

FORESTRY



CHAIN OF CUSTODY GUIDANCE FOR APPLICANTS



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What is Chain of Custody (COC) certification?

Chain of custody certification is a requirement for companies who process, transform or trade certified forest products, and who wish to make claims about products using either the **Forest Stewardship Council® (FSC®)** or **Programme for the Endorsement of Forest Certification (PEFC™)** trademarks, names and labels.

Chain of custody certification schemes, such as FSC and PEFC, aim to connect responsible forest management practices with consumers. They provide a consistent international basis for claims about the sourcing of timber and wood fibre products. Soil Association Certification Forestry **offers certification for FSC and PEFC**; while they're not interchangeable, you can apply to become certified for each scheme, either individually or together as a joint certification.

If you're seeking **joint FSC and PEFC certification**, our systems will meet the requirements of both schemes and certification can be run concurrently.

Chain of custody certification enables companies to:

- Identify and control their sources of certified and reclaimed/ recycled material
- Show their customers that they meet the certification scheme requirements for the control of any non-certified material
- Use the FSC and/or PEFC trademarks and labels to promote their products



What is needed in a Chain of Custody system?

A chain of custody system has a number of core components. These should be appropriate for your company - for example: a multinational company will have a much more complex system than a small company with only a few employees.

1. Quality management

A procedures manual is needed to explain and set out responsibilities for your chain of custody (COC) system. These are specific to your organisation and will need to cover:

- Material sourcing (purchasing)
- Material receipts (goods in)
- Traceability/identification of certified products during processing
- Sales and delivery
- Trademark use
- Complaints and non-conforming products (what you'll do if you realise something you sold wasn't actually certified)

2. Scope of chain of custody system and product group list

You'll need to compile details of which items are purchased to be sold or transformed into FSC and/or PEFC products, which species the materials come from and which certification status the product has e.g. 70% PEFC certified or FSC 100%.



3. Material sourcing

You will also need to collect details of who you're buying from and carry out checks to ensure that their certificate is valid for the date and product being sourced. For FSC, this can be checked on their website: <https://info.fsc.org> and for PEFC, visit: <https://www.pefc.org>.

4. Training

All staff involved in the chain of custody will need training in the responsibilities for their specific roles. All training must be recorded.

5. Material receipt and storage

You must specify that goods are certified when they're ordered. Checks then need to be made on every delivery to ensure they are as ordered. Depending on your situation, you may need to segregate different products.

6. Volume control

You'll need records of all certified purchases and sales. Conversion factors might need to be calculated - for example: when logs are sawn into planks, there is going to be wastage. This is to ensure no more certified product is sold than purchased.

7. Sales and delivery

When certified material is sold, it needs to be identified on sales documents using the correct FSC or PEFC status and your certificate code.

8. Use of the trademarks

FSC and/or PEFC trademarks can be used to promote certified products. There are rules for using these trademarks to ensure that the correct colours and sizes are chosen, and that they aren't misleading in any way.

Standard documents

You'll need a copy of the relevant FSC and/or PEFC standards. These can be downloaded from their respective websites:

FSC:

- **For both COC and Trademark standards:**
<https://ic.fsc.org/en/document-center>

PEFC:

- **For both COC and Trademark standards:**
<https://www.pefc.org/resources/technical-documentation/pefc-international-standards-2010>

For more information on trademark use, please contact us.

Product groups

You'll need to decide upon a 'product group' for each FSC and/or PEFC product you wish to sell. This means grouping similar types of output product in both your control and recording systems, for the purpose of making sure FSC and/or PEFC output claims and labelling are correct.

Product groups will include one or more output items that belong to the same product type, consisting of the same or similar input material (for example: same species), and are controlled according to the same FSC or PEFC control system.

Keep reading for more information on control systems.

Claims

You can buy and sell products with a single product claim (for example: FSC 100%). You're also allowed to produce something that's made of several different types of claim and simply use the lowest claim on your sales document.

For example, the following table is taken from the FSC chain of custody standard:

FSC output claim for the product group	Eligible inputs
FSC 100%	<i>FSC 100%</i>
FSC Mix x% / FSC Mix Credit	<i>FSC 100%, FSC Mix x%, FSC Mix Credit, FSC Recycled x%, FSC Recycled Credit, Controlled Material, FSC Controlled Wood, Pre-Consumer Reclaimed, Post-Consumer Reclaimed</i>
FSC Recycled x% / FSC Recycled Credit	<i>FSC Recycled x%, FSC Recycled Credit, Pre-Consumer Reclaimed, Post-Consumer Reclaimed</i>
FSC Controlled Wood	<i>FSC 100%, FSC Mix x%, FSC Mix Credit, Controlled Material, FSC Controlled Wood</i>

Table B - FSC-STD-40-004

Guidance on how to choose the correct FSC output claim is also provided in the FSC COC standard.

