



Standard

CHAIN OF CUSTODY CERTIFICATION

FSC-STD-40-004 V4-0 D2-0 EN



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

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

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

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

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

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

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

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A. SCOPE

The standard <FSC-STD-40-004 Chain of Custody Certification> is the core standard for FSC Chain of Custody (CoC) certification. It specifies the requirements which apply to all CoC-certified and applicant organizations with respect to the:

- a) sourcing, transforming, trading, and distribution of forest-based products sold with an FSC claim; or
- b) provision of services as FSC-certified.

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

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

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

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

1. Which products or materials need to be certified?

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

1.1 Products containing forest-based material without a functional purpose

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

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

1.2 Products mixed with neutral and forest-based material

For products that contain a combination of neutral (i.e. materials originating outside of a forest such as glass, metal, plastic, etc.) and forest-based material, FSC CoC requirements apply only to the forest-based components.

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

For products that contain a combination of wood-based components (e.g. wood, paper) and non-timber forest products (NTFPs) (e.g. resin, natural oils), the wood-based components must be certified and the NTFPs can be uncertified (except for cork, bamboo and rattan) provided that the FSC label clearly specifies

the FSC-certified wood-based components of the product (e.g. a wooden chair made of FSC-certified wood and uncertified latex pads).

2. Which organizations need FSC CoC certification?

2.1 FSC CoC certification required

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

- a) Selling a product with an FSC claim on the sales documents.
- b) Provision of services (e.g. leasing certified products) with an FSC claim on the invoices.
- c) Applying FSC trademarks (e.g. on-product or promotional use).

Exception: organizations (e.g. retailers) may be permitted to promote finished and FSC-labelled products without having FSC CoC certification, provided that they have a valid FSC promotional licence agreement.

2.2 FSC CoC certification not required

CoC certification is not required for organizations who, without taking legal ownership of the material/products, provide one (1) or more of the following services to certified organizations.

- a) Agents or auction houses who arrange the trade of certified products between a buyer and seller, and take physical possession (but not legal ownership) of the certified products.
- b) Providers of logistics services who transport, temporarily store or warehouse FSC-certified products without changing their composition or physical integrity.
- c) Contractors operating under an outsourcing agreement in accordance with Section 13 of this standard.

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

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

3. Structure of this standard

This standard is divided into four (4) parts.

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

For group and multi-site certification, the central office is the certificate holder and is required to conform to Section 1, parts of Section 2, Section 17 and Section 18 of this standard. The participating site is required to conform to the applicable requirements in this standard according to their scope of activity.

The Organization sourcing reclaimed materials for use in FSC product groups or certified projects is required to conform to Section 16 of this standard.

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

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

B. References

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

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

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

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

FSC-STD-50-001	Use of the FSC® Trademarks by Certificate Holders
FSC-STD-40-005	Requirements for Sourcing FSC Controlled Wood
FSC-STD-40-004r	Regulatory Module – Chain of Custody Certification

Verbal forms for the expression of provisions:

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

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

C. Abbreviations

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

Part 1: Universal Requirements

1 CoC management system

- 1.1. The Organization shall have a valid certification status and Licence Agreement for the FSC Certification Scheme (TLA) in order to use FSC claims and FSC trademarks and shall commit to the FSC values as defined in <FSC-POL-01-004 Policy for Association>.
- 1.2. The Organization shall implement and maintain a CoC management system adequate to its size and complexity to ensure its continuous conformity to all applicable certification requirements. At a minimum, The Organization shall:
- a) appoint a management representative who has overall responsibility and authority for The Organization's conformity to all applicable certification requirements;
 - b) implement and maintain up-to-date documented procedures covering the certification requirements applicable to the scope of certification;
 - c) assign key personnel responsible for the implementation of each procedure;
 - d) train staff on the up-to-date version of The Organization's procedures to ensure their competence in implementing the CoC management system; and
 - e) maintain complete and up-to-date records of the documents that are relevant to demonstrate The Organization's conformity to all applicable certification requirements, which shall be retained for a minimum period of five (5) years. At a minimum, The Organization shall keep records of the following documents, as applicable to the certification scope:
 - i. procedures;
 - ii. product group lists;
 - iii. training records;
 - iv. purchase and sales or lease documents;
 - v. material accounting records and annual summaries;
 - vi. trademark approvals;
 - vii. records of suppliers (including verification records);
 - viii. complaints;
 - ix. outsourcing agreements;
 - x. control of non-conforming products;
 - xi. records of internal audits for group and multi-site;
 - xii. supplier audit programme and verification records for reclaimed material; and
 - xiii. records related to a due diligence programme for controlled material.
- 1.3. The Organization shall ensure that complaints received regarding The Organization's conformity to the requirements applicable to the certification scope are adequately considered. At a minimum, The Organization shall:
- a) acknowledge receipt of the complaint to the complainant within two (2) weeks of receiving the complaint;
 - b) investigate the complaint and specify its proposed actions in response to the complaint within three (3) months. If more time is needed to complete the investigation, the complainant and The Organization's certification body shall be notified;

- c) take appropriate action with respect to complaints and any deficiencies found in processes that affect conformity to the certification requirements; and
 - d) notify the complainant and The Organization's certification body when the complaint is considered to be successfully addressed and closed.
- 1.4 The Organization shall ensure that any non-conforming products are identified and controlled to prevent their unintended sale and delivery with FSC claims. The Organization shall implement the requirements specified in Annex 2 in case it sells or receives non-conforming products.
- 1.5 The Organization shall provide the certification body with all necessary assistance to verify its conformity to the requirements of this standard. At a minimum, this includes:
- a) granting access to premises and making documentation and records available;
 - b) facilitating the review of corrective measures implemented in response to identified nonconformities, inaccurate claims and False Claims (as specified in Annex 2);
 - c) providing samples of FSC transaction data to support transaction verification conducted by the certification body and/or Assurance Services International (ASI), upon request by the certification body; and
 - d) supporting fibre testing conducted by its certification body and ASI by surrendering samples and specimens of materials and products, and information about species composition, for verification upon request.

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

- 1.6 The Organization producing or trading high-risk material as defined by FSC shall use FSC's traceability system for transactions of these materials.

NOTE 1: Information on 'high-risk', including its definition, can be found on the 'Chain of Custody Hub' website. Clause 1.6 is not applicable to 'high risks' related to core labour requirements.

NOTE 2: The use of FSC's traceability system may occur by providing transaction data directly into the system or by using other systems that meet FSC traceability system requirements. To support conformity with these requirements, FSC provides a traceability system designed to record and track transactions across FSC certified supply chains.

Consultation note:

FSC's traceability system is designed to ensure transparency and conformity with FSC requirements. The system will record data across FSC-certified supply chains, to support this outcome.

Use of the system is voluntary for all Certificate Holders, except for those within the scope of Clause 1.6, for whom it is mandatory. The system may be utilized to support conformity with applicable requirements, including, but not limited to, supplier verification, accounting records and the preparation of annual summaries.

FSC is developing guidance on the application of this technology, which will include clarification on mandatory data collection points and their respective applications.

2 Establishment of the scope of activities

Establishment of operational model

- 2.1 The Organization shall define its CoC operational model (i.e. single, multi-site, or group), using the eligibility criteria specified in Section 17 of this standard.

Establishment of product groups

Applicability

The Organization is required to establish product groups and define the scope of activities to include in its certification scope.

According to Clause 2.3, The Organization is required to include in their product groups only the products and species that are feasible to be supplied with FSC claims (e.g. having a supplier for that product; having sourced or sold that product since the last assessment by the certification body). Any product included should also be commercially and legally viable:

- Commercially viable: actual trade/ processes, realistic market or customer demand; operational capacity to supply with an FSC claim.
- Legally viable: species-specific regulations, trade restrictions or import/export rules.

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

For service providers that do not handle any specific product groups (e.g. warehouses), it is acceptable that “output product” is not defined.

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

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

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

Eligible input materials can be either:

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

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

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

One (1) or more of the following is considered an indicator of a change of output product characteristics.

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

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

FSC output claims and 'add-on' claims

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

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

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

FSC output claim	Control Systems			Eligible inputs
	Transfer system	Percentage system	Credit system	
FSC 100%	✓	N/A	N/A	Exclusively FSC 100%
FSC CFM	✓	✓ (see Clause 2.7)	✓ (see Clause 2.7)	One (1) or both of: FSC 100%, FSC CFM. NOTE: In case Clause 2.7 applies, eligible inputs can be the same eligible inputs as FSC Mix x%.
FSC Mix x%	✓	✓	N/A	One (1) or more of the following: FSC 100%, FSC CFM, FSC Mix x%, FSC Mix Credit, FSC Recycled x%, FSC Recycled Credit, controlled material, FSC Controlled Wood, FSC Pre-consumer Credit, FSC Pre-consumer x%, pre-consumer reclaimed, post-consumer reclaimed.
FSC Mix Credit	✓	N/A	✓	Same as for "FSC Mix x%".

FSC Recycled x%	✓	✓	N/A	One (1) or more of the following: FSC Recycled x%, FSC Recycled Credit, FSC Pre-consumer Credit, FSC Pre-consumer x%, pre-consumer reclaimed, post-consumer reclaimed.
FSC Recycled Credit	✓	N/A	✓	Same as for "FSC Recycled x%".
FSC Pre-consumer x%	✓	✓	N/A	One (1) or more of the following: FSC 100%, FSC CFM, FSC Mix x%, FSC Mix Credit, FSC Recycled x%, FSC Recycled Credit, controlled material, FSC Controlled Wood, FSC Pre-consumer Credit, FSC Pre-consumer x%, pre-consumer reclaimed, post-consumer reclaimed.
FSC Pre-consumer Credit	✓	N/A	✓	Same as for "FSC Pre-consumer x%".
FSC Controlled Wood	✓	✓ (see Clause 2.7)	✓ (see Clause 2.7 and 11.10)	One (1) or more of the following: FSC 100%, FSC CFM, FSC Mix x%, FSC Mix Credit, controlled material, FSC Controlled Wood, FSC Recycled x%, FSC Recycled Credit, FSC Pre-consumer Credit, FSC Pre-consumer x%, pre-consumer paper, pre-consumer+, post-consumer reclaimed.

NOTE 1: For finished and labelled products, "FSC Mix" and "FSC Recycled" (i.e. without x% or credit) are also eligible inputs as per Clause 6.2.

NOTE 2: FSC claims may be abbreviated provided that the abbreviation of FSC claims is clearly defined in The Organization's documented procedures, and the unabbreviated FSC claim is provided to customers through supplementary documents, as defined in Clause 6.4.

