

FSC INTERNATIONAL STANDARD

Chain of Custody certification of multiple sites

FSC-STD-40-003 V2-0 D1-0 EN



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| Title: | Chain of Custody certification of multiple sites |
| Document reference code: | FSC-STD-40-003 V2-0 D1-0 EN |
| Scope: | International |
| Approval date: | DRAFT FOR PUBLIC CONSULTATION |
| Effective date: | - |
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Foreword

The FSC Normative Framework provides an international set of requirements for the Chain of Custody (COC) certification of organizations with different sizes, products and activities. In addition to the FSC Chain of Custody Standard (FSC-STD-40-004), complementary documents, such as the group policy and multi-site standard, were developed in order to facilitate the COC certification of enterprises that want to include a number of sites in the same certificate scope.

The requirements specified in this standard apply to the COC certification of a network of sites. These requirements are designed to ensure that the assessment provides adequate confidence in the conformity of the quality management system and that such assessment is practical and feasible in economic and operative terms.

This standard results from a major review process of the group and multi-site requirements, where the FSC policy for group certification and the FSC standard for multi-site certification were merged into a single standard. This contributes to the simplification and improvement of the overall consistency of the FSC Normative Framework.

Note on use of this standard

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

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A Scope

This standard stipulates the requirements that shall be followed by FSC Chain of Custody operations that have more than one single site or legal entity under the same certification scope.

B References

For references without a version number, the latest edition of the referenced document (including any amendments) applies.

FSC-STD-40-004 FSC Standard for Chain of Custody Certification

IAF MD 1:2007 IAF Mandatory Document for the Certification of Multiple Sites Based on Sampling

ISO 9001:2008 Quality Management Systems – Requirements

ISO 19011: 2003 Guidelines for quality and/or environmental management systems auditing

C FSC normative documents superseded and replaced by this standard

FSC-POL-40-002 (2004) Group Chain of Custody (COC) Certification: FSC Guidelines for Certification Bodies

FSC-STD-40-003 V1-0 Standard for multi-site certification of Chain of Custody operations

FSC-ADV-40-018 V1-0 EN Scope and applicability of FSC-STD-40-003

D Terms and definitions

For the purposes of this international standard, the terms and definitions given in *FSC-STD-01-002 FSC Glossary of Terms*, *FSC-STD-40-004 FSC Standard for Chain of Custody Certification* and the following apply:

Annual Turnover: Total annual revenue (gross annual sales) from all goods and services of an organization, not just certified forest based products (wood and non-timber forest products).

ASI: Acronym of Accreditation Services International (ASI), the organism responsible for the FSC accreditation.

Central Office: The identified central function (e.g. office, department or person) of a certified multi-site, that holds ultimate management responsibility for maintaining the certification contract with the certification body and is the party responsible for upholding the Chain of Custody system and ensuring that the requirements of the relevant Chain of Custody certification standard(s) are met at the Participating Sites.

Central Office's representative: The main responsible party for the management of a Multi-site certificate with legal or management authority, knowledge and technical support necessary to implement the responsibilities specified in this standard, and to manage the number of members under the certificate scope.

FSC trademark license code: Identification code issued to organizations that have signed the FSC License Agreement. It is used to identify the organization in the FSC license holder database and must accompany any use of the FSC trademarks.

Identifier: Alphanumerical identifier assigned for each Participating Site in the multi-site certificate. This identifier is used for internal record keeping and data management purposes.

Internal audits: Monitoring activity of the Participating Sites carried out by the Central Office to verify that all the requirements of certification (including the relevant certification standard(s) and any other requirements of the Certification Body and Central Office are fully implemented at the Participating Sites.

Multi-site certificate: a type of COC certificate with more than one site or legal entity included in the scope of the certificate.

Participating Site: Site of an organization or single legal entity included in the scope of a multi-site certificate. Subcontractors that are used within the terms of outsourcing agreements are not considered Participating Sites.

Site: A single functional unit of an organisation or a combination of units situated at one locality, which is geographically distinct from other units of the same organisation or the associated network. Typical examples of sites are trading facilities, manufacturing sites, sales offices, branches and franchisees.

