

**April 20222**

**Preferred by Nature Guide**

**Sample**

**FSC™ and PEFC Chain of Custody procedures**

**How to use this document**

You may use this document for inspiration on how to develop and structure your own company-specific FSC and PEFC Chain of Custody (CoC) procedures. 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 elements are used throughout the document:

* References to a specific point in the applicable FSC or PEFC Standard are given in parentheses. These will help you to go directly to the relevant part of the Chain of Custody standards and find out why certain sections or elements have been included in the procedures.
* Text in green is not part of the sample procedures, but contains explanatory notes, information and links that can help you understand the standards and FSC/PEFC’s requirements.

**IMPORTANT**

This document is provided by Preferred by Nature as a generic example of Chain of Custody procedures. The company presented in these procedures is fictional and the specific system details are provided merely as examples.

These sample procedures have been designed to help you to comply with the FSC Chain of Custody Standard (FSC-STD-40-004 V3-1) and PEFC’s Chain of Custody Standard (PEFC ST 2002:2020) by providing an example of how CoC 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.

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.

**Please note that the sample procedures in this document cover ONLY THE TRANSFER SYSTEM (not the credit nor percentage systems).**

*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 sample procedures as part of developing your own company-specific procedures.*

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**FSC™ & PEFC Chain of Custody procedures for Company Ltd**

1. **Introduction to the procedures manual**

In order to ensure our fulfilment of all applicable FSC and PEFC requirements, Company Ltd has compiled this Chain of Custody (CoC) manual. The manual is based on the FSC Chain of Custody standard FSC-STD-40-004 version 3-1, and PEFC Standard PEFC ST 2002:2020, and it addresses all applicable requirements of these standards. The Production Manager is responsible for the maintenance and correct implementation of this manual (FSC 1.1 a) (PEFC 4.2.1)[[1]](#footnote-1).

This manual is prepared to help our employees to:

* control the flow of materials throughout the reception, processing, packing and shipping processes so that all applicable FSC and PEFC requirements are met; and
* ensure that we meet the requirements of FSC Standard for Chain of Custody Certification FSC-STD-40-004 (version 3-1) and PEFC Standard PEFC ST 2002:2020.

1. **Company background**

Company Ltd was established in 2001 and is a medium-sized furniture production company. The total turnover of the company in 2021 was 2.4 million EUR. We employ approximately 50 full-time staff.

Our company facilities include raw material storage, kilns, a sawmill, a planing facility, and final product storage facilities. More information about the company is available in our latest annual report.

1. **Responsibilities (FSC 1.1) (PEFC 4.3)**

The person with overall responsibility and authority for compliance with all applicable FSC and PEFC requirements is the Production Manager (FSC 1.1 a) (PEFC 4.3.2). The Production Manager is also responsible for implementing and maintaining up-to-date documented procedures covering the certification requirements applicable to Company Ltd’s certificate scope (FSC 1.1. b) (PEFC 4.3.1.1), and for ensuring the Organisation’s commitment to the FSC values by signing a self-declaration (see **Annex 1**) (FSC 1.3).

Responsibilities for separate areas are specified in each part of the procedures (FSC 1.1 c) (PEFC 4.3.2). Responsibilities are also summarised in the following table:

**Table 1. Responsibilities of staff**

|  |  |  |  |
| --- | --- | --- | --- |
| **Area** | **Responsible** | **Area** | **Responsible** |
| Training and staff awareness | Production Manager | Product labelling  Production of sales waybills | Foreman |
| Supplier validation and material sourcing  Purchasing of raw material  Verification of purchase documents | Purchase Manager | Promotional and off-product use of trademarks  Preparation of sales contracts | Sales Manager |
| Material reception | Foreman | Annual volume summary | Bookkeeper |
| Production and segregation in processing  Product group list | Production Manager | Preparation of sales invoices and shipping documentation | Bookkeeper |
| Volume control and conversion factors | Production Manager | Outsourcing | Production Manager |
| Occupational health and safety | Production Manager | Complaints procedure  Non-conforming products  Nonconformity and corrective action  Transaction verification  Timber legality information | Production Manager |
| FSC Core Labour Requirements | Production Manager |  |  |

*Note: The overall responsible person is responsible for any areas not specified in this table.*

1. **Training (FSC 1.1) (PEFC 4.5.1)**

In our company, FSC and PEFC related training is relevant for all full-time employees. Training covering the full CoC system and based on this manual is provided to all staff. Initial training is conducted before initial assessment and additional brief training is conducted once per year, when the results of the external FSC and PEFC audit are available. New staff shall be personally introduced to this manual before they start work at Company Ltd.

The Production Manager is responsible for implementing this training procedure (FSC 1.1 d) (PEFC 4.5.1).

For each training session the date of the training, the list of participants, and a brief overview of the topics covered will be documented. Training of new staff is documented by the employee’s signature and the date of training on a separate staff instruction sheet (FSC 1.1 e) (PEFC 4.2.1).

1. **Records (FSC 1.1) (PEFC 4.4)**

To enable us to effectively monitor the CoC system, we maintain records covering all steps and elements of our CoC system. Records can be available digitally or on paper in Company Ltd. The minimum maintenance time for all records is five (5) years (FSC 1.1 e) (PEFC 4.2.1).

**Table 2. Summary of the records maintained by Company Ltd related to our FSC and PEFC certificate scope**

|  |  |
| --- | --- |
| **Record name** | **Location** |
| Raw material orders | Emails saved on server, in the folder ‘Production’ |
| Purchase waybill, purchase invoice (FSC 2.3) | Digitally stored in the accounting programme |
| List of suppliers (FSC 2.1) | Extracted from the accounting programme |
| Volume information, including conversion factor (FSC 4.1, 4.2) | Extractable from the accounting programme |
| Annual volume summary (FSC 4.4) | Extracted from the accounting programme into Excel and saved in the ‘FSC & PEFC’ folder on the server once per year |
| Production orders | Excel files stored on the server, in the folder ‘Production’ |
| Production work sheets | Entered into Excel based on paper sheets; Excel files are saved on the server, in the folder ‘Production’ |
| Stock inventory (FSC 4.2) | Excel files stored on the server, in the folder ‘Inventory’ |
| Sales invoice (FSC 5.1.) | Digitally stored in the accounting programme |
| Sales waybill (FSC 5.1.) | Digitally stored in the accounting programme |
| Product label types used on products (FSC 11.1) | Sample label designs stored on the server, in the folder ‘Production’ |
| Occupational health and safety (FSC 1.4) | Hard copy stored in the Production Manager’s office and also presented on the message board |
| ***Specific FSC & PEFC documents*** | |
| This document | Digitally stored on the server, in the folder ‘FSC & PEFC’ |
| FSC product group list | Annexed to this document. **Annex 4a** |
| PEFC product group list | Annexed to this document. **Annex 4b** |
| FSC and PEFC training records | Annexed to this document. **Annex 2** |
| FSC and PEFC personnel training instruction sheet | Hard copy stored in the Production Manager’s office |
| FSC trademark usage approvals | Emails saved on the server, in the folder ‘FSC & PEFC’ |
| Outsourcing contract | Stored on the server, in the folder ‘Contracts’. **Annex 5** |
| Company’s Policy for Association with FSC | Saved on the server in the folder ‘FSC & PEFC’; also available on our company website. **Annex 1** |
| FSC core labour requirements self-assessment | Annexed to this document (Annex 8) |
| Nonconformity and corrective action | Digitally stored in the accounting programme |

1. **Occupational health and safety (FSC 1.4) (PEFC 4.10)**

The Production Manager is responsible for securing occupational health and safety at Company Ltd.