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

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

2.6 The Organization shall use the 'add-on' claim in combination with the applicable FSC claim. The first part shall be the FSC claim, followed by the 'add-on' claim, separated by a forwarded slash (e.g. FSC 100% / Regulatory or FSC 100% / ES 1.1).

NOTE 1: The Organization cannot pass the REG+ Claim without including the FSC Regulatory Module in its certification scope. However, it can still receive input material with Regulatory+ Claim and downgrade it to the Regulatory Claim.

NOTE 2: The categories and impacts of ecosystem services (ES) claims are specified in <FSC-PRO-30-006 Ecosystem Services Procedure: Impact Demonstration and Market Tools>

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

'Add-on' claims	Transfer system	Percentage system	Credit system	Eligible inputs
Regulatory+ (or REG+)	✓	N/A	N/A	Regulatory+ (REG+)
Regulatory (or REG)	✓	✓	✓	'Regulatory+ (REG+)' and/or 'Regulatory (REG)'
Ecosystem Services Claims (ES X.X)	✓	N/A	N/A	FSC 100%/ ES X.X

Ecosystem Services Claims

2.6.1 When passing an ecosystem services (ES) claim, The Organization shall include the forest management certification code from the management unit from which the ES claim originates.

NOTE: FSC 100% material may carry more than one ES claim.

2.6.2 When mixing FSC 100% input materials, if the input materials carry numerous ES claims, the applicable output ES claim shall solely be one that all of the input materials carried.

EXAMPLE: If input material A carries the FSC claims 'FSC 100%/ ES1.1, ES1.2, ES 2.1' and input material B carries the FSC claims 'FSC 100%/ ES 1.1, ES1.2, ES 3.1', the output claim will be 'FSC 100%/ ES 1.1, ES 1.2' (and not 'ES2.1' or 'ES3.1').

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

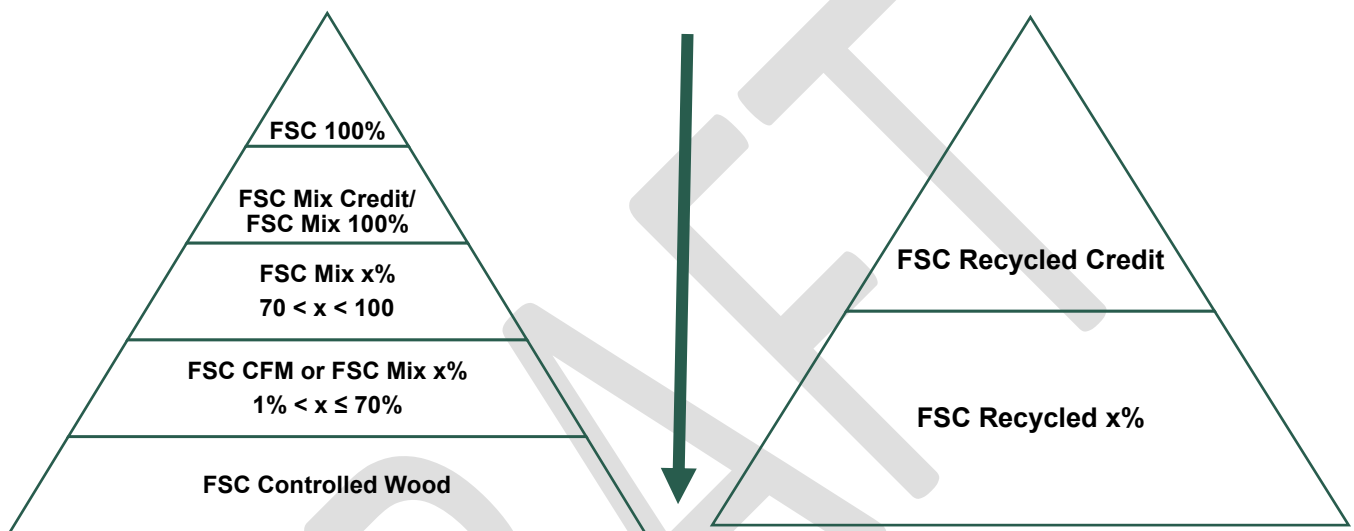


Figure 1. Rules for downgrading FSC output claims.

2.8 The Organization may opt to claim products which are exclusively made of reclaimed materials (FSC Recycled Credit/x%) as FSC Mix (Credit/x%).

2.9 The Organization sourcing uncertified reclaimed material for use in FSC product groups shall conform to the requirements in Section 16.

2.10 The Organization that reclaims materials from primary or secondary processing at their own site may classify the material as the same or lower material category as the input from which it was derived.

NOTE: Materials reclaimed from the secondary processing of eligible inputs may be classified as pre-consumer reclaimed material. This is not applicable to materials that are discarded by a manufacturing process but can be reused by being incorporated back into the same manufacturing process that generated it.

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

3 Material sourcing

3.1 The Organization shall maintain up-to-date information about all suppliers who are supplying materials used for the product groups, including names, certification code(s) (if applicable), and materials supplied.

- 3.2 The Organization shall regularly verify the product groups' scope and the validity of the FSC certification of its active suppliers through the FSC certification database (FSC Search), in order to detect any changes that might affect the authenticity of the supplied products.

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

- 3.3 The Organization shall check the supplier's sale or delivery (or both) documentation to confirm that:
- a) the supplied material type and quantities are in accordance with the supplied documentation;
 - b) the FSC claim is specified for each product item or the total products; and
 - c) the supplier's FSC CoC certification code is included.

- 3.4 In cases where the FSC claim or FSC CoC certification code (or both) could not be provided through the sales or delivery documentation, The Organization shall check the relevant supplementary documentation provided by its supplier.

- 3.5 The Organization may classify material held in stock at the time of the main evaluation by the certification body, or material received between the date of the main evaluation and the date The Organization's FSC CoC certification is granted, as an eligible input, provided that The Organization is able to demonstrate that the material meets the requirements in Section 3 and Section 4 of this standard.

4 Material handling

- 4.1 The Organization shall implement one (1) or more of the following segregation methods in cases where there is a risk of non-eligible inputs entering product groups.
- a) Physical separation of materials.
 - b) Temporal separation of materials.
 - c) Identification of materials.

Take-back

Box 2.

The requirements below (Clauses 4.2 – 4.3) apply to The Organization that collects and reintroduces FSC-claimed product(s) into the supply chain after the sale of the product(s). Products for which there has been the inclusion of non-eligible inputs or a change in product type by the customer are not eligible for resale with FSC claims.

- 4.2 The Organization shall ascertain the eligibility of FSC-claimed product(s) for reintroduction into the supply chain after take-back. The Organization shall assess the eligibility of take-back product(s) according to the following criteria:
- a) product identification:
 - i. product is identifiable based on objective evidence;

- ii. the identified product, including its FSC claim, is in accordance with existing records (e.g. sales records, order confirmations, product description, photographic records); and

b) product condition: there is no inclusion of non-eligible inputs or change in product type.

NOTE 1: Objective evidence for product identification can include fixed tags, labels, barcodes, microchips, QR codes, Radio Frequency Identification (RFID), serial numbers.

NOTE 2: Activities such as assembly, the inclusion of eligible spare parts provided by The Organization to customers, the replacement of screws, cleaning, and other minor maintenance that does not introduce non-eligible inputs or change the product type are acceptable.

4.3 The Organization may modify, carry out maintenance, and repair eligible products taken back. Only eligible inputs shall be used in the modification, maintenance or repair of products.

NOTE: Such activities may result in changes to product types, in which case the requirements in Section 2 apply accordingly. Input volumes used for modification, maintenance and repair are required to be included in the annual summary.

5 FSC material and product records

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

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

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

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

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

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

5.5 The Organization shall prepare reports of annual summaries in the measurement unit commonly used by The Organization (e.g. m², m³, number of items), covering the period since the previous reporting period, demonstrating that the quantities of output products sold or leased with FSC claims are compatible with the quantities of inputs, any existing inventory, their associated output claims, and the conversion factor(s) by product group.

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

- 5.5.1 The Organization with take-back or leasing in the scope of activities shall ensure that quantities of products sold or leased and those returned are reconciled to avoid inaccuracies in the annual summary.

6 Sales

- 6.1 The Organization shall ensure that sales documents (physical or digital) issued for products sold with FSC claims include the following information:
- name and contact details of The Organization;
 - information to identify the customer, including name and address (except for sales to end-users);
 - date of issuance;
 - product name or description;
 - quantity of product(s);
 - The Organization's FSC CoC certification code associated with FSC-claimed products; and
 - the applicable FSC claim for each product item or the total products.
- 6.2 The Organization selling or leasing finished and FSC-labelled products (e.g. retailers, furniture rental companies, publishers) may omit the percentage or credit information in sales or lease documentation (e.g. using the FSC Mix claim only instead of FSC Mix 70% or FSC Mix Credit).
- 6.3 If the sales documentation issued by The Organization is not included with the shipment of the product, the related delivery documentation shall include the same information as required in Clause 6.1 and a reference linking it to the sales documentation.
- 6.4 If The Organization is unable to include the FSC claim (or only able to include an abbreviation) or the FSC CoC certification code in sales or delivery documents (or both), the required information shall be provided to the customer through supplementary documentation (e.g. supplementary letters). In this case, The Organization shall obtain permission from its certification body to implement supplementary documentation in accordance with the following criteria:
- there shall exist clear information linking the supplementary documentation to the sales or delivery documents;
 - there is no risk of the customer misinterpreting which products are or are not FSC-certified in the supplementary documentation; and
 - where sales documents contain multiple products with different FSC claims, each product shall be cross-referenced to the associated FSC claim provided in the supplementary documentation.
- 6.5 The Organization that supplies custom manufactured FSC products (e.g. woodworkers, building contractors, construction companies), and that does not list the FSC-certified products on the sales documents as required by Clause 6.1, may issue supplementary documentation to the sales document issued for custom manufacturing or other related services. The supplementary documentation shall include the following:
- reference information sufficient to link the service invoice(s) to the supplementary documentation;
 - a list of the FSC-certified components used with the related quantities and FSC claims; and
 - The Organization's FSC CoC certification code.

6.6 The Organization selling finished and FSC-labelled products via online marketplace and not having access to their customer contact information may use a combination of existing sales and delivery documents and internal sales records to record and pass on information regarding FSC claims. In the absence of sales and delivery documents, the internal sales records shall meet the requirements of Clauses 6.1 and 6.2.

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

6.7 The Organization shall sell products that it has labelled itself, or FSC-labelled products it has sourced as certified input and recorded accordingly in an FSC product group, in accordance with clause 6.1.

6.7.1 The Organization may consider Clause 6.6 as not applicable for finished and FSC-labelled products sold to end-users not requiring the FSC claim.

