Forest Stewardship Council®


Chain of Custody Evaluations

FSC-STD-20-011 V4-2 EN

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Standard

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Contact for comments:	FSC International Center - Performance and Standards Unit - Adenaueralle 134 53113 Bonn, Germany  +49-(0)228-36766-0  +49-(0)228-36766-30  psu@fsc.org

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The Forest Stewardship Council (FSC) is an independent, not for profit, nongovernmental organization established to support environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

FSC's vision is that the world's forests meet the social, ecological, and economic rights and needs of the present generation without compromising those of future generations.

Foreword

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

Certification audits are based on the certification body's (CB's) evaluation of the means of verification for each requirement of the applicable FSC certification standards. The means of verification include a review of documentation and records, on-site observations, and interviews with managers, employees, and contractors. Audit evidence may be collected over a range of sites and using different means of verification.

This document specifies the requirements and procedures to be followed by FSC-accredited CBs (and applicant CBs) to evaluate CoC operations in order to establish their conformance to applicable certification requirements.

Version History

V1-0 Initial version, approved by the FSC Board of Directors at their 45th meeting, June 2007.

V1-1 This minor review introduced the accreditation requirements for the evaluation of minor components and supplier audit programs for reclaimed materials. This document version was approved by the FSC Board of Directors at their 46th meeting, November 2007.

V2-0 This major review introduced a number of changes in the accreditation standard, including the restructuring of the document for better clarity and simplification of the requirements, revised requirements for the evaluation of group CoC, multisite CoC, controlled wood verification programs, supplier audit programs for reclaimed materials, and CB reporting requirements. The revised standard was approved by the FSC Board of Directors at their 66th Meeting on 03 July 2014.

V3-0 This major review included a number of changes following a revision of the general accreditation standard (FSC-STD-20-001) and FSC Controlled Wood (FSC-STD-40-005). The revised standard was approved by the FSC Board of Directors at their 71 Meeting on 10 March 2016.

V4-0 This major review included a number of changes following a revision of the chain of custody standard (FSC-STD-40-004 V3-0). The revised standard was approved by the FSC Board of Directors at their 73 Meeting on 16 November 2016.

V4-1 This minor review included new accreditation requirements for the evaluation of project certificates. This revised standard was approved by the FSC Board of Directors at their 81 meeting on 07 August 2019.

V4-2 This minor review includes new requirements for the evaluation of the FSC core labour requirements for certification bodies including the incorporation of advice notes and interpretations. This revised standard was approved by the FSC Board of Directors in January 2021.

Contents

A Objective

The objective of this standard is to provide the requirements to be followed by FSC-accredited certification bodies (CBs) when auditing CoC organizations against applicable requirements of the FSC normative framework and integrating the findings to come to a reliable certification decision. This standard thereby aims to reduce the level of subjectivity and increase the consistency between sampling levels implemented by different CBs across different situations.

B Scope

This document specifies the requirements and procedures to be followed by CBs (and applicant CBs) to evaluate chain of custody operations in order to establish their conformity to applicable certification requirements. It is the responsibility of the CB to collect evidence and require corrective action as necessary to substantiate its corresponding certification decisions.

The standard is divided into three parts:

- Part I provides the universal requirements for chain of custody evaluations;
- Part II provides specific requirements to be applied according to the scope of the evaluation; and
- Part III provides the minimum requirements for chain of custody evaluation reports.

The requirements of this standard apply to all types of chain of custody evaluations (i.e. pre-evaluations, main evaluations, surveillance evaluations, re-evaluations), unless otherwise specified.

All aspects of this standard are considered to be normative, including the scope, effective date, references, terms and definitions, notes, and annexes, unless otherwise stated.

C Effective and validity dates

Approval date	14 January 2021
Publication date	2 February 2021
Effective date	2 May 2021
Transition period	2 May 2021 – 1 May 2022
Period of validity	Until replaced or withdrawn

NOTE: CBs shall adapt their FSC-accredited certification programs (as needed) to ensure conformity to this version of the standard by the end of the transition period.

D References

The following documents are relevant for the application of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

FSC-POL-20-005	*Annual Administration Fee (AAF)*
FSC-PRO-60-002b	*List of FSC Approved Controlled Wood Documents*
FSC-STD-01-002	*FSC Glossary of Terms*
FSC-STD-20-001	*General Requirements for FSC Accredited Certification Bodies*
FSC-STD-40-003	*Chain of Custody Certification of Multiple Sites*
FSC-STD-40-004	*FSC Standard for Chain of Custody Certification*

FSC-STD-40-004a	*FSC Product Classification*
FSC-STD-40-005	*Requirements for Sourcing FSC Controlled Wood*
FSC-STD-40-006	*FSC Standard for Project Certification*
FSC-STD-40-007	*Sourcing Reclaimed Material for Use in FSC Product Groups or FSC-Certified Projects*

E Terms and definitions

For the purposes of this standard, the terms and definitions given in FSC-STD-01-002 EN, FSC-STD-40-004, FSC-STD-20-001, 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 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.

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

Central office: The identified central function (e.g. office, department, person) of a multisite or group chain of custody operation that holds ultimate management responsibility for maintaining the certification contract with the certification body, for upholding the chain of custody system, and for ensuring that the requirements of relevant chain of custody certification standard(s) are met at the participating sites.

Certification: Third-party attestation related to products, processes, systems, or persons.

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

Chain of custody: The path taken by products from the forest, or in the case of recycled materials from the reclamation site, to the point where the product is sold with an FSC claim and/or is finished and FSC labelled. The chain of custody includes each stage of sourcing, processing, trading, and distribution where progress to the next stage of the supply chain involves a change of ownership of the product.

Chain of custody certificate: A document issued under the rules of a certification system, indicating that adequate confidence is provided that a duly identified product, process, or service conforms to a specific standard or other normative document [ISO/IEC Guide 2:1991 paragraph 14.8 and ISO/CASCO 193 paragraph 4.5].

A chain of custody certificate issued by an FSC-accredited certification body provides a credible guarantee that there is no major failure in conformance to the requirements of the specified FSC normative document(s) in any operational site within the scope of the certificate.

Within the FSC certification system there are three types of chain of custody certificates: single, multisite, and group.

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

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

Common ownership: Ownership structure of a chain of custody operation where all sites under the scope of the chain of custody certificate are owned by the same organization. Ownership means at least 51% of ownership interest over the sites.

Continuous project certification: Project certification type that enable organizations to manage and obtain FSC-project certification for multiple projects on a continual basis.

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

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.*

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

Directly affected stakeholder: Any person, group of persons, or entity that is, with high probability, subject to the effects of the activities of the organization. With respect to evaluation of controlled wood according to FSC-STD-40-005 EN *Requirements for Sourcing FSC Controlled Wood*, directly affected stakeholders are those who are relevant for the scope of the due diligence system (including activities of the organization and its suppliers[1]), as well as those who influence risk identified through the due diligence system.

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

Typical types of evaluation include:

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

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

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

Force majeure: or "act of God". Examples are war, strike, riot, political instability, geopolitical tension, terrorism, crime, pandemic, flooding, earthquake, malicious computer hacking, other natural or man-made disasters. (term used in IAF ID3:2011).

[1] When a supplier is mentioned in this standard in relation to controlled wood evaluations, it includes both suppliers and sub-suppliers as defined in FSC-STD-40-005.

False claim: FSC claim made on sales documents (physical or electronic), or the use of the FSC trademarks, on products and for projects that are not eligible to be claimed, labelled and/or promoted as being FSC-certified or FSC Controlled Wood. A false claim is different from an inaccurate claim, in which a product that is eligible to be sold as FSC-certified is sold with the wrong claim.

FSC Controlled Wood: Material or product with the 'FSC Controlled Wood' claim. FSC Controlled Wood is not considered to be FSC-certified.

FSC core labour requirements: International Labour Organization (ILO) generic criteria and indicators that are underlined in the FSC report[2] 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 transaction: Purchase or sale of products with FSC claims on sales documents.

