



**Guide**

**Sample**

**FSC™ multi-site procedures**

**(a supplement to FSC Chain of Custody procedures)**

**January 2018**

**How to use this document**

You may use this document for inspiration on how to develop and structure a multi-site procedure that can be used as a supplement to your company's FSC Chain of Custody (CoC) procedure. This multi-site procedure is required if your company has a multi-site certificate.

Please be aware that this is a generic, fictional example and that you need to develop your own procedures that are specifically tailored to your company set-up and the scope of your certification.

Please note that the following element is used throughout the document:

* References to a specific point in the applicable FSC Standard are given in parentheses. These will help you to go directly to the relevant part of the standard and find out why certain sections or elements have been included in the procedure.

**IMPORTANT**

This document is provided by NEPCon as a generic example of a procedure concerning a multi-site certificate. The company presented in this sample procedure is fictional and the specific system details are provided merely as examples.

This sample procedure has been designed to help you to comply with the FSC standard ”Chain of Custody Certification of multiple sites” (FSC-STD-40-003 V2-1) by providing an example of how multi-site procedures may be structured.

This is a support tool that you may use voluntarily as a basis for developing your own company-specific procedures. It cannot be applied directly. You always need to develop and tailor your own procedures.

This sample procedure can only be used as a supplement to an overall CoC procedure that meets the requirements of the FSC standard "Chain of Custody Certification" (FSC-STD-40-004 V3-0). Thus, this sample procedure on its own cannot be used as documentation for your company's compliance with FSC's requirements for CoC certification.

Using this document is not mandatory for achieving certification, and does not imply any guarantee or assurance regarding the conformance level of your actual company procedures.

Although we have made an effort to cover all Standard requirements, we do not provide any guarantee as to the completeness of these procedures.

*NOTE: These sample procedures are provided as inspiration for certificate holders worldwide. Therefore the FSC trademark symbol TM is used throughout this document. In many countries, the registered trademark symbol ® is applicable. You may need to replace the TM used in these example procedures as part of developing your own company-specific procedures.*

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**FSC™ Chain of Custody multi-site procedure**

**for Company Ltd**

# Introduction

This document is a supplement to the Chain of Custody (CoC) procedures of Company Ltd. It describes our handling of and compliance with the requirements of the FSC multi-site standard (FSC-STD-40-003 V2-1).

The companies and sites included in our multi-site certificate are: (5.1.4 a[[1]](#footnote-2))

Central office function:

* Name (Company Ltd)
* Address
* Telephone number
* Email address
* Contact person + job title
* Certificate number, and sub-code for this site if applicable
* Date of entry into the multi-site certificate
* Date of withdrawal from the multi-site certificate (if applicable)
* The site activity, for example:
  + Sales
  + Purchasing
  + Material reception
  + Production
  + Outsourced activities
  + Storage
  + Shipping
  + Marketing of certified products

Participating site 1:

* Name (Company 2 Ltd)
* Address
* Telephone number
* Email address
* Contact person + job title
* Certificate number, and sub-code for this site if applicable
* Date of entry into the multi-site certificate
* Date of withdrawal from the multi-site certificate (if applicable)
* The site activity, for example:
  + Sales
  + Purchasing
  + Material reception
  + Production
  + Outsourced activities
  + Storage
  + Shipping
  + Marketing of certified products

# Eligibility for multi-site certificate

Company Ltd and Company 2 Ltd have common ownership. Mr John Johnson owns more than 50% of both companies; they are therefore eligible for multi-site certification. Proof of common ownership is enclosed in Annex XX (declaration from Annual Report, or similar). (2.1 a, 2.2)

*Or [[2]](#footnote-3)*

Company Ltd and Company 2 Ltd operate with a centralized administration, purchasing and sales function, located at Company Ltd. In addition, the companies have signed a contract indicating their affiliation in relation to certification. This can be found in Appendix XX: Consent form. Therefore, the two companies are eligible for multi-site certification. (2.1 b, 2.2, 4.3, 5.1.4 b)

# Administration

All sites associated with Company Ltd and Company 2 Ltd are included in the certification activities and thus in the FSC certificate. For example, none of the companies have storage facilities or offices that are not included in the certificate. Consequently, all our sites are eligible to sell our FSC certified goods. (4.4)

All sites are covered by our CoC procedure and its annexes (5.1.4 c). Our CoC procedure shows how all our locations ensure that FSC-certified material is not mixed with non-eligible material. (5.1.2)

The product group list in our CoC procedure shows which product groups are included for the individual companies. (5.1.4 c)

All our procedures, annexes, lists of sites, information about certification and other relevant documents are stored for a minimum of five (5) years. The documents are provided to NEPCon upon request. (5.1.5)

# Central Office function

The Central Office function in relation to the administration of our multi-site certificate is located at: (4.1, 4.6)

* Name (Company Ltd)
* Address
* Telephone number
* Email address
* Contact person + job title