Company Ltd has established procedures for ensuring occupational health and safety. A hard copy is stored in the Production Manager’s office and is also presented on the message board.

Company Ltd has a training plan covering occupational health and safety. All new workers are trained in the company’s established health and safety policy during their orientation, and additional training is conducted as the need arises. Training records are maintained for at least five (5) years.

1. **FSC core labour requirements (FSC 1.5, 1.6)**

Company Ltd has adopted and implanted a policy statement. We chose to make our policy available to our stakeholders in our webpage and it covers:

**Child labour**

* Company Ltd is not employing workers below the age of 15.
* No person under the age of 18 is employed in hazardous or heavy work

except for the purpose of training within approved national laws and

regulations.

* Company Ltd prohibits the worst forms of child labour.

**Force and compulsory labour**

* Employment relationships are voluntary and based on mutual consent, without the threat of a penalty.
* There is no evidence of any practices indicative of forced or compulsory labour, including, but not limited to, the following:
* physical and sexual violence
* bonded labour
* withholding of wages /including payment of employment fees and
* or payment of deposit to commence employment
* restriction of mobility/movement
* retention of passport and identity documents
* threats of denunciation to the authorities.

**Discrimination in employment and occupation**

* Employment and occupation practices are non-discriminatory.

**Freedom of association and right to collective bargaining**

* Our workers are able to establish or join worker organizations of their own choosing.
* Company Ltd respects the full freedom of workers’ organizations to draw up their constitutions and rules.
* Company Ltd respects the rights of workers to engage in lawful activities related to forming, joining or assisting a workers’ organization, or to refrain from doing the same, and will not discriminate or punish workers for exercising these rights.
* Company Ltd negotiates with lawfully established workers’ organizations and/ or duly selected representatives in good faith and with the best efforts to reach a collective bargaining agreement.
* Collective bargaining agreements are implemented where they exist.

Company Ldt maintain up-to-date self-assessment (see Annex 5). Production Manager is responsible for maintaining self-assessment. Self-assessment is completed at least annually and sent to certification body prior to audit.

1. **Procedure for handling complaints (FSC 1.7) (PEFC 4.7)**

Company Ltd shall ensure that complaints received regarding our conformity to the requirements applicable to the scope of our CoC certificate are adequately considered, including the following:

1. acknowledge receipt of the complaint to the complainant within two (2) weeks of receiving the complaint;
2. investigate the complaint and specify, within three (3) months, our proposed actions in response to the complaint. If more time is needed to complete the investigation, the complainant and Company Ltd’s Certification Body shall be notified;
3. take appropriate actions with respect to complaints and any deficiencies found in processes that affect conformity to the certification requirements;
4. notify the complainant and our Certification Body when the complaint is considered to be successfully addressed and closed.
5. **Non-conforming products (FSC 1.8)**

***Purpose of this procedure:*** To ensure correct handling of non-conforming products.

***Definition of non-conforming product:*** Product or material labelled with FSC trademarks or registered or sold with an FSC claim, for which an organisation is unable to demonstrate that it complies with FSC eligibility requirements for making claims and/or for using the FSC on-product labels.

***Points of action***

In case non-conforming products are discovered in storage or production facilities, we will take the following actions:

1. Immediately remove any on-product FSC claims.
2. Register the products as non-certified.
3. Immediately stop any sales of non-conforming products accompanied by FSC claims.

In case non-conforming products have been sold with an FSC claim (i.e. the non-conforming products were detected after sale and delivery), we will take the following actions:

1. Notify our Certification Body and all directly affected customers in writing within five (5) business days of the non-conforming product identification, and maintain records of that notice;
2. Notify our Certification Body of this action.

Once immediate actions have been taken as described above, we will take the following actions:

1. Analyse causes for the occurrence of non-conforming products.
2. Take appropriate action to prevent re-occurrence.
3. Cooperate with our Certification Body in order to allow our Certification Body to confirm that appropriate actions were taken to correct the non-conformity.
4. **Transaction verification (FSC 1.9)**

We will support transaction verification conducted by our Certification Body and Accreditation Services International (ASI), by providing samples of FSC transaction data as requested by the Certification Body.

1. **Fibre testing (FSC 1.10)**

We will support fibre testing conducted by our certification body and ASI by surrendering samples and specimens of materials and products, and information about species composition for verification upon request.

1. **Material sourcing (FSC section 2) (PEFC 5.1)**

The Purchase Manager is responsible for purchasing of raw material, for verifying the validity and scope of the supplier’s FSC and/or PEFC certificate, and for verifying purchase documents (FSC 1.1 c) (PEFC 5.1.1).

Company Ltd purchases material with the following claims for its FSC and PEFC production (FSC 2.4) (see also **Annex 4a and 4b**):

FSC 100%

FSC Mix Credit

100% PEFC Origin

100% PEFC certified

XX% PEFC certified

**The full list of potential FSC claims used in the FSC system\*:**

\*\*FSC 100%

\*\*FSC Mix Credit

FSC Mix XX%

FSC Recycled XX%

FSC Recycled Credit

FSC Controlled Wood (from FSC-certified suppliers)

Controlled material (from own control system)

Non-controlled, non-certified material

**Company Ltd uses only the categories marked with \*\* in our FSC production.**

*\*The above box text is not part of the sample procedures, but rather adds explanatory material to help with the understanding of the FSC standard and requirements.*

Raw material is ordered based on the estimated need of material, which can be extracted from sales contracts. The Sales Manager, who prepares sales contracts in Excel, will mark ‘FSC certified’ or ‘PEFC certified’ in the Comments field if the buyer wants the material to be FSC or PEFC certified.

