



The Chain of Custody Certification Process

The FSC System

There are two parts to the FSC system:

1. **Forest Management** certification ensures that the forest is managed to high standards covering social, environmental and economic issues.
2. **Chain of Custody** certification traces the wood from those forests through all stages of processing and distribution.

Chain of Custody

The FSC Chain of Custody (CoC) standard:

- Ensures FSC certified wood is accounted for as it passes along the supply chain;
- Ensures that when FSC certified wood is mixed with other wood, the non FSC certified wood does not come from controversial sources (see **FSC Controlled Wood**);
- Provides for use of recycled/reclaimed material (see **Recycled Material**);
- Provides a range of on-product and promotional labeling options.

Who needs FSC chain of custody certification?

Companies or individuals that process, transform, or trade (take legal ownership of) FSC-certified forest products that wish to label products with the FSC label or make product claims must have a chain of custody certificate.

How do you get a COC certificate?

1. Contact an FSC accredited certifier
FSC accredits third party companies to conduct audits. This allows FSC to maintain the independence and integrity of its policies and standards. Go to <http://www.fscus.org/certifiers/> for a list of certifiers.
2. Submit an application to the certifier
3. Complete an on-site assessment
4. Receive certification approval
5. Undergo annual audits

The Chain of Custody Standard FSC-STD-40-004

You can download a copy of the Standard from <http://www.fsc.org/134.html>. The standard sets out the requirements for achieving FSC chain of custody, including:

1. Quality systems
2. Wood and fiber sourcing
3. Production controls and record keeping
4. Labeling
5. Documentation

What is needed to earn Chain of Custody?

These are the steps needed to earn a certificate:

- Check that your suppliers have their own current FSC CC certification and that this covers the FSC certified material they are (or will be) selling to you;
- Set up your **CoC Quality Management** system as below;
- Define the **Product Groups** that will be sold with an FSC label;
- Contact a **Certification Body** (CB) to arrange an assessment.

There are four parts to the **CoC Quality Management system** that a company needs to set up:

1. **Responsibilities:** One person must be designated to take charge of the organization's compliance with the standard and all relevant staff must be aware of the requirements.
2. **Documented Procedures:** All the systems must be written up as a manual that can be shown to the CB.
3. **Training:** The CB will ask for evidence that all staff with responsibility for these areas have had training. Records must be kept.
4. **Records:** All documents relating to FSC certified product production, purchase and sales, as well as training records and copies of FSC trademark approvals (for labels and promotional purposes) must be kept for at least 5 years. An up to date list of all FSC product groups covered by the scope of the CoC must be maintained.

CHAIN OF CUSTODY CONTROL SYSTEMS AND PROCEDURES

There is not a set prescribed system. It is up to each company to set out how they will satisfy the requirements and ensure that FSC certified products are correctly labeled. The most important areas to cover are **Critical Control Points** where there is a risk of FSC and non-FSC material being mixed up. Examples of these are:

- Goods in areas where staff taking deliveries must inspect documents to make sure they include the correct information;
- Warehouses or yards where FSC certified and non-FSC certified timber or fiber, possibly of similar types, are stored;
- Packing and labeling operations where products must be given the correct FSC label.

For each Critical Control Point the company must show that the system ensures

- **Segregation:** FSC certified and non-FSC certified product lines must be separable by clear marking in storage area or in time;
- **Identification:** Batches of FSC certified material and FSC Controlled Wood must have secure markings;
- **Documentation:** Copies of sales, purchase and shipping/delivery documents covering FSC certified products must be kept.

The Standard gives further details in Part I, sections 2-5, of the requirements for identification and record keeping relating to:

- product groups, product and species classification;
- material sourcing and validation of suppliers;
- receipt and storage of materials;
- recording production volumes, conversion (waste) factors and batch length;
- information to be included on sales documents.

Transfer system

Use the Transfer System if:

- You are using 100% FSC certified wood as a raw material;
- You are using only FSC Mixed Sources raw material (from credit or percentage system);
- You are using 100% verified post-consumer reclaimed material;
- You are trading in, or packing, finished products;
- You are combining, within a single product, materials covered by different FSC claims but do not want to make complex calculations – for example, if you produce books with FSC Mixed Sources text, FSC Recycled cover and FSC 100% endpapers, you can simply use the FSC Mixed Sources label as 'lowest common denominator'.
- For more details, see Part II, section 7 of the Standard

Percentage System

Use the Percentage System if:

- You can achieve a rolling average input of *70% FSC certified (or FSC + post consumer reclaimed) material (*but see note on transitory requirements);
- You want to be able to label, or claim, all your production in that product group as FSC Mixed Sources.
- For more details, see Part II, Section 8 of the Standard.

