

PART 2 - ADDITIONAL REQUIREMENTS FOR CHAIN OF CUSTODY CERTIFICATION

Informative guidance

This section includes additional requirements to chain of custody certification for conformity with the FSC Regulatory Module. It covers CoC management system, material sourcing and handling, FSC material and product records, sales, compliance with timber legality legislation, establishment of product groups, labelling requirements, due diligence system, risk management, risk mitigation, publicly available information and simplified due diligence. For Project Certification additional requirements include administration requirements, material sourcing and FSC claim on product, material handling and project statement general requirements. For controlled wood sourcing additional requirements include requirements for due diligence system implementation and maintenance, obtaining information, risk assessment and mitigation.

How to find applicable requirements

Not all sections and clauses apply to all organizations. To help understand which clauses are applicable, refer to the chart on the right to identify the applicable icon based on organization type. In the context of this standard, organization types are based on operator, trader and SME classifications. Definitions of organization types are provided in the [Terms and Definitions section](#) at the beginning of the document.

NOTE: A single organization can either be classified as SME or Non-SME. However, an organization may act as an operator or a trader at the same time, depending on the position in the supply chain. The type of organization might further differ between different product groups.



Figure 1 Icon key based on organization type

How to read the clauses

- 4.1.1 The organization shall appoint a management representative who acts as a compliance officer, with responsibility and authority for the organization's conformity in order to mitigate and manage the risk of non-conforming products. [Clause 1.1 a) FSC-STD-40-004/ EUDR 11.2.(a)]

Reference to FSC standard















Reference to EU Deforestation Regulation – [EUDR (Article).(Paragraph)]

4. FSC-STD-40-004 - Chain of Custody Certification

Applicability note: For the organization seeking conformity with the FSC Regulatory Module for the purpose of sourcing FSC-certified, FSC Controlled Wood or controlled material, the conformance with <FSC-STD-40-004 Chain of Custody Certification> and this section is mandatory.

This section can be applied to all the product groups covered by the organization’s certification scope of FSC-STD-40-004 and FSC-STD-40-005, respectively, or to individual product groups only.

The organization is not allowed to use this section for sourcing controlled material from supply units that it (or an affiliated organization) owns or manages, unless an FSC risk assessment according to <FSC-PRO-60-006b V2-0 Risk Assessment Framework> has been published. Where such an FSC risk assessment is not published, these sources can be independently certified according to <FSC-STD-30-010 V3-0 Controlled Forest Management> (or its subsequent versions).

<p>4.1 COC MANAGEMENT SYSTEM</p>	
<p>4.1.1 The organization shall appoint a management representative who acts as a compliance officer, with responsibility and authority for the organization’s conformity in order to mitigate and manage the risk of non-conforming products. [Clause 1.1 a) FSC-STD-40-004/ EUDR 11.2.(a)]</p> <p>NOTE: The appointed management representative for conformity with applicable certification requirements may also act as the compliance officer.</p>	 
<p>4.1.2 The organization shall maintain the records demonstrating conformity with the applicable requirements of the FSC Regulatory Module according to Clause 1.1 e). [Clause 1.1 e) FSC-STD-40-004/ EUDR 4.3, 5.4, 9.1, 12.2, 12.5]</p>	   
<p>4.1.3 The organization shall follow the requirements of Clause 1.7, to ensure that new information that it obtains or is made aware of, including substantiated concerns that would point to a risk that products do not conform with this standard, is adequately considered. [Clause 1.7 FSC-STD-40-004/ EUDR 4.5, 5.5]</p>	   
<p>4.1.4 The organization shall not place non-conforming products on the market or export them. Where non-conforming products are detected, the organization shall immediately inform and provide assistance to the relevant competent authorities. [Clause 1.8 FSC-STD-40-004/ EUDR 4.4, 4.5, 5.5, 5.6]</p> <p>NOTE: A non-conforming product may also be identified by a competent authority, in which case, Clause 1.8 of <FSC-STD-40-004 Chain of Custody Certification> applies.</p>	   

