on material and supply chains allows The Organization to:
- a) confirm the origin of the material;
 - b) conduct a risk assessment related to the origin of the material;

⁴ Field verification includes audits at the forest level and on-site verification of suppliers in the supply chain.

- c) conduct a risk assessment related to mixing material with non-eligible inputs in supply chains;
- d) develop and implement adequate mitigation measures; and
- e) review and, if necessary, revise the DDS to ensure its relevance, effectiveness, or adequacy.

NOTE: This includes verification of whether The Organization has enforced its suppliers to notify it of any changes affecting risk designation or mitigation.

- 11.4 All records used for evaluating the DDS shall be sampled at random. When selecting documents for sampling, the certification body shall not be guided or influenced by staff of The Organization.
- 11.5 The certification body shall not accept information or documentation that only consists of a declaration of conformity by The Organization and/or suppliers as evidence of conformity to the applicable requirements.
- 11.6 The certification body shall evaluate the justification for excluding confidential information provided by The Organization (see Clause 6.2 d) of <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood>) in a restrictive way, taking into account business sensitivity of the information, applicable legislation, and the public interest served by disclosure.

Evaluation of risk assessments

Risk assessment related to origin

- 11.7 The certification body shall verify the correct use of applicable FSC Risk Assessment(s).
- 11.8 The certification body may extend the period during which The Organization shall adapt the DDS to approved risk assessments for a single exceptional extension of up to two (2) months when justified by circumstances beyond the control of The Organization. The certification body shall record such circumstances.
NOTE: Justifiable circumstances for an extension exclude issues in planning or scheduling activities in the scope of the DDS.
- 11.9 The certification body shall verify whether The Organization's risk assessment and risk designations are adequate and justified, including whether:
 - a) the risk assessment follows all applicable requirements;
 - b) the sources of information used are independent, verifiable, objective, and sufficient to justify risk designation;
 - c) the geopolitical scale and source types are adequate to the supply area(s);
 - d) the risk specification includes sufficient information to allow the development of adequate mitigation measures;
 - e) consultations with experts have been conducted as required;
 - f) experts used to conduct the risk assessment meet the qualification requirements in Annex C of <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood>; and
 - g) joint risk assessments are managed as required.
- 11.10 The certification body shall verify whether The Organization has reviewed the continued correctness and relevance of its risk assessment and made revisions where necessary.

NOTE: This includes reviewing the risk assessment when using material originating from FSC-certified management units located in negligible risk areas that lose their certified status due to suspension (according to Annex A, Clauses 1.5.3 and 1.5.4 of <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood>).

- 11.11 The certification body shall approve a risk assessment conducted by The Organization for its existing supply area, and/or extended to new supply areas, if the risk assessment process and risk designations meet the applicable requirements.
- 11.12 If the certification body confirms that the results of The Organization's risk assessment contradict the results of another organization's risk assessment for the same area, the risk assessment that has been conducted with a higher level of scrutiny, accuracy, or precaution shall prevail.

NOTE: Risk assessments are published on the FSC database and can be used to identify potential conflicts related to different risk designations.

- 11.13 If the certification body receives comments or complaints about a risk assessment, the certification body shall forward them to the responsible body.

NOTE: If comments are related to a national risk assessment (NRA), they should be sent to the responsible body indicated in the NRA. If they are related to a centralized national risk assessment (CNRA), comments should be sent directly to FSC.

Risk assessment related to mixing material

- 11.14 The certification body shall verify whether the risk assessment related to the mixing of material with non-eligible inputs during transport, processing, and storage before the material reaches The Organization is adequate to the scope of the DDS and justified.

Evaluation of risk mitigation

- 11.15 The certification body shall verify the implementation of mitigation measures, including:
- a) whether applicable FSC Risk Assessments were used;
 - b) mandatory and recommended mitigation measures, as provided in the applicable FSC Risk Assessment(s);
 - c) minimum requirements according to Clauses 4.10 and 4.11 of <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood>;
 - d) whether The Organization used the opinion of at least one expert to justify the adequacy of mitigation measures for controlled wood categories 2 and 3;
 - e) whether The Organization has conducted stakeholder consultation according to the requirements of <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood> (Annex B) for the following situations (where applicable):
 - i. unspecified risk designated for controlled wood categories 2 and 3;
 - ii. consultation conducted as a mitigation measure for other risks;
 - iii. consultation conducted to verify adequacy of mitigation measures; and
 - f) mitigation measures at the level of the supplier(s).
- 11.16 The certification body shall verify the adequacy of mitigation measures, including:
- a) a sample of each type of mitigation measure for each type of risk identified in the DDS. The sampling rate shall be established and justified by the certification body according to the scope of the DDS;

NOTE: If The Organization has established field verification at the level of the supply unit as a mitigation measure, this will require, at minimum, a field verification of a sample of supply units by the certification body (audits at the forest level). If The Organization has established a stakeholder consultation as a mitigation measure, this will require, at minimum, a verification of sample records from the consultation.

- b) comparison with examples of mitigation measures provided in Annex E of <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood> in terms of rigour;
- c) results of internal and external audits by The Organization;
- d) comments from stakeholder consultation;
- e) comments, complaints, and appeals received by the certification body; and
- f) the process of review and revision of the DDS by The Organization.

11.17 If The Organization has replaced mandatory mitigation measures provided in applicable FSC Risk Assessment(s), the certification body shall:

- a) evaluate the alternative mitigation measures to determine adequacy and, if conditions specified in Clause 4.13 in <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood> are met, approve the mitigation measures; and
- b) verify whether The Organization has forwarded a description of the alternative mitigation measures to the body responsible for maintenance of the FSC Risk Assessment.

11.18 If The Organization has identified that legal requirements may conflict with adequate mitigation measures, the certification body shall evaluate the mitigation measures defined by The Organization, and, if they allow risk mitigation, approve such mitigation measures before implementation.

NOTE: Conflicts only occur where legal obligations prevent the implementation of mitigation measures. It is not considered a conflict if the mitigation measures exceed the minimum requirements for legal compliance.

11.19 If the certification body determines that the mitigation measures of The Organization contradict the mitigation measures of another organization for the same type of risk in the same area, the mitigation measures that are more robust and effective shall prevail in the evaluation of the adequacy of mitigation measures.

12 Evaluation of contractors operating under outsourcing agreements

12.1 The certification body shall monitor the activities included in the scope of the CoC certification that have been outsourced, to ensure conformance with all applicable requirements including the control of two (2) risk scenarios associated with mixing of materials and FSC CLR by The Organization's contractor.

NOTE: The certification body is required to verify all aspects of the CoC requirements and ensure that the objectives of the audit are met, irrespective of whether the activities have been outsourced.