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.
(Modified from: *FSC-STD-01-001 FSC Principles and Criteria for Forest Stewardship*)

One-time project certification: Project certification type that applies to the certification of a single project. Once the project is finalized and certified, the certificate that was issued to The Organization that managed the project can be terminated.

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*)

Outsourcing: The practice of contracting an internal business process (i.e. activities or tasks that produce a specific service or product) to another organization rather than staffing it internally. Outsourced activities usually take place outside the organization's facilities; however, the organization may establish outsourcing agreements with other entities operating within its facilities when the organization has no control or supervision over the activities performed by the contractor.

Participating site: A site included in the scope of a multisite or group certificate. Contractors that are used within the terms of outsourcing agreements are not considered participating sites.

> **High-risk participating site:** A participating site operating a controlled wood verification program or due diligence system according to FSC-STD-40-005, a supplier audit program for reclaimed materials according to FSC-STD-40-007, or high-risk outsourcing[3] to a non-FSC-certified contractor.
>
> **Normal-risk participating site:** A participating site that does not conduct any of the activities considered 'high risk' above.

Project: Production or renovation of a construction or civil engineering project (e.g. an office building, a group of houses, event infrastructure such as concert stages, stand in a trade fair, timber bridge), individual art or decorative object (e.g. sculpture), or transport vehicle (e.g. maritime vessels) that is made of or contains forest-based materials. Other items or products not listed in this definition may become eligible to be certified as a project upon specific approval by FSC International.

[2] FSC report on generic criteria and indicators based on ILO Core Conventions principles, 2017.
[3] See Section 9 for high-risk outsourcing criteria.

Project members: Entities/companies purchasing, transforming and/or installing forest-based material/products for a project (e.g. contractors, including joiners, carpenters, cabinet makers, etc.).

Scope of a chain of custody certificate: The scope of a chain of custody certificate defines the sites, products (by product types and labelling category or material status) or projects (in the case of project certification), and processes or activities that are included in an evaluation, together with the certification standard(s) against which these have been audited in order to ensure that products from those sites and processes meet all applicable requirements. The scope determines the point at which the certified chain of custody system starts (i.e. the point at which the organization takes possession of certified and non-certified material), covering the basic material-related processes (e.g. processing, manufacture, labelling, storage, and/or transport), up to the point at which it finishes (i.e. the point that the certified product leaves the organization's control). Any product which is within the defined scope of the certificate at the time the certificate is issued may be considered to conform to the applicable requirements of relevant FSC normative document(s).

Products which have already left the chain of custody system under evaluation at the time the certificate is issued (i.e. products which have been sold or shipped) cannot be considered to be certified and are not eligible to carry the FSC trademarks.

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

Equivalent considerations apply when a chain of custody certificate is withdrawn or expired. Certified products that were produced in conformance to all applicable FSC normative documents which left the evaluated chain of custody system whilst the certificate was valid remain certified even after the certificate has been withdrawn/ expired. Products which have not yet left the organization’s chain of custody system at the time the certificate is withdrawn/ expired lose their certified status with immediate effect.

Site: A single functional unit of an organization situated at one physical location, which is geographically distinct from other units of the same organization. Organization’s sub-sites may however be regarded as parts of a site if they are an extension of it with no purchasing, processing, or sales functions of their own (e.g. a remote stockholding). A site can never include more than one legal entity. Contractors that are used within the terms of outsourcing agreements (e.g. outsourced warehouse) are not considered sites. Typical examples for sites are processing or trading facilities such as manufacturing sites, sales offices, or warehouses owned by the organization.

Stakeholder: See definitions for ‘affected stakeholder’ and ‘interested stakeholder’.

Surveillance: Systematic iteration of conformity assessment activities as a basis for maintaining the validity of FSC certification.

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 respective trading partners.

Workers [4] : All employed persons, including public employees as well as 'self-employed' persons. This includes part-time and seasonal employees, of all ranks and categories, including laborers, administrators, supervisors, executives, contractor employees as well as self-employed contractors and sub-contractors (Source: ILO Convention 155 Occupational Safety and Health Convention, 1981).

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

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

'*Shall*' indicates requirements strictly to be followed in order to conform to the standard.

'*Should*' indicates that, among several possibilities, one is recommended as particularly suitable, without mentioning or excluding others, or that a certain course of action is preferred but not necessarily required.

'*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.

[4] 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.

PART I: General Requirements

1 General principles

1.1 A chain of custody certificate issued by an FSC-accredited certification body provides a credible guarantee that all chain of custody operations within the scope of a certificate conform to all applicable requirements of the relevant FSC normative documents. In order to provide such a guarantee, the certification body shall:

a) analyse and describe the chain of custody operation and/or group or multisite certificate to be evaluated in terms of one or more operational sites;

b) confirm that there is a control system in place capable of ensuring that all the applicable requirements are implemented by every operational site, including non-certified suppliers as part of controlled wood and reclaimed-material verification programs, project members in the case of project certificates and contractors as part of outsourcing agreements, within the scope of the evaluation;

c) where applicable, carry out sampling of operational sites[5], non-certified suppliers[6], contractors, project sites, non-FSC-certified project members, documents, management records, and interviews with personnel sufficient to verify that the control system is being implemented effectively and consistently across the whole scope of the certificate;

d) confirm that any nonconformity is adequately addressed by the organization within the established timelines.

NOTE: The timeline starts when the corrective action request is formally accepted by, or formally presented to, the organization (whichever occurs first).

NOTE: The chain of custody requirements of the FSC normative framework are designed to be applied at the site level of a chain of custody operation, unless otherwise specified in a standard.

2 Evaluation requirements

2.1 The certification body shall complete an analysis and description of the operational sites included in the scope of the evaluation, as well as the structures and systems in place for their management.

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

2.2 The certification body shall define the scope of the chain of custody evaluation by the following parameters:

a) organizations certified according to FSC-STD-40-004: site(s), product group(s), processes or activities performed by the organization (including participating sites of multisite or group certificates and

[5] Sampling of sites or chain of custody operations is only permitted for evaluations of group, multisite and project certificates. All sites included in the scope of a single chain of custody certificate must undergo a full evaluation by the certification body.

[6] The sampling of suppliers is applicable for suppliers of material according to FSC-STD-40-005 and suppliers of reclaimed material included in a supplier audit program according to FSC-STD-40-007.

contractors) and applicable FSC normative document(s) against which these processes or activities are audited.

b) organizations certified according to FSC-STD-40-006: projects, participating sites, project members, specification of the scope as one-time or continuous certification, processes or activities performed by the organization and project members and applicable FSC normative document(s) against which these processes or activities are audited.

2.3 The certification body shall determine, in accordance with its documented procedures, the auditing time needed to accomplish each evaluation of the organization's chain of custody control system, covering the requirements that are applicable to the scope of the certificate.

Evaluation of management systems

2.4 The certification body shall complete an analysis of the organization's management control required to ensure that all applicable certification requirements are implemented over the full range of chain of custody operations, including the identification and analysis of the critical control points.

NOTE: In the case of large multisite organisations the requirement to evaluate conformity implies the need to evaluate management systems and their functioning at regional and sub-regional offices.

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

a) the technical and material resources available (e.g. system and technology for FSC-certified production control, segregation of materials);

b) the human resources available (e.g. the number of people involved in management, their training and experience; the availability of expert advice, if required);

c) for group and multi-site certificates, the complexity and scale of the activities covered by the certificate scope. This information will be used to evaluate the central office's ability to manage the number of participating sites within the scope of the certificate and determine its annual growth limits.