4.2 MATERIAL SOURCING

4.2.1 For FSC product groups in the scope of the FSC Regulatory Module, the information shall include:

- a) name, registered trade name or registered trademark of the supplier;
- b) postal address, email address and (if available) a web address of the supplier. [Clause 2.1 FSC-STD-40-004/ EUDR 5.3.(a), 9.1.(e)]



4.2.2 The organization shall verify the supplier's sale and delivery documentation to confirm that:

- a) the Regulatory claim (i.e., 'Regulatory') is specified (if applicable);
- b) the supplied material description is in conformity with the supplied documentation, including the trade name and type of product;
- c) the quantity is expressed in:
 - i. kilograms of net mass and, where applicable, in the supplementary unit set out in Annex I to Council Regulation (EEC) No 2658/87 (20) against the indicated Harmonized System code, or
 - ii. net mass, or
 - iii. where applicable, volume or number of items. [Clause 2.3 a), b) FSC-STD-40-004/ EUDR 9.1.(a), (b)]



NOTE 1: A supplementary unit is applicable where it is defined consistently for all possible subheadings under the Harmonized System code referred to in the due diligence statement.

NOTE 2: If the organization is receiving material from a supplier who is not required to conform with the above (from outside the EU, not applying the FSC Regulatory Module), the organization is responsible for obtaining the converted quantity as expressed above.

4.2.3 The organization shall verify that, (if applicable) the supplier's reference number/s of due diligence statements is/are quoted for supplied material. [Clause 2.3 FSC-STD-40-004/ EUDR 4.8]



NOTE 1: For suppliers defined as SMEs thus exempted from providing due diligence statements, this refers to relevant reference numbers from their suppliers. [EUDR 4.9]

























NOTE 2: FSC claims may be followed by the Regulatory claim. This does not apply to 'FSC Recycled' claims.























4.3 MATERIAL HANDLING

NOTE: The separation of materials also refers to materials supplied with the Regulatory claim or for which relevant information about the risk of origin and risk of mixing has been obtained by other means. [Clause 3.1 FSC-STD-40-004]



		 
4.4	FSC MATERIAL AND PRODUCTS RECORDS	
4.4.1	<p>The organization shall maintain up-to-date material accounting records of materials and products in the scope of the FSC Regulatory Module, including:</p> <p>a) inputs: (if applicable) due diligence statement reference number(s) and the Regulatory claim [Clause 4.2 a) FSC-STD-40-004/ EUDR 5.3.(a)];</p> <p>b) outputs: due diligence statement reference number(s) and the Regulatory claim. [Clause 4.2 b) FSC-STD-40-004/ EUDR 4.7]</p>	   
4.5	SALES	
4.5.1	<p>The organization shall ensure that sales documents (physical or electronic) issued for products sold with the Regulatory claim include the following information:</p> <p>a) (where applicable) the due diligence statement(s) reference number(s)</p> <p>b) a clear indication of the FSC claim followed by the Regulatory claim, for each product item or the total products. [Clause 5.1 FSC-STD-40-004/ EUDR 4.7]</p>	   
4.5.2	<p>The organization may use the abbreviation of the Regulatory claim 'REG' in sales documentation in case of space constraints, provided that:</p> <p>a) the abbreviation is specified in the organization's documented procedures, and</p> <p>b) the complete Regulatory claim (i.e., 'Regulatory') is provided to costumers through supplementary evidence as defined in Clause 5.7 of <FSC-STD-40-004 Chain of Custody Certification>.</p>	   
4.5.3	<p>The organization shall conform with Section 5.7 if it is unable to include the information in Clauses 4.5.1 and 4.5.2 of this standard in sales or delivery documents. [Clause 5.7 FSC-STD-40-004]</p>	   
4.5.4	<p>The organization shall issue a due diligence statement and submit it to the competent authorities, in accordance with <u>Annex 2. Due Diligence Statement</u> before placing the product on the EU market or exporting it from the EU. [EUDR 4.2]</p> <p>NOTE: The due diligence statement may be generated using an online tool provided by FSC.</p>	  
4.5.5	<p>The organization may refer to a due diligence statement issued by a supplier/sub-supplier, provided that the requirements of Clause 4.8.2 of this standard are met. [EUDR 4.8]</p>	

