



Directive

# FSC DIRECTIVE ON CHAIN OF CUSTODY CERTIFICATION

FSC-DIR-40-004 EN

15/05/2023



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## Version control

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V1-0	Not applicable	Not applicable

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## FOREWORD

FSC received various comments from certification bodies and stakeholders requesting a reduction in the number of normative documents to make the documented certification system more comprehensible. FSC therefore combined all previous advice notes into single documents which are called “directive”. A directive includes all advice notes issued in relation to a single standard. The relation to a standard is reflected in the document code. Where new advice note is approved, these will be added to the directive and the revised document will be reissued.

The intention of this document is to standardize understanding and implementation of requirements by FSC accredited certification bodies and certificate holders.

This document will be revised as required. The content of the directive will be incorporated into the related standards in each major review as feasible.

Changes and amendments to the directive will be announced to the FSC Network immediately.

### **Note on use of this directive**

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

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## A. SCOPE

This document provides FSC's formal interpretation of the requirements included in FSC-STD-40-004.

## B. REFERENCES

The following referenced documents are indispensable for the application of this document. For undated references, the latest edition of the referenced document (including any amendments) applies:

<b>FSC-STD-40-004</b>	Standard for Chain of Custody Certification
<b>FSC-STD-20-011</b>	Chain of Custody Evaluations Standard
<b>FSC-STD-40-005</b>	Requirements for Sourcing FSC Controlled Wood Standard
<b>FSC-PRO-01-001</b>	Development and Revision of FSC Normative Documents Procedure

## C. TERMS AND DEFINITIONS

For the purposes of this document, terms and definitions are provided in <[FSC-STD-01-002 FSC Glossary of Terms](#)> and in <[FSC-STD-40-004 Standard for Chain of Custody Certification](#)>. Further advice-related definitions may be provided in the context of each advice.

**Advice Note:** errata or addenda to normative documents.

**Change request:** a documented and justified request from any stakeholder for adding, deleting or changing a requirement of an approved and valid FSC normative document.

**Directives:** compilations of Advice Notes.

**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 with 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 ‘should requirement’ can be met 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.

## Part 1 General Issues

- 1 The FSC Directive contains all advice notes related to a specific FSC international policy or standard that are collected into a single document for improved accessibility for certification bodies, certificate holders and other interested stakeholders. The FSC Directive provides clear advices on the implementation of FSC's international policies and standards.
- 2 If a certification body is in doubt about the correct implementation of an FSC policy or standard, the certification body must request clarification from the FSC Policy and Standards Unit. If required, such clarification will be provided in the form of a new advice note or standard interpretation.
- 3 Prior to the finalisation of an advice note, a certification body may make its own decision in relation to a question for which clarification has been sought. In such a case, responsibility for the consequences of the decision shall rest exclusively with the certification body concerned. Formal advice note subsequently provided by the FSC International Center will be applicable retrospectively.
- 4 The advices provided in this document represent the formal position of the FSC International Center unless and until it is superseded by the approval of a more recent policy, standard, or advice note. In such cases the requirements specified in the more recent document shall take precedence.
- 5 Certification bodies are required to comply with the most recent formal advice notes, and the FSC Accreditation Business Unit will base its evaluations and issue of corrective actions on these.
- 6 Finalised advice notes are approved by the Head of the Unit of the Policy and Standards Unit or the FSC Director General. If a certification body wishes to contest the advice note provided it may do so by requesting a formal review and decision by the FSC Policy and Standard Committee. Until and unless such a review and decision has been finalised, the certification body shall continue to comply with the position of the FSC International Center.
- 7 Directives are under continual review and may be revised or withdrawn in response to new information, experience or changing circumstances, for example by the development of new policies or standards approved by the FSC Board of Directors.

## Part 2 FSC Advices

ADVICE-40-004-01	FSC certified CoC contractors
Normative reference	FSC-STD-40-004 V2-1 Section 12 and FSC-STD-40-004 V3-0 Section 12
Effective date	FSC certified CoC organizations may apply this advice from 9th February 2010 and, if applicable, shall be assessed for compliance from 1st January 2011 onwards. Amended in 08 September 2017.
Terms & definitions	<p>The terms defined in FSC-STD-20-011 and FSC-STD-40-004 apply. The following terms are introduced by this Advice Note and are put in <i>italics</i> throughout the document:</p> <p>Contracting organization: Individual, company or other legal entity contracting a contractor for the production or processing of an FSC certified product under an outsourcing agreement.</p> <p>NOTE: The contracting organization may or may not be an FSC certified CoC organization. Part C of this Advice Note is structured according to the FSC certified status of the contracting organization (see Part C, Table 1).</p> <p>Contractor: Individual, company or other legal entity contracted by a contracting organization for the production or processing of an FSC certified product under an outsourcing agreement.</p> <p>NOTE: In the context of this Advice Note, the contractor is an FSC certified organization (see Part C, Table 1).</p> <p>FSC certified CoC organization: Individual, company or other legal entity holding a valid FSC Chain of Custody certificate which confirms that appropriate procedures are in place for the production, processing or trade of a specific product – or that FSC certified CoC contractors are used for this purpose – that allow the organization to sell, provide or promote the product with FSC claims.</p> <p>Outsourcing agreement: A written agreement between a contracting organization and a contractor about the service of producing or processing an FSC certified product or material, where the contracting organization retains control of and responsibility for the purchasing of input material from the (billing) supplier and for the sale of the output product to the customer. Input material may be shipped from the contracting organization or from the (delivering) supplier to the contractor and the output product may be returned or shipped from the contractor to the contracting organization or to the contracting organization's customer.</p> <p>Supplier (billing): FSC certified CoC organization selling material with FSC claims to the contracting organization.</p> <p>Supplier (delivering): FSC certified CoC organization delivering the material to the contractor and selling the material with FSC claims to the billing supplier or to the contracting organization.</p>
Background	This directive deals with the implications for FSC certified CoC organizations, either functioning as or making use of FSC certified CoC contractors. In particular, clarification is provided on the following issues:



	<ul style="list-style-type: none"><li>• under which conditions contract work for an FSC certified product can be provided for non-FSC certified CoC contracting organizations;</li><li>• what the benefits and implications are for FSC certified CoC contracting organizations that use FSC certified CoC contractors.</li></ul> <p>The FSC Standard for Chain of Custody Certification (FSC-STD-40-004) requires organizations that take legal ownership of materials and want to maintain or change the FSC claim associated with the output product to have FSC Chain of Custody certification. The standard further specifies the requirements to follow for FSC certified CoC contracting organizations in order to use non-FSC certified CoC contractors for this purpose.</p> <p>The questions, however, what the implications are for an FSC certified CoC contracting organization to use FSC certified CoC contractors, and whether contract work for an FSC certified product could be provided also for non-FSC certified CoC contracting organizations were not consistently dealt with in practice. In particular the latter question required some fundamental judgement, as some certification bodies considered contract work for non-FSC certified CoC contracting organizations to be generally not in line with standard requirements, while others found outsourcing arrangements where the non-FSC certified CoC contracting organization would not obtain physical possession of the input material to be acceptable under certain additional stipulations.</p> <p>This Advice Note follows the latter approach based on the judgement that there would not be an increased risk associated with such outsourcing arrangements for non-FSC certified products to be labelled and sold as FSC certified, provided that additional safeguards were in place. The Advice Note stipulates these safeguards and aims at providing the relevant answers to the questions raised above.</p>																				
Advice	<table><tr><th colspan="3">Table 1: Outsourcing scenarios dealt with by this Advice Note</th><th colspan="2">FSC certified status</th></tr><tr><th>Section</th><th>Requirements for</th><th>Details</th><th>Contractor</th><th>Contracting organization</th></tr><tr><td>1</td><td>Contractor</td><td>Providing contract work for non-FSC certified CoC organizations</td><td>FSC</td><td>non-FSC</td></tr><tr><td>2</td><td>Contracting organization</td><td>Using FSC certified CoC contractors</td><td>FSC</td><td>FSC</td></tr></table> <p><b>1. Providing contract work for non-FSC certified CoC organizations – conditions for FSC certified CoC contractors</b></p> <p>NOTE: This section applies for outsourcing arrangements where the contractor is an FSC certified CoC organization and the contracting organization is a non-FSC certified CoC organization. Under this scenario, the contracting organization cannot sell the product with an FSC claim to commercial customers. The contracting organization may, however, use the FSC trademarks to promote the product towards final consumers as specified by FSC-STD-50-002. This section 1 is applicable to organizations certified against V2-1 and V3-0 of FSC-STD-40-004.</p>	Table 1: Outsourcing scenarios dealt with by this Advice Note			FSC certified status		Section	Requirements for	Details	Contractor	Contracting organization	1	Contractor	Providing contract work for non-FSC certified CoC organizations	FSC	non-FSC	2	Contracting organization	Using FSC certified CoC contractors	FSC	FSC
Table 1: Outsourcing scenarios dealt with by this Advice Note			FSC certified status																		
Section	Requirements for	Details	Contractor	Contracting organization																	
1	Contractor	Providing contract work for non-FSC certified CoC organizations	FSC	non-FSC																	
2	Contracting organization	Using FSC certified CoC contractors	FSC	FSC																	

	<p><b>Eligibility</b></p> <p>1.1 FSC certified CoC contractors are only eligible to provide FSC certified products for non-FSC certified CoC contracting organizations, if:</p> <p>1.1.1 The input material for the contract work is shipped directly from the delivering supplier(s) to the contractor, i.e. the contracting organization does not obtain physical possession of the input material.</p> <p>1.1.2 The contractor is provided with a copy of the invoice(s) from the delivering supplier(s) and, if not identical, from the billing supplier(s) that include(s) information sufficient to link the invoice(s) and related transport documentation to each other.</p> <p>NOTE: Information on prices can be blacked out.</p> <p>1.1.3 The output product provided by the contractor is:</p> <ul style="list-style-type: none"> <li>a) a finished product;</li> <li>b) FSC labelled; and</li> <li>c) branded with the name, label or other identifying information of the contracting organization.</li> </ul> <p><b>Labelling</b></p> <p>1.2 For each contract work, the contractor shall maintain control of applying the correct FSC label.</p> <p>1.3 The contractor shall ensure that its license code is used in the FSC label and submits the proof to its certification body for approval.</p> <p><b>2 Using FSC certified CoC contractors – conditions for FSC certified CoC contracting organizations</b></p> <p>NOTE: This section applies for outsourcing scenarios where the both the contractor and the contracting organization are FSC certified CoC organizations. Under this scenario, the product does not have to be FSC labelled or a finished product. This section 2 is only applicable to organizations certified against V2-1 of FSC-STD-40-004.</p> <p><b>Outsourcing agreement</b></p> <p>2.1 The outsourcing agreement shall specify the following:</p> <ul style="list-style-type: none"> <li>2.1.1 that the contractor provides the service under his FSC Chain of Custody system,</li> <li>2.1.2 that the contractor makes available relevant records and documentation to the contracting organization's certification body upon request, and</li> <li>2.1.3 that the contracting organization's license code shall be used, if the product shall be FSC labelled.</li> </ul> <p>2.2 The outsourcing agreement and, if FSC certified CoC contractors are used for specific processes exclusively, the contracting organization's control system for the outsourced process do not need to cover the following requirements stipulated by FSC-STD-40-004 V2-1:</p>
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	<ul style="list-style-type: none"> <li>– clauses 12.1.1 c), second sentence, and 12.1.1 d);</li> <li>– clause 12.2.1;</li> <li>– clauses 12.5.1, 12.6.1, and 12.7.1</li> </ul> <p>NOTE: FSC certified CoC contractors may use their own subcontractors in accordance with FSC-STD-40-004, section 12.</p> <p><b>Supplier validation</b></p> <p>2.3 The contracting organization shall apply the provisions for 'supplier validation' as specified by FSC-STD-40-004 V2-1 also to the contractor.</p> <p><b>Labelling</b></p> <p>2.4 The contracting organization shall maintain control and responsibility of the correct FSC label being applied, if product labelling is part of the outsourced processing.</p> <p>2.5 The contracting organization shall ensure that its license code is used in the FSC label and shall submit the proof to its certification body for approval.</p> <p><b>Auditing</b></p> <p>2.6 FSC certified CoC contractors are exempted from a potential inspection by the contracting organization's certification body, if the outsourced process is covered by the scope of the contractor's certificate.</p> <p>NOTE: The contractor is subject to evaluation and monitoring by its own certification body.</p>
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<b>ADVICE-40-004-02</b>	<b>After the certificate issuance, when the company products will be eligible to carry the FSC logo?</b>
Normative reference	FSC-STD-40-004 V2-0 Clause 10.1.1
Effective date	March 2005
Background	A forest product manufacture is often a continuous process. At the time that a certificate is issued there are likely to be products undergoing manufacture, products that have been manufactured but not yet shipped, and products that have been shipped but not yet put on sale by the buyer. Which of these products are eligible to carry the FSC Logo?
Advice	<p>1 The scope of the certificate defines the point at which the certified chain of custody starts, and the point at which it finishes. The chain of custody certificate provides a credible guarantee of compliance with the requirements of the specified standards between these points. This guarantee is valid from the time that the certificate is issued. Any product which is within the defined scope of the certificate at the time the certificate is issued may be considered to comply with the requirements of the applicable standard(s). Such products may be eligible for sale as 'FSC-certified' products. Products which have already left the scope of the certificate at the time the certificate is issued cannot be considered to be certified.</p>

	2	Normally this will mean that products that have already been sold, or shipped, prior to the issue of a certificate may not be described as certified, and are not eligible to carry the FSC Logo.
	3	Clearly a company cannot issue an invoice describing products as certified prior to the issue of chain of custody certificate. Products sold without such an invoice cannot be described as certified, and are not eligible to carry the FSC Logo.
	4	In the case of joint forest management and chain of custody certification, application of this guideline means that timber that had been felled prior to the issue of a certificate, but which has not yet been sold by the forest management enterprise may be sold as certified.
	5	Equivalent considerations apply when a certificate is withdrawn or expires. Products which left the chain of custody whilst the certificate was valid were certified, and remain certified even after the certificate has been withdrawn. Products which have not yet left the chain of custody at the time the certificate is withdrawn will not be certified.