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

Evaluation at the level of the operational site

2.6 The certification body shall evaluate each operational site within the scope of the evaluation (including a sample of participating sites of group and multisite certificates and non-FSC-certified project members in the case of project certificates) in order to make direct, factual observations to verify the organization's conformance to all applicable certification requirements. The evaluation shall include:

a) identification and assessment of management documentation and a sufficient variety and number of records at each operational site selected

for evaluation in order to confirm that management is functioning effectively and as described, particularly with respect to the identified critical control points;

b) interviews with a sufficient variety and number of employees, their representatives, including worker's organizations, employer's representatives, and contractors, at each operational site selected for evaluation in order to verify the organization's conformance to all applicable certification requirements. The interviewer shall ensure that comments can be provided in confidence;

c) as a minimum, interviews shall be conducted to verify training measures and understanding of individual responsibilities at different locations across the operation under evaluation;

d) review of the organization's implementation of all applicable corrective action requests;

e) review of all complaints, disputes, or allegations of nonconformities received by the organization and/or the certification body;

f) physical inspection of all sites selected for evaluation, including inspection of all locations where operational activities under the scope of the certificate are carried out. Desk audits may be conducted where:

   i. the site does not take physical possession of FSC-certified materials or products, controlled material, or FSC controlled wood in their own or rented facilities, and does not label, alter, store, or repackage the products (e.g. sales office);

   ii. the site is used for storage of finished and labelled products only, and where the certification body has confirmed through an initial physical inspection that there is no risk of mixing FSC-certified products with other materials (e.g. the site only stores FSC-certified products). Certification bodies shall conduct physical inspection of these storage sites at least once during the five-year duration of a certificate;

   iii. the physical inspection during surveillance evaluations of one-time project certificates is not relevant (e.g. there is nothing to inspect on the site; a single delivery of materials to the project; when all project members supplying the project are FSC-certified).

NOTE: Certification bodies are not obliged to conduct desk audits, even when all requirements specified in Clause 2.6 f) above are satisfied. At its own discretion, initially or at any time, the certification body may decide to carry out site visits where and when necessary to ensure confidence in a certificate.

g) purchasing and sales documentation of any materials or products related to FSC certification (e.g. invoices, bills, transport documents, sales contracts);

h) confirmation that inputs described as FSC-certified or FSC Controlled Wood were covered by a valid FSC chain of custody certificate and supplied with the applicable FSC claims and certificate codes;

i) review of systems for controlling FSC claims:

   i. for percentage and credit systems, review of calculations of percentages and/or credits for each product group within the scope of the certificate;

ii. for transfer systems, review of a sample of records of certified outputs, and confirmation that these can be traced to certified inputs

iii. for project certification: verification that only eligible materials were used in projects (or components thereof) and the FSC claims made on them are true and correct;

j) confirmation of the correct use of FSC trademarks (on-product and promotional) and the 'FSC Controlled Wood' claim in segregation marks, sales, and transport documentation;

k) review of training records (e.g. training materials and list of participants);

2.7 In situations where physical inspection of sites selected for evaluation is not possible or viable due to:

a) demonstrated health and/or safety risk to auditors (demonstrated through verifiable public sources, e.g. official travel warnings or restrictions), or

b) travel restrictions imposed by organizational (certificate holder/ certification body) health and safety policies or public authorities, or

c) other demonstrated events of *force majeure*, the certification body may apply for a derogation to replace an on-site audit with a desk audit. Derogation applications will be evaluated on a case by case basis. The application shall include:

i. certificate code of the company;

ii. activities under the scope of the certificate (products and processes);

iii. evidences of circumstances preventing the on-site audit (e.g. an official travel warning);

iv. other additional information, as requested by FSC.

NOTE: In case of existing active derogations issued by FSC International for specific situations, this clause is not applicable.

3 Surveillance evaluations

3.1 The certification body shall carry out a surveillance evaluation to monitor the organization's continued conformance to all applicable certification requirements at least annually.

NOTE: The evaluation of corrective action to close major nonconformity may require on-site audits at shorter intervals.

3.2 For a certificate that has a five-year validity, at least four surveillance evaluations shall take place before the certificate expires. The number of surveillance evaluations may be reduced if Clause 3.3 applies.

NOTE: In the context of surveillance, "annually" is to be interpreted as follows: at least once per calendar year, but no later than 15 months after the last evaluation (determined by the date of the field visit or desk evaluation).

3.3 For an operation or site that did not perform activities under the scope of the CoC certificate (e.g. did not produce, label, or sell any FSC-certified material and did not source controlled material or sell any FSC Controlled Wood since the previous audit), a surveillance evaluation may be waived. However, certification bodies shall not waive more than two consecutive surveillance evaluations.

NOTE: The decision to waive a surveillance evaluation on the grounds described above is at the discretion of the certification body. The certification body may require a surveillance

evaluation to be carried out if this is considered necessary to ensure confidence in the certificate.

3.4 When new or revised standards become effective, Clause 3.3 may be applied for surveillance evaluations, if the following requirements are met:

a) the certification body shall conduct an assessment of the organization's procedures against the relevant new standard requirements at the regular time scheduled for the surveillance audit.

b) The assessment shall be carried out on-site if:

i. the organization's chain of custody system requires adjustments due to the changed requirements that, if left unaddressed, are likely to result in major non-compliances;

ii. the organization will use a new system for controlling FSC claims under a specific product group (FSC-STD-40-004);

iii. the certification body deems this necessary to evaluate the implementation of corrective action requests or a change of the certificate scope.

NOTE: The intent is to ensure that organizations are in full compliance with the new or revised standard at the time they again take up activities under the scope of their FSC chain of custody certificate.

c) if an organization's chain of custody certificate suspension extends beyond the scheduled time for their regular surveillance audit when a new or revised certification standard becomes effective, the certification body shall conduct an assessment of the organization's procedures to ensure that they are in compliance with the relevant new standard requirements at the time when suspension is lifted.

3.5 When a surveillance evaluation is waived, the certification body shall require the organization to sign a declaration stating that no material has been produced, labelled, or sold as FSC-certified; sourced as controlled material; or sold as FSC Controlled Wood since the last audit. The declaration shall contain a commitment by the organization to maintain the chain of custody system during the period in question and for personnel to contact the certification body as soon as they wish to produce, label, or sell material as FSC-certified, source controlled material, or sell FSC Controlled Wood. The certification body shall audit the organization no later than three months after the restart of the activities listed in this clause (e.g. restart of FSC production) to confirm the maintenance of the chain of custody system.

3.6 At the next surveillance evaluation, the certification body shall review all records back to the previous surveillance evaluation to ensure that the chain of custody system has been maintained and that no material has been produced, labelled, or sold as FSC-certified, sourced as controlled material, or sold as

FSC Controlled Wood in accordance with the waive declaration required in Clause 3.5.

3.7 In addition to the requirements specified in Clause 2.6, the certification body shall review and assess at minimum:

a) any changes to the scope of the certificate, including new chain of custody operations or participating sites, in the Due Diligence System and changes in business activities;

b) changes to the organization's management system;

c) FSC-certified production and inventory records.

4 Certification decision

4.1 Certification bodies shall make certification decisions based on their evaluation of the chain of custody operation's conformity to each applicable requirement specified in the relevant FSC normative document(s) and in accordance with the latest version of FSC-STD-20-001.

4.2 The certification body shall record all identified nonconformities in the evaluation report or associated checklists.

4.3 For group and multisite evaluations, the specification of nonconformities shall distinguish between central office level and participating-site level, where:

a) nonconformities at the central office level may be caused by:

i. failure to fulfil a central office responsibility, such as administration, internal inspection, record-keeping, trademark use, and others as required by the relevant FSC normative document(s);

ii. failure to ensure that participating sites conform to a corrective action request issued by the certification body or the central office;

iii. failure of sites to fulfil a responsibility, sufficient in number of sites, extent of the failure, and/or consequences, to demonstrate that central office control has broken down (e.g. where identical nonconformities identified by the certification body are issued to three or more participating sites during an evaluation, the corrective action request may be a result of ineffective training or support by the central office);

b) nonconformities at the participating-site level may be caused by:

i. failure to fulfil a responsibility, including but not limited to timely provision of adequate information, effective response to internal corrective actions, or correct trademark use;

ii. failure to meet the applicable requirements of the relevant FSC normative documents.

4.4 Five or more major corrective action requests issued to the central office of a group or multisite by the certification body shall result in the suspension of the entire certificate. Five or more major corrective action requests issued to a participating site of a group or multisite certificate by the certification body shall result in suspension of that particular participating site but will not necessarily result in the suspension of the entire certificate. Nonconformities identified at the participating-site level may result in nonconformities at the central office

level when the nonconformities are determined to be the result of the central office's performance, per Clause 4.3 a).