12.2 The certification body shall conduct a risk assessment of The Organization's contractors for risks associated with the two (2) risk scenarios and communicate the risk classification of contractors to The Organization.

12.3 FSC-certified contractors with a scope covering the provision of services for the relevant product group shall be considered low-risk for both risk scenarios.

Evaluation of contractors: risk of mixing

- 12.4 The certification body shall classify an outsourcing agreement as “high-risk” in regards to the risk of mixing if:
- a) the Organization outsources the entire manufacturing process of a product;
 - b) the contractor mixes different input materials (e.g. FSC 100%, controlled material, FSC Controlled Wood); or
 - c) the contractor applies the FSC label to the product.
- 12.5 The certification body may re-classify an outsourcing agreement as low-risk in regards to the risk of mixing, provided that the contractor was audited by The Organization’s certification body at least once during The Organization’s past five (5) years and it did not result in a nonconformity in regards to the risk of mixing and:
- a) the contractor exclusively works with The Organization; or
 - b) the contractor handles only FSC eligible input material and segregation is not required.
- NOTE: Storage and logistic activities that include products which are permanently labelled or marked in a way that the contractor cannot alter or exchange the products, and there is no risk of mixing, are exempt from outsourcing agreements.

Evaluation of contractors: FSC CLR

- 12.6 The certification body shall classify an outsourcing agreement as “high-risk” in regard to FSC CLR if:
- a) The contractor operates in a supply chain or region designated by FSC as having a ‘high risk’ in regard to FSC CLR;
 - b) There are any substantiated concerns regarding the contractor’s conformity to FSC CLR since the previous evaluation of The Organization; or
 - c) The contractor operates in a geographic area (i.e. country/territory) with a classification of “high” for at least one (1) FSC CLR in the FSC CLR Risk Matrix.
- 12.6.1 The certification body may re-classify an outsourcing agreement for a contractor that meets only clause 12.6 c) as “low-risk” in regard to FSC CLR if either of the following criteria is met:
- a) The contractor was physically inspected by the certification body as part of The Organization’s evaluation at least once during The Organization’s current certification cycle, and this did not result in any major nonconformity in regard to the contractor’s conformity to FSC CLR; or
 - a) The contractor’s conformity to FSC CLR is described in The Organization’s FSC CLR self-assessment with evidence of documentation and records from a second-/third-party audit of the contractor that meets all of the following criteria:
 - i. the audit demonstrates conformance to FSC CLR (see Clauses 8.3 – 8.6.6 in <FSC-STD-40-004 Chain of Custody Certification>);
 - ii. the audit is conducted at least every calendar year;
 - iii. the audit findings are made available to the certification body for review; and
 - iv. the audit includes worker interviews that maintain worker confidentiality.
- NOTE: The ‘FSC CLR Risk Matrix’ definition is in the Terms and Definitions of <FSC-STD-40-004 Chain of Custody Certification>.

- 12.7 The certification body shall evaluate each FSC CLR for a contractor with an outsourcing agreement classified as “high-risk” using the same approach and procedures as provided in Section 0.

Sampling high-risk contractors

- 12.8 The certification body shall select a sample of high-risk contractors, based on risks of mixing and CLR, for evaluation, and the selected sample shall result in a balanced coverage of the two (2) risk scenarios.
- 12.9 The certification body shall select a sample of high-risk contractors for evaluation according to the formula below. In the selection process, the certification body shall include randomly selected high-risk contractors and shall ensure that the overall sample selected is balanced and covers the widest possible range in terms of:
- the two (2) risk scenarios;
 - type of outsourcing activity;
 - size of contractors (size may be determined by the number/volume outsourced products and if available, number of employees and production volumes); and
 - other criteria deemed relevant by the certification body (e.g. geographic distribution).

$$y = \sqrt{x}$$

x = number of high-risk contractors based on the two risk scenarios (rounded to the next whole upper number)

y = sampling number

NOTE 1: The certification body may include a low-risk contractor in the evaluation if there is an indication that would point to a risk of nonconformity.

NOTE 2: Contractors that did not provide outsourcing services to The Organization since the last certification body's evaluation do not need to be evaluated by The Organization's certification body and therefore do not need to be added to the number of contractors (x) in the formula above.

- 12.10 For group and multi-site certification, the calculation of the contractor sample shall be conducted at the participating-site level.
- 12.11 The certification body shall include in the sample pool high-risk contractors (identified based on both risk scenarios) who provided services for a limited period and whose contracts had ended prior to the audit.
- 12.12 In case of further outsourcing, the selection of high-risk subcontractors shall be coordinated at the level of contractors, according to clause 12.8.

13 Transaction verification

- 13.1 The certification body shall cooperate and support ASI's transaction verification activities by collecting, analyzing, and sharing relevant information related to FSC transactions in a timely manner (i.e. by providing a response as soon as possible).
- 13.2 In order to support the monitoring and control of False Claims in the system, the certification body shall register the following information in the FSC certification database:

- a) The Organization that reported no FSC sales or lease since the previous evaluation. This information shall include details of the evaluation period to which this 'no FSC sales or lease' status refers;
- b) nonconformities, suspensions, terminations, and removal of participating sites due to False Claims made by The Organization as specified in [Annex 6](#); and
- c) recommendation of The Organization(s) that should be investigated by ASI and the justification (e.g. evidence suggests that records are being hidden from the certification body, complaints received about The Organization, potential volume mismatches between The Organization and its trading partners).

NOTE: The information in Clause 13.2 a) is publicly available, whereas the information in b) and c) is recorded as non-public information.

14 Evaluation of FSC core labour requirements

Informative Guidance 3. Evaluation of FSC CLR

This Section provides the requirements for the evaluation of the FSC CLR, which are applicable to all Organizations, including organizations contracted to carry out activities included in the scope of The Organization's CoC certification.

Please check Section 12 of this standard for Evaluation of contractors operating under outsourcing agreements, which provides relevant information for activities conducted subject to an outsourcing agreement (as provided in Section 13 of [<FSC-STD-40-004 Chain of Custody Certification>](#)).

This provides for certification bodies to refer to an FSC-provided matrix of risk classifications per country for each individual FSC CLR (the FSC CLR Risk Matrix is defined in the Terms and Definitions). Based on this information, and the information provided by The Organization in the FSC CLR Self-assessment, at minimum for any FSC CLR considered as 'high-risk' on the FSC CLR Risk Matrix, the certification body uses the final risk classification to determine how each FSC CLR is evaluated further.

The 'FSC CLR Risk Matrix' definition is in the Terms and Definitions of [<FSC-STD-40-004 Chain of Custody Certification>](#).

For more information on the FSC CLR and their application, guidance documents are available on [FSC CoC Hub](#).

Consultation Note: For the purposes of this consultation, the FSC CLR Risk Matrix is not on FSC Connect, and instead is made available in the supplementary documentation on the [FSC Consultation Platform](#).