The Purchase Manager is responsible for preparing purchase orders for raw material. If certified material is needed, the following statement is marked in the purchase order: ‘Ordered material must be FSC 100% or FSC Mix Credit’ or ‘Ordered material must be minimum 70% PEFC Certified’ (FSC 2.4) (PEFC 5.1.1).

Before preparing the purchase order – and, in addition, on a regular basis every third month – the Purchase Manager must confirm that the supplier has a valid FSC and/or PEFC certificate. This is done via the FSC database (<http://info.fsc.org/>) or the PEFC database (<https://www.pefc.org/find-certified/certified-certificates>). It shall also be verified that the supplier has the right to sell the type of material being ordered (the certificate scope can be checked through the ‘Products’ information). (FSC 2.2) (PEFC 5.1.2.1). All suppliers are recorded in the FSC Supplier List (Annex 3a) and/or the PEFC Supplier List (Annex 3b) for an easy overview of all suppliers and the essential information: company name, contact information, product delivered, FSC/PEFC claim, FSC/PEFC CoC code and date of latest verification. All suppliers of raw material are entered into our accounting programme by the Bookkeeper. It is possible to extract the details of suppliers of certified material from the accounting programme. The programme also shows the supplied product type (e.g. lumber), material category (e.g FSC Mix Credit or 100% PEFC Origin) and the FSC and/or PEFC certificate code of the supplier.

(FYI: It is not a PEFC requirement to have the PEFC CoC code and PEFC claim on both the shipping documents or invoice; it is sufficient if it is stated on one of the documents and the material can be linked to this document, e.g. purchase order number or packaging number.)

1. **Incoming materials & stocks (FSC section 2.3, 3.1, 4.2) (PEFC 5.1)**

The Foreman on duty is responsible for receiving incoming material and checking appropriate information on the associated delivery documentation including purchase waybills.

The Production Assistant is responsible for entering the correct volumes in the accounting programme and for checking that the invoices match the delivery documents (FSC 1.1. c, 2.3).

The materials are delivered by trucks to our warehouse where the Foreman receives it. When material is delivered as certified, the Foreman shall check the following (FSC 2.3) (PEFC 5.1.1):

* The material category is indicated on delivery documentation as either FSC 100%, FSC Mix Credit, PEFC 100% Origin, PEFC 100% certified or XX% PEFC Certified (minimum 70%).
* The correct certificate registration code of the supplier is included on the delivery documentation (e.g. NC-COC-123456). Correct codes of the suppliers can be checked in the certified supplier lists (see **Annex 3a and 3b**).
* The quantities and material type of the supplied material corresponds to the raw material purchase order and to the information on the delivery documentation.

If it is clear that the material is certified and corresponds with the ordered material – i.e. it meets the criteria listed above - the Foreman will see the material unloaded to the appropriate storage area, and he will attach a sticker with the letters ‘FSC’ or ‘PEFC’ to all certified pallets so that certified material is clearly distinguishable. We do not segregate FSC 100% and FSC Mix Credit materials because we use the lowest claim, FSC Mix Credit (FSC 3.1, 5.9, 9.3). We don’t segregate PEFC 100% Origin and PEFC XX% certified (minimum 70%) material because we sell all material with PEFC 70% certified claim (PEFC 6.2.2). We do ensure that FSC and PEFC materials are kept separate (FSC 3.1) (PEFC 6.2.1).

If any of the conditions mentioned in the points above are not fulfilled, the material **cannot** be accepted as certified and is not labelled with internal FSC or PEFC labels. If the supplier has labelled the material as certified, such labels shall then also be removed to avoid confusion (FSC 3.1).

At the end of each workday, the Foreman takes the delivery documentation including purchase waybills to the office, where the Production Assistant registers the received material in the accounting programme so that it is added to the existing stock. When we receive an invoice, the Production Assistant shall check that the invoice contains the information shown above. If any information is missing, the material **cannot** be used as certified and corresponding corrections need to be made physically on material pallets and in the accounting programme.

1. **Material handling and transfer system implementation (FSC sections 3 and 9) (PEFC 6.2)**

Company Ltd uses the transfer system to produce FSC-certified products, and the physical separation method to produce PEFC-certified products. We keep all materials to be used for FSC production physically separate from PEFC and/or non-certified materials throughout reception, processing, packing and shipping.

The Production Manager, who prepares production orders, is responsible for ensuring that these documents are clearly marked ‘FSC’ or ‘PEFC’, if the material has been ordered and must be produced as FSC or PEFC certified.

In PEFC production, we are using PEFC certified, non-PEFC claimed (other material) is not used (PEFC 5.1.2.2).

It is the responsibility of the Foreman to ensure that only certified materials are used for orders of certified products.

At the end of each workday, the volumes of raw material used for production are added up. The Production Manager deducts these volumes from the raw material stock in the accounting programme.

Certified material is always processed separately (in separate pallets or at separate times) from non-certified material.

After the first processing stage, a green tracking label with the letters ‘FSC’ or ‘PEFC’ is attached to the pallet. This ensures that FSC and PEFC certified material is always clearly distinguishable during production.

It is the responsibility of all staff to ensure that no non-certified material is mixed with certified material, i.e. for orders where green tracking labels are used. (Note that it is acceptable to use FSC or PEFC certified material to produce non-certified products.)

Because we always sell FSC-certified products as FSC Mix Credit, it is permissible to mix together FSC 100% and FSC Mix Credit material (FSC 8.3). Also, we sell PEFC-Certified products as PEFC 70% certified, it is permissible to mix together PEFC 100% Origin and PEFC XX% certified (minimum 70%) (PEFC 6.2.1).

When a product is ready, the tracking label is taken by the relevant production worker to the Production Manager, who enters the final product details in the ‘final product stock’ in the accounting programme (FSC 4.2).

1. **Volume control (FSC section 4) (PEFC 4.4.1)**

The Production Manager assumes overall responsibility for volume control. The Bookkeeper is responsible for preparing a correct annual volume summary (1.1 c).

**The Production Manager is responsible for the following:**

* Received volumes, based on delivery documentation, are recorded under ‘raw material stock’ in the accounting programme (FSC 4.2) (PEFC 4.4.1).
* Volumes used for production are recorded daily by the Production Manager based on the production work sheets. These volumes are subtracted from the raw material stock in the programme (FSC 4.2) (PEFC 4.4.1).
* When a product is ready, final product details are entered in the ‘final product stock’ in the accounting programme, based on production work sheets (FSC 4.2) (PEFC 844.1).
* Updating the conversion factor calculations, at least once every quarter, based on the volume records of the past six (6) months. The conversion factor shall be calculated in the following manner: conversion factor = final products produced during the month / raw materials used for production. We calculate the conversion factor for the total production process (FSC 4.1).
* At least every quarter, the Production Manager shall check that the volume of certified final products sold corresponds with the raw material purchased and used for production, taking into consideration the conversion factor (FSC 4.2) (PEFC 4.4.1).

