SAMPLE FROM:

Chain of Custody System Manual
for FSC® and PEFC™ standards

Document number: CC-001
Version 2.0
Approval Date: 30.06.2017
Company details:

Legal name: [Company Name]  Company abbreviation or [Known as] Trading name:

Company address: [Street Address] [Suburb] [State] 8000

Company Purpose: [e.g. is a company based in Victoria who buys and onsell MDF, Timber veneer and plywood products]

Do you use a database system to track your products and stock? If so, what is the name of the database?

www.typeyourwebaddresshere.com.au

About your Products

Manufactured Product Ranges:

Outsourced Product Ranges: [Names of product ranges that are outsourced]

About your Certifications

<table>
<thead>
<tr>
<th></th>
<th>FSC</th>
<th>PEFC</th>
</tr>
</thead>
<tbody>
<tr>
<td>FSC Control system:</td>
<td>Transfer</td>
<td>PEFC Control System: Physical Separation Method</td>
</tr>
<tr>
<td>FSC COC Number:</td>
<td>[XX-COC-001234]</td>
<td>PEFC COC Number: [XX-PEFC/COC-001234]</td>
</tr>
<tr>
<td>FSC Label Number:</td>
<td>FSC C000000</td>
<td>PEFC Label Number: PEFC/00-00-000</td>
</tr>
</tbody>
</table>

Do you use your label to promote your certified products? (select does/does not)

[Known as] does use the FSC labels [Known as] does use the PEFC label

In addition, the following tables need to be updated to reflect your company, or alternatively, you can delete these sections and replace with a print out of your company’s internal lists.

Responsible persons Register Page 8

Records Page 10

Database screenshot Page 16

Annual Volume Summary Page 5

All Appendices – Pages 30 to 57
 Contents

1. INTRODUCTION ................................................................................................................ 5
2. QUALITY MANAGEMENT ........................................................................................................ 8
  2.1. Responsible persons Register .......................................................................................... 8
  2.2. Responsibilities ................................................................................................................. 9
  2.3. Procedures & Registers ..................................................................................................... 9
  2.4. Training & Induction ......................................................................................................... 9
  2.5. Records .......................................................................................................................... 10
  2.6. Commitment to FSC Values ............................................................................................ 11
  2.7. ILO, Social, Health & Safety Requirements ...................................................................... 11
  2.8. Managing FSC Non-Conforming Products ...................................................................... 13
  2.9. Internal Audits and Management Review ....................................................................... 13
  2.10. Management Reviews .................................................................................................... 14
3. SCOPE OF CHAIN OF CUSTODY ................................................................................ 14
  3.1. Product Groups ................................................................................................................ 14
  3.2. Outsourcing / Sub-Contracting ....................................................................................... 14
4. MATERIAL SOURCING .................................................................................................. 15
  4.1. Input Specifications ........................................................................................................... 15
  4.2. Validating Supplier CoC Certificates ............................................................................... 16
  4.3. Purchasing ....................................................................................................................... 17
5. MATERIAL RECEIPT ....................................................................................................... 17
  5.1. Checking Material on Receipt .......................................................................................... 17
6. SEGREGATION ................................................................................................................ 18
7. VOLUME CONTROL ........................................................................................................ 19
  7.1. Conversion Factors ........................................................................................................... 19
  7.2. Material Accounting Record .......................................................................................... 19
  7.3. Annual Volume Summary ................................................................................................ 20
  7.4. Determination of FSC and PEFC Claims ........................................................................ 21
8. SALES & DELIVERY ........................................................................................................ 21
  8.1. Invoicing & Delivery ........................................................................................................ 21
9. FSC LABELLING AND TRADEMARK USE .................................................................. 22
  9.1. FSC Trademarks .............................................................................................................. 22
9.2. Use of the FSC Trademarks On Products ................................................................. 24
9.3. Use of the FSC Trademarks For Promotion ............................................................. 24
9.4. Precautions For Labelling FSC Products ............................................................... 24
9.5. Labelling Arrangements Between Organisations .................................................. 24
10. PEFC LABELLING AND TRADEMARK USE ....................................................... 25
    10.1. PEFC Trademarks ............................................................................................. 25
    10.1. Use of the PEFC Trademarks On Products ....................................................... 26
    10.2. Use of the PEFC Trademarks For Promotion .................................................... 27
11. PEFC DUE DILIGENCE SYSTEM .......................................................................... 27
    11.1. General Requirements ..................................................................................... 27
    11.2. Gathering Information ..................................................................................... 27
    11.3. Risk Assessment ............................................................................................. 28
12. OTHER FSC REQUIREMENTS .............................................................................. 28
13. TRANSACTION VERIFICATION ......................................................................... 29
Appendix 1 – Product Group List ............................................................................... 30
Appendix 2 - Register of FSC & PEFC Suppliers ......................................................... 31
Appendix 3 - Material Accounting Record .................................................................. 32
Appendix 4 - Self Declaration Committing to FSC Values .......................................... 33
Appendix 5 - Outsourcing Agreement & Procedure .................................................... 34
Appendix 6 - Internal Audit Checklist .......................................................................... 37
Appendix 7 - Internal Audit Summary Report ............................................................. 47
Appendix 8 - Training Plan .......................................................................................... 49
Appendix 9 - Training Register ................................................................................... 50
Appendix 10 - Improvements Register ...................................................................... 51
Appendix 11 - Outsourced Supplier Register ............................................................ 52
Appendix 12 - Due Diligence Register ...................................................................... 53
Appendix 13 - Anti-Discrimination Policy .................................................................. 54
Appendix 14 - Statement of Commitment – PEFC ..................................................... 55
Appendix 15 - Statement of Commitment – Supplier ................................................ 57
1. INTRODUCTION