General

- 14.1 The certification body shall apply the FSC CLR Risk Matrix in the evaluation of the FSC CLR, unless an exemption in Clause 14.2 applies.
- 14.2 The certification body may waive requirements in Clauses 14.3 – 14.6.3 for the Organization if either of the following applies:

- a) The Organization has a valid FSC approved verification scheme at the time of the FSC evaluation and the certification body can verify the authenticity of the attestation of conformity by the FSC approved verification scheme against a publicly available database published by the verification scheme's owner or its assurance provider; or
- b) The Organization has no workers, and consists solely of owner(s) or employer(s) (e.g. one-person company, family-run company without workers, director-only company without workers), and does not engage in any outsourcing agreement with non-FSC certified entity with any workers.

Criteria for lowering the risk classification

- 14.3 The certification body may lower the risk classification of "high-risk" provided on the FSC CLR Risk Matrix for any FSC CLR, if there are no substantiated concerns, the Organization is not operating in a supply chain or region designated by FSC as having a 'high risk' in regard to FSC CLR, and an Organization meets one (1) of the following criteria:
- a) The Organization's FSC evaluation(s) in the past five-year certification cycle did not result in any major nonconformities related to FSC CLR; or
 - b) The Organization can demonstrate and document evidence of a second-/third-party audit of the Organization that meets the following criteria:
 - i. the audit demonstrates conformance to each "high-risk" FSC CLR (see Clauses 8.3 – 8.6.6 in <FSC-STD-40-004 Chain of Custody Certification>);
 - ii. the audit is conducted at least every calendar year;
 - iii. the audit findings are made available to the certification body for review; and
 - iv. the audit includes worker interviews that maintain confidentiality.

Evaluation of the Self-Assessment

- 14.4 The certification body shall review The Organization's self-assessment to check completeness and adequacy of the information provided, ensuring that it covers any FSC CLR classified by the FSC CLR Risk Matrix as "high-risk".

NOTE: For an organization in a country or territory where all FSC CLR are classified as "low-risk", there is no requirement to provide a self-assessment, unless it has any contractor(s) with outsourcing agreement(s) located in a country or territory where at least one (1) FSC CLR is classified as "high-risk".

Further Evaluation Steps

- 14.5 The certification body shall apply the following evaluation for each FSC CLR based on its concluded risk classification:
- a) For any "low-risk" FSC CLR: The certification body may choose to conduct no further evaluation for FSC CLR with a concluded classification of "low-risk", unless there are substantiated concerns.
 - b) For any "high-risk" FSC CLR: The certification body shall conduct further evaluation for FSC CLR with a concluded risk classification of "high-risk", following Clauses 14.6-14.6.3, and shall not use the remote method for evaluation.

EXAMPLE: In the event that only one (1) FSC CLR is classified as "high-risk" and the remaining are classified as "low-risk", further evaluation by the certification body applies only to the FSC CLR classified as "high-risk".

Documentation Reviews and Interviews

- 14.6 The certification body shall evaluate The Organization's conformity to FSC CLR via documentation review and interviews with workers and other relevant personnel, where the concluded risk classification for a FSC CLR for The Organization is "high-risk", with the number of any personnel documents reviewed to correspond with the person(s) selected for interview.
- 14.6.1 The certification body should apply the following formula associated with the concluded FSC CLR risk classification of "high-risk", in order to determine the minimum number of persons to interview for an audit:

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

x = number of workers

y = sampling number (rounded to the next upper whole number)

NOTE: The number of persons for interview may be lower than the resulting number of the formula in Clause 14.6.1 if the certification body's sample includes worker representative(s).

- 14.6.2 The certification body may choose to conduct individual or group interviews, or a combination of both, so long as confidentiality can be ensured.
- 14.6.3 The certification body shall sample at a site level.

15 Surveillance evaluations

- 15.1 The certification body shall carry out a surveillance evaluation at least once per calendar year, but no later than fifteen (15) months after the last evaluation (determined by the date of the audit closing meeting).
- NOTE: The evaluation of corrections and corrective actions to close nonconformities may require on-site audits at shorter intervals.
- 15.2 For a certification that has a five-year validity, at least four (4) surveillance evaluations shall take place before the certification expires. The number of surveillance evaluations may be reduced if Clause 15.5 applies.
- 15.3 The certification body may postpone the audit by one (1) month to the next calendar year (end of January), if circumstances beyond the control of The Organization and the certification body occur (such as sickness and natural hazards like e.g. fire and flooding), within the limits of the fifteen (15) months rule. In this case, all other requirements, including Clause 15.2, remain unaffected.
- 15.4 In addition to the requirements specified in Clause 6.1, the certification body shall review and assess:
- any changes to the scope of certification, including new CoC operations or participating sites, changes in the DDS and in business activities;
 - changes to The Organization's management system; and
 - FSC-certified production and inventory records.

Waiving a surveillance evaluation

- 15.5 For an operation or site that did not perform activities under the scope of the CoC certification (i.e. did not label, lease or sell any FSC-certified or FSC Controlled Wood material and did not source controlled material since the previous audit), the certification

body may waive a surveillance evaluation. However, the certification body shall not waive more than two consecutive surveillance evaluations.

- 15.5.1 The certification body shall not waive any surveillance evaluation for The Organization operating in supply chains that are designated by FSC as having a 'high risk'.

NOTE: The decision to waive a surveillance evaluation on the grounds described above is at the discretion of the certification body. The certification body may require a surveillance evaluation to be carried out if this is considered necessary to ensure confidence in the certification.

- 15.5.2 The certification body shall not waive any surveillance evaluation if new or revised standards become effective.

NOTE: The intent is to ensure that The Organization fully conforms to the new or revised standard at the time they again take up activities under the scope of their FSC CoC certification.

- 15.5.3 When a surveillance evaluation is waived, the certification body shall require The Organization to sign a declaration stating that no material has been labelled with an FSC label, sold with an FSC claim, or sourced as controlled material, since the last audit. The declaration shall contain a commitment by The Organization to maintain the CoC system during this period and to inform the certification body as soon as they intend to label material with an FSC label, sell material with an FSC claim, or source controlled material. The certification body shall audit The Organization no later than three (3) months after the restart of the activities listed in this clause.

- 15.5.4 At the next surveillance evaluation, the certification body shall review all records back to the previous surveillance evaluation to ensure that the CoC system has been maintained and that no material has been labelled with an FSC label, sold with an FSC claim, or sourced as controlled material, in accordance with the waive declaration required in Clause 15.5.3.

16 Nonconformities

- 16.1 The certification body shall record all identified nonconformities in the evaluation report in accordance with <FSC-STD-20-001 General requirements for certification bodies Standard>.