The Central Office has permission and authority to act on behalf of all participating sites under our multi-site certificate, and is responsible for ensuring that all participating sites comply with all applicable and relevant standards. (4.2)

At our Central Office, Director Derek Derekson is appointed as Certificate Manager for all included companies and sites. Derek Derekson has the necessary authorization from management and the technical qualifications required for the role. (5.1.1)

The Central Office is responsible for training and updating all involved employees in relation to our multi-site procedure. The training is carried out by the Certificate Manager, Derek Derekson, who personally instructs the individual employees in handling of certified material. In addition, each new employee is required to read our CoC procedure and multi-site procedure. (5.1.3)

The Central Office maintains a list of staff members who have received training, and the subject they have received training in or been informed about. The training overview can be found in our CoC procedure. (5.1.4 e)

The Central Office has provided each company included in the multi-site certificate with the following documentation: (5.4.1)

* Copies of the applicable certification standards that the company must comply with.
* Copy of the CoC procedure of the Central Office.
* Information about the fact that NEPCon and ASI must have access to the company's activities at all times, in order to be able to perform an external audit. This also includes unannounced audits.
* Information about the fact that NEPCon, ASI and FSC have the right to collect and publish information about the company under the signed agreements.
* Information on how the company must comply with all obligations under the certification and the requirements of the relevant standards.

# Participating sites

Each participating site has designated a contact person and representative of the site in question, see [1. Introduction](#_Introduction). The representative is responsible for ensuring the implementation of all certification procedures issued by the Central Office. (6.1 a)

Each participating site is responsible for conforming to all applicable FSC CoC certification requirements and the procedures specified by the Central Office. The participating sites will address all Corrective Action Requests (CARs) issued by the Central Office or NEPCon within the established timelines, and provide full cooperation and assistance with respect to the satisfactory completion of audits performed by the Central Office, NEPCon or ASI. (6.1b, c, d, f and g)

Furthermore, each participating site will inform the Central Office of all changes in ownership, staff, procedures or processes that may affect conformance to certification or participation requirements. (6.1 e)

The participating sites do not use sub-codes for the sale of certified products, but use the certificate code of Company Ltd. (6.2)

# Internal auditing

NEPCon audits all sites included in the company's multi-site certificate; therefore our Central Office, Company Ltd, does not conduct internal audits (4.5).

When a new site is to be added to the multi-site certificate, it may only be considered as included after NEPCon has completed an audit of it.

*Or [[3]](#footnote-4)*

All participating sites are subject to an internal audit procedure, conducted by the Central Office (4.5). The Central Office's internal auditor is Director Derek Derekson, who is Certificate Manager and has the necessary qualifications to conduct internal audits, by attending relevant courses and keeping up-to-date with the applicable FSC standards. (5.2.1, 5.2.2 and 5.1.4 f).

As less than 20 sites are included in our multi-site certificate, our internal auditor is not required to have ISO training. (5.2.4)

When a new site is to be included in the scope of the multi-site certificate, the Central Office will conduct an internal audit of the new company to ensure that it complies with all applicable requirements of the relevant FSC standards. This is documented in an internal audit report. (5.3.1)

The Central Office conducts an annual internal audit of each site included in the multi-site certificate, to evaluate the continued conformity to all applicable requirements in the relevant FSC standards. This is documented in an internal audit report for each site. (5.3.2)

In case the Central Office identifies non-conformities in relation to FSC standards during an internal audit, it may issue Corrective Action Requests (CARs) to the participating site. (5.3.6)

The Central Office template for the internal audit programme can be found in Annex XX. (5.3.7)

Audit reports from internal audits can be found in Annex XX. (5.1.4 d)

# Adding sites to or withdrawing sites from the multi-site certificate scope

When a new company or site is to be included in our multi-site certificate, the Central Office sends a request to NEPCon for the new company or site to be included in the certificate. The Central Office acknowledges that new sites can only be considered as added to the certificate when NEPCon has confirmed approval hereof. (5.5.4) (5.5.5)

(Note: If NEPCon annually audits all sites, and consequently no internal auditing program has been implemented, new sites may only be considered included in the certificate after they have been audited and approved by NEPCon.)

Together with the request, the Central Office submits an internal audit report for the new site, unless the company asks NEPCon to audit the new site. (5.5.4) (5.5.5)

If a company or site leaves the multi-site certificate, the Central office will notify NEPCon in writing within three (3) working days. (5.5.7)

# Annex XX: Consent form

**Consent form**

concerning

(Central Office)

and

(Participating Site)

(Participating site) hereby agrees to the following terms:

* (Name of the responsible employee at Central Office) is responsible for compliance with all applicable and relevant requirements described in the Chain of Custody (CoC) procedures.
* (Name of the responsible employee at Central Office) is responsible for compliance with all applicable and relevant requirements in the FSC CoC standard.
* (Central Office) has the authority to apply for FSC CoC certification on behalf of (Participating site).
* (Central Office) has the authority to implement FSC CoC certification in the company.
* (Central Office) has the authority to conduct an annual internal audit and the right to issue Nonconformity Reports (NCRs) in this regard if necessary.
* (Central Office) has the authority to terminate multi-site participation if the requirements for participation are not met and/or noted non-conformities are not corrected.
* NEPCon has the right to conduct audits of the company.