<b>ADVICE-40-004-03</b>	<b>Reduced labelling threshold of 50% for chip and fibre based products</b>
Normative reference	FSC-STD-40-004 V2-0 Clauses 11.2.1a and 11.2.2
Effective date	14 February 2011. Amended 09 December 2015 and 08 September 2017.
Terms & definitions	<p><b>Registered product:</b> Chip and fibre product or product group registered by the organization prior to 01 April 2011 as being commercially produced based on a labelling threshold of 50%.</p> <p><b>Output stock:</b> products that had left the production process.</p>
Background	<p>When the new Chain of Custody standard “FSC-STD-40-004 (Version 2): FSC Standard for Chain of Custody Certification” was approved in November 2007, the following previously established exemption was maintained by means of an Advice Note: A labeling threshold of 50% for chip and fibre based products under a percentage or transfer system.</p> <p>This Advice was amended twice. The first amendment occurred in December 2015 to incorporate the following decisions by the FSC Board and the FSC Director General:</p> <ul style="list-style-type: none"> <li>• An extension of the deadline of this Advice until FSC-STD-40-004 V3-0 becomes effective, and</li> <li>• A phase out rule for output stocks after the effective date of FSC-STD-40-004 V3-0.</li> </ul> <p>The second amendment occurred in 08 September 2017 to incorporate the effective date of FSC-STD-40-004 V3-0.</p>
Advice	NOTE: In the context of this Advice, the term ‘organization’ refers only to FSC certificate holders that have obtained the product registration for the use of a reduced labelling threshold of 50%.

	1	The organization may produce chip and fibre products based on a reduced labelling threshold of 50% until 01 April 2017 (the effective date of FSC-STD-40-004 V3-0).
	2	Registered products are eligible to be FSC labeled and to be sold with the “FSC Mix 50% registered” claim on sales and delivery documents according to the requirements of this Advice.
	3	Registered products that were already FSC labeled before 01 April 2017 will keep their certified status after this date. Thus, the organization and companies operating the transfer system further down in the supply chain may relabel and sell these products with the “FSC Mix 50% registered” claim until their stock is depleted.
	4	The organization that has remaining output stock of unlabeled registered products by 01 April 2017 may sell or label and sell these products with the “FSC Mix 50% registered” claim for a maximum of 6 months after this date.
	5	The organization shall report to their certification body an inventory of its unlabeled output stock of registered products as of 01 April 2017 for the purpose of monitoring sales of stocks in subsequent surveillance audits. The report shall be sent to the certification body no later than 01 July 2017.

<b>ADVICE-40-004-04</b>	<b>Use of uncontrolled co-products</b>
Status	Withdrawn

<b>ADVICE-40-004-05</b>	<b>Identification of FSC claims on sales and delivery documents</b>
Normative reference	FSC-STD-40-004 V2-0 Clause 6.1
Effective date	14 February 2011
Terms & definitions	N/A
Background	The FSC Chain of Custody standard requires certificate holders to identify FSC certified products on sales and delivery documentation in order to pass on the FSC claim of certified products to subsequent customers. However, several organizations have limitations with providing complete FSC claims that are required due to space constraints in these documents.
Advice	When the certificate holder has demonstrated it is not able to include the required FSC claim as specified in the FSC Chain of Custody standard in sales and delivery documents due to space constraints, through an exception, the certification body can approve the required information to be provided through supplementary evidence (e.g. supplementary letters, a link to the own company's webpage with verifiable product information). This practice is only acceptable when the certification body is satisfied that the

	<p>supplementary method proposed by the company complies with the following criteria:</p> <ul style="list-style-type: none"> <li>a) There is no risk that the customer will misinterpret which products are or are not FSC certified in the document;</li> <li>b) The sales and delivery documents contain visible and understandable information so that the customer is aware that the full FSC claim is provided through supplementary evidence;</li> <li>c) In cases where the sales and delivery documents contain multiple products with different FSC Claims, a clear identification for each product shall be included to cross-reference it with the associated FSC claim provided in the supplementary evidence.</li> </ul>
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<b>ADVICE-40-004-06</b>	<b>Which components of a product need to be certified?</b>
Normative reference	FSC-STD-50-001 V1-2 Clause 2.4 and FSC-STD-40-004 V3-0 Box 2.
Effective date	30 March 2011. Amended in 08 September 2017.
Terms & definitions	<b>Inserts:</b> Enclosed advertising in a periodical (e.g. newspaper, magazine) that is distributed through the carrier publication and is a clearly distinguishable element in relation to the other pages of the periodical (e.g. different paper, size, etc.). For example, inserts may take the form of return cards, coupons, recipe booklets, forms, booklets, brochures, gift premiums, reply envelopes, etc.
Background	<p>Clause 2.4 of <i>FSC-STD-50-001 V1-2 Requirements for the use of FSC Trademarks by Certificate Holders</i> establishes that “The FSC label shall not be used to make a partial claim about a product. Where permanent parts of the product (other than any packaging materials or non-forest based materials) are not covered by FSC certification, the FSC label shall not be used.”</p> <p>FSC receives repeated inquiries from different stakeholders in relation to which components of a product are considered to be “permanent”, due to the fact that these products can contain several forest-based elements that are included in the product with secondary functions such as transportation, protection, etc. This advice aims to clarify which of these components are required to be certified and provides examples of practical implementation.</p>
Advice	<p>All components of a product which are made of or contain material originating from forests that are incorporated into the product to fulfil its function for the consumers’ specific need shall be certified. It represents that all certified components of a product shall comply with the definition of eligible input (e.g. FSC 100%, FSC Controlled Wood, etc.) and its quantities in volume or weight shall count towards the calculation of FSC product composition determining its eligibility to carry the FSC label.</p> <p>Forest-based components that have secondary functions in the product (e.g. for transportation, protection, etc.) don’t need to be certified unless they are added to the product with a functional purpose (e.g. If the product will have its function compromised by the removal of this secondary component, then this component also needs to be certified).</p> <p>Packaging that is made from forest-based inputs (e.g. paper, wood, etc.) is considered a separate element from the product inside. Therefore, the organization can choose to certify only the packaging or its content individually, or both.</p> <p>The FSC label generator allows the creation of labels with specific product type claims (e.g. wood, paper, packaging). Thus, in cases where, the product contains wood and paper components that are clearly separate elements, the organization can opt to certify them independently, provided that the appropriate product type claims are applied on the FSC label. To avoid risks of misinterpretation in relation to which components of the product are certified, an additional clarification statement is recommended. The same applies to products that contain a combination of wood-based components (wood, paper) and NTFPs (e.g. rattan, cork). In this case, the wood-based components shall be certified and the NTFPs may be uncertified provided that FSC label clearly indicate the FSC-certified wood-based components of</p>

the product (e.g. a wooden chair made of FSC-certified wood and non certified rattan. In this case, the FSC label shall indicate the product type wood). The opposite situation is not possible (a wooden chair where only the NTFP is certified but not the wood).

The table below provides some examples of practical application of this advice and it is not expected to cover all range of FSC certified products:

Examples of products	Which components of a product need to be certified?	
<b>Matches &amp; Matchbox</b>	Matches	<b>Yes</b>
	Box	<b>Optional</b>
	<b>Rationale:</b> Matches and matchbox are distinguishable components that can be certified independently when the FSC label claim is sufficiently clear to avoid misinterpretations. However, when the matches and matchbox are made with the same material (e.g. paper), both shall be certified in order to carry the FSC label.	
<b>Games</b>	Paper and wood components	<b>Yes</b>
	Instructions manual	<b>Optional</b>
	Packaging	<b>Optional</b>
	<b>Rationale:</b> The wood and paper components of the game have a functional purpose and therefore are the components that require certification. However, a more flexible approach is also possible with the condition that the proper label statement is applied. For example, when only the wood components are certified, the FSC label shall contain the claim "wood" and the paper components don't need to be certified. On the other hand, when only the paper components are certified, the FSC label shall contain the claim "paper" and the wood components don't need to be certified. The instructions manual and packaging are not product components and for this reason don't need to be certified.	
<b>Books</b>	Cover	<b>Yes</b>
	Internal paper	<b>Yes</b>
	Dust jacket and slip cases	<b>Optional</b>
	Wraparound band	<b>Optional</b>
	<b>Rationale:</b> The cover and internal paper are needed for the accomplishment of the product's function, and for this reason shall be certified. Additional items such as dust	



		jackets, slip cases and wraparound band are not necessary for the accomplishment of the product's function and therefore don't need to be certified.	
	<b>Notebooks</b>	Cover	Yes
		Adhesive paper sheets	Yes
		Internal paper	Yes
		<b>Rationale:</b> Notebook cover, internal paper, adhesive paper sheets are permanent product components and are needed for the accomplishment of the product's function. Therefore, all these components shall be certified.	
	<b>Magazines</b>	Cover	Yes
		Internal Paper	Yes
		Inserts	Optional
		Detachable promotional stickers	Optional
		<b>Rationale:</b> Magazine cover and its internal paper are needed for the accomplishment of the product's function and therefore shall be certified. Inserts and detachable promotional stickers are not needed for the accomplishment of the product's function and therefore, independently of the fixation method (bounded, glued, loose, etc.), don't need to be certified.	
	<b>Toilet Paper</b>	Toilet paper	Yes
		Cardboard roll	Optional
		<b>Rationale:</b> The toilet paper is the component sought by the consumer to fulfil its specific need. The cardboard roll is a method of dispensing or transporting the paper and can be separated from the product without compromising its function. For this reason, the cardboard roll does not need to be certified. The same rationale applies for all paper products sold in rolls and bobbins (e.g. paper bobbins, rolled thermal paper, paper towels).	
	<b>Boxes of Tissues</b>	Tissues	Yes
		Box	Optional
		<b>Rationale:</b> The tissue paper is the component sought by the consumer to fulfil its specific need. The box is a method of dispensing or transporting the paper and can be separated from the product without compromising its function. For this reason, the box doesn't need to be certified.	