- 16.2 For group and multi-site evaluations, the certification body shall specify the nonconformities to distinguish between central office level and participating site level, in cases where:

- a) nonconformities at the central office level may be caused by:
 - i. failure to fulfil a central office responsibility, such as administration, internal inspection, record-keeping, trademark use, and others as required by the relevant FSC normative document(s);
 - ii. failure to ensure that participating sites close a non-conformity issued by the certification body or the central office;
 - iii. failure of sites to fulfil a responsibility, sufficient in number of sites, extent of the failure, and/or consequences, to demonstrate that central office control has broken down (e.g. where identical nonconformities identified by the certification body are issued to three or more participating sites during an evaluation, the nonconformity may be a result of ineffective training or support by the central office);
- b) nonconformities at the participating site level may be caused by:

- i. failure to fulfil a responsibility, including but not limited to timely provision of adequate information, effective response to internal nonconformities, or correct trademark use; or
 - ii. failure to meet the applicable requirements of the relevant FSC normative documents.
- 16.3 Five (5) or more identified major nonconformities to the central office of a group or multi-site by the certification body shall result in the suspension of the entire certification. Five (5) or more identified major nonconformities to a participating site of a group or multi-site certification by the certification body shall result in suspension of that particular participating site but will not necessarily result in the suspension of the entire certification.
- NOTE: Nonconformities identified at the participating site level may result in nonconformities at the central office level when the nonconformities are determined to be the result of the central office's performance, per Clause 16.2 a).
- 16.4 For group and multi-site certification, the certification body should not issue nonconformities to a participating site if such nonconformities have already been identified by the central office.
- NOTE: The certification body is still required to monitor the implementation status, including verification of effective closure either at the time of the audit (if the nonconformity has been closed) or at the next scheduled audit.
- 16.5 For controlled wood evaluations, nonconformities may be caused by failure of The Organization to conform to any of the applicable requirements, including but not limited to examples provided in Informative Guidance 4 below.
- NOTE: Supplier-level nonconformities with relevant requirements may result in a corrective action to The Organization.

Informative Guidance 4.

Examples of major nonconformities for evaluations of FSC Controlled Wood

Examples of major nonconformities to the requirements of <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood> include:

- a) lack of an effective due diligence system;
- b) failure to legitimately apply the DDS to forest resources owned or managed by The Organization;
- c) failure of The Organization to ensure that its suppliers have taken corrective action(s) determined by The Organization to ensure The Organization's conformity to <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood>;
- d) absence of independent information that demonstrates the origin of material;
- e) the use of negligible risk designations that differ from those in approved FSC Risk Assessments;
- f) failure of The Organization to demonstrate that its risk assessment has been conducted in accordance with the applicable requirements;
- g) evidence that The Organization has manipulated information used in a risk assessment in order to support a negligible risk designation;

NOTE: This includes consideration of the feedback received from stakeholders.

- h) use of material originating from unassessed areas without the certification body's approval of The Organization's risk assessment;

- i) failure to establish and implement adequate mitigation measures;
- j) absence of, or failure to implement, a complaint procedure;
- k) failure to assess and mitigate the risk related to mixing material with non-eligible inputs in the uncertified supply chain; and
- l) failure to provide information required to be publicly available.

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PART 4: CERTIFICATION DECISION

17 General requirements

- 17.1 The certification body shall make certification decisions based on their evaluation of the CoC operation's conformity to each applicable requirement specified in the relevant FSC normative document(s) and in accordance with the latest version of <FSC-STD-20-001 General Requirements for Certification Bodies>.
- 17.2 The certification shall be granted to The Organization that has direct management responsibility for the CoC system under its control.
- NOTE: Certification bodies may grant a CoC certification that covers more than one site, according to the eligibility criteria specified in <FSC-STD-40-004 Chain of Custody Certification>.
- 17.3 The CoC certification may be issued before The Organization has taken physical possession of eligible inputs (FSC-certified, FSC Controlled Wood, controlled material, or reclaimed material) if the certification body is satisfied that an operational CoC system is in place. In such cases, the certification body shall:
- a) require The Organization to notify it as soon as eligible input stock is available or the production of FSC-certified material has started; and
 - b) carry out a (second) site visit or conduct the first surveillance evaluation within three (3) months following the receipt of such a notification, unless the main evaluation has not resulted in any nonconformity related to the management of critical control points.

PART 5: REPORTING

18 General reporting requirements

18.1 The certification body shall document its evaluation findings and conclusions in an evaluation report, regardless of whether or not an FSC CoC certification is granted. Evaluation reports shall be sent to The Organization and shall include at least the information specified in Annex 1.

NOTE: The certification body may determine the order in which information is presented.

18.2 Once the certification body has made a certification decision and finalized the evaluation report, it shall submit the evaluation report and communicate the certification decision to The Organization as defined in <FSC-STD-20-001 General Requirements for Certification Bodies> (for reporting of nonconformities see Section 7.4; for decisions see Section 7.6.2).

18.3 Based on the procedure for determining the audit time, the certification body shall record the audit time in 'days' for each evaluation in the evaluation report.

18.4 CoC evaluation reports may be written in any language at the convenience of The Organization and the requirements of the certification body's decision-making entity.

18.5 FSC and ASI reserve the right to request a translation of an evaluation report into one of the official languages of FSC (i.e. English, Spanish or French), at the expense of the certification body, in order to assess the implementation of FSC requirements.

19 Public certification summaries for evaluations of controlled wood according to FSC-STD-40-005

19.1 The certification body shall publish a certification summary for the controlled wood evaluation on the FSC certification database upon registration of the certification status.

NOTE: The inclusion of confidential information is not required.

19.2 The certification summary should be short and concise, and shall include:

- a) the contents of the evaluation report relevant to the evaluation of controlled wood (see Annex 1, Item 7);
- b) a list of all nonconformities that The Organization is required to correct in order to maintain its certification, including the time period within which corrective actions shall be made.

19.3 When the certification body approves a new or updated risk assessment conducted by The Organization, the certification summary shall be updated with the risk assessment within ten (10) days of approval.

19.4 The certification summary shall be made available in:

- a) one of the official languages of FSC (i.e. English, Spanish or French) for certifications that cover a total supply area of more than 50,000 ha in the scope; and
- b) at least one of the official languages of the country in which the supply area is located, or the most widely spoken language of the Indigenous People and traditional peoples in the supply area, where material is sourced from non-negligible risk areas.

NOTE: FSC and ASI reserve the right to request a translation of a certification summary into one of the official languages of FSC, at the expense of the certification body.

- 19.5 In the case of surveillance evaluations, the public certification summary shall include at least:
- a) the date of the surveillance evaluation;
 - b) a description of any significant changes in the DDS;
 - c) a description of the actions taken by The Organization to correct any nonconformities identified during previous evaluations;
 - d) the certification body's conclusions as to whether the actions taken result in conformity to the applicable requirements, and if not, whether the remaining nonconformities are considered minor or major nonconformities;
 - e) a description of any further nonconformities identified as a result of the surveillance evaluation and conditions to correct all identified nonconformities; and
 - f) the updated certification decision.