6.8 The Organization shall claim products made of indistinguishable mixes of neutral and FSC 100%/ FSC Recycled material as follows:

a) as FSC 100% or FSC Recycled, only if The Organization specifies the amount of certified and neutral material on the product; or

EXAMPLE: For a product made of an indistinguishable mix of FSC-certified viscose and cotton, it can be claimed as FSC 100% if the following were specified on the product - "This product is made of [X]% FSC-certified viscose and [X]% cotton".

b) as FSC Mix Credit/ 100%.

NOTE: Clause 6.8 does not apply to inorganic (non-bio based) materials (e.g. glass, plastic, metal, glue) and organic ingredients/materials which have a different function in the product in relation to the certified ingredient.

EXAMPLE: Clause 6.8 is not applicable to a mix of FSC-certified recycled paper and inorganic glue.

6.9 The Organization shall retain responsibility (e.g. maintaining the segregation/ identification) for FSC-claimed products that have been sold but not yet shipped to the customer, and that remain in its physical possession.

7 Compliance with applicable legislation

7.1 The Organization shall ensure that the material that it sources and is included in its scope complies with applicable legislation. At a minimum, The Organization shall:

a) have procedures in place to ensure the import and/or export and commercialization of FSC-certified and controlled wood products by The Organization comply with all applicable trade and customs laws¹ (if The Organization exports and/or imports FSC products);

b) upon request, collect and provide information on species (common and scientific name) and country of harvest (or more specific location details if required by legislation) to direct customers and/or any FSC-certified organizations further down the supply chain that need this information to comply with legislation;

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

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

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

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

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

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

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

8 Health, safety, and labour requirements

Health and Safety Requirements

- 8.1 The Organization shall commit to the provision of a safe and healthy workplace adequate to the size and complexity of its operation. At a minimum, The Organization shall:
- a) appoint occupational safety and health (OSH) representative(s);
 - b) establish and implement procedures on OSH;
 - c) train workers on OSH;
 - d) provide, where necessary and at no cost to the worker, personal protective equipment (PPE) appropriate to the worker's assigned task(s); and
 - e) allow workers to freely and regularly appoint or elect their own OSH representative(s) for the purpose of consultation with management on all matters of OSH affecting the worker. Election should occur at minimum of every four (4) years. The number of representative(s) and elections should be dependent on the number of workers involved, occupational risks, and relevant national legislation.

NOTE: The function(s) of the representative(s) may include wider labour rights interests, not limited to OSH.

- 8.1.1 The Organization may provide other certifications (e.g. ISO 45001), compliance with local legislation, collective bargaining agreement(s), or other, as evidence of conformity if these meet the requirement(s) in Clause 8.1.

FSC Core Labour Requirements²

² Source: FSC report on generic criteria and indicators based on ILO Core Conventions principles (2017).

- 8.2 The Organization shall demonstrate conformity with the FSC core labour requirements (FSC CLR) (Clauses 8.3 to 8.6.6), giving due consideration to the rights and obligations established by national law, and:
- a) adopt and implement a policy (or policies) covering FSC CLR, and ensure this is made available to workers, with consideration for the language(s) understood by the workers; and
 - b) complete and maintain an up-to-date self-assessment (Annex 3), describing how it conforms with any FSC CLR classified as “high-risk” on the FSC CLR Risk Matrix. This shall be signed or approved by a responsible person.
- 8.2.1 The Organization with no workers, that consists solely of owner(s) or employer(s) (e.g. one-person company, family-run company without workers, director-only company without workers), is exempt from requirements in Clause 8.2, provided that it has no workers and does not engage in any outsourcing agreement with an uncertified entity with workers.
- 8.2.2 The Organization conforming to a valid FSC-approved verification scheme is exempt from Clause 8.2 b) (i.e. self-assessment). In this case, The Organization shall:
- a) provide related verification scheme records to the certification body; and
 - b) inform the certification body of any change to the validity of the Organization’s conformity to the verification scheme.
- 8.3 The Organization shall not use child labour.
- 8.3.1 The Organization shall not employ workers below the age of fifteen (15) years old, or below the minimum age as stated under national, or local laws or regulations, whichever is higher, unless exceptions in Clause 8.3.2 apply.
- 8.3.2 If The Organization is located in a country where the minimum working age is defined below fifteen (15) years old, The Organization should only employ workers aged between thirteen and fifteen years old (13-15) in light work, if the work meets all of the following conditions:
- a) it does not interfere with compulsory education laws, including mandatory schooling hours;
 - b) it is not detrimental to the health or development of the child; and
 - c) it occurs only during normal daytime working hours.
- 8.3.3 The Organization shall not employ workers below the age of eighteen (18) (i.e. young workers) in hazardous or heavy work, unless this is for training purposes in accordance with approved national laws and regulations.
- 8.3.4 The Organization shall prohibit the ‘worst forms of child labour’, as defined in the Terms and Definitions.
- 8.4 The Organization shall eliminate all forms of forced and compulsory labour.
- 8.4.1 The Organization shall establish employment relationships that are voluntary and based on mutual consent, without the threat of a penalty.
- 8.4.2 The Organization shall ensure that there is no evidence of any practices indicative of forced or compulsory labour, including, but not limited to, the following:
- a) physical and sexual violence;
 - b) bonded labour;
 - c) withholding of wages/including payment of employment fees and or payment of deposit to commence employment;
 - d) restriction of mobility/movement;

- e) retention of original passport or identity documents; or
 - f) intimidation and threats, including threat of denunciation to the authorities.
- 8.5 The Organization shall ensure that there is no discrimination in employment and occupation (i.e. practices are non-discriminatory).
- 8.6 The Organization shall respect freedom of association and the effective right to collective bargaining.
- 8.6.1 The Organization shall ensure that workers are able to establish or join worker organizations of their own choosing.
- 8.6.2 The Organization shall ensure workers' representatives (including trade union representatives) have physical access to workers, including provision of information on the workers' location(s), where such access allows for exchange of information with workers.
- NOTE: The exercise of this right by representative(s) is with due respect to rights of property and management, not at the detriment of the efficient functioning of The Organization, and with consideration of any other existing legal and/or regulatory requirements or binding written agreement(s).
- 8.6.3 The Organization shall respect the full freedom of workers' organizations to draw up their constitutions and rules.
- 8.6.4 The Organization shall respect the rights of workers to engage in lawful activities related to forming, joining or assisting a workers' organization, or to refrain from doing the same, and will not discriminate or punish workers for exercising these rights.
- 8.6.5 The Organization shall negotiate with lawfully established workers' organizations and/or duly selected representatives in good faith and with the best efforts to reach a collective bargaining agreement.
- 8.6.6 The Organization shall implement collective bargaining agreements where they exist.

Part 2: FSC Control Systems

9 Transfer system

Box 3. Transfer system application

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

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

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

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

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

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

	FSC 100%	FSC CFM	FSC Mix Credit	FSC Mix X%	FSC Recycled Credit	FSC Recycled X%	FSC Pre-consumer Credit	FSC Pre-consumer X%	Pre-cons. reclaimed wood	Pre-cons. reclaimed paper, pre-consumer+	Post-cons. reclaimed wood and paper	FSC Controlled Wood and controlled materials
FSC 100%	FSC 100%		FSC Mix Credit		FSC Mix Credit		FSC Mix Credit		No FSC claims allowed	FSC Mix 100%		FSC Controlled Wood
FSC CFM	FSC CFM		FSC Mix X%		FSC Mix X%			FSC Mix 70%				
FSC Mix Credit	FSC Mix Credit		FSC Mix Credit		FSC Mix Credit		FSC Mix Credit	FSC Mix Credit				
FSC Mix X%			FSC Mix X%					FSC Mix X%				
FSC Recycled Credit	FSC Mix Credit		FSC Mix Credit		FSC Recycled Credit		FSC Recycled Credit	FSC Recycled Credit				
FSC Recycled X%			FSC Mix X%			FSC Recycled X%		FSC Recycled X%				
FSC Pre-consumer Credit	FSC Mix Credit		FSC Mix Credit		FSC Recycled Credit		FSC Recycled Credit	FSC Recycled Credit				
FSC Pre-consumer X%								FSC Recycled X%				
Pre-cons. reclaimed wood	No FSC claims allowed											
Pre-cons. reclaimed paper, pre-consumer+	FSC Mix 100%	FSC Mix 70%	FSC Mix Credit	FSC Mix X%	FSC Recycled Credit	FSC Recycled X%	FSC Recycled 100%	FSC Recycled X%	FSC Recycled 100%			
Post-cons. reclaimed wood and paper												
FSC Controlled Wood and controlled materials	FSC Controlled Wood										FSC Controlled Wood	

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

EXAMPLE 1: Mixing FSC Mix 80% and FSC CFM under the transfer system has the output claim of FSC Mix 70%.

EXAMPLE 2: Mixing FSC Mix 60% and FSC CFM under the transfer system has the output claim of FSC Mix 60%.

10 Percentage system

Box 4. Percentage system application

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

The percentage system can be applied to FSC Mix, FSC Recycled or FSC Pre-consumer product groups at the level of site for single certification or participating site for multi-site certification (and, if applicable, sub-sites).

The percentage system cannot be applied to the following activities:

- a) Sale of products with the FSC 100% and FSC CFM output claims;
- b) Trade and distribution of finished products (e.g. paper merchants);
- c) Trade without physical possession;
- d) Trade and processing of NTFPs, except for bamboo and NTFPs derived from trees (e.g. cork, resin, bark, rubber/ latex).

- 10.1 The Organization shall specify claim periods or job orders for each product group, for which a single FSC percentage claim shall be made.
- 10.2 The Organization shall use the percentage claim or credit claim stated on the supplier's sales documentation to determine the quantity of claim-contributing inputs.

NOTE: The amount of contribution from each FSC material category is according to [Table 6](#) in the definition of claim-contributing input.
- 10.3 The Organization may apply the percentage system at the level of multiple sites within the same product group. For a cross-site percentage system, The Organization shall calculate the percentage as an average FSC percentage (FSC%) of the inputs received by all sites and shall meet the following conditions:
 - a) all sites and subsites shall be within the scope of a single or multi-site certification with a common ownership structure;
 - b) all sites shall use a harmonized data management system that ensures consistent input/output recording and calculation;
 - c) each site participating in a cross-site percentage calculation shall not operate in a supply chain or region designated by FSC as having a 'high risk' (except for the risks related to FSC CLR); and
 - d) each site participating in a cross-site percentage calculation shall maintain a site-specific FSC% of at least 50%.
- 10.4 The Organization shall calculate the FSC% for each product group based on:
 - a) the input to the same claim period or job order (single percentage); or
 - b) the input to a specified number of previous claim periods (rolling average percentage).