	<b>Furniture</b>	Furniture	Yes
		Packaging	Optional
		Price tag or promotional label	Optional
		<b>Rationale:</b> The furniture is the component sought by the consumer to fulfil its specific need. The packaging, price tag and promotional label have secondary functions in the product and can be separated from the furniture without compromising its function. For this reason, the packaging and price tag or promotional label doesn't need to be certified.	
	<b>Adhesive Labels in Sheets</b>	Stickers	Yes
		Release paper	Optional
		<b>Rationale:</b> The sticker is the product sought by the consumer and the release paper has a secondary function (transporting the product). Therefore, the release paper doesn't need to be certified.	
	<b>Pre-fabricated houses (or entire houses sold as an unit)</b>	Permanent structural components of the house, including flooring, roof, walls, stairs, windows and doors.	Yes
		Other secondary wood elements (e.g. furniture, cabinets, toilet seats, shelves, fences, wall paper).	Optional
		<b>Rationale:</b> A house sold as a unit can be claimed as an FSC certified product if all permanent structural components made with forest-based materials that are added to the house to fulfil the specific consumer's need (a place to live in) are certified. Other secondary wood elements (e.g. furniture, cabinets, toilet seats, shelves, fences, wall paper) are not permanent components of the house. Therefore, they don't need to be certified. Houses made with non-forest based materials (e.g. bricks) that have specific wooden components (e.g. doors, flooring) incorporated cannot be claimed as an FSC certified house. However, the organization can label and promote these components individually; identifying the FSC certified elements to the consumers.	
	<b>Wood flooring with paper or veneer inlays</b>	Wood	Yes
		Paper or veneer inlays	Yes
		<b>Rationale:</b> The wood and paper/veneer inlays are not distinguishable elements by consumers and cannot be separated without compromising the products function. Therefore, both the wood and paper or veneer inlays shall	

		be certified in order to claim the flooring as a FSC certified product.
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<b>ADVICE-40-004-07</b>	<b>Sale of FSC certified products through non-FSC certified auction entities</b>
Normative reference	FSC-STD-40-004 V2-1 Scope and Clause 6.1.1 and FSC-STD-40-004 V3-0 Clause 5.1
Effective date	30 March 2011. Amended in 08 September 2017.
Terms & definitions	Auction: A process of buying and selling goods or services by offering them up for bid, taking bids, and then selling to the winning (generally highest) bidder. The auction house, auctioneer, log market, etc., managing the auction does not gain legal ownership of the goods/services for sale but does collect the funds due and issues the sales invoice to the winning bidder.
Background	<p>This advice aims to provide clarification on whether or not auction houses, log markets or other related entities need to be certified. If so, define the required procedures in order to ensure the traceability of the products traded by these organizations.</p> <p>FSC-STD-40-004 establishes that Chain of Custody certification is required for all organizations that want to</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> produce and sell FSC-certified materials or products; or</li> <li><input checked="" type="checkbox"/> produce and promote FSC-certified products; or</li> <li><input checked="" type="checkbox"/> trade materials or products with FSC claims.</li> </ul> <p>NOTE: Chain of Custody certification is not required for organizations that do not gain legal ownership of such materials or products but simply arrange for buyer and seller:</p> <ul style="list-style-type: none"> <li>a) to make a deal without taking physical possession (often called an 'agent'); or</li> <li>b) to transport the materials or products.</li> </ul>
Advice	<p>Auctioning entities that do not gain legal ownership of FSC certified products during trading activities are not required to be FSC chain of custody certified, even when the auctioning entity takes physical possession of the product.</p> <p>Non-certified entities are not permitted to include FSC claims or certification codes on their own sales or transport documents.</p> <p>In order for the customer (winning bidder) to consider material purchased through a non-FSC certified auction entity as FSC certified, a supplementary letter or transport document must be provided by the certified supplier to the customer including all information required by FSC-STD-40-004 V2-1, 6.1.1. or FSC-STD-40-004 V3-0, 5.1.</p>

<b>ADVICE-40-004-08</b>	<b>Non-conforming product</b>
Normative reference	FSC-STD-40-004 V2-1 Clauses 1.2.1 and 10.1.1
Effective date	01 November 2012 Amended 27 February 2013
Terms & definitions	<p>Non-conforming product: Product or material for which an organization is unable to demonstrate that it complies with FSC eligibility requirements for making claims and/ or for using the FSC on-product labels.</p> <p>Small COC enterprises: Organizations with:</p> <ul style="list-style-type: none"> <li>i. No more than 15 employees (full time equivalent), or</li> <li>ii. No more than 25 employees (full time equivalent) and a maximum total annual turnover of US\$ 1,000,000.</li> </ul>
Background	<p>Implementation of Chain of Custody procedures and control systems as required by FSC-STD-40-004 aim to ensure that non-conforming products do not occur. This advice introduces an additional safeguard to prevent non-certified products from being delivered as certified, by requiring that procedures are put in place to handle non-conforming products.</p> <p>Specific requirements are included to apply to cases where non-conforming products are detected after they have been supplied to a customer.</p> <p>The action taken to address the issue of non-conforming product is targeted to the organization that is responsible for the nonconformity, but it may also affect onward buyers and sellers e.g. in the event that a product is re-called.</p>
Advice	<ol style="list-style-type: none"> <li>1. The organization shall have a documented procedure defining the controls and related responsibilities and authorities for dealing with non-conforming products. The organization's chain of custody system shall be designed to ensure that products which do not conform to FSC requirements are identified and controlled to prevent its unintended delivery.</li> </ol> <p>NOTE: Small COC enterprises are not required to have the procedure in writing.</p> <ol style="list-style-type: none"> <li>2. In case non-conforming products are detected after they have been delivered, the organization shall: <ol style="list-style-type: none"> <li>a) immediately cease to sell any non-conforming products held in stock;</li> <li>b) identify all relevant customers, and advise those customers in writing within three (3) business days of the non-conforming product and maintain records of that advice;</li> <li>c) analyse causes for occurrence of non-conforming products and implement measures to prevent its re-occurrence.</li> <li>d) notify their certification body;</li> <li>e) cooperate with the certification body in order to allow the certification body to confirm that appropriate action is taken to correct this non-compliance.</li> </ol> </li> </ol>

<b>ADVICE-40-004-09</b>	<b>Minor components</b>
Normative reference	FSC-STD-40-004 V2-1 Clause 6.1.3 and Section 13
Effective date	01 November 2012 Amended 27 February 2013
Background	<p>Minor components were first introduced to the FSC system in 2007. They are forest based materials (timber and non-timber forest materials) that can be exempted from the requirements for Chain of Custody control, according to the requirements of FSC-STD-40-004 V2-1.</p> <p>In early 2012, following a mandate of the FSC Board of Directors, FSC initiated an updating process of its standards to ensure harmonization with timber legality legislations, such as the EU Timber Regulation (EUTR), US Lacey Act, FLEGT and the Australian Illegal Logging Prohibition Act. As a consequence of this process, FSC identified the need to phase out the exemption for minor components.</p>
Advice	<ol style="list-style-type: none"> <li>1. From 01 January 2013 onwards, Clause 6.1.3 of FSC-STD-40-004V2-1 will also apply to organizations selling semi-finished products containing minor components below 1% of the product composition. The following claim shall be provided to customers: <i>"This product contains "x" of minor components"</i>, where "x" is the quantity in volume, weight or percentage of minor components.</li> <li>2. From 01 March 2013, uncertified and uncontrolled minor components shall no longer be used in products and commercial activities (such as import, export, placing on the market, processing, etc.) in countries where timber legality legislation applies and where these products and activities are included in the scope of the legislation (including any official interpretation and guidance). From this date onwards, these minor components shall be made of FSC certified or FSC Controlled Wood materials.</li> <li>3. After 31 December 2013 and applying worldwide, the production of FSC products containing uncertified and uncontrolled minor components is no longer allowed.</li> <li>4. After 31 December 2014 and applying worldwide, the sale of FSC products containing uncertified and uncontrolled minor components is no longer allowed.</li> </ol>

<b>ADVICE-40-004-10</b>	<b>Access to information required by timber legality legislations</b>
Normative reference	FSC-STD-40-004 V2-1 Clauses 1.4 and 2.1.1
Effective date	01 November 2012 Amended 27 February 2013
Background	In early 2012, following a mandate of the FSC Board of Directors, FSC initiated an updating process of its standards to ensure harmonization with the EU Timber Regulation (EUTR) and other timber legality legislations such

	<p>as the US Lacey Act, FLEGT and the Australian Illegal Logging Prohibition Act. This process includes adjustments in the FSC COC requirements to ensure that FSC certified products comply with legally required information regarding species, origin of timber and timber products and compliance with trade and custom laws which include, but may not be restricted to:</p> <ul style="list-style-type: none"> <li>• Bans, quotas and other restrictions on the export of timber products (e.g. bans on the export of unprocessed logs or rough-sawn lumber)</li> <li>• Requirements for export licences for timber and timber products</li> <li>• Official authorisation that entities exporting timber and timber products may require</li> <li>• Taxes and duties applying to timber product exports</li> </ul>
Advice	<ol style="list-style-type: none"> <li>1. Upon request, FSC certified suppliers shall provide customers with the following information about FSC certified and FSC Controlled Wood timber or timber products subject to compliance with applicable timber legality legislations: <ol style="list-style-type: none"> <li>a) Common name and/or scientific name of timber species as required by the applicable legislation;</li> </ol> <p>NOTE: This requirement takes precedence over Clause 2.1.1 c) of FSC-STD-40-004 V2-1.</p> <ol style="list-style-type: none"> <li>b) Origin of timber (countries of harvest and where applicable, sub-national regions and concessions of harvest);</li> </ol> <p>NOTE: Information on the sub-national regions or concessions of harvest shall be provided where the risk of illegal harvesting between concessions of harvest in a country or sub-national region varies. Any arrangement conferring the right to harvest timber in a defined area shall be considered a concession of harvest.</p> <ol style="list-style-type: none"> <li>c) Proof of compliance with relevant trade and customs laws.</li> </ol> </li> <li>2. FSC certified suppliers shall provide timely responses to the information requests specified in Clause 1 above.</li> <li>3. The form and frequency of providing this information may be agreed between FSC certified supplier and customer, as long as the information is accurate and can be correctly associated with each material supplied as FSC certified or FSC Controlled Wood.</li> <li>4. In case the FSC certified supplier does not possess the requested information specified in Clause 1 above, the request shall be passed on to the upstream FSC certified suppliers, until the requested information can be obtained.</li> </ol>

<b>ADVICE-40-004-11</b>	<b>Trade and customs laws</b>
Normative reference	FSC-STD-40-004 V2-1 Clause 1.2 and FSC-STD-40-004 V3-0 Clause 6.1
Effective date	27 February 2013. Amended in 08 September 2017.
Background	In early 2012, following a mandate of the FSC Board of Directors, FSC initiated an updating process of its standards to ensure harmonization with the EU Timber Regulation (EUTR) and other timber legality legislations such

	<p>as the US Lacey Act, FLEGT and the Australian Illegal Logging Prohibition Act. This process includes adjustments in the FSC COC requirements to ensure that FSC certified products comply with applicable trade and custom laws which include, but may not be restricted to:</p> <ul style="list-style-type: none"> <li>• Bans, quotas and other restrictions on the export of timber products (e.g. bans on the export of unprocessed logs or rough-sawn lumber)</li> <li>• Requirements for export licences for timber and timber products</li> <li>• Official authorisation that entities exporting timber and timber products may require</li> <li>• Taxes and duties applying to timber product exports.</li> </ul>
Advice	FSC certificate holders exporting and/or importing timber or timber products shall have procedures in place to ensure that the commercialization of FSC certified and FSC Controlled Wood products comply with all applicable trade and customs laws.

<b>ADVICE-40-004-12</b>	<b>Pre-consumer reclaimed wood compliance with the EUTR</b>
Normative reference	FSC-STD-40-004 V2-1 Clause 3.3.1
Effective date	01 October 2014.
Terms & definitions	<p><b>Pre-consumer reclaimed material:</b> Material that is reclaimed from a process of secondary manufacture or further downstream industry, in which the material has not been intentionally produced, is unfit for end use and is not capable of being re-used on-site in the same manufacturing process that generated it.</p> <p><b>Europe:</b> in the context of this Advice, this refers to the European countries that fall within the scope of EU Regulation No 995/2010 (known as “EU Timber Regulation”).</p>
Background	In 2012, following a mandate from the FSC Board of Directors, FSC initiated a revision process of its standards to ensure harmonization with the EU Timber Regulation (EUTR). According to the EUTR, reclaimed wood such as sawdust and chips are not classified as waste, and are therefore subject to compliance with the regulation. Paper scraps are currently excluded from the scope of the EUTR. As a result of this revision, FSC identified the need to introduce requirements for the control of pre-consumer reclaimed wood in order to ensure FSC certified products comply with the EUTR, for products placed on the European market.
Advice	<ol style="list-style-type: none"> <li>1 FSC certificate holders placing FSC certified products containing pre-consumer reclaimed wood material (except paper scraps) on the European market for the first time shall exercise due diligence to ensure that these materials do not contain illegally harvested timber according to EU Regulation No 995/2010.</li> <li>2 FSC certificate holders located in countries outside of Europe and exporting FSC certified products that contain pre-consumer reclaimed wood material to companies in Europe shall either: <ol style="list-style-type: none"> <li>a) Inform their customers about the presence of pre-consumer reclaimed wood material in the product before its delivery and</li> </ol> </li> </ol>

	<p>commit to support their customers in applying their due diligence system, as required by the EUTR, or;</p> <p>b) Ensure that pre-consumer reclaimed wood (except paper scraps) used in the manufacturing of FSC certified products is FSC Controlled Wood, according to FSC-STD-40-005 requirements.</p> <p>3 FSC certificate holders applying option 2 b) above, may apply the requirements for co-products outlined in the ADVICE-40-005-17, to demonstrate the district of origin of pre-consumer reclaimed wood and the ADVICE-40-005-20 for the risk assessment of pre-consumer reclaimed wood.</p>
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<b>ADVICE-40-004-13</b>	<b>Classification of pre-consumer reclaimed paper as equivalent to FSC certified and post-consumer reclaimed materials</b>
Normative reference	FSC-STD-40-004 V2-1 Clauses 8.2.1, 8.3.1, 9.2.1, 9.3.1 and Footnote 4
Effective date	07 October 2015
Background	<p>At the FSC General Assembly in 2011, the FSC membership mandated FSC to conduct a chamber-balanced study to evaluate the risks and benefits of valuing pre-consumer reclaimed paper fibre materials as FSC certified content (Motion 38). The results of the study and consultation feedback demonstrated the FSC membership support to the proposal.</p> <p>At its 66th meeting in July 2014 the FSC Board approved the proposal to classify pre-consumer reclaimed paper to count as equivalent to FSC certified and post-consumer reclaimed materials for the purpose of percentage and credit claims calculations. PSU was instructed to implement this decision through the incorporation into the revision process of FSC-STD-40-004. As this revision is delayed the Board approved this Advice Note to bring the decision forward and to allow companies to start applying it. This Advice Note will be withdrawn at the effective date of FSC-STD-40-004 V3-0.</p>
Advice	FSC CoC certificate holders may classify pre-consumer reclaimed paper materials as equivalent to FSC certified and post-consumer reclaimed materials for the purpose of determining the FSC Mix or FSC Recycled output claims for products controlled under the percentage or credit system.

