

# **FSC<sup>TM</sup> Chain of Custody certification** Leading the way with responsible forestry practices

In the current consumer landscape, sustainability takes centre stage in purchasing decisions. Aligning your brand with responsible forestry practices is not just a choice; it is a necessity. Opt for FSC Chain of Custody (CoC) certification and become part of the league of businesses actively contributing to positive environmental change.

Consumer concerns about sustainability increasingly influence their shopping decisions, prompting more brands and retailers to endorse sustainable choices. They offer customers the option to support responsible forestry. Additionally, certification requirements are frequently encountered in both public and private tenders.

Opt for **Chain of Custody** certification through globally trusted programmes for responsible forestry, such as **Forest Stewardship Council™** (FSC). This choice not only grants you access to popular eco-labels but also enables you to deliver timber and paper products with a confirmed responsible origin.

FSC Chain of Custody certification empowers your company to make a positive impact on the environment while gaining a competitive edge in the market.

Unlock the **benefits** associated with FSC CoC certification:

Access to popular eco-labels. Showcase your commitment to sustainability by displaying recognised eco-labels that resonate with eco-conscious consumers.

**Responsible origin assurance.** Provide your customers with reassurance by delivering timber and paper products with a certified responsible origin, reinforcing your dedication to responsible business practices.

**Compliance with certification requirements.** Position your company favourably in public and private tenders where certification is increasingly becoming a prerequisite.

You can empower your company with the credibility, trust and competitive advantage that come with FSC Chain of Custody certification.

### Navigating certification simplified

Understanding the technical complexities of CoC certification can be challenging. Our expertise lies in simplifying these complexities for businesses across diverse sectors.

#### Our FSC CoC services

- FSC CoC certification
- FSC/Controlled
  Wood CoC
  certification
- FSC project certification
- Generic CoC certification
- Preferred by Nature Certification FSC CoC add-on







## Certification process in brief

FSC certificates are issued for **five years**. An initial assessment is conducted as a basis for certification and subsequent annual audits are required to maintain the certificate.



You will need to submit an **application** for service to Preferred by Nature, which will be used to prepare a budget proposal and <u>Certification Agreement</u> for your organisation.

Once you have signed the certification and trademark license agreements, you need to **prepare for certification** by ensuring compliance with all the certification requirements. It includes assigning responsibilities, developing chain of custody procedures and training relevant staff. Preferred by Nature assigns a contact person to your company. We also have a publicly shared FSC CoC toolkit that could help you to prepare.

FSC audits are normally conducted onsite and last up to one-two workdays per site. Interviews, document reviews, touring your facilities and review of your volume accounting system are common parts of an onsite audit. If your company does not physically handle the material, we may decide to conduct a desk-based evaluation.

After the audit, we prepare a written **report** describing the results of the audit. Any identified non-conformities are also described, and major issues need to be

corrected before the certificate can be issued. The report is quality reviewed and submitted to you for comments.

Upon a positive certification decision, we issue your **certificate** and the FSC database is updated. Whether your business operates through outsourced processes, has a multi-site setup, or is a smaller company seeking group certification, we have tailored solutions for every configuration.

### Elevate your certification journey

Preferred by Nature, an international non-profit organisation with **30 years of experience**, promotes sustainable land management and business practices across **100+ countries**. Our services include sustainability certification, awareness projects and capacity building, catering to a diverse clientele, from smallholders to global brands in industries including trading, printing, paper, DIY and wood. With over **300 staff** in **40+ countries**, we conduct **5,000+ audits annually**, actively participating in eco-labelling schemes and advocating for continual improvement. As an ISEAL Alliance subscriber, we are dedicated to establishing credible social and environmental standards.

#### Enhance, integrate, comply: addressing gaps

For almost a decade, our expert team has meticulously crafted the <u>Preferred by Nature Certification</u>, a versatile tool designed to effectively communicate sustainability and carbon compensation efforts. This comprehensive solution, benchmarked against the FSC CoC standard, seamlessly integrates with your existing certification. By opting for Preferred by Nature Certification as an add-on, you effortlessly address missing aspects in FSC CoC during regular audits, enhancing efficiency and reducing costs.

Preferred by Nature Certification comes equipped with a <u>checklist for EUDR compliance</u>, assisting your company in meeting the stringent requirements set by the Regulation. Choose Preferred by Nature Certification FSC CoC add-on for a strategic enhancement to sustainability and compliance in your certification journey.

### Ready to get started?







## FSC CoC certification Q&As

#### Which standards apply to my organisation?

The main FSC\_CoC Certification Standard (FSC-STD-40-004) applies to all CoC-certified companies and sets out general requirements for handling material. Within this main standard, individual criteria may or may not apply to every company, depending on the activities performed at each certified site. For example, three options are available for tracking certified material and making claims. Companies may maintain segregation of certified material (the transfer system) or mix certified and non-certified (the credit and percentage systems). The <u>Standard FSC-STD-50-001</u> regulates FSC trademark usage and is mandatory if you intend to use FSC's trademarks.



## Which trademarks can be used?

The **FSC logo** and **trademarks** can be applied to certified products and used for promotional purposes if you are CoC-certified and have signed an FSC Trademark License Agreement. You must submit any public trademark to us for approval prior to publication.