**The Bookkeeper is in charge of the following:**

* After material has been loaded for delivery to the buyer and the sales invoice has been issued, the product volumes are subtracted from final product stock (FSC 4.2) (PEFC 4.4.1).
* Purchased and sold material can be filtered out in the accounting programme based on seller/buyer, FSC or PEFC certified / non-certified status of material, and/or any time period.

For all certified material, Company Ltd uses separate accounting codes starting with the letter F for FSC certified material and P for PEFC certified material. In this way it is always possible to separate and identify certified material from non-certified material in the accounting programme (FSC 4.2).

Volumes of purchased FSC or PEFC raw material, with FSC or PEFC claims included in the delivery documents and purchase invoices, can be extracted from the programme at any time by filtering for the letter F or P in the accounting code (FSC 4.2) (PEFC 4.4.1).

Each January, the Bookkeeper shall prepare an annual volume summary relating to the past 12 months, where the following volumes are summarised for each calendar year and shown for each supplier or buyer: volumes received; volumes used for production; remaining raw material volumes in stock; products sold; final products still in stock. The summary is sent to the Production Manager, who sends this information to our Certification Body prior to the audit (FSC 4.4).

1. **Sales and delivery (FSC section 5) (PEFC section 5.2)**

All products that we sell as certified are sold with the claim ‘FSC Mix Credit’ or ‘70% PEFC certified’. Thus, the sales claim is always same (FSC 5.1) (PEFC 5.2.1).

When material is loaded onto the truck to be delivered to the buyer, the Foreman prepares a sales waybill. Transport documents covering certified products include Company Ltd’s FSC or PEFC certification code and the claim ‘FSC Mix Credit’ or ‘70% PEFC Certified’. This information is automatically generated on the sales invoice via the accounting programme when the correct type of certified product is selected (FSC 5.1) (PEFC 5.2.1).

A copy of the sales waybill is given to the Bookkeeper, who prepares a sales invoice according to the waybill. Company Ltd invoices covering certified material include the following information (FSC 5.1) (PEFC 5.2.1):

1. Name and contact details of Company Ltd – this information is permanently included in the invoice template.
2. Name and address of the customer – the specific buyer is selected from the accounting programme.
3. Date when the invoice was issued – this is entered by the Bookkeeper.
4. Description of the product – the same product code is selected as on the sales waybill.
5. Quantity of the products sold – entered by the Bookkeeper based on the sales waybill.
6. Company Ltd’s FSC or PEFC certificate code – the code appears automatically if the sales invoice template for certified material is selected.
7. An FSC or PEFC claim (for example ‘FSC Mix Credit’) – the claim is tied to the product and the correct claim appears automatically when specific certified product types are selected from the accounting programme.

Each sales waybill and invoice may cover only exclusively certified or exclusively non-certified material. If both types of material are shipped to a customer, separate sales documents are prepared for certified and non-certified material. Material is always identifiable based on FSC or PEFC labels, and pallet numbers shown on the waybill.

1. **Access to information required by timber legality legislation (FSC section 6.1 b)**

***Purpose of this procedure:*** To ensure that information on origin and species is available and can be provided to customers.

***Points of action:***

**Purchasing:**

1. When purchasing FSC certified material or FSC Controlled Wood products, we request suppliers to provide information on species and country of harvest. In case the same trade name may cover different scientific names, the scientific name shall be used.
2. We require suppliers to inform us immediately in case species or country of harvest changes.
3. We communicate these requirements to suppliers directly and also in agreements.

**Record keeping and client communication:**

1. We record the information on species and country of harvest in the inventory.
2. We register information about all species and all countries of origin in case products contain several species or material from different countries.

**Sales:**

1. We include information on species and country of harvest in the order confirmation.
2. We inform customers immediately in case of changes in species composition or country of harvest for any specific product.
3. **Trade and customs laws (FSC section 6.1 a)**

**Purpose of this procedure:** To ensure compliance with all applicable trade and customs laws when importing or exporting products with FSC claim.

**Points of action:**

**Importing products:**

1. If possible, we will avoid purchasing products through companies located in [countries considered as tax havens](http://www.ethicalconsumer.org/ethicalcampaigns/taxjusticecampaign/taxhavenlist.aspx) and being involved in other financial transactions which support tax fraud in the country where the products are manufactured. In cases where trading through countries considered as tax havens cannot be avoided, we will check if this is a violation of the trade legislation in the country of our supplier.
2. We check that products are classified correctly in terms of qualities, species and quantities on official customs documents. If not, we take action to get the customs declaration corrected.
3. Products must be legally exported from the exporting country. We will check the legislation of the country of export.
4. We verify that there is evidence of customs fees having been paid.
5. If any timber species contained in a product is included in the CITES list of endangered tree species, we will check that there is a valid CITES licence.
6. If the export country has an EU endorsed Timber Legality Assurance System (TLAS) under the FLEGT programme, then the product shall be accompanied by a valid FLEGT licence. We will check the validity of the FLEGT licence.

**Exporting products:**

1. We will not engage in trading through companies located in [countries considered as tax havens](http://www.ethicalconsumer.org/ethicalcampaigns/taxjusticecampaign/taxhavenlist.aspx) or other financial transactions with the aim at avoiding legally applicable taxes and fees.
2. We ensure that products are correctly classified on official customs documents in terms of qualities, species and quantities.
3. We export only products that can be legally exported.
4. We ensure timely payment of all applicable export fees and other customs related fees.
5. If any timber species contained in a product is included in the CITES list of endangered tree species, we will obtain a valid CITES licence covering the delivery.
6. Export from countries with an endorsed FLEGT TLAS system to EU: The products shall be accompanied by a valid FLEGT licence.
7. **Product groups (FSC section 8) (PEFC 5.1.2.2, 4.2.1 b, 4.4.1)**

We have prepared a Product Group List according to FSC requirements; see **Annex 4a**. The Product Group List describes which products we can produce as certified, and specifies what products our certificate covers. All products that we sell as FSC certified are sold with the claim ‘FSC Mix Credit’, thus the sales claim is always same (FSC 5.1). The Product Group List is helpful for our staff, customers, suppliers and any other interested party to understand what is included in our FSC system (FSC 8.1, 8.3).

We have prepared a Product Group List according to PEFC requirements; see **Annex 4b**. The Product Group List describes which products we can produce as certified, and specifies what products our certificate covers. The Product Group List is helpful for our staff, customers, suppliers and any other interested party to understand what is included in our PEFC system (PEFC 5.1.2.2, 4.2.1 b, 4.4.1).