[Company Name] [e.g. is a company based in Victoria who buys and onsells MDF, Timber veneer and plywood products]. The company has a range of products certified under Forest Stewardship Council® (FSC®) or the PEFC Chain of Custody Standards.

The Forest Stewardship Council (FSC) is an international, membership based, non-profit organisation founded in 1993 by environmentalists, social interest groups, indigenous peoples' organisations, responsible retailers and leading forest management companies to develop standards that define and measure responsible forest practices.

The Programme for the Endorsement of Forest Certification (PEFC) is an international non-profit, non-governmental organization dedicated to promoting Sustainable Forest Management (SFM) through independent third-party certification. PEFC is an umbrella organization that works by endorsing national forest certification systems such as the Australian Forestry Standard (AFS) developed through multi-stakeholder processes and tailored to local priorities and conditions.

Chain of Custody is the path taken by raw materials, processed materials and finished products from the forest to the consumer, including each stage of processing, transformation, manufacturing, storage and transport where progress to the next stage of the supply chain involves a change of ownership (independent custodianship) of the materials or the products.

FSC and PEFC Chain of Custody Certification (CoC) means that an organisation may promote its FSC and PEFC certified products as coming from responsibly managed forests.

Objective

This Chain of Custody System Manual (hereafter “the CoC Manual”) documents the elements of a Chain of Custody System compliant to both the FSC and PEFC Chain of Custody standards implemented by [Company Name] (hereafter “[Known as]”).

Its purpose is to enable [Known as] to maintain a system of identification and traceability of supplies of all wood fibre products in order to make and sell FSC certified products.
Scope

[Known as] maintains a Single Site Chain of Custody system for the national office and warehouse located at [Street Address], [Suburb], [State], 8000

[Known as] e.g. purchases, warehouses and sells FSC and PEFC certified timber veneers (Name of Range) Plywood (Name of Range) and MDF (Name of Range).

Outsourced production:

The manufacture of the following product ranges are outsourced:

[Names of product ranges that are outsourced]

The company employs the Transfer system for controlling FSC claims and the Physical Separation Method for controlling PEFC claims.