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Date and signature – (Central Office) Date and signature – (Participating site)

# Annex XX: Internal audit programme

This annex contains templates and checklists used by the Central Office for Company Ltd’s FSC multi-site certificate when conducting internal audits, in accordance with FSC’s multi-site standard (FSC-STD-40-003 V2-1) and the relevant requirements:

*5.3.7 The Central Office shall document each Participating Site’s audit in a report covering at minimum the following information:*

*d) Participating Site details (sufficient to identify the site);*

*e) Checklist covering the certification requirements applicable to the Participating Site, providing a systematic presentation of findings and demonstrating conformity or nonconformity to each requirement;*

*f) Status of CARs issued by the certification body and/or by the Central Office, including CARs issued during the previous audit and current audit;*

*g) Verification of FSC material balance for each Participating Site in accordance with the requirements of FSC-STD-40-004;*

*h) Summary of audit conclusions, including the decision on whether or not the site is eligible to be included or remain in the scope of the certificate.*

For each site and each audit, the following checklists are filled in:

|  |  |  |  |
| --- | --- | --- | --- |
| **Audit date:** |  | **Name of internal auditor:** |  |
| **Site audited:** |  | | |
| **Description of audit:** | | Documentation and staff:  Includes review of documented procedures, product group list and supplier list, as well as training of relevant employees.  Audit of the purchase, production, storage and sales functions:  Includes review of purchase and sales documentation as well as interviews with staff responsible for supplier validation, material sourcing, production, storage and sales.  Review of the annual volume summary for the site.  Review of promotional and off-product use of trademarks:  Review of procedures for trademark use and trademark approvals. Includes interviews with the responsible staff members. | | |
| **People interviewed, titles:** | |  | | |
| **Audit conclusion:** | |  | | |
| **Documentation attached as annexes:** | | * Purchase invoice * Sales invoice * Product group list * Supplier list * Annual volume summary for the site * Product labels using trademark * Training records for the site | | |

The following section summarises the company or site’s compliance with FSC Chain of Custody (CoC) requirements. This checklist is directly based on the FSC CoC standard FSC-STD-40-004 Chain of Custody Certification V3 EN. FSC standard requirement numbers are identical with the checklist numbers below.

NOTE: when additional standards are used by the company (FSC-STD-40-005 V3-1, FSC-STD-40-007 V2-0 etc.) it will be needed to develop similar checklists based on relevant standard. Checklist below covers only FSC-STD-40-004 V3-0.

**Part I: Universal Requirements**

|  |  |
| --- | --- |
| **Standard Requirement** | **Compliance** |
| **1. CoC management system** | |
| 1.1 The organization shall implement and maintain a CoC management system adequate to its size and complexity to ensure its continuous conformity to all applicable certification requirements, including the following:  a. appoint a management representative who has overall responsibility and authority for the organization’s conformity to all applicable certification requirements;  b. implement and maintain up-to-date documented procedures covering the certification requirements applicable to the scope of the certificate;  c. define the key personnel responsible for the implementation of each procedure;  d. train staff on the up-to-date version of the organization’s procedures to ensure their competence in implementing the CoC management system;  e. maintain complete and up-to-date records of the documents that are relevant to demonstrate the organization’s conformity with all applicable certification requirements which shall be retained for a minimum period of five (5) years. At a minimum, the organization shall keep records of the following documents as applicable to the certificate scope: procedures, product group lists; training records; purchase and sales documents; material accounting records; annual volume summaries; trademark approvals; records of suppliers, complaints, and outsourcing; control of nonconforming products; verification program records for reclaimed material, and records related to a due diligence program for controlled material and FSC Controlled Wood. | Yes  No |
| **Findings:** | |
| 1.4 The organization shall commit to occupational health and safety (OHAS). At a minimum, the organization shall appoint an OHAS representative, establish and implement procedures adequate to its size and complexity, and train its staff on OHAS.  NOTE: Other certifications and enforcement of local legislation on OHAS that cover the elements required in Clause 1.4 may be used as evidence of conformity to this requirement (i.e. the organization may be considered as automatically meeting Clause 1.4.). | Yes  No |
| **Findings:** | |
| 1.5 The organization shall ensure that complaints received regarding the organization’s conformity to the requirements applicable to the scope of the organization’s CoC certificate are adequately considered, including the following:  a. acknowledge receipt of the complaint to the complainant within two (2) weeks of receiving the complaint;  b. investigate the complaint and specify its proposed actions in response to the complaint within three (3) months. If more time is needed to complete the investigation, the complainant and the organization’s certification body shall be notified;  c. take appropriate actions with respect to complaints and any deficiencies found in processes that affect conformity to the certification requirements;  d. notify the complainant and the organization’s certification body when the complaint is considered to be successfully addressed and closed. | Yes  No |
| **Findings:** | |
| 1.6 The organization shall have procedures in place to ensure that any non-conforming products are identified and controlled to prevent their unintended sale and delivery with FSC claims. Where non-conforming products are detected after they have been delivered, the organization shall undertake the following activities:  a. notify its certification body and all affected direct customers in writing within five business days of the non-conforming product identification, and maintain records of that notice;  b. analyse causes for occurrence of non-conforming products, and implement measures to prevent their reoccurrence;  c. cooperate with its certification body in order to allow the certification body to confirm that appropriate actions were taken to correct the non-conformity. | Yes  No |
| **Findings:** | |
| 1.7 The organization shall support transaction verification conducted by its certification body and Accreditation Services International (ASI), by providing samples of FSC transaction data as requested by the certification body | Yes  No |
| **Findings required if No:** | |