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Annex 1: Minimum Content of Evaluation Reports

Table 2. Required content of evaluation reports

Item	Minimum content required
1. Cover page	<ul style="list-style-type: none"> a) Name, contact details, and website address of the certification body. b) Date (day, month, and year) of the report. c) Type of evaluation (e.g. main evaluation). d) Name, address, and contact details of The Organization and contact person. e) CoC certification code. f) Date of first issue of the CoC certification. g) Number of workers.
2. Certification scope information⁵ for FSC-STD-40-004	<ul style="list-style-type: none"> a) Operational model: single, group, or multi-site. b) Product group(s) (for The Organization certified according to <<u>FSC-STD-40-004 Chain of Custody Certification</u>>). c) Control system(s) used for making FSC claims: transfer, percentage, and/or credit system (for The Organization certified according to <<u>FSC-STD-40-004 Chain of Custody Certification</u>>). d) Information on product groups in accordance with <<u>FSC-STD-40-004a FSC Product Classification</u>>. e) FSC standards applicable to the scope of certification (e.g. FSC-STD-40-004 V4-0, FSC-STD-40-005 V3-1). f) For site (or participating site) within the scope of certification: <ul style="list-style-type: none"> i. name of The Organization; ii. address; iii. site activity (e.g. primary processor, secondary processor, trader, printer, retailer, building contractor); iv. Total Forest Product Turnover (see <<u>FSC-POL-20-005 Annual Administration Fee</u>>); v. for group and multi-site certification, the sub-certification code assigned to each participating site.

⁵ Certification bodies are required to enter and maintain up-to-date information on the certification scope in the FSC certification database.

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- 3. Certification scope information⁶ for FSC-STD-40-006**
- a) Operational model: single, group, or multi-site.
 - b) Specification of the scope as one-time or continuous project certification.
 - c) FSC standards applicable to the scope of certification (e.g., FSC-STD-40-006 V2-0, FSC-STD-40-005 V3-1).
 - d) For site (or participating site) within the scope of certification:
 - i. name of The Organization;
 - ii. address;
 - iii. site activity (e.g. primary processor, secondary processor, trader, printer, retailer, building contractor);
 - iv. Overall costs for project(s) (see <FSC-POL-20-005 Annual Administration Fee>);
 - v. for group and multi-site certification, the sub-certification code assigned to each participating site;
 - vi. project members (<FSC-STD-40-006 FSC Standard for Project Certification>).
-

- 4. Scope of the evaluation**
- a) Evaluation date(s).
 - b) Evaluation method (i.e. on-site, remote, hybrid).
 - c) Name(s) and qualifications of certification body auditors.
 - d) Total auditing time per audit method.
 - e) Reference to the FSC normative documents used, including the version number.
NOTE: In the case of formal FSC pilot tests of draft normative documents, the certification body is required to specify the name and reference number of the draft document and include the version of the draft document against which a certification was granted as an annex to the report.
 - f) If applicable, description of any changes to the scope of certification, including new CoC operations or participating sites and changes in business activities.
 - g) If applicable, derogation codes applicable to the evaluation.
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⁶ Certification bodies are required to enter and maintain up-to-date information on the certification scope in the FSC certification database.

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- 5. Audit findings (for The Organization certified according to FSC-STD-40-004)**
- a) Brief description of the system by which The Organization maintains control over the CoC for all products included on The Organization's product group list, covering:
 - i. management system;
 - ii. material sourcing;
 - iii. material receipt and storage;
 - iv. volume control and the applied system for controlling FSC claims (transfer, percentage, and/or credit system);
 - v. sales or lease and delivery;
 - vi. use of FSC trademarks (if applicable);
 - vii. outsourcing arrangements (if applicable).
 - b) Description of the identified critical control points.
 - c) Description of the applied assessment for FSC CLR risk.
 - d) Systematic presentation of findings demonstrating conformity or nonconformity to each element of all applicable FSC normative requirements.

NOTE 1: Summaries of the systematic presentation of findings demonstrating conformity or nonconformity are acceptable, as long as the critical control points are identified, and conformity to the standard sections indicated in bold is summarized in a way that allows the decision-making entity to make an informed decision on the overall conformity or nonconformity of the implemented system.

NOTE 2: In the case of multi-site and group evaluations, the audit findings are to be presented separately for each participating site.
 - e) Description and review of any complaints, disputes, or allegations of nonconformities received by The Organization and/or the certification body.
 - f) A description of any documented nonconformities (see Clause 7.4.11 of <FSC-STD-20-001 V5-0 General Requirements for Certification Bodies>).
 - g) If applicable, a systematic evaluation of The Organization's conformity with corrective actions for minor nonconformities issued by the certification body in the previous evaluation.
 - h) The certification decision.
 - i) If the certification is suspended or terminated as a result of any evaluation, the justification for this decision.
 - j) Information on FSC-certified and/or FSC Controlled Wood volumes based on The Organization's annual summary, including:
 - i. total FSC input volumes;
 - ii. total FSC sales or lease where applicable .
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- 6. Audit findings (for Organizations certified according to FSC-STD-40-006)**
- a) Brief description of the system by which The Organization maintains control over the CoC for all projects included in the scope of certification, covering:
 - i. management system;
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- ii. material sourcing;
 - iii. material receipt and storage;
 - iv. use of the FSC trademarks (if applicable);
 - v. control of project members.
- b) Description of the projects that have been finalized since the previous evaluation.
 - c) Name of the projects that have been selected for evaluation.
 - d) Systematic presentation of findings demonstrating conformity or nonconformity to each element of all applicable FSC normative requirements.
NOTE: In the case of multi-site and group evaluations, the audit findings are to be presented separately for each participating site.
 - e) Description and review of any complaints, disputes, or allegations of nonconformities received by The Organization and/or the certification body.
 - f) A description of any documented nonconformities (see <[FSC-STD-20-001 General requirements for certification bodies](#)>, Clause 7.4.11).
 - g) If applicable, a systematic evaluation of The Organization's conformity with corrective actions for minor nonconformities issued by the certification body in the previous evaluation.
 - h) The certification decision.
 - i) If the certification is suspended or terminated as a result of the evaluation, the justification for this decision.
-