<b>ADVICE-40-004-14</b>	<b>Supply chain integrity</b>
Normative reference	This advice notes applies to all certificate holders that are certified against FSC-STD-40-004 V2-1 and FSC-STD-40-004 V3-0.
Effective date	08 September 2017.
Terms & Definitions	<b>FSC Transaction:</b> Purchase or sale of products with FSC claims on sales documents.



	<b>Fibre Testing:</b> a suite of wood identification technologies used to identify the family, genus, species and origin of solid wood and fibre based products.
Background	The FSC Board of Directors has approved in November 2016 the revised versions of the FSC-STD-40-004 (V3-0), FSC-STD-20-011 (V4-0) and additionally a set of actions for ensuring supply chain integrity and addressing false claims in the FSC system. This advice note presents the requirements that apply to all certificate holders during the transition period between V2-1 and V3-0 of FSC-STD-40-004.
Advice	<ol style="list-style-type: none"> <li>1. The organization shall support transaction verification conducted by its certification body and ASI, by providing samples of FSC transaction data as requested by the certification body.  NOTE: Pricing information is not within the scope of transaction verification data disclosure.</li> <li>2. The organization shall support fibre testing conducted by its certification body and ASI, by upon request surrendering samples and specimens of materials and products, and information about species composition for verification.</li> </ol>

<b>ADVICE-40-004-15</b>	<b>Neutral materials that cannot be distinguished from FSC certified ingredients</b>
Normative reference	FSC-STD-40-004 V3-0 Clause 11.2
Effective date	08 September 2017. Amended in 30 January 2018.
Background	<p>The FSC Board has approved in its 74<sup>th</sup> Meeting in February 2017 the inclusion of a new requirement in the FSC Chain of Custody normative framework to address the problem of misleading claims on FSC products that contain neutral materials that cannot be distinguished from FSC certified input materials. Some examples of these products are:</p> <ul style="list-style-type: none"> <li>- Paper made of a combination of forest (virgin or reclaimed) and agricultural fibres (cotton, sugar cane);</li> <li>- Tires made of a combination of natural and synthetic rubber;</li> <li>- Briquettes made of a combination of forest and agricultural residues;</li> <li>- Textiles made of a combination of wood and other organic fibres (cotton).</li> </ul> <p>The absence of requirements to regulate such products was posing a potential risk for the FSC credibility, since consumers may perceive claims made on these FSC products as misleading (e.g. a paper that is 95% made of cotton and 5% FSC certified being labelled as FSC 100%).</p> <p>After the publication of this advice note, FSC received stakeholder feedback about anticipated negative impacts of the requirement regarding the specification of the certified ingredient(s) on the FSC label. In order to further evaluate these impacts and potential solutions, FSC decided to suspend this requirement until FSC has completed the evaluation of the requirement and provided a final decision about its implementation.</p>

Advice	<p>FSC certified products that contain neutral materials that cannot be distinguished from FSC certified ingredients and may be misinterpreted as being FSC-certified (e.g. non-certified agricultural materials such as cotton fibre used in FSC certified paper, synthetic rubber used in combination with natural rubber in the production of tires) shall only be labelled and claimed as FSC Mix.</p> <p>NOTE: This advice note does not apply to inorganic materials that have a different function in the product in relation to the certified ingredient (e.g. glass, plastic, metal) or to products where the FSC certified ingredient is distinguishable from other ingredients (e.g. cosmetics containing FSC certified plant extract that is clearly specified to consumers).</p>
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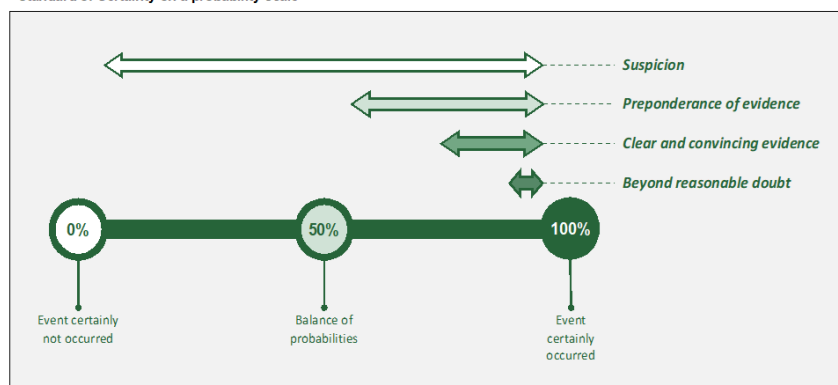
<b>ADVICE-40-004-16</b>	<b>Disassociated organizations operating as outsourcing contractors</b>
Normative reference	FSC-STD-40-004 V3-0 Clause 12.4 e)
Effective date	08 September 2017.
Background	<p>The FSC-STD-40-004 V3-0 that has been published on the 01 January 2017 introduced a new requirement about outsourcing contracts, which specifies that contractors shall notify certificate holders within 10 business days if they have been included in the list of organizations that are disassociated from FSC. FSC received considerable negative feedback on this requirement, mainly related to the considerable impact on existing contracts to address an unclear risk for the system integrity. Based on this, FSC decided to re-evaluate the impacts and relevance of this requirement, and consequently delay its implementation until a final decision has been taken.</p>
Advice	<p>Organizations are not required to include the provisions specified in Clause 12.4 e) in their outsourcing contracts until FSC has completed the evaluation of the requirement and provided a final decision about its implementation.</p> <p>NOTE: Once this decision has been taken, this advice will be updated accordingly.</p>

<b>ADVICE-40-004-17</b>	<b>Claiming 100% reclaimed products as FSC Mix</b>
Normative reference	FSC-STD-40-004 V3-0 Clause 5.9
Effective date	30 January 2018.
Background	<p>FSC-STD-40-004 V3-0 that has been published on 01 January 2017 specifies that products that are 100% made of reclaimed materials shall only be claimed as FSC Recycled and cannot be claimed as FSC Mix. FSC was informed about significant negative implications of this requirement for some certificate holders. Based on this input, FSC decided to re-evaluate the impacts and relevance of this requirement, and consequently to delay its implementation until a final decision has been taken.</p>

Advice	<p>Organizations are allowed to claim products that are 100% made of reclaimed materials as FSC Mix until FSC has completed the evaluation of the requirement and provided a final decision about its implementation.</p> <p>NOTE: Once this decision has been taken in late March 2018, this advice will be updated accordingly.</p>
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<b>ADVICE-40-004-18 V1-0</b>	<b>Addressing deliberate false claims</b>
Normative reference	<p>FSC-STD-20-001, Clauses 1.2.3 i) &amp; 14.5 b)</p> <p>FSC-STD-20-007, Clause 8.1</p> <p>FSC-STD-20-011 V4-1, Clauses 4.1; 7.4 and 9.1</p> <p>FSC-STD-20-012, Clauses 7.1 &amp; 4.5</p> <p>FSC-STD-40-003 V2-1 Clause 5.1.2, FSC-STD-30-010, Clauses 1.5 &amp; 1.6</p> <p>FSC-STD-40-004 V3-0 Clauses 1.1, 2.3 and 12.3</p>
Effective date	<p>06 April 2020; amended on 25 October 2021 (See ADVICE-40-004_18 V2-0)</p> <p>Effective from 06 April 2020 until 31 December 2021</p>
Scope	<p>This Advice Note applies to certification bodies and certificate holders and specifies the actions that shall be taken when false claims are identified.</p> <p>In addition, it provides measures for certificate holders to ensure that they do not inadvertently enter into a business relationship with a blocked organization when they outsource services or want to add a new group member or a participating site.</p>
Terms and Definitions	<p><b>Blocked organization:</b> A certificate holder or a former certificate holder that is blocked from the FSC Certification Scheme in response to false claims by:</p> <p>(1) the suspension of the Granted Rights, alternatively the termination of the License Agreement for the FSC Certification Scheme, and</p> <p>(2) the restriction from carrying out processes or activities that are included within the scope of their FSC certification.</p> <p><b>Clear and convincing evidence:</b> Evidence available to the certification body, ASI and/or FSC that supports a conclusion that a fact is substantially more probable to be true than not. In other words, there must be a firm conviction or belief that the organization deliberately made false claims. Clear and convincing evidence shall be supported by documents, facts, other information or records, either quantitative or qualitative, that can be verified through analysis, observation, measurement, and other means of research (See Graphic 1).</p> <p><b>Graphic 1. Standards of certainty on a probability scale</b></p>

Standard of Certainty on a probability scale



**Contractor:** Individual, company, or other legal entity contracted by an organization for any activities under the scope of an FSC COC certificate.

**Deliberate:** with knowledge and awareness of the consequences.

**False claim:** FSC claim made on sales documents (physical or electronic) or the use of the FSC trademarks, on products and for projects that are not eligible to be claimed, labelled and/or promoted as being FSC-certified or FSC Controlled Wood. A false claim is different from an inaccurate claim, in which a product, that is eligible to be sold as FSC certified, is sold with the wrong claim.

NOTE: An incident with a false claim is linked to a root cause and multiple incidents of false claims may originate from the same root cause. In all such cases, these instances of false claims (which would normally trigger a single non-conformity in an assessment) count as one false claim event for the purpose of this Advice Note.

**FSC database:** A computer-based system containing data about the FSC Certification Scheme (e.g. certificate holders, FSC licensees, etc.), accessible at [www.info.fsc.org](http://www.info.fsc.org).

**Granted Rights:** The right to use the FSC trademarks for FSC claims, as defined in FSC-STD-40-004, for on-product labeling on FSC-certified products and for promotional use worldwide as licensed and further regulated by via the FSC Trademark License Agreement.

**Negligence:** Failure to exercise reasonable care.

**FSC Trademark License Agreement:** The License Agreement for the FSC Certification Scheme signed by the certificate holder permitting use of the FSC trademarks ('licensed materials').

## Background

In November 2016, the FSC Board of Directors approved the revised versions of FSC-STD-40-004 (V3-0), FSC-STD-20-011 (V4-0) and an additional set of actions for ensuring supply chain integrity and addressing false claims in the FSC system. Therefore, this Advice Note aims to clarify the actions that shall be taken by:

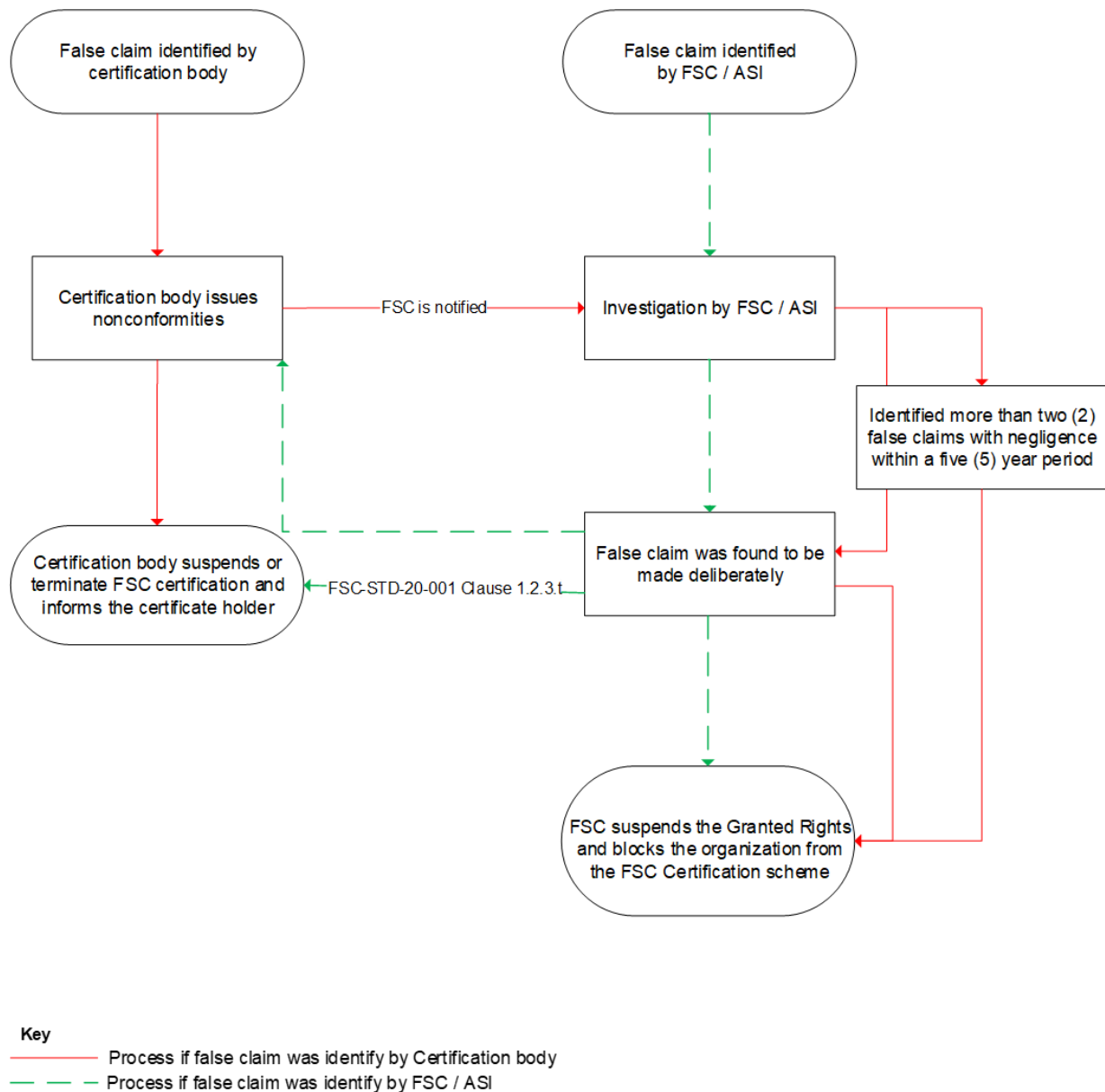
- Certification bodies when false claims are identified (see Graphic 2);
- blocked organizations and how they can reinstate and reestablish processes or activities in the scope of their certificate;
- Certificate holders with a valid COC certificate outsourcing services or adding a new group member or site to prevent a business relationship with blocked organizations;
- FSC and ASI when false claims are identified (see Graphic 2).