#### What is the cost structure?

The total certification cost consists of the **costs related to the auditing services** and the **FSC Annual Administration Fee (AAF)**. The auditing fee depends on the size and complexity of the company and its CoC system. It is specified in our proposal. The FSC AAF fee is determined based on the total turnover of all your wood-based material (both certified and non-certified). The fee is set by FSC and may change during the validity period of the certificate.



### What about quality assurance?

Preferred by Nature's Quality Management System includes several **policies** and procedures that allow our organisation to provide assurance services credibly in compliance with accreditation requirements. These include the **Impartiality Policy**, which ensures impartiality, transparency and independence in all of our activities, and the **Confidentiality Policy**, describing our rigorous approach to safeguarding confidential data and information our clients provide.

### What about confidentiality?

To check correct accounting for certified volumes, the CoC auditors will need access to confidential information, such as your suppliers, buyers and conversion factors. The confidentiality of all data is secured, and our staff is bound by strict confidentiality requirements. However, all FSC CoC certificates are listed in the public FSC database (https://connect.fsc.org/fsc-public-certificate-search),

along with information about the scope of your certificate, such as product types and sites. For information provided to third parties, please check the <u>Certification Agreement</u>.

## How do I maintain my certificate?

You need to comply with the **certification requirements** to remain certified. This is verified through annual audits. Preferred by Nature helps you stay up to speed on the requirements by providing regular updates on system changes. If nonconformities are identified in your system, you must take appropriate and effective action to address these.

We have also developed several tools that will help you prepare for your FSC CoC certification or next audit. These guides and templates are available on our <u>website</u> and could be beneficial to your suppliers, too.

To secure the integrity of the FSC system, rigorous requirements apply to the follow-up on nonconformities, which are graded as major or minor. Minor issues are commonly verified during the next annual audit. If they have been insufficiently addressed, they are upgraded to major. Major nonconformities must be addressed within a maximum of three months, thus requiring an additional audit to verify your timely compliance. Failure to address major nonconformities or the discovery of five or more major nonconformities during an audit will lead to the suspension of your certificate.

However, even a suspended certificate can be reinstated if you ensure system compliance, and this is verified through an audit.





After completing an entire certificate validity period, you must undergo a reassessment (a new full assessment) to remain certified. If the reassessment results are positive, a new certificate is issued, including the same certificate registration code as in your previous certificate.

Please note that the reassessments cannot be delayed and must take place prior to the anniversary date of your certificate issuance; otherwise, your certificate will be automatically terminated.

#### When can certification be refused?

Certification is refused when Preferred by Nature concludes that the audited company does not meet the **standard's requirements**.

#### When is certification suspended?

Your certification may be suspended for the following **reasons: 1**. One or more nonconformities are found during an audit, **2**. Five or more major nonconformities are found during an annual audit, **3**. Failure to address one or more major/critical nonconformities by the specified timeline, **4**. Serious breaches of the certification requirements, **5**. Lack of payment of applicable fees and invoices, **6**. Lack of willingness to plan and undergo scheduled audits, **7**. Force Majeure (e.g. natural disasters that affect the destination, political unrest that forces operation shut down, etc.) situation.

A suspended certificate may be reinstated when the company has addressed the issues that led to the suspension, and we have conducted an audit verifying compliance within the required timeline.

#### When is certification terminated?

Your certificate may be terminated for the following **reasons: 1.** Failure to sufficiently address the issues leading to suspension within the suspension period, **2.** Failure to undergo renewed assessment within the suspension period after addressing the issues leading to suspension, **3.** Failure to address one or more major nonconformities by the specified timeline, **4.** Failure to comply with one or more zero-tolerance critical criteria, **5.** Deliberate fraud or serious breaches of the certification requirements, **6.** Failure to undergo a renewed assessment prior to certificate expiration, **7.** Failure to undergo reassessment once the suspension period has reached its deadline.

FSC<sup>™</sup> A000535 | FSC-accredited certification body

If a certificate has been terminated, the company needs to undergo a renewed assessment to have a new certificate issued. It is not possible to reinstate the previous certificate. After a certificate has been suspended or terminated, the company may not make any claims about conformance with the certification standard(s) and may not sell previously labelled products until certification trademarks are removed.

#### Can I change the scope of certification?

As a certificate holder, you may expand or change the scope of your certification in conjunction with your annual audit or in between audits. You need to notify Preferred by Nature about any of the following **situations** which may require formal changes in the scope of your certificate: • Additional product lines which you wish to sell as certified, • Use of new types of inputs not covered by your current scope of certification, • Changes in the system used for controlling claims, • Expansion or removal of sites or production areas covered by the certificate. An additional audit is usually required for scope changes outside the scheduled annual/certification audits. Depending on the nature of the change, it may be either an onsite or/and desk audit.

## What are the rights and duties of applicants and clients?

Clients' rights and duties are referred to in the <u>Certification Agreement</u>.

## What is the procedure for complaints and appeals?

For complaints management, all complaints and appeals will be processed using the Preferred by Nature's <u>Disputes</u> <u>Resolution Policy</u>.

#### Forest Stewardship Council (FSC) is an

international organisation that promotes responsible management of the world's forests. It owns the FSC system and develops the certification standards and requirements that certified companies need to follow.

Preferred by Nature holds accreditation for FSC Chain of Custody, FSC Forest Management, FSC Controlled Wood and FSC Project certification services.