- 7. Outsourcing (for The Organizations certified according to FSC-STD-40-004)**
 - a) Name and contact details of contractors/ sub-contractors covered by the scope of certification.
 - b) Description of the outsourced processes (e.g. planning, storage, drying).
 - c) Classification and brief description of the identified risk of the outsourced activity for each risk scenario according to Clause 12.5 & 12.6.
 - d) In the case of high-risk outsourcing:
 - i. list of contractors/ sub-contractors audited by the certification body;
 - ii. detail "high-risk" for mixing and/or FSC CLR;
 - iii. brief description of the certification body's evaluation of records of material inputs, outputs, transport documentation associated with material used in the handling/ processing of FSC-certified products during outsourcing, the number and type of interviews with personnel (including workers) and relevant documentation reviewed for FSC CLR.
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- 8. Evaluation of controlled wood requirements**
 - a) Description of the DDS, including supplier structure for each participating site:
-

according to FSC-STD-40-005

- i. exact number of suppliers and approximate or exact number of sub-suppliers⁷;
 - ii. supplier type (e.g. primary, secondary);
 - iii. average length of the uncertified supply chain(s);
 - iv. risk of mixing with non-eligible inputs.
- b) Information made publicly available by The Organization, or references to such (according to Section 6 of <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood>). This information shall be available for the period of validity of the certification.
 - c) Evaluation of justification for excluding confidential information provided by The Organization (according to Clause 6.2 d) in <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood>).
 - d) Timeline and circumstances of an extension for the period during which The Organization shall adapt the DDS to approved FSC Risk Assessments, where applicable.
 - e) Information about who has developed the DDS or elements of it, including whether the DDS was developed by an external party.
 - f) Brief description of the system developed for the evaluation of the DDS
 - g) Brief summary of findings from field verification(s) (including audits at the forest level and on-site verification of suppliers in the supply chain), with justification for the sampling rate applied in any type of field verification of the DDS.
 - h) Summary of stakeholder consultation conducted by the certification body, including:
 - i. geographical area(s) for which stakeholder consultation was conducted (e.g. geo-reference data, state, province, supply units);
 - ii. list of stakeholders invited by the certification body to participate in the consultation (identified per stakeholder group);
 - iii. summary of the stakeholder comments received. Comments shall only be published with prior consent from the consulted stakeholder and not associated with stakeholder names;
 - iv. Brief description of how the certification body has taken stakeholder comments into account.

9. Group and multi-site evaluations

- a) General description of how the CoC is controlled at the group or multi-site level.
 - b) Detailed summary of the certification body sampling process, including:
 - i. calculation of the number of participating sites sampled for the audit, according to the sampling methodology in Clause 7.7;
 - ii. name(s) of the participating site(s) audited by the certification body.
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⁷ Suppliers and sub-suppliers are defined in <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood>.

c) Explicit statement of the specified annual growth limit of the group or multi-site certification determined according to Clause 7.1.

10. Evaluation of supplier audit programme for reclaimed materials

- a) Brief description of The Organization's verification programme for reclaimed materials.
- b) List with the name(s) and contact details of the supplier(s) evaluated by the certification body.
- c) Brief description of the certification body's field evaluation of each supplier.
-

11. Annexes

Annexes may include any additional information which supports or confirms the findings or recommendations of the auditor (e.g. photos, copies of invoices, bills of lading).

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Annex 2: List of Documentation and Records in Chain of Custody Audit Processes

Informative Guidance 5.

The list below provides references to requirements as included in <FSC-STD-40-004 Chain of Custody Certification>, <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood>, and <FSC-STD-40-006 FSC Standard for Project Certification>. References are put in brackets at the end of each requirement for the specified standard. This is not an exhaustive list. The certification body is not required to limit the audit to the documents and records listed here.

1. The certification body shall audit the following documents and records, to assess conformity with the applicable FSC normative requirements:

Requirements from <FSC-STD-40-004 V4-0 Chain of Custody Certification>

- a) Documentation of implemented management systems applicable to the certification scope [1.2]
- b) Management structure and personnel responsibilities [1.2 a), c)]
- c) Product group lists [1.2 e), 2.3]
- d) Training records [1.2 d), e), 8.1 c)]
- e) Purchase and sales or lease documents, including delivery documentation [1.2 e), 3.3, 5.3, 6.1, 6.4]
 - i. Material accounting records [1.2 e), 5.3]
 - ii. Record of annual summaries [1.2 e), 5.5]
- f) Records of FSC trademarks' approvals [1.2 e)]
- g) Records of suppliers [1.2 e), 3.1, 3.2]
- h) Records of complaints [1.2 e), 1.3]
- i) Records of outsourcing agreements and procedures [1.2 e), 13.6, 13.7]
- j) Records of control of non-conforming products [1.2 e), 1.4, Annex 2]
- k) Documentation that occupational health and safety practices and FSC core labour requirements are developed and implemented [8, Annex 3]
- l) Documentation of key processing steps including related management systems and conversion factors [5.1, 5.2]

Requirements for group and multi-site certification

- a) Documented procedures of the central office [18.1.2 a), 18.1.4, 18.2.3]
- b) Capacity of the central office to manage the certification, including tools and human resources [18.1.2 b), 18.2.2, 18.3.1]
- c) Consent form or contract with participating sites, where applicable [18.1.3]
- d) Records of changing certification status (including new sites and removal of sites from the certification scope and suspension of participating sites) [18.6]
- e) Records of participating sites, including scope, responsibilities, staff headcount, and forest products turnover [18.2.5]
- f) Non-conformities issued by the central office, including follow-up and evidence for closure [18.4.10 c)]
- g) Records of central office managers' and internal auditors' qualifications [18.2.2, 18.2.6 d), 18.3]
- h) Training records [18.2.4, 18.2.6 c), 18.3.3]

- i) The central office's audit programme implementation [18.4]
- j) Formal documents and procedures provided to the participating sites by the central office [18.5]
- k) FSC trademark use by the central office [1.2 e), vi.]

Requirements for sourcing reclaimed materials

- a) Documented procedures and verification records for sourcing reclaimed materials [1.2 e), 16.2 - 16.5]
- b) Documentation, monitoring records and evidence of eligibility of sourced materials [16.2 - 16.4]
- c) Records of actions taken to correct cases of deviation [16.2 c)]
- d) Documentation of the Supplier Audit Programme [16.11, 16.12]

Requirements from <FSC-STD-40-006 V2-0 FSC Standard for Project Certification>

- a) Documented scope of project certification [1.1]
- b) Documented procedures or work instructions for uncertified project members and participating sites [1.4]
- c) Training records [1.5, 1.6]
- d) Project drawings and/or project specifications [1.6]
- e) Records of FSC trademarks' approvals [1.6]
- f) Records of complaints [1.6, 1.9]
- g) Agreement with uncertified project members [3.2]
- h) Records of the FSC percentage for each project (percentage claims) [4.3 c)]
- i) Records of suppliers [4.7]
- j) Suppliers' sales documents, including delivery documentation [1.6, 4.8]
- k) Records of control of non-conforming products [5.2]
- l) Project statements [7.1]

Requirements from <FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood>

- a) Records related to a due diligence program for controlled material [FSC-STD-40-004 V4-0, 1.2 e)]
- b) Documented due diligence system (DDS) and a written summary of the DDS [1.1, 5, 6, 7]
- c) Records of internal audits to the DDS [1.7, 1.8, 1.9]
- d) Documentation on material information [2]
- e) Documentation on the risk assessment [3]
- f) Documentation on the risk mitigation [4]

Annex 3: List of Locations and Sites for Evaluation in Chain of Custody Audits

Informative Guidance 6.