Advice	<p><b>1. Identification of false claims</b></p> <p>1.1 Any false claim identified by a certification body shall be registered in the FSC database for further investigation by FSC and/or ASI.</p> <p>1.2 FSC independently and/or jointly with ASI may identify and investigate false claims.</p> <p><b>2. Response to false claims</b></p> <p>2.1 In the event that (i) the investigation conducted by FSC and/or ASI reveals that there is clear and convincing evidence that the certificate holder deliberately made a false claim or (ii) the certificate holder has made more than two (2) false claims with negligence within a five (5) year period:</p> <p>2.1.1 FSC will:</p> <ul style="list-style-type: none"> <li>a) Suspend the Granted Rights held by the certificate holder according to the FSC Trademark License Agreement or terminate the FSC Trademark License Agreement, whichever is most appropriate;</li> <li>b) block the certificate holder from the FSC Certification Scheme; and</li> <li>c) inform the responsible certification body about the results of the investigation.</li> </ul> <p>2.1.2 The certification body shall:</p> <ul style="list-style-type: none"> <li>a) suspend or terminate the FSC COC, CW/FM, FM or FM/COC certification of the blocked organization;</li> <li>b) update the FSC database to indicate the blocked organization's status as 'Suspended and Blocked' or 'Terminated and Blocked' (Clause 1.4.7 of FSC-STD-20-001 V4.0); and</li> <li>c) inform the blocked organization (Clause 1.4.8 of FSC-STD-20-001 V4.0).</li> </ul> <p>NOTE: Clause 2.1 does not apply to certificate holders where they have received or unintentionally passed on false claims. In such a scenario Clause 1.6 of FSC-STD-40-004 applies.</p> <p>NOTE: In the case of identified risks to the integrity of the FSC system, FSC may also require the blocked organization to participate in transaction verification activities and/or participate in the FSC wood identification programme.</p> <p>NOTE: If a false claim is made by a group member or participating site then this Advice Note applies to that specific group member or participating site and not to the Central Office. However, if false claims are made by multiple group members or participating sites then this Advice Note applies to each individual member/site who made the false claim. In addition, the requirements of FSC-STD-40-003 (Clause 4.2, and Annex 2 – Clause 1.2 and Clause 2) also apply.</p> <p>2.2 Certification bodies shall not issue, reissue, transfer or reinstate the certification of blocked organizations while they have the status “Suspended and Blocked” or “Terminated and Blocked” in the FSC database.</p> <p><b>3. Consequences for Blocked organizations</b></p> <p>3.1 The blocked organization, which made a false claim or false claims, shall be blocked for the period of six (6) to sixty (60) months. The duration of the blockage is linked to the amount of the compensation fee as specified in FSC-PRO-10-003.</p> <p>3.2 For the duration of the blockage, the blocked organization shall not carry out any processes or activities that are included within the scope of their FSC certification (e.g. trading, processing, manufacture, labelling,</p>
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	<p>storage, and/or transport). For example, selling FSC-certified products with FSC claims or labelling products as FSC certified.</p> <p>3.3 The blocked organization shall fulfill the conditions specified in this Advice Note, in the FSC Normative Framework, including, but not limited to FSC-PRO-10-003 and further instructions during the duration of blockage.</p> <p><b>3.4 Organizations outsourcing services or adding a new group member or participating site</b></p> <p>3.4.1 The blocked organization may not be a member of a Group or Multi-site COC certification and/or may not act as a contractor for other certificate holders with valid FSC certification.</p> <p>3.4.2 Certificate holders with valid FSC certification shall verify if another organization is blocked in the FSC database and consider the blocked organization ineligible for any of the following activities:</p> <ul style="list-style-type: none"> <li>a) outsourcing services related to FSC certified material and/or;</li> <li>b) adding a new group member to the Group COC certification and/or;</li> <li>c) adding a participating site to the Multi-site COC certification.</li> </ul> <p><b>3.5 Certification bodies adding sites or members and verifying outsourcing agreements</b></p> <p>3.5.1 In the case of a Group or Multi-site COC certification, the certification body shall verify the certificate holder's status in the FSC database before adding new sites to registered certificates and shall restrict blocked organizations as a site or member to a COC certificate.</p> <p>3.5.2 In the case of outsourcing agreements, the certification body shall verify the blocked list shared by FSC and shall restrict blocked organizations to act as a contractor.</p> <p><b>4. Lifting the blockage</b></p> <p>4.1 The blocked organization can have the status "Suspended and Blocked" or "Terminated and Blocked" revoked before the end of the duration of the blockage if it is confirmed that the blocked organization has fulfilled the following requirements:</p> <ul style="list-style-type: none"> <li>a) by the certification body: implementation of corrective and preventive actions, and the application of requirements for non-conforming products (as specified in clause 1.6 of FSC-STD-40-004) and other applicable conditions established by FSC to remedy the shortcomings; and</li> <li>b) by FSC: payment of the compensation fee in accordance with FSC-PRO-10-003.</li> </ul> <p>4.2 FSC will issue an invoice for the payment of the compensation fee within two (2) weeks after receiving a request from the blocked organization.</p> <p>4.3 If a blocked organization's status is 'Suspended and Blocked,' and the suspension period has exceeded twelve (12) months or in exceptional cases, up to eighteen (18) months (FSC-STD-20-001, Clause 4.7.5) and the blocked organization has not implemented the measures specified in Clause 4.1, the certification body shall terminate the blocked organization's certificate and the status of the blocked organization shall be updated to "Terminated and Blocked".</p> <p><b>5. Contesting a blocked status and financial penalty/compensation fee</b></p>
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5.1 The organization which has been blocked according to Clause 2.1.1 may submit evidence to contest the blockage decision made by FSC as specified in FSC-PRO-10-003.

**Graphic 2.** Process flowchart when false claims identified by Certification bodies and FSC and/or ASI.





<b>ADVICE-40-004-18 (V2-0)</b>	<b>Addressing false FSC claims on products/projects containing material from unacceptable sources</b>
<b>Normative references</b>	<p>FSC-PRO-10-003 V1-1</p> <p>FSC-STD-20-001, Clauses 1.2.3 i) &amp; 1.4.5 b)</p> <p>FSC-STD-20-007, Clause 8.1</p> <p>FSC-STD-20-011 V4-1, Clauses 4.1, 7.4 and 9.1</p> <p>FSC-STD-20-012, Clauses 7.1 &amp; 4.5</p> <p>FSC-STD-30-010, Clauses 1.5 &amp; 1.6</p> <p>FSC-STD-40-003 V2-1 Clause 5.1.2</p> <p>FSC-STD-40-004 V3-1 Clauses 1.1, 1.8, 2.3 and 13.3</p>
<b>Approval date</b>	06 April 2020; amendment 25 October 2021
<b>Effective date</b>	From 01 January 2022 until withdrawn
<b>Scope</b>	<p>This Advice Note addresses situations where ineligible input is used in products and projects claimed, labelled and/or promoted as FSC certified or FSC Controlled Wood.</p> <p>The Advice Note primarily applies to certified organizations who have generated such a false claim and specifies the actions for them, their certification bodies (CBs), as well as for Assurance Services International (ASI) and FSC to address these false claims.</p> <p>It further applies to organizations adding new group members/sites and certificate holders/organizations outsourcing services - to prevent them from developing business relations with organizations who generated false claims and have been blocked from the FSC system.</p> <p>This Advice Note does not apply to situations where organizations have generated inaccurate claims. The applicable requirements of the <i>Chain of Custody Certification</i> FSC-STD-40-004 standard shall continue to be used to regulate inaccurate claims.</p>
<b>Terms and Definitions</b>	<p><b>Blocked Organization:</b> A certificate holder or a former certificate holder that is blocked from the FSC Certification Scheme in response to False Claims by:</p> <ul style="list-style-type: none"> <li>i. the suspension of the Granted Rights to use the FSC trademarks, alternatively the termination of the License Agreement for the FSC Certification Scheme, <i>and</i></li> <li>ii. the restriction from carrying out processes or activities that are included within the scope of their FSC certification as a result of suspension/termination of FSC certification, <i>and</i></li> <li>iii. prevention of re-entry to the FSC system by re-certification or by becoming a member of a Group or Multi-site COC certification, or by becoming a contractor for other certificate holders with valid FSC certification.</li> </ul> <p>NOTE: An organization may be blocked from the FSC system for reasons other than as a response to False Claims. The above definition is provided in the context of this Advice Note.</p>



NOTE: For organizations having Group CoC certification, the blockage will apply to the whole group in case root cause analysis establishes that the false claim developed due to a failure (negligent or deliberate) at the group level (or Group manager level). In other scenarios, if the root cause analysis establishes the development of the false claim to a failure at the group member level, then this Advice Note will apply at the Group member level.

**Clear and convincing evidence:** Evidence available to the certification body, ASI and/or FSC or to the Blocked Organization that supports a conclusion that a fact is substantially more probable to be true than not. Clear and convincing evidence shall be supported by documents, facts, other information, or records, either quantitative or qualitative, that can be verified through analysis, observation, measurement, and other means of research (See Graphic 1).

**Contractor:** Individual, company, or other legal entity contracted by an organization for any activities under the scope of an FSC COC certificate.

**CPR measures:** The collection of corrective, preventive and remedial measures to be implemented by an organization to address a False Claim incident.

**Corrective measures** – aimed primarily at stopping the further circulation of non-conforming products and related promotional claims.

**Preventive measures** – aimed at preventing future occurrence and shall be developed based on a root cause analysis to be conducted by the organization responsible for the False Claim incident.

**Remedial measures** – aimed at compensating for any volume of False Claims released into the market which had not been properly allocated to and deducted from the relevant product group volume accounts. In such cases, the organization responsible for a False Claim incident shall take remedial measures by using (purchasing, allocating from existing stock, and/or deducting credits) the same volume of FSC input material that would have been necessary to correctly produce the non-conforming products. (Refer Clauses 7.1-7.4 for further information on implementing remedial measures.)

**False Claim:** FSC claim made on sales documents (physical or electronic) or the use of the FSC trademarks, on products and/or for projects that are not eligible to be claimed, labelled and/or promoted as being FSC-certified or FSC Controlled Wood. A False Claim is different from an inaccurate claim, in which a product, that is eligible to be sold as FSC certified, is sold with the wrong claim.

**Deliberate False Claim:** A False Claim that has been made deliberately/intentionally by an organization with knowledge and awareness of the consequences. Clear and convincing evidence is required to determine a False Claim incident as deliberate.

**Negligent False Claim:** A False Claim that has been made by an organization due to its failure to exercise reasonable care. A negligent False Claim would result in the unintentional application of an FSC claim on sales documents (physical or electronic) or the use of the FSC trademarks, on products and for projects that are not eligible to be claimed, labelled and/or promoted as being FSC-certified or FSC Controlled Wood.

**Other False Claim:** A False Claim that has been made neither deliberately, nor due to the failure of the organization to exercise reasonable care, but under exceptional or uncontrollable circumstances.