Small COC enterprises: Organizations with:

- i. No more than 15 employees (full time equivalent), or
- ii. No more than 25 employees (full time equivalent) and a maximum total annual turnover of US\$ 1,000,000

Staff from contractors that provides the organization outsourcing services classified as high risk according to the criteria provided in FSC-STD-20-011 shall count towards the maximum number of employees. FSC-PRO-40-002 authorizes FSC National Offices to adapt these internationally applicable eligibility criteria and to define nationally specific criteria for “small COC enterprises.” National eligibility criteria approved by FSC supersede the ones listed above and are published on the FSC website in the document *FSC-PRO-40-002a*.

Verbal forms for the expression of provisions

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

“*shall*”: indicates requirements strictly to be followed in order to conform to the standard.

“*should*”: indicates that among several possibilities one is recommended as particularly suitable, without mentioning or excluding others, or that a certain course of action is preferred but not necessarily required. A certification body can meet these requirements in an equivalent way provided this can be demonstrated and justified.

“*may*”: indicates a course of action permissible within the limits of the document.

“*can*”: is used for statements of possibility and capability, whether material, physical or causal.

1 Eligibility criteria for COC certification of multiple sites

1.1 The following organizations are eligible to be included in the scope of a multi-site certificate:

- a) Small independent COC enterprises (according to the FSC definition of “small COC enterprises”), or
- b) Large organizations operating multiple sites, where all sites are linked through common ownership, or
- c) Co-operatives or franchise models consisting of a number of separate legal entities linked through management or legal agreements.

1.2 A COC multi-site certificate shall only include sites or entities from one of the three categories as listed in Clause 1.1 a-c, above.

1.3 In COC multi-site certificates formed by small COC enterprises, all Participating Sites and the Central Office shall be located in the same country.

1.4 All Participating Sites of multi-site certificates (except of small independent COC enterprises) shall:

- a) Be subject to an exclusive membership, where joining or leaving the organization is not a decision that can be taken by the Participating Site, but is determined centrally in conjunction with or solely by the Central Office.
- b) Be subject to a common centralized management system that has authority and responsibilities beyond those related solely to certification (e.g. establishing operational requirements, maintaining financial data, ensuring legal compliance, etc...)

NOTE: A centralized management system set up for the purpose of certification, purchase, marketing, promotion or advocacy does not qualify as a “common centralized management system” according to Clause 1.4 of this standard.

2 General requirements

2.1 The certificate shall be centrally administered by a Central Office, which shall be or act on behalf of the organization holding the multi-site certificate.

2.2 The Central Office shall document and implement clear rules regarding the eligibility for the participation in the multi-site certificate and shall be responsible for ensuring that all applicable certification requirements are met by all Participating Sites within the scope of the certificate.

2.3 A 'consent form' (or equivalent) shall be signed by each member to be included in the scope of the multi-site certificate. The consent form shall include the following:

- a) Acknowledgement and agreement to the general obligations and responsibilities for the participation in the multi-site certificate, as stipulated by this standard and the documented procedures of the Central Office;
- b) Agreement to comply with all applicable FSC certification standards;
- c) Authorization of the Central Office to apply for and administer FSC Chain of Custody certification on behalf of the Participating Site.

- d) Knowledge of the mutual responsibility regarding the certificate maintenance, where non-conformances identified at Participating Site or Central Office level may result in corrective actions, certificate suspension and/or certificate withdrawal.

NOTE: Five or more Major CARs issued to the Central Office result in suspension of the entire multi-site certificate. Five or more Major CARs issued to a Participating Site results in suspension of that particular Participating Site, but does not necessarily result in the suspension of the entire certificate. Non-conformances identified at the level of a Participating Site level may result in non-conformances at the Central Office when the non-conformances are determined to be the result of the Central Office's performance.

2.4 An organization may hold a certificate for less than 100% of their sites. It is also acceptable that a Central Office holds more than one certificate. In both cases, clear procedures shall exist for ensuring that only the Participatin Sites (sites included in the respective FSC certificate) claim their products as FSC certified and use the FSC trademarks.

2.5 All Participating Sites shall be subject to the Central Office's internal audit program.

2.6 In the case of multi-site certificates of small COC enterprises, it is acceptable that a Participating Site also acts as the Central Office, provided that the conflict of interest regarding internal audits is properly managed. In this case, this Participating Site does not need to undergo internal audits, but shall be annually audited by the Certification Body.

3 Central Office Requirements

3.1 Quality management

Responsibilities

3.1.1 The Central Office shall assign a representative with legal or management authority, knowledge and technical support necessary to implement the responsibilities specified in this standard and manage the number of Participating Sites.