- 10.5 The Organization shall ensure that the time period over which the input percentage is calculated does not exceed 12 months, unless otherwise warranted by the nature of the business and approved by The Organization's certification body.
- 10.6 The Organization using the single percentage method may apply the calculated FSC% to the FSC claim of the output products produced either during the same claim period/ job order or in the following claim period.
- 10.7 The Organization using the rolling average percentage method shall apply the calculated FSC% from the specified number of previous claim periods to the FSC claim of the output products produced in the following claim period.
- 10.8 The Organization applying the FSC percentage in the following claim period according to Clauses 10.7 and 10.8 shall ensure that fluctuations in the supply of input materials are not used to increase the amount of output products sold with FSC claims.
- 10.9 The Organization can sell the total output of a claim period or job order with an FSC Mix or FSC Recycled percentage claim that is identical to or lower than the calculated FSC%.

11 Credit system

Box 5. Credit system application

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

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

The credit system cannot be applied to the following activities.

- a) Sale of products with the FSC 100% and FSC CFM output claim;
- b) Trade and distribution of finished products (e.g. paper merchants);
- c) Trade without physical possession;
- d) Print processes;
- e) Trade and processing of NTFPs, except for bamboo and NTFPs derived from trees (e.g. cork, resin, bark, rubber/latex).

Establishment of the credit account

- 11.1 The Organization shall set up and maintain an FSC credit account for each product group, according to which additions and deductions of FSC credits shall be recorded.
- 11.2 The Organization shall maintain credit accounts of either input materials or output products.
- NOTE: A single input credit account may be established for multiple product groups if the input material for all product groups is similar.
- 11.3 The Organization may apply the credit system at the level of multiple sites within the same product group within the scope of the FSC CoC certification. For a centralized credit account, The Organization shall meet the following conditions:
- a) all sites and sub-sites shall be within the scope of a single or multi-site certification with a

common ownership structure;

- b) all sites and sub-sites shall use a harmonized data management system that ensures consistent input/ output recording and calculation;
- c) each site and sub-site participating in a centralized credit account shall not operate in a supply chain or region designated by FSC as having a 'high risk' (except for the risks related to FSC CLR); and
- d) each site and sub-site participating in a cross-site credit account shall provide at least 10% of the input credits used by its own site in a rolling 12-month period.

Credit account administration

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

NOTE: The amount of contribution from each FSC material category is according to [Table 6](#) in the definition of claim contributing input.

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

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

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

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

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

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

Sale of outputs with credit claims

11.8 The Organization shall deduct the corresponding credit amount from its FSC credit account upon the sale of products.

11.9 The Organization shall only sell products with FSC credit claims if there are credits available in the corresponding credit account.

Part 3: Supplementary Requirements

12 FSC labelling

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

Table 4. FSC claims and corresponding FSC labels

FSC Claims	FSC label
FSC 100%	FSC 100%
FSC Mix percentage of at least 70%	FSC Mix
FSC Mix Credit	FSC Mix
FSC CFM	FSC Mix
FSC Recycled wood - percentage of at least 70% post-consumer reclaimed or pre-consumer+ or FSC Pre-consumer \geq 70%	FSC Recycled
FSC Recycled paper - no threshold applies	FSC Recycled
FSC Recycled Credit	FSC Recycled

- 12.2 Where FSC-certified products/components are used as part of manufacturing a different product by uncertified organizations, FSC Trademarks shall only be used on the product part itself.

13 Outsourcing

General requirements

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

NOTE 1: The Organization's outsourcing activities are subject to risk assessment and sampling by the certification body for auditing purposes.

NOTE 2: Purchasing, invoicing, development of the DDS and other activities related to management system are not considered outsourcing activities and need to be audited by the certification body.

- 13.2 The Organization may exempt storage sites or logistic activities (e.g. forwarding) from outsourcing agreements, for finished and FSC-labelled products or products marked in a way that the contractor cannot alter or exchange products (e.g. heat brand, printed materials).

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

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

- 13.4 The Organization shall inform its certification body, prior to outsourcing activities to a new contractor, about the outsourced activity, name, and contact details of the contractor, unless the contractor is FSC-certified and has such activities and product groups included in its certification scope.
- 13.5 The Organization shall not outsource activities within the scope of its FSC CoC certification to:
- a) organizations listed in the FSC certification database as ‘suspended and blocked’ or ‘terminated and blocked’; or
 - b) disassociated organizations listed in the FSC website in accordance with the <FSC-POL-01-004 Policy for Association>.

Organizations outsourcing activities to uncertified contractors

- 13.6 The Organization shall establish an outsourcing agreement with each uncertified contractor, specifying that the contractor shall:
- a) conform to all applicable certification requirements and The Organization’s procedures related to the outsourced activity;
 - b) not make any use of the FSC trademarks outside the scope of the outsourcing agreement (e.g. on the contractor’s products or website);
 - c) not further outsource any activity unless:
 - i. to an FSC-certified organization, and inform The Organization; or
 - ii. The Organization establishes a tri-party agreement (with the same provisions as the outsourcing agreement) or an equivalent mechanism between The Organization, the primary contractor, and the subcontractor;
 - d) accept the right of The Organization’s certification body to audit the contractor, and for ASI to conduct an audit for up to one year after the termination of the contract; and
 - e) conform to FSC core labour requirements, as provided in Clauses 8.2 – 8.6.6.
- 13.7 The Organization shall ensure that its uncertified contractor(s) have documented procedures in place that cover the following:
- a) the certified and controlled material under the contractor’s responsibility shall not be mixed or contaminated with any other material during the outsourced activity;
 - b) the contractor shall keep records of all material covered by the outsourcing agreement, including inputs, outputs, and delivery documentation of both the contractor and contracting The Organization; and
 - c) if the contractor applies the FSC label to the product on behalf of The Organization, the contractor shall only label the eligible products covered by the outsourcing agreement.
- 13.8 The Organization shall describe how its uncertified contractor with an outsourcing agreement conforms with any FSC CLR classified as “high-risk” on the FSC CLR Risk Matrix, and:
- a) include its contractor within its Organization’s FSC CLR self-assessment; or
 - b) refer to the contractor’s own FSC CLR self-assessment within The Organization’s self-assessment.
- 13.8.1 The Organization may exempt any uncertified contractor with an outsourcing agreement from requirements in Clause 13.8 if the requirements in Clause 8.2.1 or Clause 8.2.2 apply to the contractor.

- 13.9 The Organization may provide and make available to the certification body documentation and records of a second-/third-party audit. The certification body can use this to determine the risk classification of the outsourcing agreement, only if the audit meets all the following criteria:
- a) the audit demonstrates conformance to each “high-risk” FSC CLR (see Clauses 8.3 – 8.6.6);
 - b) the audit is conducted at least every calendar year;
 - c) the audit findings and documentation are made available to the certification body for review; and
 - d) the audit includes worker interviews that maintain worker confidentiality.

NOTE 1: Provision of this evidence can be used by the certification body to approve a ‘low-risk’ classification, where the FSC CLR Risk Matrix classifies the country or territory where the contractor is located as ‘high-risk’ for one (1) or more FSC CLR. There is no mandatory provision to have a second-/third-party audit.

NOTE 2: Informative guidance on conducting second-party audits can be found in <ISO 19011:2018 Guidelines for auditing management system>.

14 FSC-certified Organizations Providing Services

Applicability

The requirements in this section apply to The Organizations that provide services related to FSC-certified product groups. The Organization may obtain FSC CoC certification for the purpose of providing services to other parties, or for acting as a contracted service provider, provided that all applicable FSC CoC certification requirements are met, including the requirements specified under Clauses 14.1 and 14.2.

Examples of services may include, but are not limited to:

Printing, packaging and labelling, custom cutting and wood processing services, sawmilling operations, wood drying, slicing or peeling of logs into veneer sheets, surface coating and impregnation, storage and warehousing services.

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

15 Leasing FSC-certified Products

Applicability

The requirements in this section apply to The Organization that lease FSC-certified products to customers for temporary use, while retaining legal ownership of the products. Sub-leasing is possible, provided that the customer is FSC-certified.

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

- 15.1 The Organization shall ensure that the leased product is identifiable based on objective evidence and remains as such throughout its use.
- NOTE: Objective evidence for product identification can include fixed tags, labels, barcodes, microchips, QR codes, Radio Frequency Identification (RFID), serial numbers.
- 15.2 The Organization shall assess the eligibility of the returned leased product for re-lease according to the following criteria:
- a) product identification:
 - i. product is identifiable based on objective evidence;
 - ii. the identified product, including its FSC-claim are in accordance with existing records (e.g. lease invoice, order confirmation, product description, photographic records); and
 - b) product condition: there is no inclusion of non-eligible inputs or change in product type.
- NOTE: Products for which there is inclusion of non-eligible material, or for which there is no objective evidence for identification, are not eligible for re-lease with FSC claims.
- 15.3 The Organization may modify, carry out maintenance, and repair leased products. Only eligible inputs shall be used in the modification, maintenance or repair of the leased product.
- NOTE: Such activities may result in changes to product types, in which case the requirements in Section 2 apply accordingly. Input volumes used for modification, maintenance and repair of products are required to be included in the annual summary.
- 15.4 The Organization shall ensure that lease documents (physical or digital) issued for products leased with FSC claims include the following information:
- a) name and contact details of The Organization;
 - b) information to identify the customer, including name and address;
 - c) date of issuance;
 - d) product name or description (including means of product identification);
 - e) quantity of products leased;
 - f) The Organization's FSC CoC certification code; and
 - g) the FSC claim for each leased product (or the total products).
- 15.5 The Organization shall establish a lease agreement with its customers, specifying that the customer shall:
- a) not include non-eligible input materials or change the product type;
 - b) not relabel, remove permanent FSC labels or other identifiers;

- c) not further lease the products to other parties (except FSC-certified organizations); and
- d) not make use of the FSC trademarks without having a valid FSC license.

NOTE: Activities such as assembly, the inclusion of eligible spare parts provided by The Organization to customers, the replacement of screws, cleaning, and other minor maintenance that does not introduce non-eligible inputs or change the product type are acceptable.

16 Sourcing reclaimed materials

Applicability

This Section is applicable to The Organization that intends to or sources uncertified reclaimed materials for use in FSC product groups in accordance with this standard, or in an FSC-certified project according to <FSC-STD-40-006 FSC Chain of Custody Standard for Project Certification>.