The Production Manager is responsible for keeping the product group lists up-to-date, and for making them publicly available on our website (FSC 8.3).

1. **FSC trademark use (FSC section 12)**

**The FSC trademarks are:**

1. **The FSC logo**
2. **The name Forest Stewardship Council**™
3. **The initials ‘FSC’**
4. **‘Forests For All Forever’ – full mark**
5. **´Forests For All Forever’ – logo with text mark**

**The following procedures cover all four trademarks:**

Company Ltd uses FSC trademarks on product labels, and they may also be used for promotion of certified materials. The person responsible for the use of FSC trademarks is the Sales Manager (FSC 1.1 c).

Before using any FSC trademark, we will prepare a project in accordance with standard FSC-STD-50-001 and we will submit the design of the trademark use to the Certification Body for approval. This also applies to materials (such as a press release, website) that do not include the FSC logo, but only the name FSC or Forest Stewardship Council.

**(NB! Alternatively to sending each design for approval at the certification body a trademark use management system can be implemented)**

Company Ltd shall reproduce the FSC on-product and off-product labels using our unique trademark licence code. Elements may also be presented separately.

FSC labels shall not be used on-product together with the logos, names or other identifying marks of other forest management conformity assessment schemes.

For on-product labelling, the responsible person shall ensure that the FSC label is clearly visible on the product.

On-product labelling applies only to material which is purchased with one of the following claims included on the invoice and delivery notes (FSC 2.4, Table B):

|  |  |
| --- | --- |
| **FSC claims for the outputs** | **FSC label** |
| FSC 100% | FSC 100% |
| FSC Mix percentage of at least 70% | FSC Mix |
| FSC Mix Credit | FSC Mix |
| FSC Recycled wood – percentage of at least 70% post-consumer reclaimed | FSC Recycled |
| FSC Recycled paper – no threshold applies | FSC Recycled |
| FSC Recycled Credit | FSC Recycled |

As Company Ltd sells all material as FSC Mix Credit, we only use the label ‘FSC Mix’.

All trademark approvals shall be retained for minimum five (5) years.

The relevant Certification Body contact person for obtaining logo approval is: [name], [e-mail address].

The unique FSC trademark licence code of Company Ltd is:

**FSC**™ **CXXXXXX / FSC**® **CXXXXXX**

**Trademark management system**

Our organisation is implementing our own Trademark management system, to ensure that all trademarks are approved before being published.

Our system only covers off-product use where Mr. Jensen has overall responsibility and authority for the organization’s conformity and the contact with Preferred by Nature regarding trademark use.

Mr. Nielsen and Ms. Hansen have been trained in the FSC trademark use and act as our internal approvers. Their knowledge was confirmed and approved by Preferred by Nature.

They will be issuing internal approvals based on this management system. Also Mr. Jensen will provide annual trainings on the up-to-date version of our procedures to ensure the competence when implementing the trademark use management system.

The procedure for having new TMK off-product use approved is:

* Send an email with the design attached to Mr. Nielsen and/or Ms. Hansen
* Then Mr. Nielsen and/or Ms. Hansen will look at it and send an email back to you
  + The email subject will be:

Approval no (3 digits) CoC TMK ddmmyy

* All our approvals are saved in a folder (FSC TMK approvals) in our IT system and kept for minimum 5 years.

Prior to each new use of the on-product FSC trademarks, Mr. Jensen will ensure the trademark use is approved externally by our certification body NEPCon - Preferred by Nature.

**(NB: Prior to the use of an internal control system, the organization shall demonstrate a good understanding of the requirements in question by submitting a sufficient number of consecutive correct approval requests to the certification body for each type of intended use (e.g. organizations controlling both labelling and promotion shall submit requests for each). It is at the discretion of the certification body to determine when the organization has demonstrated a good record of submissions. Please note that the online FSC Trademark Training Course for Certificate Holders is recommended**

**To be able to use a Trademark use management system the Organization shall have standard FSC-STD-50-001 v 2-1 under certificate scope. The system, with all the conditions specified in Annex A of the standard, shall be approved by the certification body before the organization may start using it)**

1. **PEFC trademark use (PEFC section 5.3)**

Company Ltd uses PEFC trademarks on PEFC certified products, and they may also be used for promotion of certified materials. The Foreman and Sales Manager shall at all times be aware of the applicable PEFC logo requirements according to the standard PEFC ST 2001:2020 (PEFC 6.2.1)

A logo license is requested from our local PEFC office before the first use of PEFC Logo (5.3.2). Company Ltd shall reproduce the PEFC on-product and off-product labels using our unique trademark licence code in the space specified in the graphic design of the PEFC label.

PEFC labels shall not be used on-product together with the logos, names or other identifying marks of other forest management conformity assessment schemes.

For on-product labelling, the responsible person shall ensure that the PEFC label is clearly visible on the product.

On-product labelling applies only to material which is purchased with the following claim included on the invoice and delivery notes:

XX% PEFC Certified (minimum 70%)

1. **Outsourcing (FSC Section 13) (PEFC 4.9)**

Company Ltd will only use subcontractors for the preparation of Company Ltd purchased FSC or PEFC materials when Company Ltd does not have the capabilities to do the process. All materials will be returned to Company Ltd for final manufacturing and label application.

Before entering to business with a new subcontractor Company Ltd checks their status from FSC database. If subcontractor status is listed as “suspended and blocked” or “terminated and blocked” then Company Ltd will not use subcontractor for outsourcing services related to FSC certified materials.

If Company Ltd outsources FSC activities, then FSC Company Ltd signs an outsourcing agreement (Annex 6) with all non-FSC-certified subcontractors (FSC 13.4). In PEFC system, Company Ltd have a written agreement with all subcontractors, whom activities have been outsourced (PEFC 4.9.2)

Company Ltd includes outsourced companies/contractors in their FSC core labour requirements self-assessment (FSC 1.6).

The outsourcing process is covered by this procedure, and Company Ltd subcontractors are included within the internal audit procedures (PEFC 4.9.1, 4.9.2).

Prior to outsourcing activities to a new contractor Company Ltd will inform Preferred by Nature about the outsourced activity, name and contact details of the contractor (FSC 13.3).

Company Ltd will deliver the material to the subcontractor to cover the outsourcing arrangement and will ensure that materials are tracked and controlled and are not mixed with other materials. Company Ltd maintains legal ownership of material during outsourcing (FSC 13.6) (PEFC 4.9.2).

The up-to-date list of subcontractors for FSC system will be maintained in Annex 6a and for PEFC system in Annex 6b.