4.5 For controlled wood evaluations, nonconformities may be caused by failure of the organization to conform to any of the applicable requirements, including but not limited to examples provided in Box 1 below.

NOTE: Supplier-level nonconformities with relevant requirements may result in a corrective action request to the organization.

Box 1. Examples of major nonconformities for evaluations of FSC Controlled Wood (informative guidance)

Examples of major nonconformities to the requirements of FSC-STD-40-005 include:

a) lack of an effective due diligence system;
b) failure to legitimately apply the due diligence system to forest resources owned or managed by the organization;
c) failure of the organization to ensure that its suppliers have taken corrective action(s) determined by the organization to ensure the organization's conformity to the standard FSC-STD-40-005;
d) absence of independent information that demonstrates the origin of material;
e) the use of low risk designations that differ from those in approved FSC risk assessments;
f) failure of the organization to demonstrate that its risk assessment has been conducted in accordance with the applicable requirements;
g) evidence that the organization has manipulated information used in a risk assessment in order to support a low risk designation;
NOTE: This includes consideration of the feedback received from stakeholders.
h) use of material originating from unassessed areas without the certification body's approval of the organization's risk assessment;
i) failure to establish and implement adequate control measures;
j) absence of, or failure to implement, a complaint procedure;
k) failure to assess and mitigate the risk related to mixing material with non-eligible inputs in the non-certified supply chain;
l) failure to provide information required to be publicly available.

4.6 A certificate shall be issued to the organization that has direct management responsibility for the chain of custody system under its control.

NOTE: Certification bodies may issue a chain of custody certificate that covers more than one site, according to the eligibility criteria specified in FSC-STD-40-004.

4.7 A chain of custody certificate with the sale of FSC Controlled Wood in its scope shall also include the FSC Controlled Wood certificate code issued by the certification body, in the form: XXX-CW-###### – where XXX is the initials of the certification body and ###### is a unique, six-digit number issued by the certification body, which shall be the same as for the corresponding chain of custody certificate.

4.8 A chain of custody certificate may be issued before the organization has taken physical possession of eligible inputs (FSC-certified, FSC Controlled Wood,

controlled material, or reclaimed material) if the certification body is satisfied that an operational chain of custody system is in place. In such cases:

a) the certification body shall require that the organization notifies it as soon as eligible input stock is available or the production of FSC-certified material has started;

b) the certification body shall carry out a (second) site visit or conduct the first surveillance evaluation within three months following the receipt of such a notification, unless the main evaluation has not resulted in any nonconformity related to the management of critical control points.

PART II: Evaluating Organizations against Specific Requirements

5 Evaluation of project certificates

5.1 For one-time project certification, the certification body shall conduct a main evaluation, annual surveillance evaluations and final evaluation when the project is finalized. Although the project may be eligible for desk audits according to Clause 2.6 f) iii), at least one physical audit by the certification body is required before a project statement is issued by the organization to the project. Non-FSC certified project members shall be sampled by using the following formula:

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

y = minimum number of non-FSC-certified project members to be audited by the certification body (rounded to the upper whole number)
x = total number of non-FSC-certified project members (ongoing and the ones that have been finalized in the period since the last evaluation)

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

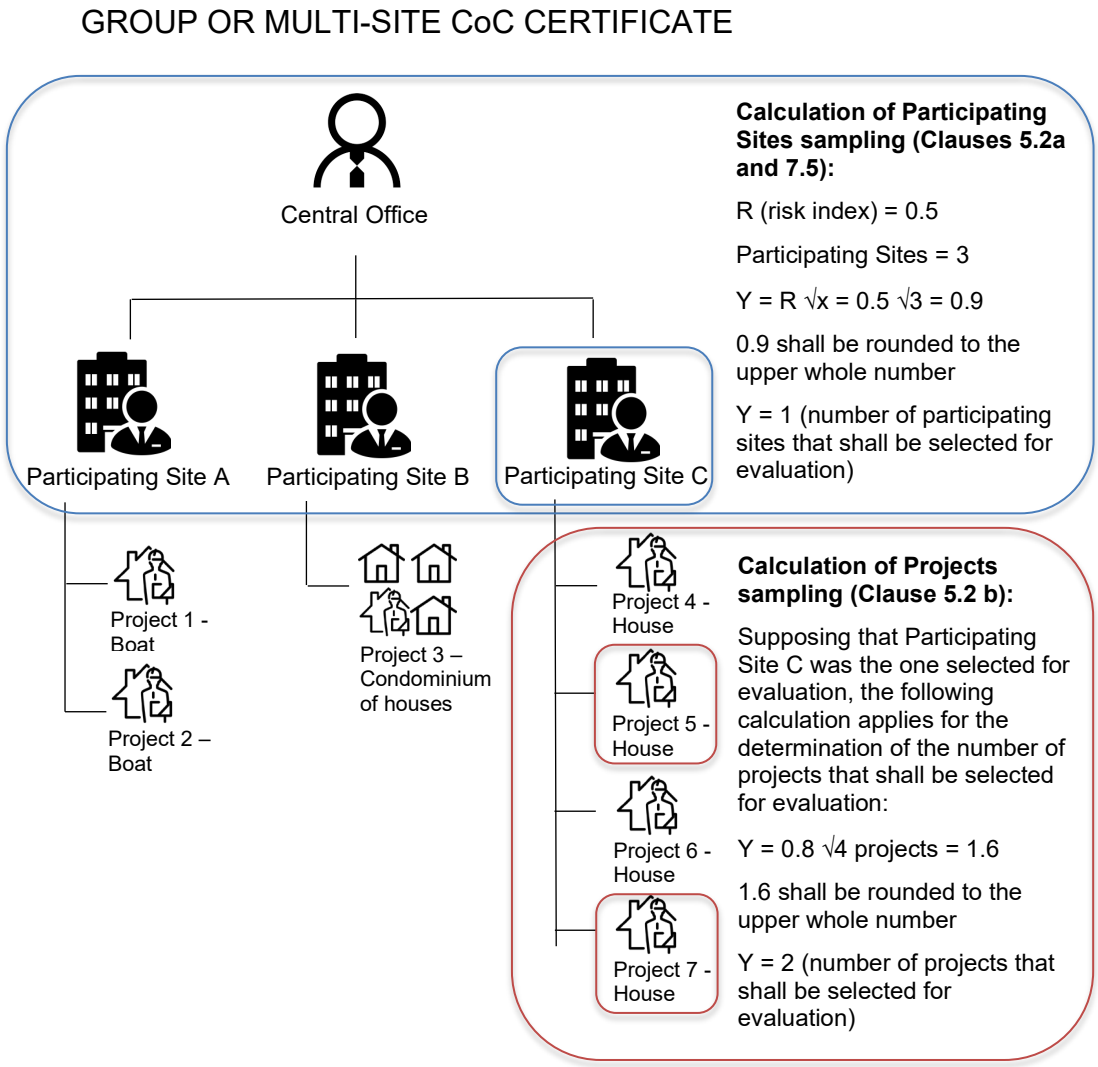
5.2 For continuous project certification, the certification body shall conduct a main evaluation, annual surveillance evaluations and re-evaluations. At each evaluation, the certification body shall audit a sample of the participating sites, project sites included in the scope of the certificate to verify their conformance with the applicable FSC normative documents, according to the following criteria:

a) Participating sites of Group and Multi-site certificates: the certification body shall sample the participating sites for evaluation according to Clause 7.5 of this standard. The participating sites that apply FSC-STD-40-004 and FSC-STD-40-006 shall be sampled separately by the certification body.