Typically, these circumstances cannot be reasonably anticipated, hence a differentiating characteristic is that it cannot be expected at reasonable costs for the organization to have preventive measures in place to prevent the (re-)occurrence of relevant False Claims. Clear and convincing evidence is required to determine a False Claim incident as 'other'.

**False Claim incident:** A single instance of a False Claim that can be attributed to a root cause. Multiple incidents of False Claims may originate from the same root cause.

**False Claim event:** One or several incidents of False Claims which originate from the same root cause. All these instances of False Claims (which would normally trigger a single non-conformity in an assessment) count as one False Claim event for the purpose of this Advice Note.

**FSC Certification database:** A computer-based system containing *inter alia* information on Certification Data, Certification Bodies, Certificate Holders and other license holders. It includes a search function which is publicly accessible at [info.fsc.org](http://info.fsc.org) ('FSC Public Search') and which enables producers, traders and consumers to verify the status and scope of an FSC Certification as well as provides transparency for stakeholders.

**FSC Trademark License Agreement:** The License Agreement for the FSC Certification Scheme signed by the certificate holder permitting use of the FSC trademarks ('licensed materials').

**Granted Rights:** The right to use the FSC trademarks for FSC claims, as defined in FSC-STD-40-004, for on-product labeling on FSC-certified products and for promotional use worldwide as licensed and further regulated by via the FSC Trademark License Agreement.

**Inaccurate claim:** FSC claim made on sales documents (physical or electronic) on products and for projects that are eligible to be claimed as being FSC-certified or FSC Controlled Wood but have been sold with the wrong claim.

**Negligence:** Failure to exercise reasonable care.

**Non-conforming product:** Product or material for which an organization is unable to demonstrate that it conforms to the applicable FSC certification requirements and eligibility requirements for making FSC claims.

**NCP requirements:** The requirements (consisting of procedures and activities) for organizations to address non-conforming products, as defined in Clause 1.6 of FSC-STD-40-004 V3-0.

**Self-declared False Claim:** A False Claim is considered self-declared if the organization:

- a. detects it in an unforced manner, *and*
- b. notifies its certification body and all affected direct customers in writing within five business days of the detection, and maintain records of that notice, *and*
- c. analyzes the root cause for occurrence of the False Claim, and implement measures to prevent their reoccurrence, *and*
- d. cooperates with its certification body in order to allow the certification body to confirm that appropriate actions were taken to correct the non-conformity.

NOTE: False Claims declared by organizations which are subject to a transaction verification or any other announced or ongoing investigation would not be considered to be made unforced and hence not fall into this category.

<p><b>Background</b></p>	<p>In November 2016, the FSC Board of Directors approved the revised versions of FSC-STD-40-004 (V3-0), FSC-STD-20-011 (V4-0) and an additional set of actions for ensuring supply chain integrity and addressing false claims in the FSC system.</p> <p>However, there was observed a clear need to have specific actions to prevent organizations who, either due to negligence or deliberate actions, affect the integrity of the FSC system. These include measures to 'block' such organizations from the FSC system and initiate a series of preventive and corrective measures to address the issue of false claims. In addition, there was also a need to ensure that organizations do not inadvertently enter into a business relationship with a Blocked Organization when they outsource services or want to add a new group member or a participating site.</p> <p>NOTE: For organizations responsible for a false claim event or for those who were not responsible (but who have passed on false claims unknowingly), the actions to address the delivery of non-conforming products are defined in Clause 1.6 of FSC-STD-40-004.</p>
<p><b>Advice</b></p>	<p><b>Identifying and recording False Claims</b></p> <p>1.1. Upon detection of a False Claim incident, either by the CB and/or ASI, or detected by FSC/ASI (as a response to a complaint), or self-declared by the organization,</p> <p>1.1.1. <b>The certification body shall</b> register the False Claim event on the FSC certificate database as a Transaction Verification (TV) finding for further investigation. This shall be done even if the False Claim incident was detected outside a Transaction Verification (TV) investigation.</p> <p>1.1.2. <b>The certification body shall</b> verify that the organization has informed its downstream buyers that products with False Claims were delivered to them.</p> <p><b>1.1.3. The certification body shall verify the relevance and accuracy of the root cause analysis undertaken by the organization (see Clause 1.1.4 below) as a response to a False Claim incident.</b></p> <p>NOTE: The registration of the False Claim on the FSC database is not dependent on the final classification of the False Claim as negligent, deliberate or other.</p> <p>NOTE: FSC or ASI may independently or jointly identify and investigate False Claims.</p> <p>1.1.4. <b>The organization shall</b> undertake a root cause analysis to determine the reason for occurrence of the False Claim and identify appropriate measures to address the root cause.</p> <p>1.1.5. <b>FSC and/or ASI will</b> classify the False Claim incident, based on the root cause analysis undertaken by the organization, as either:</p> <ul style="list-style-type: none"> <li>a. Deliberate False Claim, or</li> <li>b. Negligent False Claim, or</li> <li>c. 'Other' False Claim.</li> </ul> <p>NOTE: For classifying the False Claim event as deliberate/negligent/other, FSC/ASI would consider the root cause analysis provided by the organization, but the classification decision does not need to be based on that analysis only. FSC/ASI may look at other sources of information also.</p>

NOTE: Clear and convincing evidence is used as a basis to determine whether a False Claim incident is classified as 'deliberate' or 'other' (neither deliberate nor negligent). In the absence of clear and convincing evidence (presented by FSC or ASI to qualify a False Claim as 'deliberate', or by the organization to qualify as 'other'), the default classification would be 'negligent'.

## 2. Response to False Claims

Depending on the nature and frequency of a False Claim incident, the response to a False Claim shall be as per one of the following scenarios (See Graphic 2):

### 2.1. Scenario 1: 'Other' False Claim incident

2.1.1. **The organization** shall implement the requirements of FSC-STD-40-004 pertaining to non-conforming products (*Hereafter referred to as "NCP requirements"*).

### 2.2. Scenario 2: Negligent False Claim incident

2.2.1. **The organization** shall implement the NCP requirements; and

2.2.2. **The organization** shall implement the corrective, preventive and remedial measures (CPR measures – as defined in the section 'Terms and Definitions' above).

2.2.3. The **certification body** shall review the implementation of these measures as part of the 'Corrective Action Request' issued by the certification body in response to the False Claim.

NOTE: A 'self-declared' False Claim shall be treated in the same manner as a negligent False Claim incident.

### 2.3. Scenario 3: Negligent False Claim events – three (3) or more within a five (5) year period

2.3.1. **The organization** shall implement NCP requirements and CPR measures. This will be a pre-condition for the Blocked Organization to reenter the FSC system post the blockage period.

2.3.2. **FSC** will:

- a. suspend the Granted Rights held by the organization according to the FSC Trademark License Agreement or terminate the FSC Trademark License Agreement, whichever is most appropriate to protect the integrity, trust and credibility of the FSC Certification Scheme as well as customers, other participating certificate holders but also FSC International, *and*
- b. block the organization from the FSC Certification Scheme for the period of three (3) to sixty (60) months (see exception under 2.3.4 below), *and*
- c. inform the relevant certification body about the results and consequences of the investigation and the blocked status of the organization.

NOTE: The exact duration of the blockage is specified in FSC-PRO-10-003.

NOTE: Self-declared False Claims are exempted from scenario 3.

2.3.3. **The certification body** shall:

- a. suspend or terminate all FSC certifications of the Blocked Organization.
- b. update the FSC Certification database to indicate the Blocked Organization's certification status as 'Suspended' or 'Terminated'

(Clause 1.4.7 of FSC-STD-20-001 V4.0) based on Clause 2.3.2 c); and

- c. inform the Blocked Organization of its suspension/termination status as per Clause 1.4.8 of FSC-STD-20-001 V4.0.

NOTE : The five (5) year period is triggered with the first negligently made False Claim incident and the False Claim count is regardless of the regular cycle for FSC Certification.

2.3.4. The Blocked Organization can have the status "Suspended and Blocked" or "Terminated and Blocked" revoked before the end of the duration of the blockage if it is confirmed that the Blocked Organization has fulfilled the following requirements:

- a. **by the certification body**: implementation of NCP requirements and CPR measures; and
- b. **by FSC**: payment of the compensation fee in accordance with FSC-PRO-10-003 and any other applicable conditions established by FSC to remedy the shortcomings.

**2.4. Scenario 4: Deliberate False Claim incident – investigation conducted by FSC or ASI concludes that the organization deliberately made a False Claim**

2.4.1. The **Blocked Organization** shall implement the NCP requirements **and** undertake the CPR measures. This will be a pre-condition for the Blocked Organization to reenter the FSC system post the blockage period.

2.4.2. **FSC** will:

- a. suspend the Granted Rights held by the organization according to the FSC Trademark License Agreement or terminate the FSC Trademark License Agreement, whichever is most appropriate to protect the integrity, trust and credibility of the FSC Certification Scheme as well as customers, other participating certificate holders but also FSC International, *and*
- b. block the organization from the FSC Certification Scheme for two consecutive and equivalent periods, each ranging in duration from three (3) to sixty (60) months (see exception under 2.4.5 below), *and*
- c. inform the relevant certification body about the results of the investigation and the blocked status of the organization.

NOTE: The exact duration of the individual blockage periods is specified in FSC-PRO-10-003.

2.4.3. **The certification body** shall:

- a. suspend or terminate all FSC certifications of the Blocked Organization.
- b. update the FSC Certification database to indicate the Blocked Organization's certification status as 'Suspended and Blocked' or 'Terminated and Blocked' (Clause 1.4.7 of FSC-STD-20-001 V4.0) based on Clause 2.4.1 c); and
- c. inform the Blocked Organization of its suspension/termination status as per Clause 1.4.8 of FSC-STD-20-001 V4.0.

2.4.4. ***For deliberate False Claims, FSC will not revoke the status "Suspended and Blocked" or "Terminated and Blocked" before the end of the duration of the first period of blockage.***

- 2.4.5. The Blocked Organization can have the status “Suspended and Blocked” or “Terminated and Blocked” revoked **after the end of the first period of blockage** and before the end of the duration of the second period of blockage if it is confirmed that the Blocked Organization has fulfilled the following requirements:
- by the certification body:** implementation of NCP requirements and CPR measures; and
  - by FSC:** payment of the compensation fee in accordance with FSC-PRO-10-003 and any other applicable conditions established by FSC to remedy the shortcomings.

NOTE: The revocation of the blocked status for deliberate False Claims by payment of compensation fees is only applicable to the second period of blockage. This will only be possible after the organization has stayed blocked from the FSC system for the first period.

- 2.4.6. *The implementation of the NCP requirements and CPR measures shall be verified by the certification body that is recertifying the Blocked Organization at the end of its blockage period.*

#### **Consequences for Blocked Organizations**

- 3.1. For the duration of the blockage, the relevant **certification body** shall suspend/terminate the organization’s FSC certification. As a consequence of this, the **Blocked Organization** shall not trade, process, manufacture, label, store, or transport FSC material or undertake any activity as part of their certification scope.
- 3.2. **Certification bodies** shall not grant, maintain, transfer, or reinstate the certification of Blocked Organizations while they have the status “Suspended and Blocked” or “Terminated and Blocked” in the FSC Certification database.
- 3.3. If a Blocked Organization's status is 'Suspended and Blocked,' and the suspension period has exceeded twelve (12) months or in exceptional cases, up to eighteen (18) months (FSC-STD-20-001, Clause 4.7.5) and the Blocked Organization has not implemented the measures specified in Clause 2.3.4 a) and b) and Clause 2.4.4, the **certification body** shall terminate the Blocked Organization’s certification and the status of the Blocked Organization shall be updated to “Terminated and Blocked”.
- 3.4. The **Blocked Organization** shall fulfill all the conditions specified in this advice note, and the applicable requirements in the FSC Normative Framework, including, but not limited to FSC-PRO-10-003 and further instructions during the duration of blockage.

NOTE : If a False Claim is made by a group member or participating site, then this Advice Note applies to that specific group member or participating site and not to the Central Office. In case False Claims are made by multiple group members or participating sites, then this Advice Note applies to each individual member/site who made the False Claim. In addition, the requirements of FSC-STD-40-003 (Clause 4.2, and Annex 2 – Clause 1.2 and Clause 2) also apply.

#### Organizations outsourcing services or adding a new group member or participating site

- 3.5. In the case of outsourcing agreements, the contracting **organization** shall not outsource services related to FSC material to organizations that



are listed as 'suspended and blocked' or 'terminated and blocked' on the FSC Certification Database.

- 3.6. **Organizations** with valid FSC certification shall verify if another organization is blocked in the FSC database and consider the Blocked Organization ineligible for any of the following activities:
- adding a new group member to the Group COC certification or
  - adding a participating site to the Multi-site COC certification.

Certification bodies adding sites or members and verifying outsourcing agreements

- 3.7. In the case of a Group or Multi-site COC certification, the **certification body** shall verify the organization's status in the FSC Certification database before adding new participating site to the Multi-site COC certification or adding a new group member to the Group COC certification.
- 3.8. In case of sub-contractors, the **certification body** shall verify the sub-contractor's status in the FSC Certification database and shall not verify any outsourcing agreement where the sub-contractor is listed as 'suspended and blocked' or 'terminated and blocked' on the FSC Certification Database.