Details of the FSC and PEFC certified Product range are available in [Known as] Product Group List (Appendix 1 – Product Group List).

References

The relevant Chain of Custody Standards are as follows (Delete those that don’t apply):

- **FSC-STD-40-004 v3** FSC Standard for Chain of Custody Certification
- **FSC-STD-40-004a v2.1** FSC Product Classifications
- **FSC-STD-40-007 v2-0** Sourcing reclaimed material for use in FSC product groups or FSC certified projects
- **FSC-STD-40-003 (v2-1)** Chain of Custody Certification Multiple Sites
- **FSC-STD-50-001 v1.2** Requirements for use of the FSC trademarks
- **FSC-DIR-40-004 FSC** Directives
- **FSC-POL-01-004 v2.0** Policy of Association
- **PEFC ST-2002:2013** Chain of Custody of Forest Based Products - Requirements
- **PEFC GD 2001:2014 second edition** Chain of Custody of Forest-Based Products – Guidance

Whilst hard copy standards are always available, due to the frequency in which standards are changing, [Known as] always refers to the most recent standard available at the following addresses:

2.2. Responsibilities

[Title] [Joe Bloggs] maintains overall responsibility for the FSC & PEFC CoC system. The [Title], [Joe Bloggs] shall be the CoC Administrator and shall have responsibility for the company's compliance with the FSC and PEFC chain of custody requirements with individual responsibilities falling to staff as outlined in this CoC System Manual and in Appendix 8 - Training Plan on page 49.

2.3. Procedures & Registers

The [Title of person responsible] is responsible for maintaining the CoC Manual and Forms. This CoC Manual contains all of the relevant Procedures and refers to [Known as] registers and other documents relevant to the CoC system.

2.4. Training & Induction

The [Title of person responsible] is responsible for training relevant staff. Training will be provided to relevant staff for each procedure in the CoC System. Refer to Appendix 8 - Training Plan.

Staff training on the CoC system will be provided to all relevant staff on their initial employment and then repeated at least once every year or as significant changes are made to the CoC system to ensure that staff knowledge is kept current and new staff members are captured.

A record of training will be captured in Appendix 9 - Training Register.
## Appendix 6 - Internal Audit Checklist

### Internal Audit Checklist for Chain of Custody System

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dates internal audit performed</td>
<td></td>
</tr>
</tbody>
</table>
| Internal audit being performed in accordance with which standard? | - FSC-STD-40-004 v3  
- PEFC ST-2002:2013  
Add others that are applicable here |
| Who is performing the audit?                                  |                                                                        |
| Which site is being audited?                                  |                                                                        |
| Names of the staff who contributed to this audit              |                                                                        |
| Which parts of the standard were audited?                    | - All,  - Partial – list sections audited                              |
| How often is an internal audit required?                     | Every 12 months, prior to an audit, or if a new site is added to the scope of the certificate. |
| When is the next internal audit due?                         | - Added to calendar/reminder set.                                      |
| Signature of person performing audit                          |                                                                        |
**CHAIN OF CUSTODY STANDARDS FSC-STD-40-004 v3 & PEFC ST-2002:2013**

For systemic/policy review please refer to: FSC PEFC CoC Audit Checklist.

This checklist has been created with reference to ISO 19011:2001 – Guidelines for auditing internal management systems and FSC-STD-20-001 v 4-0. Special rules apply if your certificate is a multi-site certificate under FSC-STD-40-003 and Annexe B should be reviewed if your certificate is a multi-site.