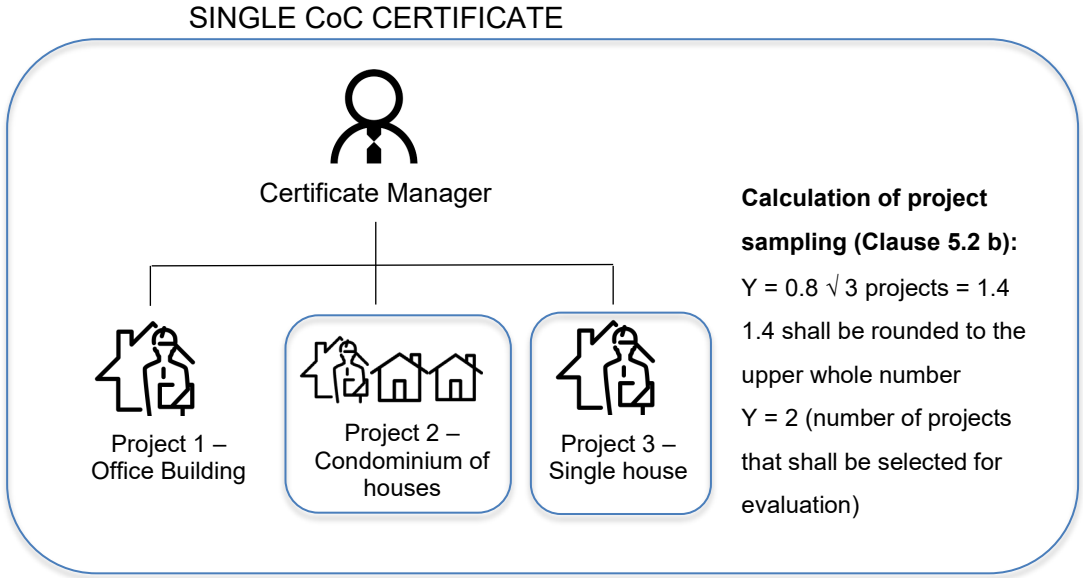
b) Project sites: They shall be sampled by using the following formula:
$y = 0.8 \sqrt{x}$, where:

y = minimum number of project sites to be audited by the certification body (rounded to the upper whole number)
x = total number of project sites (ongoing and the ones that have been finalized in the period since the last evaluation)

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



Graphic 2. Sampling of a single CoC project certificate with multiple projects in the scope of the certificate



5.3 The certification body shall select specific projects to achieve the required sample number for evaluation. In the selection process, the certification body shall include randomly selected projects and shall ensure that the overall sample selected is representative of the certificate scope under evaluation and covers the widest possible range in terms of:

a) geographic distribution;

b) types of projects;

c) size of projects;

d) other criteria, as deemed relevant by the certification body.

5.4 The certification body shall avoid visiting the same project sites in consecutive audits, unless there are clear and justified reasons for doing so (e.g. this is deemed necessary for the evaluation of corrective action requests or complaints received about the organization).

5.5 When evaluating the materials that have been used in projects, certification bodies may also accept materials that have been purchased by the organization before the main evaluation, provided that the organization is able to provide evidences that materials have been sourced with FSC claims from valid FSC-certified suppliers. The retroactive certification of projects that have been already finalized is not possible.

6 Evaluation of controlled wood according to FSC-STD-40-005

Stakeholder consultation

NOTE: Stakeholder consultation requirements apply only for the first evaluation and subsequent re-evaluations of the organization to FSC-STD-40-005. However, these are applicable only where material is sourced from unassessed, or specified risk, areas according to the applicable FSC risk assessment.

6.1 The certification body shall conduct stakeholder consultations adequate to the size and scale of the organization's due diligence system (DDS) to verify its conformance to applicable requirements. The certification body shall:

a) identify and invite directly affected stakeholders to participate in the consultation. Invitation of relevant FSC network partners is mandatory;

b) provide a public notification about the consultation process, including dates and activities in the scope of the consultation, in order to accommodate participation of interested stakeholders. Means of notification shall ensure that interested stakeholders can access information about the consultation;

NOTE 1: Invitation of directly affected stakeholders aims to ensure they are directly informed about the consultation process and to increase their engagement, whilst public notification aims to provide additional opportunity for engagement of interested stakeholders.

NOTE 2: Consultation can only be conducted based on voluntary engagement of directly affected or interested stakeholders.

c) provide participating stakeholders with access to information as required in Section 6 of FSC-STD-40-005 at least six weeks prior to the evaluation;

d) employ effective and culturally appropriate means of invitation, notification, and consultation;

NOTE: Examples of techniques may include announcement via the certification body's website; face-to-face meetings; personal contacts by phone, email, or letter; notice published in the

national and/or local press and on relevant websites; local radio announcements; announcements on local customary notice boards. Consultation may include a request for written comments on a predetermined set of specific questions.

e) ask participating stakeholders for consent for the publication of their comments;

f) provide stakeholders with the opportunity to comment in confidence;

g) evaluate information and comments provided by stakeholders objectively and meaningfully. The certification decision shall only be affected in so far as the comments provide evidence of conformity or nonconformity to the applicable requirements;

h) respond to all stakeholders who participated in the consultation process and explain how their comments were taken into account within 30 days of making the certification decision;

i) maintain records of the consultation process, including stakeholders identified, stakeholders who participated in the consultation and their comments, and evidence that the consultation was carried out in line with the requirements of this standard.

Evaluation of the organization's due diligence system

General requirements

6.2 The certification body shall design and implement a system for evaluating the relevance, effectiveness, and adequacy of the DDS, according to the scope and scale of the organization's operation. The certification body shall specify and justify in its system the means of verification of risk assessments and control measures established by the organization, including, but not limited to:

a) a mechanism for verifying risk designations against available sources of information and applicable requirements;

b) field verification[7] with a scope and sampling pool relevant for the DDS under evaluation. The sampling pool shall be sufficient to confirm mitigation of risk related to origin and risk of mixing of material with non-eligible inputs;

c) corroborating evidence provided by the organization with independent sources when possible.

NOTE: Specific requirements for evaluating adequacy of control measures are included in Clause 6.18.

6.3 The certification body shall evaluate whether the DDS has been implemented as designed and in accordance with all applicable requirements and any additional guidance provided or approved by the FSC Performance and Standards Unit.

6.4 All records used for evaluating the DDS shall be sampled at random. When selecting documents for sampling, the certification body shall not be guided or influenced by staff of the organization.

6.5 The certification body shall verify whether information on material and supply chains allows the organization to:

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

a) confirm the origin of the material;

b) conduct a robust risk assessment related to the origin of the material;

c) conduct a robust risk assessment related to mixing material with non-eligible inputs in supply chains;

d) develop and implement adequate control measures;

e) review and, if necessary, revise the DDS to ensure its relevance, effectiveness, or adequacy.

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

6.6 The certification body shall not accept information or documentation that only consists of a declaration of conformity by the organization and/or suppliers as evidence of the organization's conformity to the applicable requirements.

6.7 The certification body shall evaluate the justification for excluding confidential information provided by the organization (see Clause 6.2 (d) in FSC-STD-40-005) in a restrictive way, taking into account business sensitivity of the information, applicable legislation, and the public interest served by disclosure.

Evaluation of risk assessments

Risk assessment related to origin

6.8 The certification body shall verify the correct use of applicable FSC risk assessments.

6.9 The certification body may extend the period during which the organization shall adapt the DDS to approved risk assessments for a single exceptional extension of up to two months when justified by circumstances beyond the control of the organization. The certification body shall record such circumstances.

NOTE: Justifiable circumstances for an extension exclude problems in planning or scheduling activities in the scope of the DDS.

6.10 The certification body shall verify whether the organization's risk assessment and risk designations are adequate and justified, including whether:

i. the risk assessment follows all applicable requirements;

ii. the sources of information used are independent, objective, and sufficient to justify risk designation;

iii. the geographic scale of the assessment is adequate to the supply area(s);

iv. the risk designation is justified and verifiable based on sources used in the risk assessment;

v. the risk specification includes sufficient information to allow the development of adequate control measures;

vi. consultations with experts have been conducted as required;

vii. experts used to conduct the risk assessment meet the qualification requirements in Annex C of FSC-STD-40-005;

viii. joint risk assessments are managed as required;

ix. the risk designation is justified with evidence by using independent and objective sources of information.

6.11 The certification body shall verify whether the organization has reviewed the continued correctness and relevance of its risk assessment and made revisions where necessary.

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

6.12 The certification body shall approve a risk assessment conducted by the organization for its existing supply area, and/or extended to new supply areas, if the risk assessment process and risk designation meet the applicable requirements.