1. **Annual external FSC and PEFC audit**

Prior to the annual external FSC and PEFC audit, the following documentation is prepared and submitted to our Certification Body contact person:

* Updated FSC and PEFC procedure (this document)
* Updated documentation for executed training (**Annex 2**)
* Updated supplier lists (**Annex 3a and 3b**)
* Annual volume summary, which at a minimum covers the following information, compiled per FSC product group, product type and material category:
* Input purchased/received
* Input used for production (if applicable)
* Input material still in stock
* Outputs sold
* Output material still in stock
* FSC core labour requirements self-assessment
* Outsourcing agreements (if applicable)
* List of subcontractors with FSC and/or PEFC certified production (if applicable)

1. **Internal PEFC audit (PEFC 4.6)**

The Production Manager is responsible for conducting internal audit of the CoC system. Internal audit will be conducted at least annually and before initial audit.

At a minimum, the following details must be audited:

* Sampling of incoming delivery notes and invoices since last internal/external audit – Checking correct use of PEFC CoC Code and Claim according to supplier list and product group schedule
* Sampling of outgoing delivery notes and invoices since last internal/external audit – Checking correct use of PEFC CoC Code and Claim according to materials purchased
* Interviews of staff involved in the CoC system, ensuring that all relevant staff have knowledge of and understand the procedures relevant to their area of responsibility

A summary from the internal audit is prepared (see **Annex 4**), including details such as:

* Internal auditor’s name
* Date of the audit
* Names and functions of staff interviewed
* Conclusion – including a description of Non-Conformity Reports (NCRs) and observations
* List of corrective actions implemented to address NCRs
* Management signature

1. **Nonconformity and corrective action (PEFC 4.8)**

When a nonconformity is identified through internal or external auditing, Company Ltd shall:

* react to the nonconformity and, as applicable:
  + take action to control and correct it
  + deal with the consequences
* evaluate the need for action to eliminate the causes of the nonconformity, in order that it does not recur or occur elsewhere, by:
  + reviewing the nonconformity
  + determining the causes of the nonconformity
  + determining if similar nonconformities exist, or could potentially occur
* implement any action needed
* review effectiveness of any corrective action taken
* make changes to the management system, if necessary

Company LTd maintains documented information of all nonconformities and the results of corrective action.

1. **PEFC Due Diligence System (PEFC section 7)**

We are required to implement a Due Diligence System (DDS), according to the requirements of the PEFC Standard (please see the description below).

* We accept only PEFC-certified materials as inputs to PEFC product groups. Therefore, we don’t need to carry out risk assessment, while we can consider that this material has negligible risk of originating controversial sources.
* We must secure access to information on country of origin and species. Upon request, we will provide this information to PEFC certified and uncertified entities further down the supply chain. If we do not have this requested information, the request will be passed on to our supplier.
* Suppliers must sign an agreement declaring that this information will be provided if needed.

NB: Information on species and country of origin does not necessarily have to be exact for each delivery. It is sufficient if we have access to information on the potential country of origin and species included in the products.

In case, that there are internal or external substantiated concerns on the origins of material from controversial sources, we will follow up on these concerns according to Appendix 1, 4 of the PEFC Chain of Custody standard.Along with this procedure, we have a commitment in place covering all of the forest and tree-based material inputs to our facility to ensure that if we are notified or have received a substantiated concern that these materials originate from illegal sources, then we carry out further investigation. Our suppliers and our investigation must verify that delivered material has “negligible risk” of originating from illegal sources (controversial sources).

NB: This requirement applies not only to our PEFC product groups covered by our certificate, but applies to all wood-based materials handled within our company.

If a third party raises suspicion against us regarding our supplier not being in compliance with legal requirements and other aspects of controversial sources, these accusations will be investigated and, if found valid, a (re)evaluation of the risk will be made OR the supplier will be excluded from delivering PEFC certified materials.

In case of reasonable suspicion, any materials previously excluded from risk evaluation will be evaluated according to the requirements of the standard, or will be excluded as inputs in PEFC product groups.

# Annex 1: Company Policy for Association with FSC

|  |
| --- |
| **Self-Declaration** regarding FSC-POL-01-004  (Policy for the Association of Organizations with FSC)  The signing Organizationis associated with the Forest Stewardship CouncilTM A.C., Oaxaca, Mexico, or one of its subsidiaries or affiliates (hereinafter: FSC) by being either a member of or having a contractual relationship with FSC.  Hereby the signing Organization explicitlystates that it has read and understood the “Policy for the Association of Organizations with FSC” as published under [www.fsc.org](http://www.fsc.org). This policy stipulates FSC’s position with regards to unacceptable activities by organizations and individuals which already are or would like to be associated with FSC as well as the mechanism for disassociation.  In light of the above, the Organizationexplicitly agrees currently and in the future, as long as the relationship with FSC exists, not to be directly or indirectly involved in the following unacceptable activities:   1. Illegal logging or the trade in illegal wood or forest products; 2. Violation of traditional and human rights in forestry operations; 3. Destruction of high conservation values in forestry operations; 4. Significant conversion of forests to plantations or non-forest use; 5. Introduction of genetically modified organisms in forestry operations; 6. Violation of any of the ILO Core Conventions as defined in the ILO Declaration on Fundamental Principles and Rights at Work. |

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City, Date

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For the Organization

(Include the full name of the organization and representative, authorized signature and, if applicable, the organization’s stamp)

# Annex 2: Documentation for training of staff

The following members of staff have received training related to FSC and PEFC certification as well as these Chain of Custody procedures:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name** | **Job title and function** | **Topic of the training** | **Training date** | **Name of the trainer/instructor** |
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# Annex 3a: FSC Supplier List

This list is verified every 3 months at <http://info.fsc.org>

Time-stamped ‘screen shots’ from <http://info.fsc.org> may be used for compiling and confirming the details on the supplier list.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Supplier**  (Name and address) | **Product type**  (Description of the product) | **Material category**  (FSC 100%, FSC Recycled Credit, FSC Recycled XX%, FSC Mix Credit or FSC Mix XX%) | **FSC CoC code** | **Date of latest verification** |
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# Annex 3b: PEFC Supplier List

This list is verified every 3 months at <https://pefc.org/find-certified>

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| --- | --- | --- | --- |
| **Supplier**  (Name and address) | **Product type**  (Description of the product) | **PEFC CoC code** | **Date of latest verification** |
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# Annex 4a: FSC Product Group List

Date:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **FSC Product Group**  (Description of the product) | **Product Type and Code**  (in accordance with FSC-STD-40-004) | **Sales FSC Claim** | **Species**  (scientific and trade name) | **Input Material FSC Claim** | **Control System for FSC Claim** | **Sites** |
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Please note that some columns have a Drop-Down menu – all you need to do is to make the right choice.