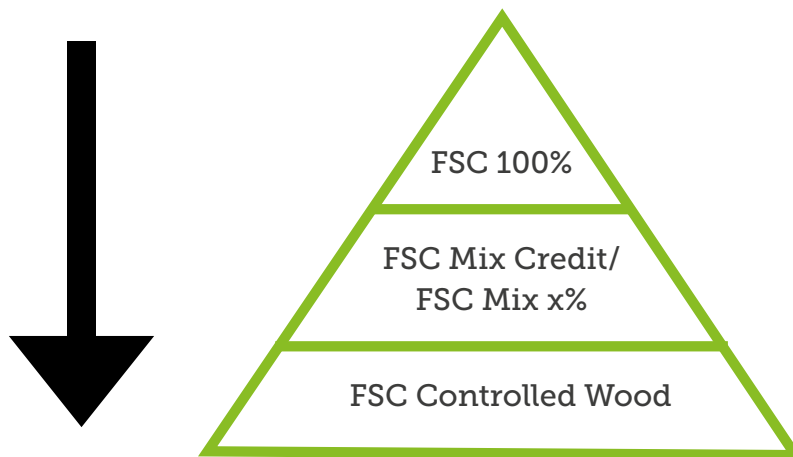


Figure A: Rules for downgrading FSC output claims

For PEFC, guidance is provided in the PEFC chain of custody standard. The final claim can be downgraded, but a claim for PEFC is always “x% PEFC certified.” As with FSC, the product needs to have at least 70% PEFC certified content for the product to be eligible for a PEFC label.

Types of COC systems

There are several systems that can be used for chain of custody, depending on the needs of your business.

As mentioned above, it's possible to include more than one type of product claim in a product, as long as you use the correct claim on the product you sell. The FSC chain of custody standard provides guidance on how to work this out (see below).

Transfer system (FSC) or Physical separation (PEFC)

These are the simplest and most widely used systems - you simply transfer the claim used on a product by your supplier and sell it with the same or lower claim.

For both FSC transfer and PEFC physical separation, the FSC or PEFC certified material must be separated physically, through clear use of identification, or by using time. Different inputs may be combined to create one output claim under both the FSC transfer or PEFC physical separation systems, as long as all the inputs are certified.

For FSC, for example, the following guidance is useful:

INPUTS	FSC 100%	FSC Mix Credit	FSC Mix %
FSC 100%	FSC 100%	FSC Mix Credit	FSC Mix x%
FSC Mix Credit			
FSC Mix %			

Table D 8.3: Possible combinations of FSC input claims and resulting output claims when applying the transfer system

Percentage system

The chain of custody percentage system (FSC) and average percentage method (PEFC) are useful if you want to mix certified material/products with other (uncertified) material categories.

It's important to note that any other material categories that you'd like to include in an FSC or PEFC certified product must still be traceable and controlled, for example: you cannot include any material of unknown origin or species. If it's not certified, your inputs will need to meet other relevant standards - please contact us for more information.

The percentage system is suitable for companies who, for some reason, are not able to source 100% certified inputs for their products and it allows outputs to be sold with a certified percentage claim corresponding to the proportion of 'claim-contributing' inputs. An example of an output claim from a percentage system could be FSC 70% Mix or 80% PEFC certified.

Calculation of the correct output percentage claim for each product is up to you, as the certificate holder, but guidance is provided by the FSC and PEFC chain of custody standards to assist in making a decision.

For more information on percentage systems, please contact us for more guidance.

Credit system

The chain of custody credit system (FSC) or volume credit method (PEFC) is appropriate if your source(s) of certified material fluctuate in availability. The credit account acts like a bank account, to which additions of certified 'credits' are made and can be deducted. You are able to maintain credit accounts of either input materials or output products per product group, as long as you use a single measurement unit.

A credit account, as with a percentage account, can become complex, depending upon what you need it to do; by far the most common COC system used is therefore, as stated previously, transfer or physical separation.

For more information on credit systems, please contact us for more guidance.

A guide to becoming certified

1. Talk to us

Discuss what you'd ideally like to do and we can explain the various options available.



2. Apply

Read this guidance and fill in the Soil Association Certification application form.



3. Contract

Receive a quote and once you're happy to proceed, sign the standard contract.



4. Prepare for audit

- Ensure all COC procedures are completed
- Design a material accounting record
- Train relevant staff



5. Audit

An experienced auditor from Soil Association Certification will visit your site to see what you're doing and how.



6. Receive certificate

Please see page 16 for details of what happens after certificate is issued.