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| --- | --- |
| **Standard Requirement** | **Compliance** |
| ***2. Material sourcing*** | |
| 2.1 The organization shall maintain up-to-date information about all suppliers who are supplying materials used for FSC product groups, including names, certification code (if applicable), and materials supplied. | Yes  No |
| **Findings:** | |
| 2.2 In order to confirm any changes that might affect the availability and authenticity of the supplied products, the organization shall regularly verify the validity and product groups scope of the certificates of their active FSC-certified suppliers through the FSC certificate database (info. fsc.org).  NOTE: Other FSC platforms synchronized with the FSC certificate database (i.e. the trademark portal and the OCP) may support the organization’s conformity to this requirement by sending automatic  notifications to the organization in the case of a change in the certificate scope of its suppliers. | Yes  No |
| **Findings:** | |
| 2.3 The organization shall have procedures in place to check the supplier’s sale and/or delivery documentation to confirm that:  a. the supplied material type and quantities are in conformity to the supplied documentation;  b. the FSC claim is specified;  c. the supplier’s FSC Chain of Custody or FSC Controlled Wood code is quoted for material supplied with FSC claims. | Yes  No |
| **Findings:** | |
| 2.4 The organization shall ensure that only eligible inputs and the correct material categories are used in FSC product groups as defined in Table B. | Yes  No |
| **Findings:** | |
| 2.5 Organizations sourcing non-FSC-certified reclaimed material for use in FSC product groups shall conform to the requirements of FSC-STD-40-007. | Yes  No  N/A |
| **Findings:** | |
| 2.6 Organizations sourcing non-FSC-certified virgin material for use in FSC product groups as controlled material shall conform to the requirements of FSC-STD-40-005. | Yes  No  N/A |
| **Findings:** | |
| 2.7 Organizations that reclaim materials from primary or secondary processing at their own site may classify the material as the same or lower material category as the input from which it was derived. Materials reclaimed from secondary processing may also be classified by the organization as pre-consumer reclaimed material, except materials that are discarded by a manufacturing process but that can be reused on site by being incorporated back into the same manufacturing process that generated it. | Yes  No  N/A |
| **Findings:** | |
| 2.8 The organization may classify material held in stock at the time of the main evaluation by the certification body and material received between the date of the main evaluation and the issue date of the organization’s CoC certificate as eligible input, provided that the organization is able to demonstrate to the certification body that the materials meet the FSC material sourcing requirements. | Yes  No  N/A |
| **Findings:** | |

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| **Standard Requirement** | **Compliance** |
| ***3. Material handling*** | |
| 3.1 In cases where there is risk of non-eligible inputs entering FSC product groups, the organization shall implement one or more of the following segregation methods:  a. physical separation of materials;  b. temporal separation of materials;  c. identification of materials. | Yes  No |
| **Findings:** | |

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| **Standard Requirement** | **Compliance** |
| ***4. FSC material and products records*** | |
| 4.1 For each product group or job order, the organization shall identify the main processing steps involving a change of material volume or weight and specify the conversion factor(s) for each processing step or, if not feasible, for the total processing steps. The organization shall have a consistent methodology for calculating conversion factor(s) and shall keep them up to date.  NOTE: Organizations that produce custom manufactured products are not required to specify conversion factors before manufacturing, but they shall maintain production records that enable conversion factors to be calculated. | Yes  No  N/A |
| **Findings:** | |
| 4.2 The organization shall maintain up-to-date material accounting records (e.g. spreadsheets, production control software) of materials and products in the scope of the FSC certificate, including:  a. inputs: purchase document number, date, quantities, and material category including the percentage or credit claim (if applicable);  b. outputs: sales document number, date, product description, quantities, FSC claim, and applicable claim period or job order;  c. FSC percentage calculations and FSC credit accounts. | Yes  No |
| **Findings:** | |
| 4.3 Organizations that are certified to FSC and other forestry certification schemes and that have inputs and outputs that simultaneously carry claims from these schemes shall demonstrate that the quantities of products are not inappropriately counted multiple times.  NOTE: This can be done by establishing a single accounting record for these materials which clearly identifies the quantities of materials and products and the respective certification claim(s) applied to outputs. When this is not possible, the organization should enable the certification body’s assessment of this requirement by other means. | Yes  No  N/A |
| **Findings:** | |
| 4.4 The organization shall prepare reports of annual volume summaries (in the measurement unit commonly used by the organization), covering the period since the previous reporting period, demonstrating that the quantities of output products sold with FSC claims are compatible with the quantities of inputs, any existing inventory, their associated output claims, and the conversion factor(s) by product group.  NOTE: Organizations that make custom manufactured products (e.g. woodworkers, building contractors, construction companies) may present the annual FSC summary reports as an overview of the job orders or construction projects instead of by product group.  [Exhibit required for Audits and Reassessments. In case of multi-sites, exhibits shall be collected for each site] | Yes  No |
| **Findings:** | |