#### **4. Lifting the blockage**

- 4.1. Upon receiving a request for unblocking from a Blocked Organization, **FSC** will evaluate the integrity and/or reputational risk posed by the organization and decide whether to unblock the organization.

NOTE : FSC reserves the right to reinstate and unblock the Blocked Organization based on its assessment of individual cases. As such, based on the integrity/reputational risk, it can also choose not to unblock an organization.

NOTE : The organization may be subject to additional monitoring measures specified by ASI/FSC as conditional to lifting the blockage. The organization would be required to fulfill these additional measures and that might result in additional ongoing expenses for unannounced audits, documents review etc.

NOTE : In the case of identified risks to the integrity of the FSC system, FSC may also require the Blocked Organization to participate in transaction verification activities or participate in the FSC wood identification programme or both.

NOTE : FSC may, at its discretion, enter into a Memorandum of Understanding (MoU) with the Blocked Organization, as a response to the False Claim. The MoU may contain specific additional conditions on a case by case basis for organizations to the blockage to be lifted. In such situations, the provisions of the MoU supersede this Advice Note, unless specified otherwise.

- 4.2. If **FSC** decides to unblock the organization, it will issue an invoice for payment of the compensation fee after fulfillment of Clause 2.3.4 a) or Clause 2.4.5 a) as applicable.

#### **5. Contesting a blocked status and compensation fee**

- 5.1. The **organization** which has been blocked according to Clauses 2.3.2 or 2.4.2 may submit evidence to contest the blockage decision made by FSC as specified in FSC-PRO-10-003.

#### **6. Duty to cooperate with investigation**

- 6.1. **Organizations** are obligated to use its commercially reasonable efforts to take all actions to assist and cooperate with FSC, ASI and/or CB in doing all things necessary or advisable to perform the investigations into False Claims. In case the organization fails to cooperate in this regard, FSC can block the organization for the period up to one hundred twenty (120) months.

**For implementing Clause 2.2.1 (Remedial measures)**

- 7.1 Within three (3) months of detection of the False Claim, the **organization** that produced and released non-conforming product shall purchase or allocate from existing stock an equivalent amount of eligible FSC input material to the corresponding product group.

NOTE: If corresponding FSC credits / percentage volumes had been allocated / deducted to the non-conforming products from the product group volume accounts and only ineligible material had been used resulting in the False Claim event, then this requirement is considered to be covered.

NOTE: In case the organization is not able to purchase an equivalent amount of FSC input material (due to lack of availability, capacity etc.), the certification body may, under exceptional circumstances, extend the period for implementing remedial measures to up to 12 months from the date of detection of the False Claim, provided the organization is able to justify the delay and has made credible and verifiable measures to start procurement of the equivalent quantity of FSC input material.

- 7.2. If the non-conforming products carrying False Claims cannot be recalled, de-labeled or otherwise stopped from reaching the destined final customer, the purchased or allocated FSC input material shall not be used to produce new, conforming product, but instead any FSC credits or percentage values carried by that material would be void (products made from such material shall not be sold with the FSC claim).

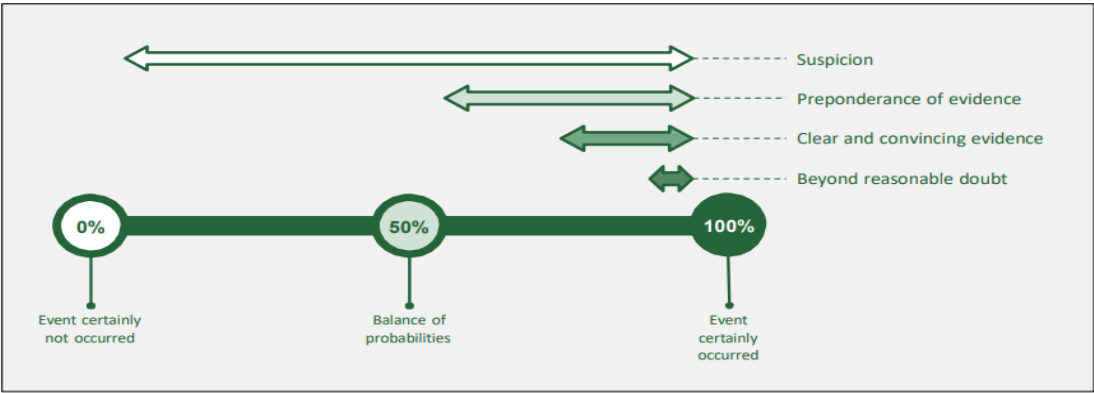
NOTE: In other cases, the organization may produce and release 'conforming product' from that FSC input.

- 7.3. If the **organization** cannot purchase / allocate such an amount (e.g., because there is no such material available), then it shall pay a compensation fee to FSC in accordance with FSC-PRO-10-003.
- 1.4. If the **organization** cannot or does not pay the compensation fee, then it will be blocked in accordance with FSC-PRO-10-003.

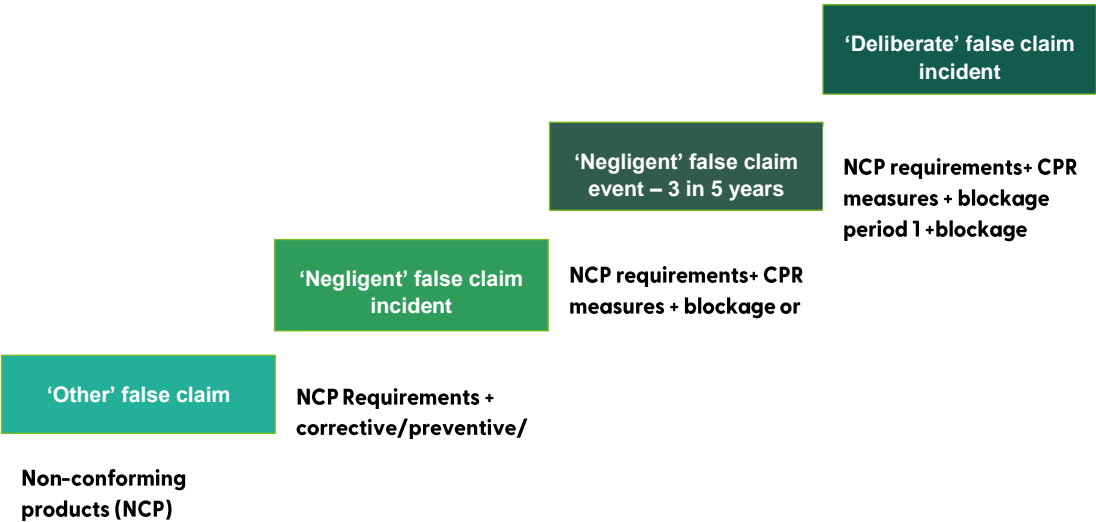
NOTE: The organization has to implement remedial measures irrespective of its blocked status. Implementation of remedial measures is independent of whether the organization is paying the compensation fee to avoid blockage.



Graphic 1. Standard of certainty on a probability scale



Graphic 2: Hierarchy of scenarios and applicable requirements



<b>ADVICE-40-004-19</b>	<b>Species information in FSC Product Groups</b>
Status	Withdrawn

<b>ADVICE-40-004-20</b>	<b>Confirmation of origin for FSC certified <i>Paulownia</i> products</b>
Normative reference	FSC-STD-40-004 V3-1, Clauses 2.1, 2.2, 2.4, 5.1 and 7.3 c)
Scope	This advice note applies to all CoC certificate holders trading in products made with Paulownia carrying an FSC claim
Approval	FSC Director General, 05 May 2021
Effective date	07 May 2021
Background	<p>In 2019 FSC commissioned ASI to undertake a Transaction Verification for FSC certified Paulownia products traded in 2018 and 2019, which revealed systematic violations of certification requirements by organizations that were trading non-certified Paulownia products as certified. Furthermore, these investigations found that there were no sales activities of Paulownia material from any FSC certified FM/CoC certificate holders in 2018 and 2019. FSC therefore informed certification bodies in December 2019 of the results of the investigation and advised them to implement measures to address the risk of false claims with any certificate holder that has Paulownia in the scope of their FSC certificates.</p> <p>By the end of 2020, there are still no FSC certified forests known to FSC that have produced and sold FSC certified Paulownia. Therefore, FSC had requested ASI to accelerate the implementation of the interpretation INT-STD-40-004_40 with regards to Paulownia. The interpretation does not translate to an automatic removal of Paulownia from certificate holders' product group lists nor to a designation of products with Paulownia as non-conforming products.</p> <p>Although it cannot be excluded that there could be eligible inputs in FSC certified Paulownia products, given the investigation findings and the current lack of availability of Paulownia in FSC certified forests, there is a high risk that the vast majority of FSC certified Paulownia products produced over the last three years contain non-eligible sources. Hence, FSC does not see any alternative to now take precautionary measures that no further ineligible Paulownia material is sold and labelled as FSC certified.</p>
Advice	<ol style="list-style-type: none"> <li>1. From 01 August 2021, organizations shall not include Paulownia or products containing Paulownia in their product group list, nor sell/label products containing Paulownia. The only exception is if the organization can trace the Paulownia carrying an FSC claim to its FSC certified forest management unit of origin through documentary evidence.</li> <li>2. Certification bodies shall verify the accuracy and plausibility of the supplier documentation tracing the material back to the forest management unit of origin. This verification shall be undertaken at a minimum during the annual evaluations.</li> </ol>

	<p>NOTE: The above requirements also apply to products manufactured or sold from pre-existing inventory of FSC certified Paulownia as of 31 July 2021.</p> <p>NOTE: This Advice is applicable only to Paulownia that comes with an FSC claim and does not apply to Paulownia obtained as controlled material/FSC Controlled Wood which is verified through a Due Diligence System (DDS) as specified in FSC-STD-40-005 V3-1.</p>
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<b>ADVICE-40-004-21</b>	<b>Moratorium on sales of wood and wood products with FSC certified or FSC Controlled Wood claims originating from sanitary logging from Irkutsk Oblast region of Russia</b>
Normative reference	<p>FSC-STD-40-004 V3-0, Clauses 1.1.b), 1.6, 3.1 and 5.1</p> <p>FSC-STD-40-005 V3-1, Clause 2.1</p> <p>FSC-STD-RUS-V6-1-2012 V6-1, Indicators 8.3.1, 8.3.2 and 8.3.4</p> <p>FSC-STD-RUS-02.1-2020, Indicators 8.5.1 and 8.5.2</p>
Scope	<p>Organizations with FM in their certification scope, having management units in Irkutsk Oblast of Russia and introducing FSC certified material into the market.</p> <p>Organizations with COC/CW in their certification scope sourcing controlled material through DDS (Due Diligence System) from Irkutsk Oblast of Russia.</p>
Approval	14 July 2021
Effective date	14 August 2021
Terms & Definitions	<p><b>Sanitary logging</b> (transliteration from Russian “<i>sanitarno-ozdorovitelnye meropriyatiya</i>”; in Russian “<i>санитарно-оздоровительные мероприятия</i>”): in Russia and in some other countries is a combined term for sanitary logging and salvage logging, where sanitary logging is primarily a preventive forest management operation that seeks to maintain the health and value of the forest by removing weak or infected trees, and salvage logging is an emergency operation to remove heavily damaged or dead trees after events like windfalls, fires or pest outbreaks. Salvage logging often has a sanitary function as well which makes it difficult to classify relevant interventions as one or the other.</p> <p>NOTE: This definition is used for the purpose of this advice note only.</p>
Background	<p>Despite measures taken by the Russian government to address the issue of illegal sanitary logging, it remains a problem across the country, especially in Irkutsk Oblast, and a great concern for FSC. Over the past years, high levels of illegal sanitary logging and related high-profile cases have been observed in Russia, specifically in Irkutsk Oblast, including logging broader areas than defined in the permit, logging healthy trees, or having some authorities issue a permit without good reason. This issue has been noted by the Russian government, stakeholders, NGOs and confirmed by FSC in its National Risk Assessment for Controlled Wood for Russia (NRA) in 2018 and an FSC Russia study launched in December 2020. To mitigate the immediate risks,</p>