# Annex 4b: PEFC Product Group List

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **PEFC Product Group**  (description of the product) | **Product Type & Code**  (see list on following page) | **Output PEFC Category** | **Species**  (choose from drop-down menu) | **Input PEFC Category(ies)** | **Control System for  PEFC Claims** | **Sites** |
| Wood for construction | 03020  Sawn wood |  |  |  |  |  |
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\*See PEFC product types and categories in the list below.

# Annex 5: FSC and PEFC outsourcing agreement

**Outsourcing agreement for companies covered by Chain of Custody certification**

Companies covered by a Chain of Custody (CoC) certification are entitled to process and resell FSC and PEFC certified wood and wood-based products with an FSC or PEFC claim. There may be situations where certified companies need to outsource to subcontractors certain services that are part of the manufacturing of certified products. CoC-certified companies may undertake such outsourcing subject to a written agreement between the certified company and the subcontractor (see the agreement form below).

**Certified company (name) :** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Certificate number (CoC code) :** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

As a CoC-certified company, we hereby agree to the following terms for outsourcing the processing and/or handling of FSC and/or PEFC certified products:

* All certified products sent to the subcontractor must be clearly marked as certified (e.g. paint, pallet labels, etc.) and all accompanying documents (order forms, packing lists, delivery notes, etc.) must clearly state that the delivered items are certified.
* The certified products remain the property of the certified company while the products are processed/handled by a non-certified party.
* It must be ensured that only the certified products delivered to the subcontractor are included in the outsourced production, and that the subcontractor does not allow non-certified wood to be included in the production.
* It must be ensured that the subcontractor is fully aware of the conditions stated in this agreement.
* The annual report on certified production must describe the time and place of outsourced production and document the volumes shipped to and received from the subcontractor.
* The annual internal PEFC audit also includes the activities of subcontractors.
* A copy of this agreement must be sent to Preferred by Nature.

**Company representative (name): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Date and signature:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_­­­­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_

**Subcontractor (name) :** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Address :** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Postcode and town :** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

As subcontractors, we agree that the processing of certified products is subject to the following conditions:

* It must be ensured that we conform and comply to all applicable certification requirements and the FSC and/or PEFC Certificate Holder’s procedures related to the outsourced activity and the FSC core labour requirements.
* It must be ensured that only the certified products supplied by the above-mentioned certified company are included in the outsourced production (unless otherwise agreed between the organizations), and that no non-certified wood is used in the production.
* It must be ensured that only the certified products supplied by the above-mentioned certified company are processed and returned as certified goods (unless otherwise agreed between the organizations).
* FSC/PEFC certified raw materials used in the outsourced production must be invoiced to the certified company like other FSC/PEFC sales (description of material, volume, subcontractor’s FSC or PEFC CoC Code and FSC or PEFC material category).
* All certified products returned to the certified company must be clearly marked as certified (e.g. paint, pallet labels, etc.) and all accompanying documents (packing lists, delivery notes, etc.) must clearly state that the delivered items are certified.
* Tasks must not be further outsourced to other subcontractors.
* All outsourcing processes are delivered under our own approved FSC/PEFC CoC system (Only relevant if the subcontractor is FSC/PEFC CoC certified).
* Relevant information must be disclosed to Preferred by Nature upon request.
* When FSC/PEFC labelling is part of the outsourcing agreement, the organisation's FSC/PEFC licence code is used.

**Subcontractor representative (name):** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Date and signature:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Annex 6a: List of FSC subcontractors

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Subcontractor** | **Address** | **Contact person** | **Contact details** | **CoC-code (if applicable)** |
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# Annex 6b: List of PEFC subcontractors

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Subcontractor** | **Address** | **Contact person** | **Contact details** | **CoC-code (if applicable)** |
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# Annex 7: Internal audit report

|  |  |  |  |
| --- | --- | --- | --- |
| Audit date | XX-XX-XXXX | Name of internal auditor |  |
| Conclusion | | (Were any non-conformances found in the CoC system?) | |
| Interviews | | (Name and function of interviewed staff members) | |
| Documentation | | (Which documents were reviewed?) | |

|  |  |
| --- | --- |
| NCR number: | XX-2022 |
| Description of Non-conformance and related documentation/evidence: | |
| (Describe form and scope of the observed non-conformance) | |
| Corrective Action Request: | (Which corrective actions have been implemented to close the non-conformance, and what has been done to ensure that the error does not occur again?) |
| NCR conformance deadline: |  |
| Comments (optional): |  |

# Annex 8: FSC core labour requirements self-assessment (FSC 1.6, Section 7 of the Standard)

**Questions used for completing the self-assessment:**

|  |  |
| --- | --- |
| **Category** | **Question** |
| **Child Labour** | * What is the statutory, legal, or regulated minimum age at the place of your operations? * What measures have you taken to ensure that child labour is not used in your operations? * Do you register the age (birthday) of your workers and how do you verify that this is the actual age? Do you check the identification papers? * If there are legal or regulatory restriction which to your understanding would limit your ability to comply with the requirement, describe how you mitigate those limitations. * If you employ workers below the age of 18, describe what measures you have taken to ensure that they don’t perform hazardous or heavy work. If there are a requirement for training and education, indicate supporting documents. * Is the employment of children between the age of 13 or 15 legally allowed? Do you employ children between that age? If yes on both accounts, specify measures you have taken to ensure that they only perform light work that is not harmful to their health or development and that allows them to work outside school hours only. |
| **Forced Labour** | * Describe your recruitment and contracting practices to show compliance with this principle. * Do you grant loans or salary/wage advances that would require a worker to extend his/her working beyond the legal or contractual agreements? If so, can you describe how you mitigate the risk of bonded labour in such a case? * How do you ensure that there are no employment fees deducted, or payments or deposits made to commence employment? * How do you ensure that the workers do not experience any form of mobility restriction? * How do you ensure that the workers have access to their passports and identification documents at all times while at the same time offering a safe place for storing the documents? * How do you ensure that there are no threats of denouncing workers to the authorities? |
| **Discrimination** | * How do you ensure that wages and other working conditions are non-discriminatory? * Is there gender/age ratio parity? * Do you have an ethnically diverse workforce? * Do you have policies about non-discrimination? * Do you ensure all employees have equal opportunity for promotion? * How do you ensure applicants have equal opportunity for employment? * If there are legal or regulatory restriction which to your understanding would limit your ability to comply with these requirements, describe how you mitigate these restrictions? |
| **Freedom of Association and the Right to Collective Bargaining** | * Are workers organised into a trade union? To the best of your knowledge, describe why you believe the workers have or have not chosen to be represented by a trade union. * If workers are represented by a union, is the union autonomous and independent? * What forms of worker representation other than unions exist at the site? * Are there collective bargaining agreements in place that cover workers, and if so, how do you ensure compliance with such agreements? |