Checklist for audits

This is a list of the main documents that an auditor will ask to look at during an audit. Please use this checklist to make sure you have everything ready before your audit takes place:

- Procedures manual
- Product group list
- List of proposed FSC/PEFC suppliers (including certificate numbers)
- Material accounting record (MAR)
- Training records

These are some of the other documents that we'll ask to see at your initial (main) assessment audit and that will be sampled at future audits:

- Copies of applicable FSC standards
- Health & safety procedure/policy
- FSC self-declaration (Policy of Association)
- Delivery notes and invoices for any FSC goods already received
- Templates for sales documents planned for use once certified
- When you are certified, copies of invoices and delivery notes for certified material bought and sold

If you feel it would be beneficial to have a 'practise' audit before your main assessment, we do offer a 'pre-assessment' option on request. Read on to find out whether this option might be for you.

WHAT HAPPENS NEXT

Application process

CERTIFICATION ESTIMATE

To receive a quote for certification, please complete and return the application form. By all means, talk to us to decide which COC control system(s) you'd like to apply for. We can discuss the systems to help you make a decision.

MULTIPLE SITES

If you'd like to include more than one site within the scope of your certificate, you'll need to complete **Worksheet 2b: Site Info**. Get in touch to discuss your particular circumstances, if necessary - we'll be happy to help.

OUTSOURCING

If you subcontract (outsource) processing, warehousing or any other element of your operations, you'll need to complete **Worksheet 2c: Outsourced Sites**. There are certain pre-conditions to allowing outsourcing that are explained in the COC certification standards.

The relevant requirements will be checked when you're first audited. Please contact us if you need any further information.

FSC CONTROLLED WOOD

If you plan to purchase uncertified wood/fibre to use as 'controlled material' in an FSC mix product or to sell as 'FSC controlled wood,' you'll need to complete a separate controlled wood application form.

Guidelines for sourcing controlled wood are available on request and include further information about the controlled wood standard and certification process.

Once we've received your completed application form(s), we'll send you an estimate.

CONTRACTS

As soon as you've confirmed that you wish to proceed, we will send you our **Evaluation Contract** and **Fee Schedule** for you to sign, together with an invoice for the initial certification fees. If you're applying for FSC certification, you'll first receive an **FSC Trademark License Agreement** to sign - this will allow you to use the FSC Trademarks after you're successfully FSC certified.

It's worth noting that you may apply for evaluation of your chain of custody system prior to receiving certified inputs and a certificate can still be issued.

It's also important to note that we do require you to let us know if you've already been FSC and/or PEFC certified within the last five years.

Pre-assessment audit (PA)

To ensure that your main assessment audit goes smoothly, a pre-assessment (PA) can act as a gap analysis.

At a PA visit to your business, an auditor will discuss your particular situation, go over the standard(s) with you and clarify any doubts you may have about the certification process.

They'll walk through your production process and can highlight any areas where there are likely to be problems complying with the standard(s). The auditor will prepare a PA report and this will be given to you to help you prepare for the main assessment.

It must be noted that the auditor is impartial, and as such, cannot tell you what to do. As your Certification Body, we cannot write your procedures for you or train your staff; however, your auditor can explain relevant requirements and talk through the various ways in which your company may decide to meet them.

We are available to provide on-going support and information throughout the year – please read on to see what services we offer our certificate holders.

Main assessment audit (MA)

To ensure that the certification process is smooth and simple, we gather as much information as we can before the main assessment takes place. This is why the application form is quite detailed. Once you feel ready to have a main assessment, one of our auditors will contact you directly to arrange a mutually convenient date and time.

Important note: *we require that you submit a copy of your manual or procedures to the auditor prior to the audit.*

During the main assessment audit, the auditor will identify any parts of the standard which are not fully complied with and will discuss any pre-conditions to certification with you. Pre-conditions are problems that will need to be addressed before a certificate can be issued.

The auditor will be able to discuss with you what kind of actions could be appropriate in order to fully comply with the standard(s). It'll be up to you, however, to decide how you can meet the standard(s), and, ultimately, up to your Soil Association Certification Manager, rather than the auditor, to determine whether the actions you take are sufficient to comply.

Main Assessment audit continued

If you're applying for joint FSC and PEFC certification, the auditor will audit you against both schemes at the same audit.

After the assessment visit, the auditor will submit a written report to Soil Association Certification, listing any non-compliances with the standard(s).

Certification decision

We'll decide whether a certificate can be issued (our certification decision) on the basis of the auditor's subsequent written report.

This decision is based upon any findings that the auditor has raised. These include an assessment of any 'non-compliances' against the relevant standards, as well as the associated Corrective Action Requests (CARs). These can be graded as major or minor - for example:

A CAR is 'major' where either a major element of the system for chain of custody control is missing or its implementation has totally broken down. In the case of main assessment, major CARs will need to be complied with prior to the issue of a certificate and are, therefore, called pre-conditions.

The deadline for closing major CARs is usually within 3 months of receiving your audit report (pre-conditions have no deadline, but will need to be closed before a certificate can be issued).