	<p>local authorities of Irkutsk Oblast temporarily stopped sanitary logging in the region in 2020 with a plan to reinstate it later.</p> <p>Although FSC certification requires that any type of forest management operations including sanitary logging is duly recorded and complies with relevant harvesting regulations, risks associated with illegal sanitary logging are presently not fully addressed in the National Forest Stewardship Standard for Russia (NFSS) and NRA.</p> <p>This advice note is developed to address the risk of wood from illegal sanitary logging in the Irkutsk Oblast region entering the FSC supply chain, with the consideration that it is the most problematic region of Russia in regard to sanitary logging and that the official pausing of sanitary logging in this region is to be lifted by the local government in 2021.</p>
Advice	<ol style="list-style-type: none"> <li>1. Certificate holders with forest management in their certificate scope and having management units in Irkutsk Oblast of Russia shall not (either directly or through any affiliate organization) undertake sales or delivery of FSC certified material (in any form, including rough wood, sawn timber or any type of processed wood) harvested from sanitary logging in Irkutsk Oblast, Russia.</li> <li>2. Chain of custody certificate holders with FSC-STD-40-005 <i>Requirements for Sourcing FSC Controlled Wood</i> in their certificate scope implementing a DDS (Due Diligence System) shall not undertake sales or delivery of FSC certified material or FSC controlled wood (in any form, including rough wood, sawn timber or any type of processed wood) harvested from sanitary logging in Irkutsk Oblast, Russia.</li> </ol> <p>NOTE: This advice note may be withdrawn or modified once FSC establishes other normative or policy changes (in terms of interpretations, updates to Russian National Risk Assessment (NRA), update to Russian National Forest Management Standard (NFSS) etc.) to more effectively address the risk of material from sanitary logging areas in Irkutsk Oblast region illegally entering FSC supply chains.</p>

<b>ADVICE-40-004-23</b>	<b>Evaluation of contractors against the FSC core labour requirements</b>
Normative reference	<p>FSC-STD-40-004 V3-1:</p> <ul style="list-style-type: none"> <li>- Clause 1.6,</li> <li>- Clause 13.2,</li> <li>- Clause 13.4</li> <li>- Terms and definitions: 'Scope'</li> </ul> <p>FSC-STD-20-011 V4-2:</p> <ul style="list-style-type: none"> <li>- Section 9</li> </ul> <p>Clause 11.3</p>
Scope	<p>This advice note applies to all CoC certificate holders that outsource activities within the scope of its certificate to non-FSC-CoC-certified contractors.</p> <p>Certification bodies auditing certificate holders under the aforementioned condition.</p>

Approval date	11 April 2023
Effective date	01 July 2023
Background	<p>Clause 13.2 of <u>&lt;FSC-STD-40-004 V3-1 Chain of Custody Certification&gt;</u> states that activities subject to outsourcing agreements are those that are included in the scope of the organization's CoC certificate.</p> <p>Clause 11.3 of <u>&lt;FSC-STD-20-011 V4-2 Chain of Custody Evaluations&gt;</u> requires the certification body to design and implement a system for evaluating the relevance, effectiveness, and adequacy of the organization's self-assessment and conformity to Section 7 of <u>&lt;FSC-STD-40-004 V3-1 Chain of Custody Certification&gt;</u>, according to the scope, scale, intensity, and risk of the organization's operation. This allows each certification body to define individual requirements on how and when to conduct on-site audits for contractors or when not. To ensure that all certification bodies apply the same level of scrutiny and ensure a fair "level playing field" (i.e., audit conditions for organizations are not dependent on the certification body they choose) the following advice is provided.</p> <p>This advice note's objective is to provide clear instructions on how the FSC core labour requirements have to be applied to contractors operating under outsourcing agreements.</p>
Terms and definitions	<p><b>First party audit:</b> an assessment that is performed within the organization by their own auditing resource (i.e., internal audit).</p> <p><b>Second-party audit:</b> an assessment that is performed by a person or organization that has an interest in the object of the assessment (e.g., an organization conducts an audit of their contractor).</p>
Advice	<p><b>1. Inclusion of contractors within the organization's self-assessment</b></p> <p>1.1 The organization shall include provisions in the outsourcing agreement with non-FSC-certified contractors which are specifying their commitment to the FSC core labour requirements or shall be able to refer to an internal policy of the contractor that is demonstrating such a commitment.</p> <p>1.2 The organization shall include non-FSC-certified contractors with an outsourcing agreement within their self-assessment which describes how the organization has confirmed the subcontractor's conformity to the FSC core labour requirements.</p> <p>NOTE: Contractors who are certified by a verification scheme<sup>1</sup> identified by FSC as equivalent to the FSC core labour requirements are exempt from organizations' self-assessments and certification bodies' risk assessments, similar to FSC-certified contractors. Any observations or complaints about potential non-conformities should be shared with responsible certification bodies and verification scheme owners.</p>
	<p><b>2. Risk assessments of contractors' conformity to the FSC core labour requirements</b></p>

<sup>1</sup> Verification schemes consist of voluntary sustainability standards (VSS), national and regional regulatory mechanisms, corporate practices, internal procurement policies, and sustainability initiatives.

	<p>2.1 In addition to the risk assessment of the organization's chain of custody control system used during outsourcing activities with respect to the risks of mixing, substitution, or false claims, the certification body shall conduct a risk assessment of the organization's control over their contractors' conformity to the FSC core labour requirements.</p> <p>2.2 An outsourcing arrangement with a non-FSC-certified contractor can be classified as 'low risk' if the following applies:</p> <ul style="list-style-type: none"> <li>a) there are no substantiated complaints regarding the contractor's conformity to the FSC core labour requirements since the last surveillance audit; <b>AND</b></li> <li>b) the previous evaluation has not resulted in any non-conformities in regard to the contractor's conformity with the FSC core labour requirements; <b>AND</b></li> <li>c) the previous evaluation was conducted as an on-site audit at the contractor; <b>OR</b></li> <li>d) the contractor's conformity to the FSC core labour requirements described within the organization's self-assessment is confirmed with evidence of documentation and records from a first-party or second-party audit conducted at least annually; <b>OR</b></li> </ul> <p style="padding-left: 40px;">NOTE: "Annually" is to be interpreted as follows: at least once per calendar year, but no later than 15 months after the last first- or second-party audit (determined by the date of the on-site visit).</p> <p>e) the contractor is in a country with a rating of 1 or 2 under the ITUC Global Rights Index<sup>2</sup> and with a CPI<sup>3</sup> score &gt;50.</p>
	<p><b>3. Evaluations of 'low risk' outsourcing agreements</b></p> <p>3.1 For outsourcing agreements classified as 'low risk' related to violations of FSC core labour requirements, the certification body shall at least conduct a desk-based audit of the contractor.</p> <p>3.2 A desk-based audit shall cover at minimum verification of the organization's conformity to clauses 1.1 and 1.2 above to identify any changes regarding:</p> <ul style="list-style-type: none"> <li>a) the contractor's commitment towards the FSC core labour requirements (e.g., the existence of complaints);</li> </ul>

<sup>2</sup> The ITUC Global Rights Index rates countries on a scale from 1 to 5+ on the degree of respect for workers' rights, <https://www.globalrightsindex.org/>

<sup>3</sup> Corruption Perception Index, <https://www.transparency.org/en/cpi/>

	<p><b>4. Evaluations of ‘high risk’ outsourcing agreements</b></p> <p>4.1 For outsourcing agreements classified as ‘high risk’ related to violations of FSC core labour requirements, the certification body shall conduct an on-site audit of the contractor.</p> <p>NOTE: When ‘high risk contractors’ are located in different countries, the certification body may contract the following third parties to complete the audit:</p> <ul style="list-style-type: none"> <li>i. an FSC-accredited certification body; or</li> <li>ii. a certification body accredited to a verification scheme that is identified as equivalent to the FSC core labour requirements.</li> </ul> <p>4.2 On-site audits shall include, in addition to the organization’s conformity to Clauses 1.1 and 1.2 above, interviews with personnel and site observations.</p>
	<p><b>5. Sampling of contractors</b></p> <p>5.1 If more than one outsourcing agreement is identified as high risk, a sampling of relevant contractors according to Clause 9.6 of <u>&lt;FSC-STD-20-011 V4-2 Chain of Custody Evaluations&gt;</u>, can be applied.</p> <p>NOTE: If the organization wants to include new high-risk outsourcing agreements in its certificate scope in the period between the certification body evaluations, Clause 9.5 of <u>&lt;FSC-STD-20-011 V4-2 Chain of Custody Evaluations&gt;</u>, applies accordingly.</p> <p>5.2 The certification body may add relevant contractors to the pool of contractors identified as having high-risk situations with respect to mixing different input materials and take a sample from the overall resulting pool. In this case, the sample shall be structured in such a way that it results in a balanced coverage of the two risk scenarios.</p> <p>NOTE: For group and multisite certificates, the calculation of the contractor sample shall be conducted at the participating-site level.</p>

<b>ADVICE-40-004-24</b>	<b>Evaluation of FSC core labour requirements using FSC approved verification schemes</b>
Normative reference	<p>FSC-STD-40-004 V3-1 Chain of Custody Certification</p> <ul style="list-style-type: none"> <li>- Clause 1.6</li> <li>- Clause 1.11</li> <li>- Section 7</li> <li>- Annex D: ‘FSC core labour requirements self-assessment’</li> </ul> <p>FSC-STD-20-011 V4-2 Chain of Custody Evaluations</p> <ul style="list-style-type: none"> <li>- Section 11</li> <li>- Section 12</li> </ul> <p>PSU-PRO-10-003 V1-1 EN Procedure for equivalence assessment of verification schemes against the FSC core labour requirements</p>

Approval date	11 April 2023
Effective date	01 July 2023
Scope	This Advice Note is applicable to certification bodies and certificate holders specifying actions to follow when using FSC approved verification schemes in conformity with FSC core labour requirements.
Background	<p>Clause 1.11 of <u>&lt;FSC-STD-40-004 V3-1 Chain of Custody Certification&gt;</u>, states that “The organization may demonstrate compliance with other certification schemes as evidence of conformity to Section 7 FSC core labour requirements.”</p> <p>Section 11 of <u>&lt;FSC-STD-20-011 V4-2 Chain of Custody Evaluations&gt;</u>, provides requirements for certification bodies to evaluate FSC core labour requirements.</p> <p><u>&lt;PSU-PRO10-003 V1-1 Procedure for equivalence assessment of verification schemes against the FSC core labour requirements&gt;</u> provides a clear and transparent methodology for identifying, benchmarking, assessing, and approving verification scheme that can demonstrate conformity with the FSC core labour requirements in <u>&lt;FSC-STD-40-004 V3-1 Chain of Custody Certification&gt;</u>.</p> <p>The objective of this Advice Note is to provide instructions for using FSC approved verification schemes in evaluations of the FSC core labour requirements. This also aims to ease the verification of FSC core labour requirements by leveraging other verification schemes.</p>
Terms and definitions	<p><b>FSC approved verification schemes:</b> Third party verification schemes recognized as partially or fully equivalent to the requirements entailed under FSC core labour requirements in <u>&lt;FSC-STD-40-004 V3-1 Chain of Custody Certification&gt;</u> and <u>&lt;FSC-STD-20-011 V4-2 Chain of Custody Evaluations&gt;</u>, based on <u>&lt;PSU-PRO-10-003 V1-1 Procedure for equivalence assessment of verification schemes against the FSC core labour requirements&gt;</u>.</p> <p><b>Verification schemes:</b> Voluntary sustainability standards (VSS), national and regional regulatory mechanisms, corporate practices, internal procurement policies and sustainability initiatives.</p>
Advice	<p><u>Section 1: Certificate holder requirements</u></p> <p>1.1 The organization may use an FSC approved verification scheme to demonstrate conformity with the FSC core labour requirements.</p> <p>NOTE: FSC approved verification schemes are listed in the final section of this Advice Note.</p> <p>1.2 The organization using an FSC approved verification scheme according to this Advice Note may be exempted from implementing Clause 1.6 of <u>&lt;FSC-STD-40-004 V3-1 Chain of Custody Certification&gt;</u>.</p> <p>1.3 The organization shall make available all records related to the FSC approved verification scheme such as audit reports, certificates, corrective action requests, non-conformities, etc., to the certification body.</p> <p>1.4 The organization shall inform the certification body of any update or change in the status of its attestation of conformity by the FSC approved verification scheme.</p>



	<p><u>Section 2: Certification body requirements</u></p> <p>2.1 The certification body may waive the requirements in Clause 11.3 of <u>&lt;FSC-STD-20-011 V4-2 Chain of Custody Evaluations&gt;</u>, if the following requirements are met:</p> <p>a) the FSC approved verification scheme is valid at the time of the FSC evaluation; and</p> <p>b) the authenticity of the attestation of conformity by the FSC approved verification scheme has been verified against a publicly available database published by the verification scheme's owner or its assurance provider.</p> <p>2.2 The certification body shall document the findings and conclusions from applying this Advice Note in the evaluation report under 'evaluation findings' as per Section 12 'Reporting requirements' of <u>&lt;FSC-STD-20-011 V4-2 Chain of Custody Evaluations&gt;</u>.</p> <p>2.3 The certification body shall record any changes in the status of attestation of conformity as per Clause 1.4 of <u>&lt;FSC-STD-20-011 V4-2 Chain of Custody Evaluations&gt;</u> and take appropriate actions in accordance with <u>&lt;FSC-STD-20-011 V4-2 Chain of Custody Evaluations&gt;</u>.</p>
FSC approved verification schemes	<p><b>Certification Schemes:</b></p> <p>1. SA8000:2014</p>



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