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

The following materials are not considered eligible as reclaimed material inputs:

- a) Materials that are discarded by a manufacturing process but that can be reused by being incorporated back into the same manufacturing process that generated it;
- b) Co-products;
- c) Forestry residues;
- d) Forest-based salvaged wood;
- e) Non-forest-based wood;
- f) Materials for food or medicinal purposes.

Purchasing reclaimed materials

16.1 The Organization shall ensure that reclaimed material inputs purchased without FSC claims conform to FSC definitions for pre-consumer (including pre-consumer+) or post-consumer reclaimed materials.

Suppliers' validation and monitoring

16.2 The Organization shall validate and monitor its suppliers of reclaimed materials to ensure that the supplied materials conform to FSC definitions. The Organization shall:

- a) maintain records and define the necessary actions, documentation and objective evidence needed to demonstrate that materials purchased from each supplier are eligible. At a minimum, this shall include:
 - i. the name and address of the supplier;
 - ii. supplier activity (e.g. collector from point of reclamation, trader, processor);
 - iii. the reclaimed material category(ies) to be supplied;
 - iv. the level of control required as specified by Causes 16.3 – 16.12 below;
- b) monitor the conformance of suppliers; and
- c) take correction and corrective actions (e.g. requesting for the correction of purchase documentations, temporary or permanent invalidation of the supplier when there is non-conformance).

Material verification and categorization

16.3 The Organization shall verify all reclaimed materials upon receipt and categorize them as pre-consumer, or post-consumer reclaimed material.

16.4 The Organization shall retain objective evidence for each supply, confirming that the materials conform to FSC definitions.

NOTE: Evidence may include official reclaimed paper classification and assortment systems, material samples, photographs, quality and content analysis reports, invoices, delivery notes and shipping documents.

16.5 The Organization shall take one of the following actions upon receipt of materials containing a mixture of post-consumer and pre-consumer reclaimed materials:

- a) categorize the full amount of material as pre-consumer reclaimed; or
- b) analyse and confirm the quantities of pre-consumer and post-consumer material in the mix received. In this case, The Organization shall:
 - i. request its suppliers to declare in writing the quantities of post-consumer and pre-consumer material in each material mix supplied; and
 - ii. include the supplier in its supplier audit programme.

Supplier audit programme

16.6 The Organization shall implement a supplier audit programme if:

- a) the categorization of reclaimed materials as post-consumer or pre-consumer cannot be demonstrated through objective evidence upon receipt; or
- b) Clause 16.5 b) is applicable.

16.7 The Organization shall conduct at least an annual on-site audit of suppliers included in the supplier audit programme (including overseas suppliers), based on the following sampling formula:

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

where:

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

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

16.8 The Organization may exclude suppliers from the audit sample (x) that have been audited by its certification body or another FSC-accredited certification body in the last 12-month.

16.9 The Organization shall ensure that the overall sample selected is representative in terms of:

- a) geographic distribution;
- b) activities and products; and
- c) scale of operation and volume of reclaimed materials supplied.

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

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

16.10 The Organization shall ensure that when a supplier selected for auditing sells reclaimed materials previously handled by other parties, the entire supply chain is audited back to the point where their categorization as pre-consumer or post-consumer materials can be demonstrated through objective evidence.

16.11 The Organization shall verify the supplier's documentation and obtain other objective evidence regarding the supplied material categorization, quantity and conformance to FSC definitions.

NOTE: A declaration from the supplier, even if part of the contractual agreement, is not considered sufficient proof of the origin and material category. However, it can be used as supplementary evidence to demonstrate that the material conforms to FSC definitions.

Informative guidance 1

The Organization can check the following:

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

16.12 The Organization shall document the supplier audits, including a record of the audit date, the audit findings in relation to the requirements in Clause 16.11, the names and qualifications of the auditors and examples of any evidence collected to verify the categorization of materials.

Part 4: Operational Models (Single, Multi-Site, Group)

17 Eligibility criteria for CoC operational models

17.1 All sites included in the scope of certification shall conform to:

- a) Parts 1 - 3, and Annexes 1 - 3 of this standard; and
- b) for multi-site and group CoC certification, Section 18 and Annex 4 of this standard.

Single certification eligibility criteria

17.2 The Organization is eligible for a single CoC certification with one (1) site (acting as the certificate holder) and optional sub-sites in the scope. The certificate holder is responsible for purchasing, making FSC claims in sales documents, and the use of FSC Trademarks.

Multi-site certification eligibility criteria

17.3 The Organization (acting as the central office) may establish a multi-site CoC certification if its scope of certification includes two (2) or more sites or legal entities (referred to as 'participating sites') that conform to the following criteria:

- a) all participating sites and The Organization that holds the certification are linked through a common ownership; or
- b) all participating sites:
 - i. have a legal and/or contractual relationship with the central office;
 - ii. have common operational procedures beyond those related solely to certification (e.g. same production methods, same product specifications, integrated management software); and
 - iii. are subject to a centrally administered and controlled management system established by The Organization, including:
 - centralized purchase or sales function of forest products; or
 - operation under the same brand name (e.g. franchise, retailer).

17.4 The central office shall have the authority, responsibilities, and enforcement rights necessary to oversee and act upon the activities of participating sites.

17.5 The following organizations are not eligible for multi-site CoC certification:

- a) organizations that do not have authority over the admission or removal of participating sites from the certification scope.
- b) associations.
- c) non-profit organizations that have for-profit members.

Group certification eligibility criteria

17.6 The Organization (acting as the central office) may establish a group CoC certification that includes two (2) or more independent legal entities (referred to as 'participating sites') that conform to the following criteria:

- a) each participating site shall have:
 - i. staff headcount of up to 49 full-time equivalent (FTE) persons; or

- ii. maximum total annual turnover³ of USD 10,000,000.
- b) all sites shall be located in the same country as the central office; and
- c) all sites operate under a common CoC management system that is subject to continuous surveillance by the central office.

NOTE 1: Total annual turnover refers to the total annual revenue (gross annual sales) from all goods and services of a participating site, derived from the sale of goods, less trade discounts, VAT, and other sales-based taxes. The reference period is the most recently completed fiscal year. The total annual turnover is calculated based on the commercial activities of enterprises, not considering non-profit organizations (e.g. The Organization offering sheltered workshops for disabled people or prison workshops for prison labour).

NOTE 2: The turnover threshold specified in Clause 17.6 a) ii. is adapted every five (5) years in line with the inflation adjustment applied to <FSC-POL-20-005 Annual Administration Fee (AAF)>, to maintain consistency and reflect economic changes over time.

18 Multi-site and group CoC certification

18.1 Administrative requirements

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

³ For the United States of America, it refers to the Forest Products Turnover (FPT).

- 18.1.5 All participating sites shall be subject to the central office audit programme (in accordance with Clause 18.4), unless the certification body is auditing all participating sites (100% audit sampling) during each evaluation.
- 18.1.6 The central office shall remove a participating site under the following conditions:
- a) within seven (7) days from the audit closing meeting, if the participating site has five (5) or more major nonconformities issued by the central office or certification body; or
 - b) within three (3) months, if the participating site has held the 'transitional' status for twelve (12) months and still does not conform to the group eligibility criteria in accordance with Clause 18.6.5.
- 18.1.7 Upon detection or notification of a False Claim (in accordance with Clause 1.4 and [Annex 2](#)), the central office shall notify the certification body within seven (7) days and maintain records of that notice.

Informative guidance 2

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

The central office is exempt from implementing an annual audit programme if the certification body conducts annual audits of all Participating Sites (i.e. 100% audit sampling) – Section 18.4 is not applicable. However, an audit of the central office by the certification body will always be conducted.

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

18.2 Central office's management system

- 18.2.1 For group certification, a central office applying for initial entry into the FSC system may include up to one hundred (100) participating sites within the group at the time of certification.
- 18.2.2 The central office shall assign a certification manager with legal or management authority and the technical support necessary to implement the responsibilities specified in this standard and manage the number of participating sites.
- 18.2.3 The central office shall develop, implement, and maintain documented procedures covering the applicable requirements of this standard, including procedures for inclusion and removal of participating sites.
- 18.2.4 The central office shall ensure that a training programme for participating sites is established, implemented, and maintained that enables them to meet the requirements of this standard.
- 18.2.5 The central office shall maintain records of all participating sites under the scope of certification, including each participating site's:
- a) product group list;

- b) contact information (name, phone number, email address, physical address);
- c) appointed CoC representative;
- d) date of entry into the multi-site or group CoC certification;
- e) date of withdrawal from the scope of certification;
- f) sub-certification code issued;
- g) indication if the participating site meets any of the following criteria:
 - i. apply a due diligence system according to <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood Standard>;
 - ii. perform a supplier audit programme for reclaimed materials according to Section 16;
 - iii. outsource to an uncertified contractor with an outsourcing agreement classified as 'high-risk' in accordance with the certification body's classification; or
 - iv. are operate in a supply chain or region designated by FSC as having a 'high risk';
- h) indication if the participating site has signed a declaration stating that no material has been FSC labelled, sourced as controlled material, or sold with an FSC claim since its most recent audit (internal or external), if applicable;
- i) if applicable, contractors listed in the certification scope; and
- j) if applicable, sub-sites.

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

- a) if applicable (as required in Clause 18.1.3), the signed 'consent form' or contract of each participating site;
- b) records of all central office's audits, including nonconformities identified and actions taken to correct them, and the central office's annual review of its audit programme (in accordance with Clauses 18.4.9 - 18.4.11);
- c) training provided by, or on behalf of, the central office, and participation therein; and
- d) records of the central office's auditors and their qualifications.

18.3 Central office's qualifications

18.3.1 The central office shall have the professional experience, knowledge, competence, and the technical support or resources to manage the certification according to scope, scale, intensity, and risk.

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

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

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

- 18.3.3 The central office shall ensure that the central office auditors are trained to audit participating sites in accordance with the latest version of the applicable certification requirements and any relevant central office procedures.
- 18.3.4 For group and multi-site certifications with more than twenty (20) participating sites, where the participating sites are not linked through common ownership, the central office auditors shall be:
- a) in possession of a formal ISO 9001, ISO 14001, or ISO 45001 lead auditor certificate achieved through a recognized⁴ accredited training course;
 - b) in possession of a lead auditor training certificate provided by an FSC-accredited training provider; or
 - c) acting as a central office's auditor by the time this standard reaches the end of its transition period.

18.4 Central office audit programme

18.4.1 The central office shall conduct an initial audit of each applicant prior to their inclusion as a participating site within the certification scope, to ensure conformity with all applicable certification requirements and any additional requirements established by the central office.

18.4.2 The central office shall conduct one (1) annual audit of each participating site, including sub-sites, and a sample of its contractors in accordance with [Annex 4](#) of this standard, to evaluate the conformity with the certification requirements and any additional requirements established by the central office.