The list indicates locations to be considered in the auditing process. Sampling approaches for specific situations still apply and are described in this standard at the level of the site ([Section 6](#)), sampling of group and multi-site certification ([Section 7](#)), sampling for the supplier programme for reclaimed materials ([Section 8](#)), selection of sites for project certification ([Section 9](#)), stakeholder engagement and DDS evaluation ([Section 10](#) and [Section 11](#)), evaluation of contractors under outsourcing agreements ([Section 12](#)).

The list does not prescribe that each location or site must be audited during each evaluation; this is regulated in the main body of this standard, based on the applicable standards with related documents and locations to be considered during evaluation. When selecting specific locations for evaluation, the certification body may prioritize sites that reflect different levels of risk for conformity.

This is not an exhaustive list, nor is the certification body required to limit the audit to the locations listed here.

1. The certification body shall audit the following locations, to assess conformity with the applicable FSC normative requirements:
 - a) Sites included and performing any activity within the scope of the certification, such as purchasing, processing, storing (for incoming and outgoing materials/ products), labelling and invoicing of products;
 - b) Participating sites (applicable to The Organization applying Section 18 of [<FSC-STD-40-004 V4-0 Chain of Custody Certification>](#));
 - c) Suppliers/ sub-suppliers, when sourcing uncertified materials (applicable for users of [<FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood>](#));
NOTE: Field verification (audits at the forest level and on-site verification of suppliers/ sub-suppliers) may be required according to Clause 11.1 b) of this standard.
 - d) Project(s) site(s) and project members (applicable to The Organizations applying [<FSC-STD-40-006 FSC Standard for Project Certification>](#));
 - e) Suppliers/ sub-suppliers, when a supplier audit programme is in place when sourcing reclaimed materials (applicable to The Organization applying Section 16 of [<FSC-STD-40-004 V4-0 Chain of Custody Certification>](#));
 - f) Contractors/ sub-contractors being used for outsourcing (under an outsourcing agreement if applicable following the requirements in [Section 12](#)).

Annex 4: Determination of Audit Time and Minimum Audit Duration

1. The certification body shall determine the audit duration in accordance with Annex 2, Annex 3 and the requirements in this Annex, including Table 3 below with due consideration to the factors listed in Clause 3 of this Annex and the following:
 - a) initial audit and scope changes/ extensions;
 - b) number and diversity of FSC product groups;
 - c) complexity of the production processes;
 - d) size of the site (and participating sites) which can be determined by e.g., the number of employees (full-time equivalent), production volumes or forest product turnovers;
 - e) communication effectiveness (e.g. language);
 - f) organizational structure and control of documented information;
 - g) number and type of deviations/ nonconformities from the previous audit;
 - h) multi-site organizations where some requirements can be assessed at the central office level (including situations of multi-legal entity production site); and
 - i) sites with labour-intensive simple repetitive processes, based on a risk assessment.

NOTE 1: Audit days cover the entire audit process, from opening meetings to audit closing meeting.

NOTE 2: Audit days are the total of all auditors' days, reflecting the sum of full-time equivalents (FTE). The calculation is based on 8- hour working days.
2. The certification body procedure for calculating the audit time shall consider the following audit aspects:
 - a) Conducting the opening meeting (including scope confirmation and any possible changes);
 - b) Conducting the audit with the following elements:
 - i. CoC management system (procedures, responsibilities, complaints, labelling, analysis of open corrective actions, etc.)
 - ii. Resource management (H&S, FSC CLR, training, infrastructures, etc.)
 - iii. Production (from material reception to dispatch)
 - iv. Commercialization (sourcing, sales, leasing, material accounting)
 - c) Conducting the closing meeting;
 - d) Consideration of travelling to and between locations and sites;
 - e) Collecting and verifying information;
 - f) Review of open corrective actions; and
 - g) Reviewing, analysing and compiling audit findings.
3. The certification body procedure for calculating the audit time shall consider the following factors:
 - a) Number of sites;
 - b) Historical performance of The Organization (e.g. number and type of nonconformities in critical control points);
 - c) Complexity of scopes (e.g. sourcing of uncertified materials, reclaimed materials, outsourcing, high risk supply chains, complexity of individual project);
 - d) Complexity of the management system;
 - e) Number and complexity of processing steps;
 - f) Distance between sites (travelling to and between sites);

- g) Open corrective actions (former audit findings);
- h) Number and nature of complaints and remarks from stakeholders;
- i) Records of non-conforming products; and
- j) Identified 'high risk' assessed through risk identification assessment (see Annex 4, <u>FSC-STD-20-001 V5-0 General requirements for certification bodies</u>).

Table 3. Matrix for calculation of audit duration

Certification scope	Minimum audit duration in days for main evaluations, surveillance evaluations and re-evaluations	References
FSC-STD-40-004 Baseline for chain of custody	<p><u>FTEs of employees</u> Up to 250 – 1.0 baseline 250 to 500 – plus 0.25 500 to 1000 – plus 0.5 >1000 – plus 0.75</p> <p><u>Trader without physical possession</u> - minus 0.5 <u>Trader with physical possession</u> –minus 0.25</p>	
Multi-site and Group	Normal-risk participating site – plus 0.25 (per site)	Section 7
	High-risk participating site – plus 0.5 (per site)	
High-risk Outsourcing	High-risk outsourcing - plus 0.25 (per contractor)	Section 12
High risk regions, supply chains, material	High risk – plus 0.25	
FSC-STD-40-005 (Controlled Wood)	FSC Risk Assessments – negligible risk – plus 0.25 (per country)	Section 11
	FSC Risk Assessments – non-negligible risk – plus 0.5 (per country)	
	Extended Company Risk Assessment (ECRA) – Varies according to scope, scale, intensity and risk	
	Field verification – TBD depending on cases (plus ≥0.25)	
	Stakeholder consultation – plus 0.5	Section 10
Reclaimed Material	Supplier Audit Programme – plus 0.25 (per supplier)	Section 8
FSC-STD-40-006	<p><u>One-time project certification</u> Main evaluation 0.5 Final evaluation 1.0 (*)</p>	Clause 9.1

<p>Baseline for Project Certification</p>	<p>Uncertified project members – plus 0.25 (per project member) (*) Minus 0.25 if individual art or decorative object</p> <p><u>Continuous project certification</u></p> <p>Baseline 1.0 Plus 0.5 (per project site)</p>	<p>Clause 9.2</p> <p>Clause 9.3</p>
<p>Regulatory Module FSC-STD-40-004r or FSC-STD-40-006r</p>	<p>Apply same duration as in FSC-STD-40-005 (CW)</p>	

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Annex 5: Remote and Hybrid Audit

1 Main evaluation and re-evaluation

- 1.1 The certification body shall conduct all main and re-certification evaluations on-site, except for
- a) traders without physical possession; or
 - b) traders with physical possession where storage or logistic activities are outsourced (e.g. port storage or forwarding), provided that there is no risk of mixing, which may be evaluated remotely.