### Classification of Conformance

<table>
<thead>
<tr>
<th>C</th>
<th>Compliant</th>
<th>All procedures are being followed in accordance with the CoC policy and the CoC policy conforms with the standard requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAJ</td>
<td>Major Non-Conformance</td>
<td>Either alone or in combination with further non-conformities it results in or is likely to result in a fundamental failure to achieve the objective of the relevant requirement. Such fundamental failures may be indicated by non-conformities which: 1. Continue over a long period of time, or 2. Are systematic, or 3. Affect a wide range of the production, or 4. Affect the integrity of the FSC/PEFC system, or 5. Are upgraded minor non-conformances that have not been addressed within one year. MAJ must be closed within 3 months</td>
</tr>
<tr>
<td>MIN</td>
<td>Minor Non-Conformance</td>
<td>A non-conformity shall be considered minor if: 1. It is a temporary lapse, or 2. It is unusual/non-systematic, or 3. The impacts of the non-conformity are limited in their temporal and organisational scale, and 4. it does not result in a fundamental failure to achieve the objective of the relevant requirement. MIN must be closed within a year.</td>
</tr>
<tr>
<td>OBS</td>
<td>Observation</td>
<td>The identification of the early stages of a problem which does not yet constitute a non-conformity but which the auditor considers may lead to a future non-conformity if not addressed.</td>
</tr>
</tbody>
</table>

This checklist is designed to find issues that could compromise the integrity of the CoC system in place in your organisation. Adapt it to refer to the procedures you have in place.
SAMPLE FROM:
Chain of Custody System Manual
for FSC® and PEFC™ standards
Amendment clauses for multiple Sites
How to use this document

This document has been designed to work with the CC-001 Chain of Custody Systems Manual and provides you with suggestions and examples of amendments to the policy and procedures contained in it to also comply with FSC STD 40-003.

### Amendments

<table>
<thead>
<tr>
<th>Section Reference in CC-001</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope</strong></td>
<td>Add information in this section that shows that your company is eligible for Multi-Site CoC Certification, through information about the ownership or legal relationship structure between the participating sites, and that the centralized administration and management requirements are met. If the sites are not linked through ownership, you should add an additional appendix, called ‘Participating sites’ or similar, which records the details of each site, and that a ‘consent form’ or contract is in place for each participating site.</td>
</tr>
<tr>
<td><strong>References</strong></td>
<td>Ensure you have kept FSC STD 40-003 in this list</td>
</tr>
<tr>
<td><strong>2.1 Responsible Persons Register</strong></td>
<td>Add a task called ‘Administration and management of participating sites’ or similar, and allocate a position called ‘Certificate Manager’ within central office of the organization. This person will have appropriate professional experience, knowledge and competence, and will be responsible for implementing the requirements of the standard, and managing the participating sites.</td>
</tr>
</tbody>
</table>

---

Last updated: 22.08.2017
Chain of Custody System Manual
for FSC® and PEFC™ standards
Amendment clauses for Reclaimed Materials
How to use this document

This document has been designed to work with the CC-001 Chain of Custody Systems Manual and provides you with suggestions and examples of amendments to the policy and procedures contained in it to also comply with FSC STD 40-007.

Amendments

<table>
<thead>
<tr>
<th>Section Reference in CC-001</th>
<th>Amendment</th>
<th>Standard Reference FSC STD 40-007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope</td>
<td>Add information in this section that describes what the source of reclaimed inputs are and how they are used in production.</td>
<td>1.1</td>
</tr>
<tr>
<td>References</td>
<td>Ensure you have kept FSC STD 40-007 in this list</td>
<td></td>
</tr>
<tr>
<td>2.1 Responsible Persons Register</td>
<td>Add a task called ‘Reclaimed material Suppliers Validation and Monitoring’ and allocated a position within the organization who will be responsible for the validation process.</td>
<td>2.1</td>
</tr>
<tr>
<td>2.5 Records</td>
<td>Add a type of record under the box containing ‘Internal Audit &amp; Management Review’ called ‘Reclaimed material Supplier Audit Program’ and allocate the person responsible (usually the Chain of Custody Administrator). Best practice is that this person is different from the responsible person contained in 2.1</td>
<td>4.0</td>
</tr>
</tbody>
</table>
How to use this document

This document is for use for those who wish to keep FSC and/or PEFC Chain of Custody Certification. It is designed to be used together with the FSC PEFC COC Quick reference comparison tool.