Documented Procedures

3.1.2 The Central Office shall develop, implement and maintain documented procedures covering all requirements of this standard, including clear procedures for inclusion and removal of Participating Sites.

3.1.3 The documented procedures shall define the responsibilities for all personnel involved in the Chain of Custody certification as well as required qualifications and/or training measures necessary for its implementation.

Training

3.1.4 The Central Office shall ensure that the Central Office's representative and Internal Auditors are qualified and trained to perform their responsibilities regarding the implementation of this standard, including:

- a) Implementing procedures for evaluation of Participating Sites against the applicable FSC Chain of Custody standards;

- b) Verifying correct use of the FSC trademarks;
- c) Writing audit reports;
- d) Conducting audits in according with ISO 19011.

3.1.5 The Central Office shall ensure that a training program for Participating Sites is established, implemented, and maintained in order to enable them to meet the requirements of all relevant Chain of Custody certification standards.

Records

3.1.6 The Central Office shall keep and maintain up-to-date records of all relevant Participating Sites, including:

- a) List of all Participating Sites within the scope of the certificate, including contact information (name, phone number, email address, physical address), appointed representatives, date of entry into the certificate and the identifier assigned to each Participating Site;
- b) Signed 'consent form' from each Participating Site;
- c) Records demonstrating the scope of COC certification for each Participating Site;
- d) Records of all internal audits, CARs identified in such audits, actions taken to correct them, and management review of the internal audits;
- e) Relevant records as required by the applicable Chain of Custody certification standard(s) regarding the FSC material balance for each Participating Site;
- f) Trainings provided by or on behalf of the Central Office and of participation therein;
- g) The date of withdrawal of any Participating Site from the scope of the certificate, and an explanation why the Participating Site left the certificate;
- h) Approval of FSC Trademark use for Participating Sites and the Central Office;
- i) List of internal auditors and qualifications.

3.1.7 Records shall be archived for at least five (5) years and shall be made available to the Certification Body on request.

3.2 Internal Audit Program

3.2.1 The Central Office shall carry out an initial on-site audit of each applicant to ensure that they comply with all the requirements of the applicable Chain of Custody certification standard(s) and with any additional requirements for participation (e.g. eligibility) prior to their inclusion as Participating Site into the scope of the certificate.

3.2.2 The Central Office shall conduct annual internal audits of all Participating Sites to confirm continued compliance with all applicable certification and participation requirements.

3.2.3 Internal audits shall be conducted on-site, except in the case of members that do not take physical possession of products, where a desk audit (remote audit) is acceptable. For Participating Sites who signed a declaration stating that no material has been FSC labelled, sourced as controlled material, or sold as FSC-certified or FSC Controlled Wood since the last internal audit, the Central Office may opt to waive

the internal audit for the current year. The Central Office shall not waive more than two consecutive internal audits for each Participating Site.

3.2.4 The Central Office shall have the formal authority to issue Corrective Actions Requests (CARs) to the Participating Sites and enforce compliance.

3.2.5 The Central Office shall document the internal audits with reports for each audited Participating Site covering at minimum the following items:

- a) Participating Site details (sufficient to identify the site);
- b) Checklist covering all certification requirements applicable to the certificate scope of the Participating Site, providing a systematic presentation of findings and demonstrating compliance or non-compliance;
- c) CARs issued by the Certification Body and/or by the Central Office, including the status of the CARs issued from the previous audit along with new ones;
- d) Summary of audit conclusions.

3.2.6 The selection of internal auditors shall ensure objectivity and impartiality of the audit process. Auditors shall not audit their own work and conduct their own site internal audits.

3.2.7 The Central Office shall conduct an annual management review of its internal audit program and procedures. The results of all internal audits shall be included in order to address any necessary changes or identified issues. A record of this review shall be maintained and made available to the Certification Body upon request.

NOTE: The Certification Body conducts an initial assessment and annual audits of the Central Office's internal audit program. This includes on-site audits based on samplings of Participating Sites. Multi-site organizations may opt out of having an internal audit program if the Certification Body conducts annual audits of all Participating Sites (100% audit sampling). However, an annual surveillance audit of the Central Office by the Certification Body is always conducted.