A CAR may be 'minor' when there is a temporary or partial lapse in the functioning of an existing part of the system for chain of custody control. For FSC, minor CARs may be corrected within an agreed time period after the issue of a certificate (usually within 12 months, to be confirmed at your next audit).

For PEFC, minor CARs must be closed prior to issue of a certificate, as they will be considered as pre-conditions.

Certification decision continued

Once the certification decision has been made:

- If there are no CARs, we'll issue a certificate
- If there are only minor CARs for FSC, we'll issue an FSC certificate on the basis that you agree to take appropriate actions to come into full compliance within a specified time frame (usually within 12 months)
- If there are pre-conditions, we won't issue a certificate until after you've taken appropriate actions and we've agreed that you comply fully with the relevant part of the standard(s)

Once certification is achieved, you'll be eligible to use the scheme trademarks (FSC and/or PEFC) on eligible certified products, using on-product labels. You'll also be able to promote your products using the trademarks in promotional materials and on your website. Our trademark team will be happy to point you towards the trademark information you may need and approve all correct designs, ready for use. If your design is not quite right, we'll work with you until it is.

Certificates

A Certificate of registration will be issued, which is usually valid for five years and is based conditionally on successful annual surveillance audits.

Following certification

SURVEILLANCES

The first surveillance audit (S1) usually takes place 6 to 9 months after certification. Thereafter, surveillance visits will take place at least annually and are usually arranged well in advance.

The surveillance visit is very similar to the initial main evaluation visit.

FAILURE TO CORRECT A MINOR CAR WITHIN AN AGREED TIMEFRAME

If you've been asked to correct a minor CAR and we're not satisfied that appropriate actions have been taken, the CAR will be upgraded from a minor CAR to a major CAR. The major CAR must now be corrected within a shorter time scale (usually 3 months).

FAILURE TO CORRECT A MAJOR CAR WITHIN AN AGREED TIMEFRAME

If you've been asked to correct a major CAR and we're not satisfied that appropriate actions have been taken within the specified time limit, you're no longer complying with the chain of custody standard and we'll suspend your certificate.

SUSPENSION OF A CERTIFICATE

Should this happen, we'll specify which part of the standard has not been complied with. If your certificate is suspended, you must immediately stop all use of the relevant trademarks and refrain from describing your products as certified.

All promotional or marketing materials that make use of the Soil Association Certification or relevant FSC/PEFC trademarks must be withdrawn.

TERMINATION OF A CERTIFICATE

This will occur if we find you're unable to meet the necessary chain of custody standard requirements for one of a number of reasons.

In the case of termination, a certificate will only be re-issued following successful completion of a full audit.

RE-ASSESSMENT AUDIT (RA)

A certificate is re-issued for a further five years upon completion of a full re-assessment audit 3 months before the expiry of the existing certificate.

CHANGES TO THE STANDARDS

We'll inform you in advance of any such changes and ensure that you have sufficient time to comply with any new requirements (usually 12 months).

Ongoing Support

Once you're certified, our support doesn't stop!



All FSC and/or PEFC certificate holders are looked after by a dedicated certification manager who is focused on your geographical region and is available to answer any queries you may have. We also have central telephone and email contact addresses, so you'll always be able to get in touch.



Our trained trademark team is available all year round to respond to your requests for trademark approvals and guidance. We provide this service free of charge, and aim to help you to promote your certified status and products effectively.



Our experienced, professional and flexible team of auditors work across the globe, and together, draw upon many decades' worth of knowledge and experience in the forestry and chain of custody sectors.

As part of a mission-driven NGO, we seek to promote and facilitate sustainability and a low carbon economy. Engaging with our clients and their industry bodies to clarify the relevant standards is vital in achieving that. Our approachable, personal service sets us apart from our competitors and we look forward to providing that service to you.

Complaints

If, for any reason, you ever wish to lodge a complaint, please contact us. We'll try to resolve your complaint in discussion with you. If this isn't possible, we'll implement our independent complaint resolution procedure.

At any time, we can provide you with an explanation of this complaint resolution procedure.

If you're still not satisfied with our performance regarding **FSC certification**, you have the right to lodge a formal complaint with **Accreditation Services International** at:

Accreditation Services International (ASI) GmbH

Friedrich-Ebert-Allee 69, 53113
Bonn, Germany

T: +49 (228) 227 237 0

F: +49 (228) 227 237 30

E: asi-info@accreditation-services.com

In the case of **PEFC**, you have the right to lodge a formal complaint with the **PEFC National Office** or **PEFC International**:

PEFC International

ICC Building C, Route de Pré-Bois 20,
Case Postale 1862, 1215 Geneva 15, Switzerland

T: +41 (22) 799 4540

E: info@pefc.org





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IP-COC-001-11 COC Guidance for Applicants