Whilst every care and effort has been taken to prepare this document and ensure the advice given, Hikari Solutions Pty Ltd does not accept liability for any loss or damage arising from the information supplied. These tools are designed to provide assistance to you and do not in any way detract from your obligations to know, understand and ensure compliance with the relevant standard(s).
Chain of Custody Internal Audit Checklist

The following checklist can be used as a guide to ensure that all procedures which are crucial to the efficient operation of the CoC scheme are reviewed. Space is provided to highlight the finding as either ‘Ok’ or to record brief notes. Space is provided at the end each section and at the end of the checklist to record more detailed findings.

All items in *italics* are to be taken only as possible examples of how to comply with the criteria.

<table>
<thead>
<tr>
<th>Management System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibilities and Training</td>
</tr>
<tr>
<td>Is there evidence of appointment of a management representative who is responsible for the organization’s compliance with the certification. <em>E.g. Formal job description or description within documented procedures</em></td>
</tr>
<tr>
<td>(PEFC only) Is the Organization certified to ISO 9001 or ISO 14001? <em>View evidence of certificate.</em></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Documented Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you have documented procedures covering the following (as are relevant to your organization):</td>
</tr>
<tr>
<td>• Commitment to Chain of Custody requirements – defined and documented</td>
</tr>
<tr>
<td>• Organizational structure, responsibilities, and authorities relating to certification</td>
</tr>
<tr>
<td>• Key personnel are defined, responsible for each procedure (see below)**</td>
</tr>
</tbody>
</table>
How to use this document

This document is for use by FSC and PEFC Certificate holders, stakeholders, governments and others who wish to have a quick reference as to how the FSC Standard requirements have changed and how they compare to the PEFC Standard. *Italics* denotes an explanatory component that is not contained within the referenced standard.

Whilst the systems offer similar tracing through the supply chain, they are fundamentally different in the requirements and how they are demonstrated. Used in conjunction with our other tools, you can quickly and easily meet the requirements and understand the differences.
The Standards Referenced

Date of effect:
- Published on January 1, 2017 and will become effective on April 1, 2017.
- Transition period between 01 April 2017 and 31 March 2018, both standard versions are valid and can be used by FSC CoC certificate holders.

<table>
<thead>
<tr>
<th>Legend</th>
<th>Identified change between V3-0 and V2-1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No change. The requirement is identical in relation to the previous version of the standard.</td>
</tr>
<tr>
<td></td>
<td>The intent of the requirement has not changed. The requirement has been simplified or reworded for an improved understanding.</td>
</tr>
<tr>
<td></td>
<td>New requirement or the requirement has changed in relation to the previous version of the standard.</td>
</tr>
<tr>
<td></td>
<td>Requirement removed</td>
</tr>
</tbody>
</table>

Date of effect:
- Issue date 24-05-2013
- Date of entry into force 24-05-2014
1.1 The organization shall implement and maintain a CoC management system adequate to its size and complexity to ensure its continuous conformity to all applicable certification requirements, including the following:

8.1 General requirements
The organisation shall operate a management system in accordance with the following elements of this standard, which ensure correct implementation, and maintenance of the chain of custody process(es). The management system shall be appropriate to the type, range and volume of work performed.

Note: An organisation’s quality (ISO 9001:2008) or environmental (ISO 14001:2004) management system can be used to meet the
The DDS needs to be complied with even for PEFC Certified inputs other than those provided for in 5.1.2 below. The Risk Assessment process is provided for these inputs. We include the requirements for your reference. Refer FSC Policy for Association FSC POL 01-004 (v2-0) and FSC-STD-40-005 Requirements for Sourcing Controlled Wood. Note separate tool is available to compare PEFC DDS, FSC Policy for Association and FSC Controlled Wood requirements.

5 Minimum Due Diligence System (DDS) requirements

5.1 General requirements

5.1.1 The organisation shall operate a Due Diligence System (DDS), in accordance with the following elements of this standard, which is based on risk
Question 1: Why is your company pursuing FSC and PEFC Certification?