<p>4.5.6 The organization shall maintain the information on all customers to whom the material with the Regulatory claim is supplied, including:</p> <ul style="list-style-type: none"> a) name, registered trade name or registered trademark; b) postal address, email address and (if available) a web address. [EUDR 5.3.(b), 9.1.(f)] 	   
<p>4.5.7 The organization may identify products exclusively made of input materials from a fully verified supply chain by adding a plus symbol to the Regulatory claim, i.e., Regulatory+ or REG+.</p>	   
<p>4.6 COMPLIANCE WITH TIMBER LEGALITY LEGISLATION</p>	
<p>4.6.1 The organization shall, upon request, provide information on species (common and full scientific name of each species), plot of land geolocation, time of production and all complementary information to operators and regulatory traders further down the supply chain, to support the conclusion of negligible risk under their DDS, and therefore comply with timber legality legislation. [Clause 6.1 FSC-STD-40-004/ EUDR 4.7]</p>	   
<p>4.7 ESTABLISHMENT OF PRODUCT GROUPS FOR THE CONTROL OF FSC CLAIMS</p>	
<p>4.7.1 The organization shall only use material in FSC product groups in the scope of the FSC Regulatory Module and sell material with the Regulatory claim if it is in conformity with the requirements of this standard. [EUDR 4.4, 8.1]</p>	   
<p>4.7.2 The organization shall establish product groups for the purpose of controlling the Regulatory output claim, and maintain an up-to-date list specifying the following: [Clause 8.1 FSC-STD-40-004]</p> <ul style="list-style-type: none"> a) the Regulatory claim, for the applicable output products; b) the species (common and full scientific name of each species); c) the Harmonized System (HS) code(s), with a minimum of six (6) digits. [Clause, 8.3 b), c) FSC-STD-40-004/ EUDR 9.1(a)] 	   
<p>NOTE 1: A list of possible species is not acceptable in the context of the FSC Regulatory Module.</p> <p>NOTE 2: The organization may use Annex XX [Crosswalk between <FSC-STD-40-004a FSC Product Classification> and the Harmonized System (HS) codes – under development] to define the HS code(s) corresponding to the product group.</p>	

DUE DILIGENCE SYSTEM

4.8 DUE DILIGENCE SYSTEM - IMPLEMENTATION AND MAINTENANCE

4.8.1 The organization shall have, implement, and maintain a documented DDS for material to be included in the FSC product groups within the scope of the FSC Regulatory Module, in order to demonstrate that it:

- a) is deforestation-free;
- b) has been produced in accordance with the relevant legislation of the country of production. [EUDR 8.1, 12.1]

NOTE 1: The organization can choose to develop its own DDS or apply a DDS developed by an external party. The certification body that evaluates the conformity of the organization with this standard is not eligible to develop the DDS.

NOTE 2: Information about the legality of production includes any arrangement conferring the land use rights to the producing supplier.

NOTE 3: Wood products which fall within the scope of Regulation (EC) No 2173/2005 and covered by a valid FLEGT license from an operational licensing scheme are deemed in compliance with the relevant legislation of the country of production.

4.8.2 The organization is exempt from conducting a due diligence if the material or product is covered by a due diligence statement previously issued by a supplier/sub-supplier and submitted to the competent authorities. In such cases, the organization shall provide the competent authorities with the reference number of the due diligence statement, upon request. [EUDR 4.8]

4.8.3 The organization may refer in their due diligence statement to a due diligence statement previously issued by a supplier/sub-supplier only after having ascertained that the due diligence was exercised according to the requirements of this standard. [EUDR 4.9]

NOTE 1: The organization may engage with relevant suppliers and sub-suppliers in order to obtain clear and convincing evidence of conformity.

NOTE 2: The organization retains responsibility for the conformity of the products covered by a due diligence statement issued by a supplier/sub-supplier.