3.3 Provision of information and documents to Participating Sites

3.3.1 The Central Office shall provide each Participating Site with documentation, specifying the relevant terms and conditions of participation and certification. The documentation shall include:

- a) Copies of the applicable Chain of Custody standard(s);
- b) Explanation of the certification process;
- c) Explanation of the Certification Bodies' and ASI's rights to access the Participating Site for the purposes of external evaluation and control (incl. unannounced audits);
- d) Explanation of the Certification Bodies', ASI's and FSC's requirements with respect to publishing information;
- e) Explanation of any obligations with respect to participation in the certificate, such as:
 - i. Use of controls for tracking FSC-certified materials or products;

- ii. Requirement to conform with CARs issued by the Certification Body and the Central Office;
- iii. Requirements related to marketing or sales of products covered by the scope of the certificate;
- iv. Proper use of the assigned certificate code, license number and identifier.

3.4 Use of the FSC Trademarks

3.4.1 The Central Office shall:

- a) Submit requests for using the FSC Trademarks (for all Participating Sites and the Central Office) to the Certification Body for approval;

NOTE: Provided that the Central Office establishes a good record of correct trademark use, the Certification Body may authorize the Central Office to revise and ensure correct trademark use by Participating Sites, based on the requirements of Clause 1.16 of FSC-TMK-50-001. The effectiveness of FSC trademark review by the Central Office will be verified by the Certification Body during annual audits. This permission may be removed in the case of trademark misuse.

- b) Ensure that all uses of the FSC Trademarks by the Central Office and each Participating Site have been approved and comply with FSC Trademark requirements;

3.4.2 The Central Office and each Participating Site shall receive individual FSC trademark license codes for trademark use purposes. However, for multi-site certificates where all Participating Sites are linked through common ownership, it is acceptable that the Central Office and Participating Sites receive a single FSC trademark license code.

3.5 Certificate size and growth

3.5.1 There is no limit for the number of Participating Sites per multi-site certificate. However, the Central Office shall demonstrate its capacity in terms of systems, as well as technical and human resources to manage the number of Participating Sites within the scope of the certificate.

3.5.2 The Central Office is authorized to add new Participating Sites to the certificate scope at any time within the annual growth limit approved by its Certification Body.

NOTE: Annually, the Certification Body will evaluate the ability of the group entity to manage the size of the multi-site certificate and approve an annual growth limit, according the following criteria:

- Unlimited growth up to 40 Participating Sites in total;
- If the multi-site certificate has more than 20 Participating Sites at the time of the main evaluation or if the certificate has achieved more than 40 Participating Sites in total, a maximum annual growth limit of 100% of total number of sites may be approved, based on the number of Participating Sites at the time of the main evaluation /last surveillance audit.

3.5.3 If the certificate size exceeds the growth limits detailed in Clause 3.5.2, the Central Office and a sampling of the new sites added shall be audited by the Certification Body (sampling method is detailed in FSC-STD-20-011).

“Note from FSC Policy and Standards Unit: In addition to the review of the multi-site standard, FSC is also revising the accreditation standard FSC-STD-20-011 in order to reflect the changes in the multi-site requirements, including determination of certificate growth limits and sampling criteria by the Certification Body. The consultation of FSC-STD-20-011 will soon be released.”

3.5.4 For the inclusion of new Participating Sites within the growth limits, the Central Office shall submit the internal audit report of each applicant to the Certification Body. The applicant shall be considered certified after its inclusion in the FSC database of registered certificates.

3.5.4 The Central Office shall have the authority to remove Participating Sites from the scope of the certificate if they do not comply with participation requirements.

3.5.5 When a Participating Site leaves the certificate, the Central Office shall inform the Certification Body in writing within ten (10) working days.

4 Participating Sites’s responsibilities

4.1 Each Participating Site is responsible for:

- a) Assigning a COC representative as the contact with the Central Office that has legal or managerial authority to ensure the implementation of and adherence to all applicable procedures necessary for compliance with the relevant Chain of Custody certification standard(s) and Central Office procedures, including any outsourced activities;
- b) Implementing and maintaining all applicable FSC Chain of Custody certification requirements;
- c) Implementing and maintaining all applicable requirements for participation in the multi-site certificate, as specified by the Central Office;
- d) Responding effectively to all requests from the Central Office;
- e) Informing the Central Office of all changes in ownership, staff, procedures or processes that may affect their compliance with certification or membership requirements;
- f) Providing full cooperation and assistance with respect to the satisfactory completion of audits performed by the Central Office or the Certification Body;
- g) Ensuring that all CARs issued by the Central Office or the Certification Body are addressed within their established timelines.

NOTE: The requirements of the relevant Chain of Custody certification standard(s) apply individually to each Participating Site included in the scope of the certificate.