NOTE: The contractor's risk classification is determined by the certification body.

18.4.3 The central office may waive the annual audit for the participating site that signs a declaration stating that no material has been FSC-labelled, sourced as controlled material, or sold with an FSC claim since its most recent audit (internal or external), unless the participating site operates in a supply chain or region designated by FSC as having a 'high risk'.

18.4.4 The central office shall review records starting from the date of the site's most recent internal or external audit to verify the declared period of inactivity when auditing a site that was previously granted a waiver from the annual audit.

18.4.5 The central office shall not waive more than two (2) consecutive annual audits for each participating site.

18.4.6 The central office shall determine the appropriate audit methods to evaluate all applicable requirements, including consideration of specified and unspecified risks in the business sector and geographical region. Remote and hybrid audits may be conducted under the conditions specified in [Annex 4](#).

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

18.4.7 For the evaluation to include new participating sites, the central office may apply the remote audit method. However, in this case, the central office shall conduct an on-site audit within twelve (12) months from the inclusion of new participating sites, except for:

⁴ Refers to course certificates accepted by auditor registration schemes such as IRCA and Exemplar Global.

- 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.
- 18.4.8 The central office shall conduct at least one (1) on-site audit every five (5) years, 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.
- 18.4.9 The central office shall have the formal authority to issue nonconformities to the participating sites and to enforce implementation, according to the requirements specified in Annex 4.
- 18.4.10 The central office shall document each participating site's audit in a report covering, at minimum, the following information:
- a) participating site name, address audit dates, audit locations, and type of evaluation;
 - b) checklist covering the certification requirements applicable to the participating site, providing a systematic presentation of findings and demonstrating conformity or nonconformity with each requirement;
 - c) status of nonconformities issued by the certification body and/or by the central office, including nonconformities issued during the previous audit and current audit; and
 - d) summary of audit conclusions, including the decision on whether the site is eligible to be included in, or remain in, the scope of certification.
- 18.4.11 The central office shall conduct an annual management review of its audit programme and procedures. The results of all audits shall be included in the management review to ensure that the identified issues are addressed and corrected.

18.5 Provision of information and documents to participating sites

- 18.5.1 The central office shall provide each participating site with documentation specifying the relevant terms and conditions of participation and certification. The documentation shall include:
- a) the applicable FSC CoC requirements;
 - b) the documented procedure(s) of the central office;
 - c) explanation of the certification body's, ASI's, and FSC's requirements with respect to collecting and publishing information; and
 - d) explanation of any implementation of requirements with respect to participation in the certification, including:
 - i. implementation of the applicable FSC control system;
 - ii. requirement to correct nonconformities issued by the certification body or the central office within their established timelines;
 - iii. requirements related to marketing or sales of products covered by the scope of certification; and
 - iv. the use of FSC trademarks under the assigned certification sub-code.
- 18.5.2 The central office shall issue a notification to participating sites when participating sites leave the certification or cease to meet the eligibility criteria. The notification shall include:
- a) a clear statement about the status of the participating site's certification (i.e. transitional, suspended, or withdrawn);

- b) the date from which the certification status is officially changed;
- c) the rationale supporting the change in certification status, which shall include, but is not limited to, the details of any breach of the certification agreement or the demonstration of nonconformities with certification requirements (if applicable); and
- d) the requirement to stop making FSC claims and/or to withdraw all uses of the FSC trademarks if the status of the participating site is suspended or withdrawn.

18.6 Change of participating sites in the certification scope

- 18.6.1 The central office may add new participating sites to the certification scope, provided that:
- a) such additions are made at any time, within the annual growth limit defined by its certification body; or
 - b) where the number of participating sites is going to exceed the approved growth limit, the inclusion of new participating sites is made after the certification body has done an audit of the central office and a sample of new participating sites.
- 18.6.2 The central office shall verify the status in the FSC certification database before adding a new participating site to the group or multi-site certification, and shall reject:
- a) any participating site applicant that is listed as 'suspended', 'suspended and blocked', or 'terminated and blocked'; or
 - b) any participating site applicant that currently holds a valid FSC CoC certification - either as an individual certificate holder or as part of another group or multi-site certification - and has not formally ended that certification prior to inclusion.

NOTE: The termination of an existing FSC CoC certification and the inclusion of a participating site in a new group or multi-site certification may occur on the same date.

- 18.6.3 Multi-site and group CoC certification without a central office audit programme (see Clause 18.1.5 above) may only include new participating sites to the certification scope after the certification body has made its certification decision.
- 18.6.4 The central office shall submit to its certification body the internal audit report of each participating site applicant, together with a request to include the new participating site(s) in the FSC certification database.

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

Informative guidance 3

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

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

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

- 18.6.5 A participating site of group CoC certification shall be granted a 'transitional' status if it ceases to conform to the eligibility criteria due to an increase in staff headcount or turnover (see Clause 17.6).
- 18.6.6 The central office shall reassess participating sites with 'transitional' status on their eligibility for group certification twelve (12) months after the central office grants this status.
- 18.6.7 When a participating site leaves the certification or is suspended, the central office shall inform the certification body in writing within five (5) days.

18.7 Requirements for the participating site

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

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

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

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

NOTE: Some options for providing this information are included in the Box 6.

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

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

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

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

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

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

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

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

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

Box 6. Examples of evidence and supporting documentation

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

Option 1

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

Option 2

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

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

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

Option 3

A formal self-declaration that meets the following criteria:

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

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

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

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

- a) Sales tax filings;
- b) Income tax records and filings;
- c) Accounting records;
- d) Financial statements;
- e) Declaration from an accountancy firm;
- f) Management accounts showing financial general ledger coding.

Annex 2: Addressing Non-conforming Products

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

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

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

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

2. In case The Organization cannot implement either options specified in Clause 1. d) (due to lack of availability, capacity, etc.), then it shall pay a compensation fee to FSC in accordance with <FSC-PRO-10-003 Calculating Financial Penalty/Compensation Fee and Processing Evidence for Blocked Organizations>.

3. After three (3) 'non-deliberate' False Claims in 5 years, The Organization shall agree to additional unannounced evaluations for the period calculated according to <FSC-PRO-10-003 Calculating Financial Penalty/Compensation Fee and Processing Evidence for Blocked Organizations>.

NOTE 1: In case The Organization does not accept the additional unannounced evaluation, FSC will block The Organization from the FSC certification scheme for the period calculated according to <FSC-PRO-10-003 Calculating Financial Penalty/Compensation Fee and Processing Evidence for Blocked Organizations>.

NOTE 2: The first self-declared False Claim in the certification cycle will not be counted towards the 'high-risk' designation in accordance to informative guidance 4. However, this information will still be recorded in the FSC Database.

NOTE 3: Multiple incidents of False Claims may originate from the same root cause. Therefore, they will be registered as one (1) False Claim.

4. The Organization that did not produce but:

- a) received the non-conforming products: shall upon detection, implement Clause 1. a) and 1. b) of this annex, and communicate and cooperate with its supplier to recall or relabel the non-conforming products;
- b) received and sold the non-conforming products: shall implement Clause 1. a), 1.b) and 1. d) of this annex.

NOTE: In case The Organization is not able to inform its customers in seven (7) days (due to complexity of identifying the relevant customers, etc.) the certification body may extend the period up to thirty (30) days.

Informative guidance 4: False Claims Classifications

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

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

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

Non-deliberate False Claims

After two (2) 'Non-deliberate False Claims' in five (5) years (in case of group or multi-site, by the same participating site), The Organization will be designated as 'high-risk' and extra measures identified in Annex 4 of <FSC-STD-20-001 V5-0 General Requirements for Certification Bodies> apply.

After three (3) 'non-deliberate False Claims' in five (5) years, The Organization will be subject to additional unannounced evaluation. These audits will take place within a period of three (3) to nine (9) months following the regular audit, for the duration specified in <FSC-PRO-10-003 Calculating Financial Penalty/Compensation Fee and Processing Evidence for Blocked Organizations>.

Deliberate False Claims

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

After confirmation of deliberate False Claims, FSC will:

- a) suspend the Granted Rights held by The Organization according to the FSC Trademark License Agreement or terminate the FSC Trademark License Agreement, whichever is most appropriate to protect the integrity, trust and credibility of the FSC Certification Scheme as well as customers, other participating certificate holders but also FSC International;
- b) block The Organization from the FSC Certification Scheme for the period calculated in accordance with <FSC-PRO-10-003 Calculating Financial Penalty/Compensation Fee and Processing Evidence for Blocked Organizations>;
- c) inform the relevant certification body about the results of the investigation and the blocked status of The Organization.

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Annex 3: FSC Core Labour Requirements Self-Assessment

Informative guidance 5: FSC Self-Assessment

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

This covers the activities in scope of The Organization, including any outsourced activities performed by an uncertified contractor under an Outsourcing Agreement, where applicable.

If there are any update(s) made to the self-assessment by The Organization, including any update(s) regarding its uncertified contractor(s), these are to be clearly noted in the self-assessment, including proof of approval/signature and date of the most recent update(s).

Information, such as documents provided as evidence and/or details about contractors, may be referenced and provided separately.

Unless otherwise stated, all elements are mandatory.

Useful information on national labour legislation relevant to the FSC core labour requirements may be found on the International Labour Organization's (ILO) website: <https://natlex.ilo.org>. Additionally, there may be a country self-assessment template created by FSC Network Partners to use. For more information, see 'Core Labour Requirements Self-Assessment Templates': <https://connect.fsc.org/certification/chain-custody-certification>.

Declaration	
I, on behalf of [insert Organization name], hereby affirm that the following statements provided in each section of this self-assessment are true and correct to the best of my knowledge, and I acknowledge making a knowingly false statement can result in the suspension, termination, or non-issuance of the certification.	
Responsible Person Name (First name, Last name)	
Function of Responsible Person	
Signature/Proof of Approval (Ink or digital)	
Date (e.g., DD/MM/YYYY)	

Location(s)	Answers	Details
Organization location(s) (country/countries)		
Use of uncertified outsourcer(s)	<input type="checkbox"/> Yes (provide names in Details) <input type="checkbox"/> No	
Location of uncertified outsourcer(s)	<input type="checkbox"/> Located in same country as organization <input type="checkbox"/> Located in different country/countries as The Organization (provide country/countries in Details)	

Child Labour

Requirements (Clauses 8.3 - 8.3.3)

- 8.3 The Organization shall not use child labour.
- 8.3.1 The Organization shall not employ workers below the age of fifteen (15) years old, or below the minimum age as stated under national, or local laws or regulations, whichever is higher, unless exceptions in Clause 8.3.2 apply.
- 8.3.2 If The Organization is located in a country where the minimum working age is defined below fifteen (15) years old, The Organization should only employ workers aged between thirteen and fifteen years old (13-15) in light work, if the work meets all of the following conditions:
- it does not interfere with compulsory education laws, including mandatory schooling hours;
 - it is not detrimental to the health or development of the child; and
 - it occurs only during normal daytime working hours.
- 8.3.3 The Organization shall not employ workers below the age of eighteen (18) (i.e. young workers) in hazardous or heavy work, unless this is for training purposes in accordance with approved national laws and regulations.