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| **Standard Requirement** | **Compliance** |
| ***5. Sales*** | |
| 5.1 The organization shall ensure that sales documents (physical or electronic) issued for products sold with FSC claims include the following information:  a. name and contact details of the organization;  b. information to identify the customer, such as name and address of the customer (except for sales to end consumers);  c. date when the document was issued;  d. product name or description; e. quantity of products sold;  f. the organization’s FSC certificate code associated with FSC-certified products and/ or FSC Controlled Wood code associated with FSC Controlled Wood products;  g. a clear indication of the FSC claim for each product item or the total products as specified in Table C. | Yes  No |
| **Findings:** | |
| 5.2 Organizations at the end of the supply chain selling FSC finished and labelled products (e.g. retailers, publishers) may omit the percentage or credit information in sales documentation (e.g. using “FSC Mix” claim only instead of “FSC Mix 70%” or “FSC Mix Credit”). In this case, however, this information is lost and subsequent organizations in the supply chain are not permitted to use or reinstate the percentage or credit information related to these products. | Yes  No  N/A |
| **Findings:** | |
| 5.3 If the sales documentation issued by the organization is not included with the shipment of the product and this information is relevant for the customer to identify the product as being FSC certified, the related delivery documentation shall include the same information as required in Clause 5.1 and a reference linking it to the sales documentation. | Yes  No |
| **Findings:** | |
| 5.4 The organization shall ensure that products sold with an FSC 100%, FSC Mix, or FSC Recycled claim on sales documentation do not carry any labels from other forestry certification schemes.  NOTE: FSC-certified product may simultaneously carry the FSC claim and the claim of other forestry certification schemes on sales and delivery documents, even if the product is FSC labelled. | Yes  No |
| **Findings:** | |
| 5.5 Organizations may identify products exclusively made of input materials from small or community producers by adding the following claim to sales documents: “From small or community forest producers”. This claim can be passed on along the supply chain by certificate holders. | Yes  No  N/A |
| **Findings:** | |
| 5.6 The organization may only sell products with the ‘FSC Controlled Wood’ claim on sales and delivery documents if the products are raw or semi-finished products and the customer is FSC certified. | Yes  No  N/A |
| **Findings:** | |
| 5.7 If the organization is unable to include the FSC claim and/or certificate code in sales or delivery documents, the required information shall be provided to the customer through supplementary documentation (e.g. supplementary letters). In this case, the organization shall obtain permission from its certification body to implement supplementary documentation in accordance with the following criteria:  a. there shall exist clear information linking the supplementary documentation to the sales or delivery documents;  b. there is no risk that the customer will misinterpret which products are or are not FSC certified in the supplementary documentation;  c. where the sales documents contain multiple products with different FSC claims, each product shall be cross-referenced to the associated FSC claim provided in the supplementary documentation. | Yes  No  N/A |
| **Findings:** | |
| 5.8 Organizations that sell custom manufactured FSC products (e.g. woodworkers, building contractors, construction companies) that do not list the FSC-certified products on the invoice as required by Clause 5.1 may issue supplementary documents to the invoices issued for construction or other related services. The supplementary document shall include the following: a. reference information sufficient to link the service invoice(s) to the supplementary document; b. a list of the FSC-certified components used with the related quantities and FSC claims; c. the certificate code of the organization. | Yes  No  N/A |
| **Findings:** | |
| 5.9 The organization may opt to downgrade an FSC output claim as presented in Figure A. The FSC label shall correspond to the FSC claim made on sales documents, except in the case of retailers selling finished and labelled products to end-consumers.  NOTE: Products that are 100% made of reclaimed materials can only be claimed as FSC Recycled. | Yes  No  N/A |
| **Findings:** | |