6.13 The certification body shall notify the FSC Supply Chain Integrity Program (fiber-testing@fsc.org) regarding participation of the organization in the FSC Fibre Testing Program, where applicable.

6.14 If the certification body confirms that the results of an organization's risk assessment contradict the results of another organization's risk assessment for the same area, the risk assessment that has been conducted with a higher level of scrutiny, accuracy, and/or precaution shall prevail.

NOTE: It is strongly recommended to consult published risk assessments on the FSC database in order to identify potential conflicts related to different risk designations.

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

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

Risk assessment related to mixing material

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

Evaluation of risk mitigation

6.17 The certification body shall verify the implementation of control measures, including:

a) minimum requirements according to Clauses 4.10 and 4.11 of FSC-STD-40-005;

b) mandatory control measures provided in the applicable national risk assessment;

c) whether applicable approved controlled wood documents listed in FSC-PRO-60-002b EN *List of FSC Approved Controlled Wood Documents* were used;

d) whether the organization used the opinion of at least one expert to justify the adequacy of control measures for controlled wood categories 2 and 3;

e) whether the organization has conducted stakeholder consultation according to the requirements of FSC-STD-40-005 (Annex B) for the following situations (where applicable):

   i. unspecified risk designated for controlled wood categories 2 and 3;

   ii. consultation conducted as control measure for other risks;

   iii. consultation conducted to verify adequacy of control measures;

f) control measures at the level of the supplier(s).

6.18 The certification body shall verify the adequacy of control measures, including:

a) a sample of each type of control measure for each type of risk identified in the DDS. The sampling rate shall be established and justified by the certification body according to the scope of the DDS;

NOTE: Some examples of this type of verification include the following: if the organization has established field verification at the level of the supply unit as a control measure, this will require, at minimum, a field verification of a sample of supply units by the certification body (audits at the forest level); if the organization has established a stakeholder consultation as a control measure, this will require, at minimum, a verification of sample records from the consultation.

b) comparison with examples of control measures provided in Annex E in FSC-STD-40-005 in terms of rigorousness;

c) results of internal and external audits by the organization;

d) comments from stakeholder consultation;

e) comments, complaints, and appeals received by the certification body;

f) the process of review and revision of the DDS by the organization.

6.19 If the organization has replaced mandatory control measures provided in applicable national risk assessments, the certification body shall:

a) evaluate the alternative control measures to determine adequacy and, if conditions specified in FSC-STD-40-005 (Clause 4.13) are met, approve the control measures;

b) verify whether the organization has forwarded a description of the alternative control measures to the body responsible for maintenance of the national risk assessment.

6.20 If the organization has identified that legal requirements may be in conflict with adequate control measures, the certification body shall evaluate control measures established by the organization, and, if control measures allow risk mitigation, approve such control measures before they are implemented.

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

6.21 If the certification body determines that the control measures of one organization contradict the control measures of another organization for the same type of risk in the same area, the control measures that are more robust

and effective shall prevail in the evaluation of the adequacy of control measures.

7 Evaluation of group and multisite chain of custody certificates

7.1 At each evaluation, the certification body shall evaluate the ability of the central office to manage the number of participating sites of the certificate and approve an annual growth rate up to a limit of 100% based on the number of participating sites at the time of the evaluation. Where a certificate has 20 or fewer participating sites at the time of the main evaluation, the certification body may approve a growth rate higher than 100%, based on the demonstrated capacity of the central office to manage a higher number of participating sites.

7.2 If the central office wants to increase the number of participating sites in the certificate scope beyond the approved annual growth rate, the certification body shall audit the central office and a sample of the new sites according to Clause 7.5 b) before the growth resumes.

7.3 In the audit for inclusion of new participating sites, the certification body shall establish a new growth limit for the period between the expansion-of-scope audit and the next evaluation by the certification body.

7.4 New participating sites added to the certificate scope shall only be considered certified after the certification body has added the new sites to the FSC database of registered certificates. Certification bodies shall enter new sites into the database within one week of the date of receipt of the central office's audit report.

NOTE: Certification bodies are not required to revise and approve the central office's audit reports.

7.5 The certification body shall select a sample of the participating sites for evaluation of conformance to the applicable FSC normative documents. The certification body shall divide the participating sites into two sets of sites: normal-risk participating sites and high-risk participating sites (see Terms and definitions), which shall be sampled separately by using the following formulas:

a) for main evaluations, surveillance evaluations, and re-evaluations:

$y = R \sqrt{x}$, where:
y = number of participating sites to be audited by the certification body (rounded to the upper whole number)
R = risk index (see Table A)
x = total number of normal-risk or high-risk participating sites

NOTE: In the case of surveillance evaluations, participating sites which have not had any FSC activity according to Clause 3.3 since the previous certification body evaluation do not need to be included in the population of sites (value 'x' in the formula) from which the sample is drawn.

b) for the inclusion of new participating sites (beyond the approved annual growth rate):

$y = R \sqrt{n}$, where:
y = number of participating sites to be audited by the certification body (rounded to the upper whole number)
R = risk index (see Table A)
n = number of new normal-risk or high-risk participating sites to be added to the certificate scope

7.6 Sites that have been incorporated into the certificate scope in the period between the certification body's evaluations shall be sampled together with the sites that were already in the scope during the previous evaluation.

Table A. Matrix for determination of R (risk index)

NOTE: R (risk index) is obtained by summing-up the scores given to the group or multisite certificate under evaluation.

Risk factor		**Score**	**Score Given**
Ownership	All participating sites have common ownership	**0.1**	
	Participating sites do not have common ownership	**0.2**	
Certificate size	0–20 participating sites	**0.2**	
	21–100 participating sites	**0.3**	
	101–250 participating sites	**0.4**	
	251–400 participating sites	**0.5**	
	> 400 participating sites	**0.6**	
Central office's performance	No CAR issued to the central office in the previous evaluation	**0.1**	
	Not applicable (there was no previous evaluation)	**0.1**	
	Only minor CARs in the previous evaluation	**0.2**	
	1–2 major CARs in the previous evaluation	**0.3**	
	3 or more major CARs in the previous evaluation	**0.4**	
Audit type	Annual surveillance evaluation	**0.1**	
	Re-evaluation	**0.2**	
	Main evaluation	**0.3**	
	Audit for inclusion of new participating sites in the certificate	**0.3**	
TOTAL (R = sum of the scores given)			Σ

7.7 If new participating sites are being added to the scope of a multisite or group certificate at the time of a surveillance evaluation or re-evaluation, they shall be considered as an independent set for the determination of the sample size, to be sampled according to the requirements detailed in Clause 7.5 b). After inclusion of new participating sites in the certificate scope, the new participating sites shall be added to the existing ones to determine the sample size for future surveillance evaluations or re-evaluations.

7.8 The certification body shall select specific participating sites to achieve the required sample number for evaluation. In the selection process, the certification body shall include randomly selected sites and shall ensure that the overall sample selected is representative of the multisite or group under evaluation and covers the widest possible range in terms of:

a) geographic distribution;

b) activities and/or products produced;

c) size of participating sites (size may be determined by the number of employees, production volumes, and/or annual turnover of forest product sales);

d) other criteria, as deemed relevant by the certification body.

7.9 The certification body shall avoid visiting the same participating sites in consecutive audits, unless there are clear and justified reasons for doing so

(e.g. this is deemed necessary for the evaluation of corrective action requests or complaints received about the organization).

7.10 The central office shall be audited by the certification body in each evaluation in addition to the selected participating sites.

NOTE: In exceptional cases, the central office's representative may take all of the relevant required documentation, reports, records, and manuals to a location other than the organization's office for review by the auditor, provided that this does not affect the quality of the assessment of this material and the organization's chain of custody control systems.

7.11 For surveillance evaluations of group and multisite certificates, the certification body shall review and assess:

a) the list of participating sites;

b) the rate of change of participating sites (new sites, sites that have left the certificate);

c) the capacity of the central office's management system to manage any change in scope of the certificate including any increase in size, number, or complexity of operational sites within the scope of the certificate;

d) formal communication and written documents sent to participating sites by the organization since the previous certification-body surveillance;

e) records of the central office's audits;

f) records of any corrective action requests issued by the central office, including follow-up and close-out evidence;

NOTE: Documentation and records covering the period since the previous evaluation may be submitted to the certification body for review prior to a site visit.