Credit System

Use the Credit System if:

- You cannot obtain enough FSC certified (or FSC plus post-consumer) material to reach the *70% labeling threshold (*but see note on transitory requirements);
- Not all your customers want an FSC certified/FSC labeled product.
- For more details, see Part II, Section 9 of the Standard.

Note: with this system, you can only label a volume of your product group equal to the amount of FSC certified (or FSC + post consumer recycled) input. The rest can carry *no* FSC label.

Labeling



These FSC Product groups contains a mixture of FSC certified material and other controlled sources



This FSC product group contains 100% FSC certified materials



This FSC product group contains 100% post-consumer reclaimed material

Having checked that all requirements have been met, and that the products in a given product group meet the levels of FSC certified content as set out for the system being used, they may be labeled with the appropriate **FSC Label**. When you get your FSC certificate, your FSC accredited certifier will provide access to the FSC online labeling publication system (LPS) with all the label variations so you can insert your own CoC number. Each time a new pack or product label is designed, it must be submitted to the CB for approval.

NOTES, DEFINITIONS AND FURTHER INFORMATION

Certification Bodies

These are independent, professional organizations that have been accredited to carry out Forest Management and Chain of Custody certification to FSC standards. They are all monitored regularly and pay an accreditation fee for each of their clients, but are free to set their own charges. They will supply a quote, an application form and pre-assessment checklist. See to <http://www.fscus.org/certifiers/> for a list and contact details.

Chain of Custody

This is defined as 'the path taken by raw materials, processed materials or finished products from the forest to the consumer including each stage of transformation, manufacturing, storage and transport where progress to the next stage involves a change of ownership of the materials or products'.

Exceptions to Chain of Custody

These operations do not require FSC Chain of Custody

1. Companies who pack non-forest products into cartons produced by FSC certified printers, even though they may buy the cartons and sell on the packed products to the Retailer.
2. Companies who are doing work for an FSC certified company under that company's Outsourcing Policy and who do not take ownership of the products. (see **Outsourcing**)
3. Shippers or transport companies handling goods owned by a FSC CoC certified company.

FSC Claim The reference on sales documents which is used to establish the content of FSC material so that you can work out how it fits in to your FSC product groups, and which label should be applied to the finished product. This is the wording to be used on sales documents: it is NOT always the same as on the FSC on product label (see **FSC Labels** below).

- When all material is from FSC certified forests the claim is 'FSC Pure'.
- When the percentage control system is used, the claim is 'FSC Mixed' plus the actual percentage of FSC certified content. This may fall below the labeling threshold, when material is being supplied to another FSC CoC operation as input.
- When a credit system is used including virgin material, the claim is 'FSC Mixed Credit'.
- When a credit system is used including only reclaimed material, the claim is 'FSC Recycled Credit'.
- For verified post-consumer recycled material, the claim is 'FSC Recycled'
- For FSC Controlled Wood, the claim is 'FSC Controlled Wood'. No label can be used for this: it is only for sale into FSC certified operations. In a credit system, the non-FSC labeled portion can be sold as 'FSC Controlled Wood' provided that this is specified in the scope of the COC.

FSC Controlled Wood

This is a standard which controls the risk of wood from controversial forest sources entering FSC labeled product groups. There are two Controlled Wood standards, one for forest managers (FSC-STD-30-010) and one for manufacturers (FSC-STD-40-005).

The risks which must be ruled out are:

- Illegal logging
- Logging in areas where there is violation of traditional or civil rights
- Logging in forests in which high conservation values are threatened by management activities
- Logging in areas being converted from forests and other wooded ecosystems to plantations or non-forest uses

- Forests in which genetically modified (GM) trees are planted

Suppliers of FSC Controlled Wood will have a certificate in the format CB-CW/FM-1234. This is to be referenced on FSC claims and all business-to-business communication but FSC Controlled Wood cannot carry any FSC label or be advertised using FSC trademarks. A company cannot make any public claims about controlled wood.