Questions	Answers
a) Does your organization conform to Clauses 8.3 to 8.3.3?	<input type="checkbox"/> Yes <input type="checkbox"/> No (provide explanation)
b) Provide relevant documents/records that demonstrate your organization's conformance.	
c) If relevant, provide information of any legal obligation(s) preventing your organization from conforming with Clauses 8.3 to 8.3.3.	

Forced Labour

Requirements (Clause 8.4 – 8.4.2)

- 8.4 The Organization shall eliminate all forms of forced and compulsory labour.
- 8.4.1 The Organization shall establish employment relationships that are voluntary and based on mutual consent, without the threat of a penalty.
- 8.4.2 The Organization shall ensure that there is no evidence of any practices indicative of forced or compulsory labour, including, but not limited to, the following:
- a) physical and sexual violence;
 - b) bonded labour;
 - c) withholding of wages/including payment of employment fees and or payment of deposit to commence employment;
 - d) restriction of mobility/movement;
 - e) retention of original passport or identity documents;
 - f) intimidation and threats, including threat of denunciation to the authorities.

Questions	Answers
a) Does your organization conform to Clauses 8.4 to 8.4.2?	<input type="checkbox"/> Yes <input type="checkbox"/> No (provide explanation)
b) Provide relevant documents/records that demonstrate your organization's conformance.	
c) If relevant, provide information of any legal obligation(s) preventing your organization from conforming with Clauses 8.4 to 8.4.2.	

Discrimination

Requirements (Clause 8.5)

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

Questions	Answers
a) Does your organization conform to Clause 8.5?	<input type="checkbox"/> Yes <input type="checkbox"/> No (provide explanation)
b) Provide relevant documents/records that demonstrate your organization's conformance.	
c) If relevant, provide information of any legal obligation(s) preventing your organization from conforming with Clause 8.5.	

Freedom of Association and Right to Collective Bargaining

Requirements (Clause 8.6 – 8.6.6)

8.6 The Organization shall respect freedom of association and the effective right to collective bargaining.

8.6.1 The Organization shall ensure that workers are able to establish or join worker organizations of their own choosing.

8.6.2 The Organization shall ensure workers' representatives (including trade union representatives) have physical access to workers, including provision of information on the workers' location(s), where such access allows for exchange of information with workers.

NOTE: The exercise of this right by representative(s) is with due respect to rights of property and management, not at the detriment of the efficient functioning of The Organization, and with consideration of any other existing legal and/or regulatory requirements or binding written agreement(s).

8.6.3 The Organization shall respect the full freedom of workers' organizations to draw up their constitutions and rules.

8.6.4 The Organization shall respect the rights of workers to engage in lawful activities related to forming, joining or assisting a workers' organization, or to refrain from doing the same, and will not discriminate or punish workers for exercising these rights.

8.6.5 The Organization shall negotiate with lawfully established workers' organizations and/or duly selected representatives in good faith and with the best efforts to reach a collective bargaining agreement.

8.6.6 The Organization shall implement collective bargaining agreements where they exist.

Questions	Answers
a) Does your organization conform to Clause 8.6 to 8.6.6?	<input type="checkbox"/> Yes <input type="checkbox"/> No (provide explanation)
b) Provide relevant documents/records that demonstrate your organization's conformance.	
c) If relevant, provide information of any legal obligation(s) preventing your organization from conforming with Clauses 8.6 to 8.6.6.	

Annex 4: Requirements for Internal Evaluation of the Participating Sites

1 Requirements for the issuance of nonconformities by the central office

- 1.1 If the central office comes across indications of a potential conformity issue, the central office shall investigate the matter to secure evidence of conformity or lack thereof.
- 1.2 The central office shall consider a non-conformity as minor if:
 - a) it is a temporary lapse; or
 - b) it is unusual/non-systematic; or
 - c) the impacts of the nonconformity are limited in their temporal and organisational scale; and
 - d) it does not result in a fundamental failure to achieve the objective of the relevant requirement.
- 1.3 The central office shall consider a nonconformity as major if, either alone or in combination with further nonconformities, it results in, or is likely to result in a fundamental failure to achieve the objective of the relevant requirement in the participating site under the scope of the evaluation. Such fundamental failure shall be indicated by a nonconformity when any of the following applies:
 - a) continues over a long period of time;
 - b) is repeated or systematic;
 - c) affects a wide range of the production or a large proportion of workers; or
 - d) affects the integrity of the FSC system.
- 1.4 The central office's auditor shall consider the impact of a nonconformity, taking account of how it affects the integrity of the relevant supply chains for FSC-certified products and the credibility of the FSC system, when evaluating whether a nonconformity results in or is likely to result in fundamental failure to achieve the objective of the relevant requirement.
- 1.5 The central office's auditor shall present the audit findings including preliminary minor and/or major nonconformities and observations during the audit closing meeting.
- 1.6 The central office's auditor shall document a nonconformity which shall at a minimum include:
 - a) a description of the nonconformity;
 - b) the objective evidence on which the nonconformity is based;
 - c) grading of a nonconformity (minor or major);
 - d) the timeline to implement the correction; and
 - e) the timeline to implement the corrective action.
- 1.7 The central office shall, for nonconformities issued to the participating site, apply the following maximum timeline:
 - a) Major nonconformity: the participating site shall implement correction and corrective action within the timelines defined by the central office in accordance with Clause 1.8 of this Annex. The central office shall consider the nonconformity closed when both correction and corrective action have been implemented.

NOTE: A major nonconformity may require immediate action to be taken by the participating site, e.g. violation of a legal obligation, nonconforming product, or risk to the integrity of the system.

- b) Minor nonconformity: the participating site shall implement correction within the timeline defined by the central office in accordance with Clause 1.8 of this Annex. The central office shall consider the nonconformity closed when the correction has been implemented. The participating site may implement corrective action for a period of twelve (12) months.

1.8 The central office shall decide whether to include, maintain, reinstate or suspend the participating site to its certification according to the following maximum timeline:

- a) within six (6) months from the date of the internal audit closing meeting;

NOTE: This timeline also applies to a nonconformity identified in between evaluations for example because of a false claim or an investigation. In such a case the audit closing meeting may be replaced with the identification of the nonconformity.

- b) in case of occurrence of five (5) or more major nonconformity, within seven (7) days of the audit closing meeting. The auditor shall inform the participating site in the audit closing meeting about its recommendation for participating site's suspension.

1.9 The central office's auditor shall determine whether nonconformities have been appropriately implemented within their timelines. Minor nonconformities that are not closed within the established timelines shall be upgraded to major nonconformities. Participating sites that do not close major nonconformities within established timelines shall be immediately suspended from the certification scope until they are able to close the nonconformity.

1.10 The central office shall share the final evaluation report as per the timeline identified in Clause 1.8 of this Annex.

1.11 The central office shall not include participating sites that have received nonconformities during the initial audit into the scope of the multi-site or group CoC Certification until all nonconformities are closed.

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

2 Remote and hybrid audits

2.1 For a remote or hybrid audit, the central office shall ensure that both the central office and its participating site have:

- a) secure and confidential access for document sharing, review, and workers' interviews; and
- b) access to information and communication technology (ICT).

Remote audit

2.2 The central office may conduct an evaluation of participating sites that meet the criteria specified in Table 5, using a remote method, provided that:

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

- c) the participating site has not had a False Claims registry in the past five (5) years.

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

Hybrid audits

2.3 The central office may conduct an evaluation of a participating site using a hybrid audit method. Provided that the conditions in Clause 2.1 of this Annex are met, aspects of the CoC evaluation that can be evaluated remotely, may be conducted accordingly.

2.4 When conducting a hybrid audit, the central office 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 require on-site auditing can include interviews with staff, controlled wood field visit, material handling and segregation, supplier audit for reclaimed material or any other activity that the central office cannot evaluate remotely.

Table 5 Criteria for a remote audit method.

Participating site type	Eligible for remote audit
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

3 Evaluation of FSC CLR

3.1 The central office shall evaluate FSC CLR for a contractor with an outsourcing agreement classified as “high-risk” using the following approach.

3.2 The central office shall apply the FSC CLR Risk Matrix in the evaluation of the FSC CLR, unless an exemption in Clauses 8.2.1 and 8.2.2 applies.

NOTE: The ‘FSC CLR Risk Matrix’ definition is in the Terms and Definitions.

3.3 The central office shall review the participating site’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 a participating site 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”.

3.4 The central office shall apply the following evaluation for each FSC CLR based on its concluded risk classification:

- a) For any “low-risk” FSC CLR: The central office 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 central office shall conduct further evaluation for FSC CLR with a concluded risk classification of “high-risk”, following Clauses 3.5 - 3.5.1, 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 central office applies only to the FSC CLR classified as “high-risk”.

3.5 The central office shall evaluate the participating site’s conformity with the FSC CLR via documentation review and interviews with workers and other relevant personnel, where the concluded risk classification for a FSC CLR for the participating site is “high-risk”, with the number of any personnel documents reviewed to correspond with the person(s) selected for interview.

3.5.1 The central office 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 3.5.1 if the central office’s sample includes worker representative(s).

3.5.2 The central office may choose to conduct individual or group interviews, or a combination of both, provided that confidentiality can be ensured.

4 Sampling high-risk contractors

4.1 The central office shall select a sample of high-risk contractors for evaluation, and the selected sample shall result in a balanced coverage of the two risk scenarios (risk of mixing and FSC CLR).

- 4.2 The central office shall select a sample of high-risk contractors for evaluation according to the formula below. In the selection process, the central office 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, as deemed relevant by the central office (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 central office 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 participating site since the last central office or certification body's evaluation do not need to be evaluated by the central office and therefore do not need to be added to the number of contractors (x) in the formula above.

- 4.3 The central office 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.
- 4.4 In case of further outsourcing, the selection of high-risk subcontractors shall be coordinated with the selection of the high-risk contractors which have been sampled for evaluation of conformance with the FSC CoC requirements.