4.8.4 The organization shall include all suppliers and sub-suppliers of the material assessed according to this standard in its DDS.

NOTE: With exception of a 'fully verified supply chain', suppliers and sub-suppliers are not expected to implement this standard, and it is the responsibility of the organization to ensure conformity. The organization may request suppliers to follow certain part(s) of this standard to achieve conformity.

4.8.5 The organization shall review and, if necessary, revise its DDS at least annually and prior to the annual surveillance by the certification body, and whenever changes occur that affect the relevance, effectiveness, or adequacy of the DDS (see Figure 2). [EUDR 10.4, 11.3, 12.2]

NOTE 1: Means to verify the relevance, effectiveness, or adequacy of the DDS may include, but are not limited to, stakeholder consultation, field verification and document verification, all of which may be included in internal audits as per Clause 4.10.5 of this standard.

NOTE 2: Field verification may be conducted at the supply unit level or supplier/sub-supplier’s site. When/if applied, the frequency and scope of field verification will depend on the risk identified by the organization in its DDS.

NOTE 3: Stakeholder consultation, field verification, and document verification may also be implemented as mitigation measures.

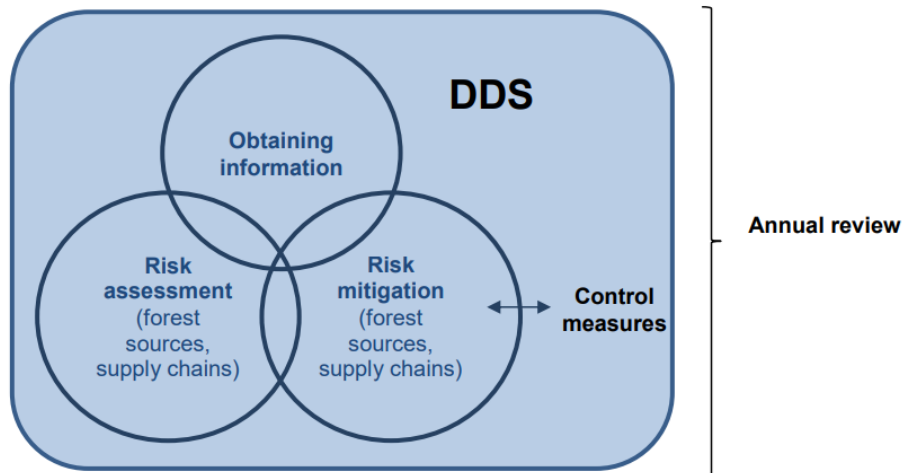


Figure 2 1 Elements of the due diligence system, and the scope of its verification

4.8.6 The organization shall implement internal audits of its DDS at least annually to ensure that it is being implemented correctly.



4.8.7 The organization shall document the scope, dates, and staff involved in internal audits.



4.8.8 The organization shall document all cases of the DDS being evaluated as ineffective during the internal audit or based on other information, and shall ensure that all relevant issues are addressed and corrected within 12 months of their detection.



4.8.9 The organization shall, upon request, provide the due diligence statement and supporting information used to complete the due diligence statement, to users of the FSC Regulatory Module further down the supply chain.








































4.9 DUE DILIGENCE SYSTEM - OBTAINING INFORMATION ON INPUT MATERIAL

4.9.1 In addition to the information specified by Section 4.2 of this standard, the organization shall obtain, document and maintain the following up-to-date information on material:



- a) the species (common and full scientific name of each species);