**FSC core labour requirements self-assessment**

**Attestation:** I, Click or tap here to enter text., hereby affirm that the following statements are true and correct to the best of my knowledge, and I acknowledge making a knowingly false statement can result in the suspension or termination of the certificate or non-issue of the certificate.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name Date

**Child Labour**

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| --- | --- | --- |
| **Requirement** | **Questions** | **Answer** |
| 7.2 The organization shall not use child labour.  7.2.1 The organization shall not employ workers below the age of 15, or below the minimum age as stated under national, or local laws or regulations, whichever age is higher, except as specified in 7.2.2.  7.2.2 In countries where the national law or regulations permit the employment of persons between the ages of 13 to 15 years in light work, such employment should not interfere with schooling nor, be harmful to their health or development. Notably, where children are subject to compulsory education laws, they shall work only outside of school hours during normal daytime working hours.  7.2.3 No person under the age of 18 is employed in hazardous or heavy work except for the purpose of training within approved national laws and regulation.  7.2.4 The organization shall prohibit the worst forms of child labour. | a) Does your organization comply with Clause 7.2?  If yes, continue at c). | Click or tap here to enter text. |
| b) If the answer is no to a) above, please describe how or why your organization does not comply with Clause 7.2. | Click or tap here to enter text. |
| c) For the individuals employed by you at the site/sites holding the certificate, describe how your organization knows it complies with Clause 7.2. | Click or tap here to enter text. |
| d) Identify any documents or other records (and their location) that you rely upon to verify compliance with Clause 7.2. | Click or tap here to enter text. |
| e) Identify any legal obligations that you believe may impact your ability to comply with Clause 7.2. Please describe them, and how they impact your ability to comply with Clause 7.2. | Click or tap here to enter text. |
| f) Attach a policy statement, or statements, made by your organization that encompasses Clause 7.2. | Click or tap here to enter text. |

**Forced Labour**

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| **Requirement** | **Questions** | **Answer** |
| 7.3 The organization shall eliminate all forms of forced and compulsory labour.  7.3.1 Employment relationships are voluntary and based on mutual consent, without the threat of a penalty.  7.3.2 There is no evidence of any practices indicative of forced or compulsory labour, including, but not limited to, the following:   * physical and sexual violence * bonded labour * withholding of wages /including payment of employment fees and or payment of deposit to commence employment * restriction of mobility/movement * retention of passport and identity documents * threats of denunciation to the authorities. | a) Does your organization comply with Clause 7.3? If yes, continue at c). | Click or tap here to enter text. |
| b) If the answer is no to a) above, please describe how or why your organization does not comply with Clause 7.3? | Click or tap here to enter text. |
| c) For the individuals employed by you at the site/sites holding the certificate, describe how your organization knows it complies Clause 7.3? | Click or tap here to enter text. |
| d) Identify any documents or other records (and their location) that you rely upon to verify compliance with Clause 7.3. | Click or tap here to enter text. |
| e) Identify any legal obligations that you believe may impact your ability to comply with Clause 7.3. Please describe them, and how they impact your ability to comply with Clause 7.3. | Click or tap here to enter text. |
| f) Attach a policy statement, or statements, made by your organization that encompasses Clause 7.3. | Click or tap here to enter text. |

**Discrimination in Employment and Occupation**

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| **Requirement** | **Questions** | **Answer** |
| 7.4 The organization shall ensure that there is no discrimination in employment and occupation.  7.4.1 Employment and occupation practices are non-discriminatory. | a) Does your organization comply with Clause 7.4?  If yes, continue at c). | Click or tap here to enter text. |
| b) If the answer is no to a) above, please describe how or why your organization does not comply with Clause 7.4. | Click or tap here to enter text. |
| c) For the individuals employed by you at the site/sites holding the certificate, describe how your organization knows it complies with Clause 7.4. | Click or tap here to enter text. |
| d) Identify any documents or other records (and their location) that you rely upon to verify compliance with Clause 7.4. | Click or tap here to enter text. |
| e) Identify any legal obligations that you believe may impact your ability to comply with Clause 7.4. Please describe them, and how they impact your ability to comply with Clause 7.4. | Click or tap here to enter text. |
| f) Attach a policy statement, or statements, made by your organization that encompasses Clause 7.4. | Click or tap here to enter text. |

**Freedom of Association and the Right to Collective Bargaining**

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| --- | --- | --- |
| **Requirement** | **Questions** | **Answer** |
| 7.5 The organization shall respect freedom of association and the effective right to collective bargaining.  7.5.1 Workers are able to establish or join worker organizations of their own choosing.  7.5.2 The organization respects the full freedom of workers’ organizations to draw up their constitutions and rules.  7.5.3 The organization respects the rights of workers to engage in lawful activities related to forming, joining or assisting a workers’ organization, or to refrain from doing the same, and will not discriminate or punish workers for exercising these rights.  7.5.4 The organization negotiates with lawfully established workers’ organizations and/ or duly selected representatives in good faith and with the best efforts to reach a collective bargaining agreement.  7.5.5 Collective bargaining agreements are implemented where they exist. | a) Does your organization comply with Clause 7.5? If yes, continue at c). | Click or tap here to enter text. |
| b) If the answer is no to a) above, please describe how or why your organization does not comply with Clause 7.5. | Click or tap here to enter text. |
| c) For the individuals employed by you at the site/sites holding the certificate, describe how your organization knows it complies with Clause 7.5. | Click or tap here to enter text. |
| d) Identify any documents or other records (and their location) that you rely upon to verify compliance with Clause 7.5. | Click or tap here to enter text. |
| e) Identify any legal obligations that you believe may impact your ability to comply with Clause 7.5. Please describe them, and how they impact your ability to comply with Clause 7.5. | Click or tap here to enter text. |
| f) Attach a policy statement, or statements, made by your organization that encompasses Clause 7.5. | Click or tap here to enter text. |



**About us**

Preferred by Nature (formerly NEPCon) is an international non-profit organisation working to support better land management and business practices that benefit people, nature and the climate. We do this through a unique combination of sustainability certification services, projects supporting awareness raising, and capacity building.

For more than 25 years, we have worked to develop practical solutions to drive positive impacts in production landscapes and supply chains in 100+ countries. We focus on land use, primarily through forest, agriculture and climate impact commodities, and related sectors such as tourism and conservation. Learn more at [www.preferredbynature.org](http://www.preferredbynature.org)

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1. Please note that numbers in parentheses used throughout this document refer directly to the requirements included in the FSC and PEFC standards. [↑](#footnote-ref-1)