2 Other evaluations (e.g. surveillance, expansion of scope)

- 2.1 The certification body may conduct all audits as remote or a hybrid audit other than the one specified in Clause 1.1 above, provided the conditions in this section are met.
- 2.2 For a remote or hybrid audit, the certification body shall ensure that both the certification body and The Organization have:
- a) secure and confidential access for document sharing and review and workers' interviews; and
 - b) access to information and communication technology (ICT).

Remote audit

- 2.3 The certification body may conduct evaluation of low-risk organizations as specified in Table 4 using a remote audit 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 The Organization regarding the activities within the scope of certification and the certification body is aware of;
 - b) The Organization does not have history of major nonconformities in the past three (3) years that would have required on-site visit to evaluate the implemented corrections and corrective actions; and
 - c) The Organization does not have False Claims registry in the current certification cycle.

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

Hybrid audit

- 2.4 The certification body may conduct evaluation of not at low-risk organizations using a hybrid audit method. Provided that the conditions in Clause 2.2 of this Annex are met, aspects of the CoC evaluation that can be evaluated remotely, may be conducted accordingly.

NOTE: Any site or organization not included in the Table 4 is considered not at low-risk.

- 2.4.1 When conducting a hybrid audit, the certification body shall allocate sufficient amount of time to the on-site audit to ensure that the objectives of the audit are met.

NOTE: For a hybrid audit, activities that may need to be audited on-site can be interviews with staff, controlled wood field audit, material handling and segregation, supplier audit for reclaimed material or any other activity that the certification body cannot evaluate remotely.

Table 4 Low-risk Organizations/sites

Certificate holder type	Low risk
Traders	<ul style="list-style-type: none"> a) Without direct physical possession (e.g. sales office) b) With physical possession of finished and FSC labelled products c) With physical possession of semi-finished products with FSC label or products which are palletised or otherwise maintained as a secure unit
Processors	<ul style="list-style-type: none"> a) Physical possession and transformation of products take place through FSC-certified contractors b) Sites/ Sub-sites exclusively handling FSC-claimed material or claim contributing material (or both), physical segregation is not required c) Sites/ Sub-sites without direct physical possession (e.g. sales office) d) Sites/ Sub-sites with physical possession of finished and FSC labelled products e) Sites/ Sub-sites with physical possession of semi-finished products with FSC label or products which are palletised or otherwise maintained as a secure unit
Projects	<ul style="list-style-type: none"> a) Single delivery of materials to the projects and all project members supplying FSC-certified products b) Sites without direct physical possession (e.g. sales office) c) Sites with physical possession of finished and FSC labelled products d) Sites with physical possession of semi-finished products with FSC label or products which are palletised or otherwise maintained as a secure unit

Annex 6: Addressing Non-conforming Products

1 Detecting and Recording False Claims

1.1 Upon detection or notification of a False Claim and following the assessment of the root cause analysis undertaken by The Organization, the certification body shall classify the False Claim as either a:

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

1.2 For the classification of a False Claim, the certification body should consider the root cause analysis and other plausible sources of information as well, in particular information provided by FSC or ASI.

NOTE: As a result of an FSC/ASI assessment, the False Claim may be reclassified.

1.3 The certification body shall register the False Claim either as new or under an existing False Claim on the FSC certification database as part of a Transaction Verification finding.

NOTE: In case of a certification transfer, this information will be kept in The Organization's entry in the FSC certification database by the preceding certification body.

1.4 The certification body shall record and register all relevant information (i.e. details of the non-conformity, root cause analysis, the classification together with its rationale as well as relevant evidence) in English to the FSC certification database within thirty (30) days from the time of sharing the evaluation report.

NOTE: For classification of the False Claim as deliberate, FSC/ASI will review the root cause analysis and any other relevant information and evidence to confirm the classification.

1.5 For group and multi-site certification, the certification body shall review the root cause analysis and:

- a) if the analysis establishes that the False Claim was made due to a failure at the central office level, the False Claim shall be registered at the central office level;
- b) if the analysis establishes that the False Claim was made due to a failure at the participating site(s) level, the False Claim shall be registered only to the respective participating site(s).

2 Responses to False Claims

2.1 The certification body shall:

- a) after two (2) non-deliberate False Claims in five (5) years, designate The Organization as 'high-risk' and apply the requirements in Annex 4 of <FSC-STD-20-001 V5-0 General Requirements for Certification Bodies>;
- b) after three (3) non-deliberate False Claims in five (5) years, conduct additional unannounced evaluations. These audits shall take place within a period of three (3) to nine (9) months following the regular surveillance audit, for the duration specified in <FSC-PRO-10-003 Calculating Financial Penalty/Compensation Fee and Processing Evidence for Blocked Organizations>.

Consultation note: Procedure <FSC-PRO-10-003 Calculating Financial Penalty/Compensation Fee and Processing Evidence for Blocked Organizations> will be updated to reflect the changes made in FSC-STD-40-004 V4-0 and this standard.

2.2 Upon confirmation from FSC regarding the classification of a False Claim as deliberate, the certification body shall:

- a) suspend or withdraw all FSC certifications of the Blocked organization;
- b) update the FSC certification database to indicate the Blocked organization's certification status as 'Suspended and Blocked' or 'Terminated and Blocked' as per Clause 7.11.10 of <FSC-STD-20-001 V5-0 General requirements for certification bodies>;

NOTE: In case The Organization had entered into an electronic Trademark Licensing Agreement, FSC will update the certification status directly.

- c) inform the Blocked Organization of its suspension and Blocked/ withdrawal and Blocked status as per Clause 7.11.11 of <FSC-STD-20-001 V5-0 General requirements for certification bodies>.

NOTE: FSC only has the right to block The Organization.

3 Addressing Inaccurate Claims

3.1 The certification body shall treat inaccurate claims according to Section 16 of this standard.



FSC International – Policy and Performance Unit

Adenauerallee 134

53113 Bonn

Germany

Phone: +49 -(0)228 -36766 -0

Fax: +49 -(0)228 -36766 -65

Email: policy_performance@fsc.org