<p>NOTE: A list of possible species is not acceptable in the context of the FSC Regulatory Module. </p> <ul style="list-style-type: none"> b) the country of harvest and, where relevant, parts thereof; c) the geolocation of all plots of land where the material originates from; d) the date or time range of harvest (period defined by a start date and end date); e) applicable risk assessment developed according to the procedure <FSC-PRO-60-006b V2-0>; f) information about supply chains, according to 4.11.3 of this standard. [EUDR 9.1. (a), (c), (d)]
<p>4.9.2 The geolocation of the plot of land shall be compiled according to the following criteria: </p> <ul style="list-style-type: none"> a) more than four (4) hectares: a polygon with sufficient latitude and longitude points to describe the perimeter of each plot of land;  b) four (4) hectares or less: a polygon or a single latitude and longitude point with six decimal digits. [EUDR 2.28] 
<p>4.9.3 The plot of land information shall be complemented with the reference to the respective FSC-certified Management Unit (if applicable). </p>  
<p>4.9.4 The organization shall have access to information on its supply chains to a level that allows it to confirm and document: </p> <ul style="list-style-type: none"> a) the origin of the material to the level of the plot of land;  b) the risk related to the origin, and the risk related to mixing with non-eligible inputs in the supply chain (according to Clause 4.10 of this standard); and  c) the mitigation of these risks (according to Clause 4.11 of this standard), if applicable. <p>NOTE: Access to information is to be understood as having copies of said information on hand during the audit, or being able to ensure that, upon request, the certification body or ASI can obtain copies before the close of the audit.</p>
<p>4.9.5 Products and material from species listed in <u>Appendices 1, 2, or 3 of CITES</u> that will be imported, exported, or re-exported, shall be accompanied by the applicable valid certificates. </p>  
<p>4.10 DUE DILIGENCE SYSTEM - RISK ASSESSMENT</p>
<p>4.10.1 The organization shall review and analyse the information collected in accordance with Section 4.9 of this standard, and shall conduct a risk assessment to determine the risk of sourcing material from non-eligible sources, covering the risk of circumvention of the EUDR, risk of origin and the risk of mixing. [EUDR 10.1] </p>  
<p>4.10.2 The risk assessment shall result in the classification of material into a 'negligible' or 'non-negligible' risk category. </p>  

<p>4.10.3 For FSC product groups in the scope of the FSC Regulatory Module, the organization shall only use input material if there's a conclusion of a negligible risk. [EUDR 10.1]</p>	  
<p>4.10.4 The risk assessment shall take into account the conclusions of the meetings of the Commission expert groups as published in the <u>European Commission's expert group register</u>. [EUDR 10.2.(k)]</p>	  
<p><i>RISK OF ORIGIN</i></p>	
<p>4.10.5 For FSC 100% product groups in the scope of the FSC Regulatory Module, the organization may conduct the risk assessment using the simplified risk assessment template provided by FSC [selected set of indicators – link to be added when available (under development in coordination with revision of FSC-PRO-60-006b)]. For sourcing of FSC Mix or FSC Controlled Wood, the organization shall use the applicable FSC risk assessment based on <FSC-PRO-60-006b FSC Risk Assessment>, if available, or conduct its own risk assessment, according to the requirements of [full set of indicators – link to be added when available (under development in coordination with revision of FSC-PRO-60-006b)], to determine the risk related to the origin of the material for each risk assessment indicator. [EUDR 10.2.(a), (h), (m)]</p>	  
<p>4.10.6 The organization shall obtain approval of its risk assessment, conducted for its supply area, and/or extended to new supply areas, from the certification body before using risk designations in its DDS.</p>	  
<p><i>RISK OF MIXING</i></p>	
<p>4.10.7 The organization shall assess and document the risk of non-eligible inputs entering FSC product groups included in the FSC Regulatory Module during transport, processing, and storage (risk of mixing). The risk of mixing shall include, at minimum:</p> <ul style="list-style-type: none"> a) complexity of its supply chains (e.g., the number of tiers of suppliers, geographies in which suppliers are located, size and type of supplier's operations); b) stage of processing of the products. [EUDR 10.2.(i), (j)] <p>NOTE: The assessment of the risk of mixing aims to avoid mixing with materials of unknown origin or produced in areas where deforestation or forest degradation has occurred or is occurring.</p>	  
<p>4.11 DUE DILIGENCE SYSTEM - RISK MITIGATION</p>	
<p>4.11.1 The organization shall establish and implement effective mitigation measures when a risk assessment conducted in accordance with Section 4.10 of this standard reveals a non-negligible risk. [EUDR 11.1]</p> <p>NOTE 1: Examples of mitigation measures and guidance on their development can be found in [based on FSC-PRO-60-006b FSC Risk Assessment – link to be added when available (under development in coordination with revision of FSC-PRO-60-006b)].</p>	  

NOTE 2: Measures may also include supporting conformity with this standard by the organization's suppliers, through capacity building and investments.