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| **Standard Requirement** | **Compliance** |
| ***6. Compliance with timber legality legislation*** | |
| 6.1 The organization shall ensure that its FSC-certified products conform to all applicable timber legality legislation. At a minimum, the organization shall:  a. have procedures in place to ensure the import and/or export of FSC-certified products by the organization conform to all applicable trade and customs laws[[4]](#footnote-5) (if the organization exports and/or imports FSC products);  b. upon request, collect and provide information on species (common and scientific name) and country of harvest (or more specific location details if required by legislation) to direct customers and/or any FSC-certified organizations further down the supply chain that need this information to comply with timber legality legislation. The form and frequency of providing this information may be agreed upon between the organization and the requester;  NOTE: If the organization does not possess the requested information on species and country of origin, the request shall be passed on to the upstream suppliers until the information can be obtained.  c. ensure that FSC-certified products containing pre-consumer reclaimed wood (except reclaimed paper) being sold to companies located in countries where timber legality legislation applies **either**:  i. only include pre-consumer reclaimed wood materials that conform to FSC Controlled Wood requirements in accordance with FSC-STD-40-005; **or**  ii. inform their customers about the presence of pre-consumer reclaimed wood in the product and support their due diligence system as required by applicable timber legality legislation.  NOTE: Organizations applying option c (i) above may apply the requirements for co-products outlined in FSC-STD-40-005. | Yes  No |
| **Findings:** | |

**Part II: Control of FSC Claims**

NOTE: Examples on the application of the product group and FSC control system requirements are provided in Annexes A and B of the standard.

|  |  |
| --- | --- |
| **Standard Requirement** | **Compliance** |
| ***7. Establishment of product groups for the control of FSC claims*** | |
| 7.1 The organization shall establish product groups for the purpose of controlling FSC output claims and labelling. Product groups shall be formed by one or more output products that:  a. belong to the same product type in accordance with FSC-STD-40-004a;  b. are controlled according to the same FSC control system. | Yes  No |
| **Findings:** | |
| 7.2 The following additional conditions apply for the establishment of product groups under the percentage and/or credit system:  a. all products shall have the same conversion factor. If not, they may still be grouped under the same product group, but the applicable conversion factors shall be applied to the corresponding products for the calculation of the amount of output products that can be sold with FSC percentage or FSC credit claims;  b. all products shall be made of the same input material (e.g. pine lumber) or same combination of input materials (e.g. a product group of veneered particle boards, where all products are made of a combination of particle board and veneer of equivalent species).  NOTE: An input material and/or species of wood of a product group may be substituted by another material and/or species provided that they are equivalent. Variations of material or product dimension or shape are accepted within the same product group. Different types of wood pulp are considered as equivalent input materials. | Yes  No  N/A |
| **Findings:** | |
| 7.3 The organization shall maintain an up-to-date list of product groups specifying for each:  a. the product type(s) of the output products in accordance with FSC-STD-40-004a;  b. the applicable FSC claims for the outputs. The organization may also indicate products that are eligible to carry the FSC Small and Community Label if the organization wants this information to be public in the FSC certificate database;  c. the species (including scientific and common names), where the species information designates the product characteristics.  [Exhibit required] | Yes  No |
| **Findings:** | |

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| **Standard Requirement** | **Compliance** |
| ***8. Transfer system***  **Check if section is not applicable** | |
| 8.1 For each product group, the organization shall specify claim periods or job orders for which a single FSC claim shall be made. | Yes  No |
| **Findings:** | |
| 8.2 For claim periods or job orders in which inputs belong to a single material category carrying an identical FSC claim, the organization shall determine this to be the corresponding FSC claim for the outputs. | Yes  No  N/A |
| **Findings:** | |
| 8.3 For claim periods or job orders in which inputs of different material categories or associated percentage claims or credit claims are combined, the organization shall use the lowest FSC claim per input volume as the FSC claim for the outputs, as indicated in Table D. | Yes  No  N/A |
| **Findings:** | |