FSC Labels

The standard FSC label which is actually applied to a product or its packaging. The labels are

- FSC 100%
- FSC Mixed Sources (with or without recycled content)
- FSC 100% Recycled

When you get your FSC certificate, your CB will provide you access to the FSC online labeling publication system (LPS) with all the label variations so you can insert your own CoC number. You will also be given access to a website where you can select the correct label online and insert your CoC number.

FSC Trademarks

The FSC 'tick tree' logo, the name Forest Stewardship Council and the initials FSC are all registered trademarks and cannot be used without permission from a CB (for COC holders) or from FSC (for all others).

Promotional use of the FSC Trademark

There are special rules governing use of the logo or mention of FSC in brochures, point of sale material, websites etc. Like on-product labels, each use must be approved by the CB. Customers of FSC certified companies who are only selling to end users do not need CoC but may obtain permission to use the FSC trademarks to promote their products from FSC US.

Minor Components

Components such as backing paper, jointing dowels etc. which form less than 1% of the total wood volume of a product are exempt from certification. If they form between 1% and 5%, and if it is not possible to find an acceptable FSC or Controlled Wood supply, you may apply for derogation through your CB. See FSC-PRO-40-004 (Version 1-0) for details. Wood face veneers and CITES listed species are however never exempt and must always be FSC certified or FSC Controlled Wood.

Multi-Site Chain of Custody Certification

This is for larger companies that have a number of sites which share the same functions, methods or procedures. The administrative requirements, plus communication with the certification body, are carried out by a designated central part of the organization. The central office is responsible for controlling the CoC systems and audits all sites annually, and the CB audits a sample dependent on the number of sites within the certificate. Sites may be identical in function (such as branches of a builders' merchant) or there may be sets of sites (for example, factories and sales offices). If a new site is added or removed the CB just has to be notified, but to add a new set of sites involves a further audit by the CB. See FSC-STD-40-003 for details.

Outsourcing

If you want another company to carry out part of the process, such as timber treatment or print finishing, then they can be included in the scope of your COC provided you retain ownership of the products throughout. The products do not have to come back to you before delivery to the customer.

Product Groups

A product group is a single product, or range of products, made from the same material inputs. The list of product groups defines the scope of the COC and appears on the certificate. Examples might be

- a range of gates in different sizes made from one species of timber;
- a range of office furniture made from the same chipboard, veneer and solid hardwood;
- a single grade of paper made from the same proportions of FSC 100% fiber and FSC Controlled Wood fiber.

Recycled Material

FSC has defined categories of recycled material, procedures used to verify the level of postconsumer content and how this may be included in FSC claims or labeled products. See the CoC Standard **FSC-STD-40-004** for details.

Small Business Group COC

This is for businesses with 15 or fewer employees (or up to 25 if turnover is less than \$1 million).

Transitory requirements

The advice note, FSC-ADV-40-004 1-0, covers two separate issues:

Chip & Fiber products have until the end of 2009 to raise their FSC content from 50% to 70%. Co-products from virgin material may be classified as controlled material until the end of 2009.

More information and support

More information can be found at the FSC-US website <www.fscus.org>. Copies of standards, policies and advice notes are on the FSC International site www.fsc.org in the Document Centre. FSC-US can provide information on where to get more help to prepare for certification. The certification bodies can also provide helpful advice.

Frequently Asked Questions

Q How much will certification cost?

A Charges vary between CBs so you should get at least two quotes.

Q I don't handle the products, do I need COC?

A Yes, if you take legal ownership of the products and issue invoices to your customers. See section on Exceptions to Chain of Custody

Q Do all our products have to be FSC?

A No, but you must make sure they cannot get mixed up.

Q We will not be taking delivery of any FSC materials yet, but can we proceed with getting COC?

A Yes. However, the CB will want to come for a brief visit once you start handling or processing FSC products to make sure your systems are working properly.

Q Our raw materials are FSC Mixed Sources. Do we have to carry out a risk assessment on the supplier's non-FSC sources?

A No. Any material supplied as FSC Mixed Sources or FSC Controlled Wood, and covered by valid certification, can go into your products without further checking.

Q Do we have to put an FSC label on our products?

A No, but they must be sold with the correct FSC claim on the sales documents. Products such as sawn timber are often not labeled.

Forest Stewardship Council-US
11100 Wildlife Center Drive Suite 100
Reston, VA 20190

Phone: 703-438-6401 Email: info@fscus.org Web: www.fscus.org