D. Terms and Definitions

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

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

Annual Administration Fee (AAF): The AAF is the fee charged by FSC Global Development (FSC GD) to accredited certification bodies (CBs) calculated on the basis of the respective certificate holder (CH) portfolio. The purpose of the fee is to support the service provided by FSC GD to uphold the FSC certification scheme. (Source: FSC-POL-20-005 V3-4)

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

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

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

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

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

Certification code: a code issued by the certification body and uniquely assigned to each certificate holder. For chain of custody certification, the certification code's structure is XXX-COC-#####-***

NOTE: XXX are the initials of the certification body agreed with ASI, ##### is a unique six-digit number or combination of numbers and letters, and *** is a sub-certification code issued only to the members of a group or multi-site certification and may be numbers, or upper-case letters or a combination of numbers and upper-case letters.

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

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

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

Table 6 Contribution amount of each material category

Material category	Amount of contribution
FSC 100%	Full amount
FSC Mix/ Recycled/ Pre-consumer Credit	Full amount
FSC Mix/ Recycled/ Pre-consumer x%	Same amount as X %
FSC CFM	70%
Pre-consumer reclaimed paper	Full amount
Pre-consumer+	Full amount
Post-consumer reclaimed material	Full amount
FSC Controlled Wood/ controlled material/ consumer reclaimed wood	Zero

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

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

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

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

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

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

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

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

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

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

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

Correction: immediate action to eliminate or correct a nonconformity.

NOTE: Intent of the correction is to take immediate action either to correct the nonconformity or to stop the activity that has led to the nonconformity. (Source: <FSC-STD-20-001 General requirements for certification bodies>)

Corrective action: action to eliminate the cause of a nonconformity and to prevent recurrence. (Source: <FSC-STD-20-001 General requirements for certification bodies>)

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

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

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

Discrimination: includes

- a) any distinction, exclusion or preference made on the basis of race, colour, sex, gender, religion, political opinion, national extraction, social origin, sexual orientation, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation;
- b) such other distinction, exclusion or preference which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation as may be determined by the Member concerned after consultation with representative employers' and workers' organizations where such exist, and with other appropriate bodies.

Ecosystem services claim: Assertion of a verified impact on ecosystem services, which can be used for the purpose of promotion or accessing markets for ecosystem services and may also be passed along the supply chain on sales and/or delivery documents of associated products (FSC-PRO-30-006).

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

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

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

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

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

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

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

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

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

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

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

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

Forest Products Turnover:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FSC CLR Risk Matrix: This matrix provides a risk classification per FSC core labour requirement (CLR), i.e., child labour, forced labour, discrimination, and freedom of association. For each country or territory, the FSC CLR is classified as one of the following classifications:

- a) "Low-risk";

b) “High-risk”.

A risk classification is based on existing FSC risk assessments, developed under <FSC-PRO-60-002a FSC National Risk Assessment Framework> (Indicator 2.2) or <FSC-PRO-60-006b FSC Risk Assessment Framework> (Indicators 27-32,38-39), for countries with an applicable assessment. The conclusion of the risk assessment as “low” or “negligible” results in a “low-risk” classification, and “specified” or “non-negligible” results in a “high-risk” classification. For countries without risk assessments, publicly available, international datasets and/or reports are used to provide the classification for each FSC CLR.

Consultation Note: For the purposes of this consultation, the FSC CLR Risk Matrix is made available in the supplementary documentation on the FSC Consultation Platform and CoC Hub.

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

FSC Controlled Forest Management: FSC claim for products/materials based on inputs from Controlled Forest Management (CFM) certified management units. FSC CFM has 70% claim contribution and can be sold as raw material or finished product with the applicable label ‘FSC Mix’.

FSC Controlled Wood: Material or product with the ‘FSC Controlled Wood’ claim.

FSC core labour requirements: International Labour Organization (ILO) generic criteria and indicators that are underlined in the FSC report⁵ covering fundamental principles and rights at work: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

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

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

FSC Pre-consumer: FSC claim for eligible reclaimed materials (except paper) recovered from a secondary or further downstream industry processing of one or more inputs of FSC-certified and controlled material categories. This category includes forest-based materials (i.e. wood, cork, bamboo, fibres, natural rubber) except those used for food and medicinal purposes.

Materials that are exclusively recovered from inputs of FSC Controlled Wood, controlled materials and uncertified reclaimed material are not eligible to be sold with an FSC Pre-consumer claim.

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

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

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

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

⁵ FSC report on generic criteria and indicators based on ILO Core Conventions principles, 2017.

Group certification: The certification of independent small and medium-sized enterprises that, in accordance with the eligibility criteria in Section 17 of this standard, are collectively certified under a group certification managed by a central office.

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

Inaccurate claim: FSC claim made on sales documents (physical or electronic) on products and for projects that are eligible to be claimed as being FSC-certified or FSC Controlled Wood but have been sold with the wrong claim (e.g. a 'higher').

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

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

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

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

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

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

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

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

Multi-site certification: The certification of enterprises that are linked by common ownership or legal/contractual agreements, managed under a centralized administration and internal control function. The eligibility criteria for this certification model are provided in Section 17 of this standard.

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

Neutral material: Material that comes from outside a forest (i.e. non forest-based material). Neutral materials do not include non-timber forest products, non-forest-based wood and forest-based salvaged wood. Neutral materials used in FSC product groups are exempted from CoC control requirements. Once

a non-forest-based material has been included in the scope of an FSC certification, FSC will determine and communicate when it can no longer be classified as neutral material.

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

Non-conforming product: Product or material that:

- a) does not conform to the applicable FSC certification requirements and, therefore, is not eligible to be claimed, labelled and/or promoted as being FSC-certified or FSC Controlled Wood; or
- b) is sold as FSC-certified or FSC Controlled Wood or labelled with FSC trademarks without a valid certification status; or
- c) is sold as inaccurate claims.

NOTE: Removing 'credit' or 'x%' from FSC Mix/ Recycled is not considered a non-conforming product.

Non-forest-based wood: Wood originating from outside the forest where trees were not planted or managed for commercial timber production and are diverted from the waste stream and recovered at a defined point with a documented origin. This category excludes trees from agroforestry, agriculture and from sources where ownership or legality cannot be clearly demonstrated.

For CoC controls, non-forest-based wood shall be sourced as controlled material according to <FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood Standard>.

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

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

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

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

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

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

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

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

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

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

Point of reclamation: The location, process or site where material is diverted from the waste stream from industrial, residential or municipal sources and reclaimed thereby constituting the starting point within the supply chain for reclaimed material, e.g. industrial scrap yards, MRFs, municipal waste collection centres, reclaimed material brokers).

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

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

Pre-consumer+: Officially classified pre-consumer waste material (i.e., wood, bamboo, cork, forest-based fibres, natural rubber,) that is supplied with formal waste stamps or valid legal documentation issued or recognised by a competent authority confirming such waste status. This category excludes pre-consumer paper.

Primary manufacturing: Any processing that transforms raw unprocessed forest-derived materials into other products. For wood-based materials, this includes the processing of virgin roundwood or chip materials into other products. For chip and fibre products, primary manufacturing includes the pulp and paper production from virgin roundwood or chip materials.

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

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

Product group: A product or a group of products specified by The Organization that shares the same:

- a) Product type in accordance with <FSC-STD-40-004a FSC Product Classification>;
- b) Species/ mix of species;
- c) FSC claim; and
- d) Control system.

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

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

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

NOTE: Inputs of the following materials are categorized as reclaimed material: **FSC Recycled, FSC Pre-consumer, post-consumer reclaimed, and pre-consumer reclaimed** (including **pre-consumer+**).

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

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

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

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

NOTE: In the context of this standard, documentation review is not considered part of remote audit, and therefore The Organization is not required to meet the prerequisites.

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

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

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

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

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

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

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

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

Self-declared False Claim: A False Claim is considered self-declared if The Organization:

- a) detects it in an unforced manner; and

b) notifies its certification body and all affected direct customers in writing within seven (7) calendar days of the detection and maintains records of that notice.

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

Site: A single functional unit, situated at one physical location and geographically distinct from other units. The site may perform activities within the scope of the CoC system (e.g. a purchase, production, storage, or sales facility) and can never include more than one legal entity. Contractors conducting outsourcing activities within the scope of the CoC certification (e.g. outsourced warehouses) are not considered sites.

Sub-site: A sub-site is situated at a distinct physical location (such as a separate building, facility, or registered address), but is not considered an independent site for certification purposes. Under this structure, a sub-site:

- a) operates under the same legal entity as, or under a legal agreement with, a site that works exclusively on behalf of and under the direct management of the site;
- b) is owned or leased and may be located in one or more countries, provided it is covered by legal, contractual, or equivalent arrangements that allow the site to implement, maintain, and verify conformity with the applicable FSC requirements; and
- c) may conduct activities within the scope of certification, but does not independently purchase, process, or sell FSC-certified products for the site.

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

Staff headcount: the number of full-time equivalent (FTE) persons who worked full-time within the enterprise in question or on its behalf in the last twelve (12) months. The work of persons who have not worked the full year, the work of those who have worked part-time, regardless of duration, and the work of seasonal workers are counted as fractions of the annual work unit. The staff headcount consists of all individuals working under the enterprise's direction or control whose work contributes directly to the enterprise's core operations, products, or services. This includes owner-managers and partners who regularly participate in such activities and share in the enterprise's financial benefits.

NOTE: Staff headcount excludes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a) harvesting and logging of timber or non-timber forest products;
- b) primary processing; or
- c) secondary processing (e.g. mixing, pulping, printing, combining, or chemically/ physically modifying forest-based materials).

NOTE: Installation of finished products, kiln drying of wood, labelling with FSC trademarks, the filling of packaging, re-packaging and cutting to size (provided there is no change of product type) are not considered product transformation.

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

Unannounced evaluation: evaluation or part of an evaluation that is conducted without prior notice of date and time of the evaluation to the organization.

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

Withdrawal: Revocation or cancellation of FSC certification.

Workers⁶: All employed persons, including public employees as well as 'self-employed' persons. This includes part-time and seasonal employees, of all ranks and categories, including laborers, administrators,

⁶ Definition of functions of employees such as supervisors varies from country to country. In situations where they have authority, in the interest of the employer or management to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward or discipline other employees or have responsibility to direct them, they may be non-eligible to join unions.

supervisors, executives, contractor employees as well as self-employed contractors and sub-contractors (adapted from ILO Convention 155 Occupational Safety and Health Convention, 1981).

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

Worst forms of child labour: Comprises a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced labour, including forced or compulsory recruitment of children for use in armed conflict; b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performance; c) the use, procuring or offering of a child for illicit activities, in particular for production and trafficking of drugs as defined in the relevant international treaties; d) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children (ILO Convention 182 , Article 3).

DRAFT



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