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| **Standard Requirement** | **Compliance** |
| ***9. Percentage system***  **Check if section is not applicable** | |
| 9.1 For each product group, the organization shall specify claim periods or job orders for which a single FSC percentage claim shall be made. | Yes  No |
| **Findings:** | |
| 9.2 For FSC Mix and FSC Recycled inputs, the organization shall use the percentage claim or credit claim stated on the supplier invoice to determine the quantity of claim-contributing inputs. | Yes  No |
| **Findings:** | |
| 9.3 The organization shall calculate and record the FSC% for each claim period or job order by using the following formula: | Yes  No |
| **Findings:** | |
| 9.4 When the percentage system is applied at the level of multiple physical sites, the percentage shall be calculated based on an average FSC% of the inputs received by all sites. The conditions for the application of the percentage system at the level of multiple physical sites are the following:  a. the percentage calculation shall only be applied to products within the same product group;  b. all sites shall be within the scope of a single or multi-site certificate with a common ownership structure;  c. all sites shall be located within the same country or the Eurozone;  d. all sites shall use the same integrated management software;  e. each site participating in a cross-site percentage calculation shall have an FSC percentage (FSC%) of at least 50%.  NOTE: FSC will monitor the environmental, social, and economic benefits and costs of the application of the percentage system at a multiple site level and re-evaluate after two years. Organizations applying the percentage system at a multiple site level are required to participate in this monitoring process by providing the information as requested by FSC. | Yes  No  N/A |
| **Findings:** | |
| 9.5 For each product group, the organization shall calculate the FSC% based on:  a. the input to the same claim period or job order (single percentage); **or**  b. the input to a specified number of previous claim periods (rolling average percentage). | Yes  No |
| **Findings:** | |
| 9.6 The time period over which the input percentage is calculated shall not exceed 12 months, unless otherwise warranted by the nature of the business and approved by the FSC-accredited certification body. | Yes  No |
| **Findings:** | |
| 9.7 Organizations using the single percentage method may apply the calculated FSC% to the FSC claim of the output products produced either during the same claim period/ job order or in the following claim period. | Yes  No  N/A |
| **Findings:** | |
| 9.8 Organizations using the rolling average percentage method shall apply the calculated FSC% from the specified number of previous claim periods to the FSC claim of the output products produced in the following claim period. | Yes  No  N/A |
| **Findings:** | |
| 9.9 Organizations applying the FSC percentage in the following claim period according to Clauses 9.7 and 9.8 shall ensure that fluctuations in the supply of input materials are not used to increase the amount of output products sold with FSC claims. Organizations shall demonstrate in their annual volume summary reports that the amount of products sold with FSC claims are compatible with the amount of claim-contributing inputs received and their conversion factors within the reporting period. | Yes  No  N/A |
| **Findings:** | |
| 9.10 The organization can sell the total output of a claim period or job order with an FSC Mix or FSC Recycled percentage claim that is identical to or lower than the calculated FSC%. | Yes  No |
| **Findings:** | |

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| **Standard Requirement** | **Compliance** |
| ***10. Credit system***  **Check if section is not applicable** | |
| **Establishment of credit accounts** | |
| 10.1 For each product group, the organization shall set up and maintain an FSC credit account according to which additions and deductions of FSC credits shall be recorded.  [Exhibit required] | Yes  No |
| **Findings:** | |
| 10.2 The organization shall maintain credit accounts of either input materials or output products. | Yes  No |
| **Findings:** | |
| 10.3 The credit system may be applied at the level of a single or multiple physical sites. The conditions for the establishment of a centralized credit account covering multiple sites are the following:  a. credits shall be shared within the same product group;  b. all sites shall be within the scope of a single or multi-site certificate with a common ownership structure;  c. all sites shall be located within the same country or the Eurozone; d. all sites shall use the same integrated management software;  e. each site participating in a cross-site credit account shall contribute at least 10% of the input credits used by its own site in a 12-month period.  NOTE: FSC will monitor the environmental, social, and economic benefits and costs of the application of the credit system at the multiple site level and re-evaluate it after two years. Organizations applying the credit system at a multiple site level are required to participate in this monitoring process by providing the information as requested by FSC. | Yes  No  N/A |
| **Findings:** | |
| **Credit account administration** | |
| 10.4 For FSC Mix and/or FSC Recycled inputs, the organization shall use the percentage claim or credit claim stated on the supplier invoice to determine the quantity of claim-contributing inputs.  NOTE: Material supplied with a credit claim shall be used by its full quantity as claim-contributing input. | Yes  No |
| **Findings:** | |
| 10.5 When the credit system is applied to assembled wood products, and where inputs of different quality are combined, high-quality components that are sourced as controlled material or FSC Controlled Wood shall not represent more than 30% of the product group’s composition (by volume or weight). | Yes  No  N/A |
| **Findings:** | |
| 10.6 The organization shall not accumulate more FSC credit in the credit account than the sum of FSC credit that has been added during the previous 24 months. (This means that credits which were not used for output claims within this period expire.) The FSC credit that exceeds the sum of credits entered into the account within the previous 24-month period shall be deducted from the credit account at the start of the following month (at the 25th month after they have been added to the account). | Yes  No |
| **Findings:** | |
| 10.7 The determination of output credit quantities shall be achieved by multiplying the input quantities by the applicable conversion factor(s) specified for each component of the product group. | Yes  No |
| **Findings:** | |
| **Sale of outputs with credit claims** | |
| 10.8 Before products are sold with FSC Mix or FSC Recycled credit claims, the organization shall convert the quantity of input materials into credits according to Clause 10.7 and deduct them from the FSC credit account. | Yes  No |
| **Findings:** | |
| 10.9 The organization shall only sell products with FSC credit claims if there are credits available in the corresponding credit account. | Yes  No |
| **Findings:** | |
| 10.10 The organization may supply the portion of the output quantity that has not been sold as FSC Mix Credit as FSC Controlled Wood, on the basis of a corresponding FSC Controlled Wood credit account.  NOTE: FSC Controlled Wood credit accounts are not needed when the FSC Mix Credit account covers the whole organization’s production. | Yes  No |
| **Findings:** | |