8 Evaluation of supplier audit programs for reclaimed materials

8.1 For organizations or participating sites that have a supplier audit program, the certification body shall carry out annual on-site verification audits of the supplier sites, unless the organization's supplier audits were carried out by another FSC-accredited certification body. The certification body shall select for evaluation as a minimum (y) 0.8 times the square root ($y=0.8\sqrt{x}$) rounded to the upper whole number, where 'x' is the number of suppliers audited by the participating site in the current evaluation period (according to Clause 4.1 of FSC-STD-40-007 V2-0).

NOTE 1: For group and multisite certificates, the calculation of the supplier audit sample shall be conducted at the participating-site level.

NOTE 2: Certification bodies are not required to audit the same sites audited by the participating sites in the current evaluation period.

9 Evaluation of contractors operating under outsourcing agreements

9.1 The certification body shall monitor the chain of custody system applied throughout outsourcing arrangements to ensure conformance to all applicable requirements of the FSC normative documents. The certification body shall confirm that the risks associated with mixing, substitution, or false claims by the organization or the contractor are controlled.

9.2 The certification body shall conduct a risk assessment of the chain of custody control system used during outsourcing activities performed off-site from the certified organization or participating site. An outsourcing arrangement with a certified or non-certified contractor shall be classified as 'high risk' if any of the following applies:

a) the organization outsources all or most of the manufacturing processes of a product; or

b) a contractor mixes different input materials (e.g. FSC 100%, controlled material, FSC Controlled Wood); or

c) a contractor applies the FSC label to the product; or

d) a contractor does not physically return the FSC-certified product to the contracting organization after outsourcing; or

e) activities are outsourced to an organization in another country with a Transparency International Corruption Perception Index (CPI) lower than 50.

NOTE: Even in cases that are not considered 'high risk' as per the indicators above, the certification body may require on-site audits at a contractor's facility if any risk of improper additions or mixing by the contractor is identified.

9.3 Even when one or more of the above high-risk indicators apply to the outsourced activity, the certification body may approve the low-risk categorization if a low risk of contamination can be demonstrated due to one of the following factors:

a) the product is permanently labelled or marked in a way that the contractor cannot alter or exchange products (e.g. heat brand, printed materials); or

b) the product is palletized or otherwise maintained as a secure unit that is not broken apart during outsourcing; or

c) the contractor is employed for services that do not involve manufacture or transformation of certified products (e.g. warehousing, storage, distribution, logistics); or

d) the contractor is an FSC-certified organization that includes documented procedures for outsourcing services within the scope of its certificate.

9.4 For high-risk situations, the certification body shall undertake a physical inspection of a sample of contractors to be included in outsourced processes or activities in the scope of the organization's chain of custody certificate, according to the sampling criteria specified in Clause 9.6, as part of its evaluation (main evaluation, surveillance evaluation, and re-evaluation). In the case of multisite or group certificates, the selection of contractors shall be coordinated with the selection of the participating sites which have been sampled for evaluation of conformance to the FSC chain of custody standards.

NOTE: For group and multisite certificates, the calculation of the contractor sample shall be conducted at the participating-site level.

9.5 If the organization wants to include new high-risk contractors in its certificate scope in the period between the certification body evaluations, the certification body shall conduct an expansion-of-scope evaluation and conduct a physical inspection of a sample of the new contractors according to the sampling criteria specified in Clause 9.6 below.

9.6 The sampling number (y) shall be at minimum the square root of the number of high-risk contractors (x), rounded to the next whole number: $y=\sqrt{x}$.

NOTE: Contractors that hold their own FSC chain of custody certificate for the outsourced process and contractors that did not provide outsourcing services to the organization since the last certification body's evaluation do not need to be evaluated by the contracting party's certification body and therefore do not need to be added to the number of contractors (x) in the formula above.

9.7 The certification body shall evaluate records of material inputs, outputs, and transport documentation associated with material used in the manufacture of FSC-certified products during outsourcing.

10 Transaction verification

10.1 The certification body shall cooperate and support ASI's transaction verification activities by collecting, analyzing, and sharing relevant information related to FSC transactions in a timely manner (i.e. by providing a response as soon as possible).

10.2 In order to support the monitoring and control of false claims in the system, the certification body shall register the following information in the FSC database of certificates (as non-public information):

a) organizations that reported no FSC sales since the previous evaluation;

b) non-conformities, suspensions, terminations, and removal of participating sites due to false claims made by organizations;

c) recommendation of organizations that should be investigated by ASI and the justification (e.g. evidence suggests that records are being hidden from the certification body, complaints received about the organization, potential volume mismatches between the organization and its trading partners).

11 Evaluation of FSC core labour requirements

11.1 The certification body shall verify that the organization has adopted[8] and implemented a policy statement, or statements, that encompass the FSC core labour requirements.

11.2 The certification body shall verify that the policy statements are made available to stakeholders.

11.3 The certification body shall design and implement a system for evaluating the relevance, effectiveness, and adequacy of the organization's self-assessment and conformity to Section 7 of FSC-STD-40-004, according to the scope, scale, intensity and risk of the organization's operation. The certification body shall

[8] May develop a new policy or use an existing one.

specify, justify and document in its system the means of verification of the self-assessments, including, but not limited to:

a) a mechanism for verifying self-assessments against available sources of information and applicable requirements;
b) identifying the legal requirements related to the FSC core labour Requirements and applicable to the organization/site.
c) corroborating evidence provided by the organization with independent sources when possible. (e.g. documentation, interviews etc.) as required according to Section 2.6 ‘Evaluation at the level of the operational site’.
d) determining the frequency and sampling requirements of future audits within the certification cycle for each organization based on the results of the previous audit related to the FSC core labour requirements and the self-assessment.
e) including auditors with specific competencies if needed.

PART III: Chain of Custody Evaluation Reports

12 Reporting requirements

12.1 The certification body shall document its evaluation findings and conclusions in a report according to the requirements specified in this standard, regardless of whether or not a chain of custody certificate is issued. Evaluation reports shall be sent to the organization and shall include at least the information specified in Table B below.

NOTE: The order in which information is presented may be determined by the certification body.

12.2 Chain of custody reports may be written in any language at the convenience of the client and the requirements of the certification body's decision-making entity.

12.3 FSC and ASI reserve the right to request a translation of any chain of custody report into one of the official languages of FSC, at the expense of the certification body, in order to assess the implementation of FSC requirements.

Table B. Minimum content of evaluation reports

Item	Minimum content required
1. Cover page	a) Name, contact details, and website address of the certification body. b) Date (day, month, and year) of the report. c) Type of evaluation (e.g. main evaluation). d) Name, address, and contact details of the organization and contact person. e) Chain of custody certificate code (if applicable). f) Controlled wood certificate code (if applicable). g) Date of issue of the chain of custody certificate.
2. Certificate scope information[9]	a) Certificate type: single, group, or multisite. b) Product group(s) (for organizations certified according to FSC-STD-40-004). c) Specification of the scope as one-time or continuous project certification (for organizations certified according to FSC-STD-40-006). d) Control system(s) used for making FSC claims: transfer, percentage, and/or credit system (for organizations certified according to FSC-STD-40-004). e) FSC standards applicable to the scope of the certificate (e.g. FSC-STD-40-005 V3-1, FSC-STD-40-007 V2-0).