4.11.2 The organization shall have adequate and proportionate policies, controls and procedures to mitigate and manage effectively the risks. These shall include model risk management practices, reporting, record-keeping, internal control and compliance management. [EUDR 11.2, 11.3]



4.11.3 The organization shall implement an annual independent audit to ensure that the provisions under Clause 4.11.2 of this standard are being implemented correctly. [EUDR 11.2 (b)]



4.11.4 The organization shall document how decisions on risk mitigation procedures and measures were taken. [EUDR 11.3]



4.11.5 The organization may deem negligible risk (with no further mitigation required) for the following material unless new information that obtains or is made aware of, including substantiated concerns, may affect the conformity of certification requirements:

- a) FSC 100% material sourced through FSC-certified supply chain; or
- b) material supplied with Regulatory claim through fully verified supply chain.



4.12 DUE DILIGENCE SYSTEM - PUBLICLY AVAILABLE INFORMATION










4.12.1 The organization shall provide a written summary of its DDS to the certification body. At minimum, it shall include the following information:

- a) a description of the supply area(s), including the country and respective risk designation(s);
- b) a description of the product groups, including the product types, trade names (if applicable), and species (common and full scientific name of each species);
- c) the annual quantity sold per product group;
- d) reference to the applicable FSC risk assessment;
- e) the organization's own risk assessment (excluding confidential information); including the conclusions of the risk assessment and risk mitigation measures, as well as sources of evidence obtained and used to assess the risk;
- f) where applicable, a description of the process of consultation of Indigenous Peoples, local communities and other customary tenure rights holders or of the civil society organizations that are present in the area of production of the relevant products.
- g) the procedure for filing complaints; and
- h) contact information of the person or position responsible for addressing complaints. [EUDR 12.3, 12.4]



NOTE 1: The summary of the DDS is not required to be in one of the official languages of FSC.

NOTE 2: Under paragraph f), the description of the consultation process may be obtained through engagement with suppliers/sub-suppliers who were responsible for this process. The organization is responsible for obtaining the information and for checking for its plausibility.

<p>4.12.2 The organization shall make the written summary publicly available, as widely as possible, including via the internet. [EUDR 12.3]</p>	
<p>NOTE: The organization who falls within the scope of other EU legal acts that lay down requirements regarding value chain due diligence may fulfil their reporting obligations under this requirement by including the required information when reporting in the context of those other Union legal acts.</p>	
<p>4.12.3 The organization shall review and revise the written summary of its DDS on an annual basis. [EUDR 12.3]</p>	
	
<p>4.13 SIMPLIFIED DUE DILIGENCE</p>	
<p>4.13.1 The organization can conduct a simplified due diligence if:</p> <ul style="list-style-type: none"> a) products have been produced in countries or parts thereof classified as low risk in accordance with the EUDR three-tier risk system; and b) the applicable FSC Risk Assessment has a negligible risk designation; and c) there is no available information, including substantiated concerns, that may affect the conformity of certification requirements. [EUDR 13.1,13.2] 	
	
	
<p>4.13.2 In cases where a simplified due diligence is exercised, the organization may be exempt from the application of Sections 4.10 and 4.11 of this standard, with exception of Clause 4.10.7. [EUDR 13.1]</p>	
	
	
<p>4.14 FSC BLOCKCHAIN</p>	
<p>NOTE FOR CONSULTATION: This section will be completed in conjunction with the development of the FSC Blockchain solution and will be applicable for organizations that choose to use the FSC Blockchain to help with ensuring conformance and traceability of the material traded. You can read more about FSC Blockchain on FSC website here: https://connect.fsc.org/innovation-sustainability/blockchain</p>	