**Part III: Supplementary Requirements**

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| **Standard Requirement** | **Compliance** |
| ***11. FSC labelling requirements***  **Check if section is not applicable (Organisation does not, and does not plan to apply FSC labels)** | |
| 11.1 The organization may apply the FSC label on FSC-certified products following the requirements specified in FSC-STD-50-001. The type of FSC label shall always correspond to the FSC claim made on sales documents, as specified in Table E. | Yes  No |
| **Findings:** | |
| 11.2 Only FSC products that are eligible for FSC labelling may be promoted with the FSC trademarks. | Yes  No |
| **Findings:** | |
| 11.3 Products exclusively made of input materials from small and/or community producers are eligible to carry the FSC Small and Community Label. | Yes  No  N/A |
| **Findings:** | |

**Description of any nonconformities found during the internal audit**

This section is filled in once the internal audit has been completed. Based on the audit findings, nonconformities are classified as either major or minor, and corrective actions must be described. The classification of nonconformities as "major" or "minor" shall be based on the guidelines in Annex B of the Standard: [FSC-STD-40-003 V2-1 EN](https://ic.fsc.org/file-download.fsc-std-40-003-v2-1-en-chain-of-custody-certification-of-multiple-sites.a-237.pdf).

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| --- | --- | --- | --- | --- |
| **Nonconformity Report (NCR) number:** | [e.g. 01/2017] | **NC grading:** | **Major** | **Minor** |
| **Standard & Requirement:** | | [Full name and version of the standard, as well as the number of the requirement that the NCR relates to] | | |
| **Description of** **nonconformity and corresponding documentation:** | | | | |
| [Provide full details of the identified nonconformity as it relates to above-mentioned requirement(s). Include reference to specific documentation and cite any supporting documentation. If there are several items of documentation, use bullet points to organise these. It is important to have precise details, but concise language.]  [When necessary, describe the spatial scope of nonconformities, as for example, limited to the local area or systemic through all operations. For multi-site Chain of Custody certificates, specify if the nonconformity was found at a “Central Office” level or “Participating Site” level.] | | | | |
| **Corrective Action Request (CAR):** | | The organisation shall implement corrective actions to demonstrate conformity with the requirement(s) referenced above.  Note: Effective corrective actions focus on addressing the specific occurrence described above, as well as the root cause to eliminate and prevent recurrence of the nonconformity. | | |
| **NCR conformity deadline:** | | By the next annual audit, but not later than 12 months from the report finalisation date.  Prior to (re)certification.  X months from report finalisation date (dd/mm/yyyy). | | |
| **Documentation provided by the organisation:** | | PENDING  [Short description of what the organisation has prepared as evidence for actions taken to address the root cause and eliminate the nonconformity.  When NCR is upgraded to major, maintain the original text here, add new evidence when applicable, and use dates to differentiate.] | | |
| **Results of the evaluation of documentation:** | | PENDING  [Auditor conclusions based on evaluation of evidence above. Conclusions should clearly describe the adequacy of the evidence for either closing or maintaining the NCR as open.  When NCR is upgraded to major, maintain the original text here, add new evidence when applicable, and use dates to differentiate.] | | |
| **NCR status:** | | **OPEN / CLOSED** | | |
| **Comments (optional):** | | [Use for reference, when upgrading the status of NCRs and/or other relevant comments] | | |

# Annex XX: Audit reports from completed internal audits



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**About NEPCon**

NEPCon (Nature Economy and People Connected) is an international non-profit organisation that works to build capacity and commitment for mainstreaming sustainability. For over 20 years, we have worked to foster sustainable land use and responsible trade in forest commodities. We do this through innovation projects, capacity building and sustainability services.

We are accredited certifiers for sustainability schemes such as FSCTM, PEFC, RSPO and SBP. We offer Chain of Custody certification according to the SAN / Rainforest Alliance Standard. We also certify to our own LegalSourceTM Standard and Carbon Footprint Management standards. A self-managing division of NEPCon promotes and delivers our certification services. Surplus from certification activities supports the NEPCon’s non-profit activities.

NEPCon is recognised by the EU as a Monitoring Organisation under the EU Timber Regulation.

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1. Please note that numbers in parentheses used throughout this document refer directly to the requirements included in the FSC standard ”Chain of Custody certification of multiple sites”, FSC-STD-40-003, version 2-1. [↑](#footnote-ref-2)
2. Please choose one of the two descriptions. [↑](#footnote-ref-3)
3. Please choose one of the two descriptions. [↑](#footnote-ref-4)
4. Trade and Customs Laws include, but may not be restricted to:

   Bans, quotas and other restrictions on the export of timber products (e.g. bans on the export of unprocessed logs or rough-sawn lumber);

   Requirements for export licences for timber and timber products;

   Official authorisation that entities exporting timber and timber products may require;

   Taxes and duties applying to timber product exports. [↑](#footnote-ref-5)