[9] Certification bodies are required to enter and maintain up-to-date information on the certificate scope in the FSC database of certificates.

	f) For each site (or participating site) within the scope of the certificate: i. name of the organization; ii. address; iii. site activity (e.g. primary processor, secondary processor, trader, printer, retailer, building contractor); iv. size class of the site in terms of annual turnover (AAF), as specified in the latest version of FSC-POL-20-005; v. for group and multisite certificates, the identifier or sub-code assigned to each participating site; vi. project members (FSC-STD-40-006).
3. Scope of the evaluation	a) Evaluation date(s). b) Name(s) and qualifications of certification body auditors. c) Total on-site auditing time. d) Reference to the FSC normative documents used, including the version number. *NOTE: In the case of formal FSC pilot tests of draft normative documents, the certification body shall specify the name and reference number of the draft document and include the version of the draft document against which a certificate was issued as an annex to the report.* e) Where applicable, description of any changes to the scope of the certificate, including new chain of custody operations or participating sites and changes in business activities.
4. Evaluation findings (for organizations certified according to FSC-STD-40-004)	a) Brief description of the system by which the organization maintains control over the chain of custody for all products included on the organization's product group list, covering: i. management system; ii. material sourcing; iii. material receipt and storage; iv. volume control and the applied system for controlling FSC claims (transfer, percentage, and/or credit system); v. sales and delivery; vi. labelling (if applicable); vii. outsourcing arrangements.

	b) Description of the identified critical control points. c) Systematic presentation of findings demonstrating conformity or nonconformity to each element of all applicable FSC normative document(s) used for the evaluation (e.g. FSC-STD-40-004, FSC-STD-40-005). *NOTE: Summaries of the systematic presentation of findings demonstrating conformity or nonconformity are acceptable, as long as the critical control points are addressed, and conformity with the standard sections indicated in bold is summarized in a way that allows the decision-making entity to make an informed decision on the overall conformity or non-conformity of the implemented system.* *NOTE: The audit findings shall be presented separately for each participating site evaluated in the case of multisite and group evaluations.* d) Description and review of any complaints, disputes, or allegations of nonconformities received by the organization and/or the certification body. e) Corrective action requests (CARs) issued to the organization as a result of the current evaluation, including specification as major or minor, timelines for conformance, status (open or closed), description of the nonconformity on which the CAR is based. Where applicable, the report shall also include a systematic evaluation of the organization's conformity to CARs issued by the certification body in the previous evaluation. f) For main evaluations and re-evaluations, the certification decision. g) If the certificate is suspended or terminated as a result of any evaluation, the certification body shall record the justification for this decision in the report. h) Information on FSC-certified volumes based on the organization's annual volume summary, including: i. total FSC input volumes; ii. total FSC sales. *NOTE: If the organization did not sell any products with FSC claims since the previous evaluation, the certification body shall record this information in the report and in the FSC database.*
5. Evaluation findings (for organizations certified according to FSC-STD-40-006)	a) Brief description of the system by which the organization maintains control over the chain of custody for all projects included in the scope of the certificate, covering:

	i. management system; ii. material sourcing; iii. material receipt and storage; iv. use of the FSC trademarks; v. control of project members. b) Description of the projects that have been finalized since the previous evaluation; c) Name of the projects that have been selected for evaluation; d) Systematic presentation of findings demonstrating conformity or nonconformity to each element of all applicable FSC normative document(s) used for the evaluation (e.g. FSC-STD-40-005, FSC-STD-40-007). *NOTE: The audit findings shall be presented separately for each participating site evaluated in the case of multisite and group evaluations.* e) Description and review of any complaints, disputes, or allegations of nonconformities received by the organization and/or the certification body. f) Corrective action requests (CARs) issued to the organization as a result of the current evaluation, including specification as major or minor, timelines for conformance, status (open or closed), description of the nonconformity on which the CAR is based. Where applicable, the report shall also include a systematic evaluation of the organization's conformity to CARs issued by the certification body in the previous evaluation. g) For main evaluations and re-evaluations, the certification decision. h) If the certificate is suspended or terminated as a result of the evaluation, the certification body shall record the justification for this decision in the report.
6. Outsourcing (for organizations certified according to FSC-STD-40-004)	a) Name and contact details of contractors covered by the scope of certificate. b) Description of the outsourced processes (e.g. planning, storage, drying). c) Classification and brief description of the identified risk of the outsourced activity according to Clause 9.2. d) In the case of high-risk outsourcing:

	i. list of contractors audited by the certification body; ii. brief description of the certification body's evaluation of records of material inputs, outputs, and transport documentation associated with material used in the handling/ processing of FSC-certified products during outsourcing.
7. Evaluation of controlled wood requirements against FSC-STD-40-005	a) Description of the DDS, including supplier structure for each participating site: i. exact number of suppliers and approximate or exact number of sub-suppliers[10]; ii. supplier type: e.g. primary, secondary; iii. average length of the non-FSC-certified supply chain(s); iv. risk of mixing with non-eligible inputs. b) Information made publicly available by the organization, or references to such (according to Section 6 of FSC-STD-40-005). This information shall be available for the period of validity of the certificate. c) Evaluation of justification for excluding confidential information provided by the organization (according to Clause 6.2 d) in FSC-STD-40-005). d) Timeline and circumstances of an extension for the period during which the organization shall adapt the DDS to approved FSC risk assessments, where applicable. e) Information about who has developed the DDS or elements of it, including whether the DDS was developed by an external party. f) Brief description of the system developed for the evaluation of the DDS according to Clause 6.2. g) Brief summary of findings from field verification(s) (including audits at the forest level and on-site verification of suppliers in the supply chain), with justification for the sampling rate applied in any type of field verification of the DDS. h) Summary of stakeholder consultation conducted by the certification body, including: i. geographical area(s) for which stakeholder consultation was conducted (e.g. geo-reference data, state, province, supply units);

[10] Suppliers and sub-suppliers are defined in FSC-STD-40-005 *Requirements for Sourcing FSC Controlled Wood*.

	ii. list of stakeholders invited by the certification body to participate in the consultation (identified per stakeholder group); iii. summary of the stakeholder comments received. Comments shall only be published with prior consent from the consulted stakeholder and not associated with stakeholder names; iv. Brief description of how the certification body has taken stakeholder comments into account.
8. Group and multisite evaluations[11]	a) General description of how the chain of custody is controlled at the group or multisite level. b) Detailed summary of the certification body sampling process, including: i. calculation of the number of participating sites sampled for the audit, according to the sampling methodology in Clause 7.5; ii. name(s) of the participating site(s) audited by the certification body. c) Explicit statement of the specified annual growth limit of the group or multisite certificate determined according to Clause 7.1.
9. Evaluation of supplier audit program for reclaimed materials	a) Brief description of the organization's verification program for reclaimed materials. b) List with the name(s) and contact details of the supplier(s) evaluated by the certification body. c) Brief description of the certification body's field evaluation of each supplier.
10. Annexes	a) Annexes may include any additional information which supports or confirms the findings or recommendations of the auditor (e.g. photos, copies of invoices, bills of lading).

[11] These requirements apply in addition to the checklists with the evaluation of the organization's conformance to all applicable requirements of the relevant FSC normative documents.

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

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

NOTE 1: The inclusion of confidential information is not required.

NOTE 2: The certification summary should be short and concise.

13.2 The certification summary shall include at minimum:

a) the contents of the evaluation report relevant to the evaluation of controlled wood (see Table B, Item 7);

b) a list of all nonconformities that the organization is required to correct in order to maintain its certification, including the time period within which corrective actions shall be made.

13.3 When the certification body approves a new or updated risk assessment conducted by the organization, the certification summary shall be updated with the risk assessment within seven business days of approval.

13.4 The certification summary shall be made available in:

a) English or Spanish for certificates that cover a total supply area of more than 50,000 ha in the scope; and

b) at least one of the official languages of the country in which the supply area is located, or the most widely spoken language of the indigenous people in the supply area, where material is sourced from specified risk areas.

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

13.5 In the case of surveillance evaluations, the public certification summary shall include at least the following information:

a) the date of the surveillance evaluation;

b) a description of any significant changes in the DDS;

c) a description of the actions taken by the organization to correct any nonconformities identified during previous evaluations;

d) the certification body's conclusions as to whether the actions taken result in conformity to the applicable requirements, and if not, whether the remaining nonconformities are considered minor or major nonconformities;

e) a description of any further nonconformities identified as a result of the surveillance evaluation and conditions to correct all identified nonconformities;

f) the updated certification decision.

Forest Stewardship Council®

www.fsc.org

FSC International Center gGmbH
Adenauerallee 134 · 53113 Bonn · Germany

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