Question 2: Who is responsible for the following functions:

<table>
<thead>
<tr>
<th>Task</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration of the Chain of Custody System</td>
<td></td>
</tr>
<tr>
<td>Separation of Incoming Materials</td>
<td></td>
</tr>
<tr>
<td>Checking of invoicing prior to dispatch</td>
<td></td>
</tr>
<tr>
<td>Checking of delivery documentation to make sure it matches the product delivered</td>
<td></td>
</tr>
<tr>
<td>Ensuring only certified product is sold as certified</td>
<td></td>
</tr>
<tr>
<td>Seeking approval from Certification Body prior to logo use</td>
<td></td>
</tr>
<tr>
<td>Seeking internal approval prior to logo use internally</td>
<td></td>
</tr>
<tr>
<td>Maintaining the Material Accounting Records and annual volume summaries</td>
<td></td>
</tr>
</tbody>
</table>
SAMPLE FROM:

FSC® and PEFC® Certification Delivering responsibly sourced wood products
Training Slides

Date:
All Staff

Big picture
- Why do these schemes exist?
- Helping to be part of the solution
- How the sustainability credentials can help develop your customer base

Warehouse/Admin

Focus: Process/Procedure
- What the schemes do and how they work
- Important processes
- Why this is important in the market

Sales/Client Facing

Focus: Important Procedures, Products & Sales
- What the schemes do and how they work
- Important processes
- Products and their certification
- How they link to Green Star and Green Tag certification
- How they can be used to drive business

Future Induction Modules
Overview

Part 1 – Chain of Custody Certification

• What is Chain of Custody Certification and Who needs it?
• What products can be certified and Why CoC is important
• Different CoC certification schemes
• CoC Requirements.
## Chain of Custody Requirements

<table>
<thead>
<tr>
<th>Quality Management</th>
<th>Scope</th>
<th>Sourcing</th>
<th>Receipt</th>
<th>Separation</th>
<th>Volume Control</th>
<th>Sales &amp; Delivery</th>
</tr>
</thead>
</table>

1. Responsibilities
2. Documented Procedures
3. Training
4. Records
5. Management Commitment to FSC Values and PEFC
6. Social, Health & Safety
7. Complaints & Non Conformances
8. Internal audits to conform ongoing compliance
9. Due Diligence System (DDS) & Trade & Customs Laws
Labeling and Promotion of Certification

Product Labeling
- Product labeling is optional.
- Company needs to agree with suppliers who will be responsible for applying product label to artwork.

Promotional use of Label
- The company can use the FSC trademarks for promotional materials
- All requests to use the FSC trademark must be submitted to the CoC Administrator for approval from CB.
Labeling and Promotion of Certification

Product Labeling
- PEFC Product labeling is also optional.
- Can only be used by a PEFC CoC certificate holder with a trademark license.

Promotional use of Label
- The company can use the PEFC trademarks for promotional materials
- All requests to use the PEFC trademarks must be submitted to the CoC Administrator for approval.
More from hikarisolutions.com.au

- A separate tool is available to compare:
  - FSC Controlled Wood Standard FSC STD 40-005 and the Risk Based Assurance section of PEFC Clause 5; and
  - FSC Trademark Standard Requirements FSC STD 50-001 and PEFC Labelling requirements
- An FSC & PEFC audit preparation checklist with highlighted sections where companies will most need to make adjustments, and tips as to how to make changes to comply.
- A standard form training template in PPT that you can use to add your specific procedures and train your staff on both FSC and PEFC
- Training Register format
- A full set of draft procedures, contracts denoting a simple system you can amend to be compliant with both FSC and PEFC standards.
- Contact us for a personalized self-assessment walk through and bespoke training experience for your company, including all of the above. We can do it all for you and help you get and stay certified.

Natalie Reynolds
Managing Director
0422 44 4 745
natalie@hikarisolutions.com.au
www.hikarisolutions.com.au

Find the light. Make the Change. Fast