



Forest Stewardship Council®



FSC Directive on Chain of Custody Certification

FSC-DIR-40-004 EN

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The Forest Stewardship Council® (FSC) is an independent, not for profit, non-government organization established to support environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

FSC's vision is that the world's forests meet the social, ecological, and economic rights and needs of the present generation without compromising those of future generations.

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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.

A Scope

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

B Effective date

The effective date is specified for each advice separately.

C 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.

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

D FSC normative documents replaced by this Directive

FSC-ADV-40-004 V2-0 Expiry of transitory requirements specified by FSC-ADV-40-004.

FSC-ADV-40-017 V1-1 FSC Certified CoC Contractors

FSC-GUI-20-200 FSC Guidelines for Certification Bodies (Part 3)

E Terms and definitions

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.

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	<p>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:</p> <ul style="list-style-type: none"> • under which conditions contract work for an FSC certified product can be provided for non-FSC certified CoC contracting organizations; • what the benefits and implications are for FSC certified CoC contracting organizations that use FSC certified CoC contractors.

	<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>1 Providing contract work for non-FSC certified CoC organizations – conditions for FSC certified CoC contractors</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> <p>Eligibility</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>	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																		
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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>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"> a) a finished product; b) FSC labelled; and c) branded with the name, label or other identifying information of the contracting organization. <p>Labelling</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>2 Using FSC certified CoC contractors – conditions for FSC certified CoC contracting organizations</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>Outsourcing agreement</p> <p>2.1 The outsourcing agreement shall specify the following:</p> <ul style="list-style-type: none"> 2.1.1 that the contractor provides the service under his FSC Chain of Custody system, 2.1.2 that the contractor makes available relevant records and documentation to the contracting organization's certification body upon request, and 2.1.3 that the contracting organization's license code shall be used, if the product shall be FSC labelled. <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> <ul style="list-style-type: none"> – clauses 12.1.1 c), second sentence, and 12.1.1 d); – clause 12.2.1; – clauses 12.5.1, 12.6.1, and 12.7.1 <p>NOTE: FSC certified CoC contractors may use their own subcontractors in accordance with FSC-STD-40-004, section 12.</p> <p>Supplier validation</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>
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	<p>Labelling</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>Auditing</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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ADVICE-40-004-02	After the certificate issuance, when the company products will be eligible to carry the FSC logo?
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> <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.</p> <p>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.</p> <p>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.</p>

	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.
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ADVICE-40-004-03	Reduced labelling threshold of 50% for chip and fibre based products
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>Registered product: 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>Output stock: 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"> • An extension of the deadline of this Advice until FSC-STD-40-004 V3-0 becomes effective, and • A phase out rule for output stocks after the effective date of FSC-STD-40-004 V3-0. <p>The second amendment occurred in 08 September 2017 to incorporate the effective date of FSC-STD-40-004 V3-0.</p>
Advice	<p>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%.</p> <ol style="list-style-type: none"> 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.
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ADVICE-40-004-04	Use of uncontrolled co-products
Status	Withdrawn

ADVICE-40-004-05	Identification of FSC claims on sales and delivery documents
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	<p>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 supplementary method proposed by the company complies with the following criteria:</p> <ul style="list-style-type: none"> a) There is no risk that the customer will misinterpret which products are or are not FSC certified in the document; 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; 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.

ADVICE-40-004-06	Which components of a product need to be certified?
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	<p>Inserts: 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.</p>
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 is 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 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).</p> <p>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:</p>

	Examples of products	Which components of a product need to be certified?	
	Matches & Matchbox	Matches	Yes
		Box	Optional
		Rationale: 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.	
	Games	Paper and wood components	Yes
		Instructions manual	Optional
		Packaging	Optional
		Rationale: 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.	
	Books	Cover	Yes
		Internal paper	Yes
		Dust jacket and slip cases	Optional
		Wraparound band	Optional
		Rationale: 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.	
	Notebooks	Cover	Yes
		Adhesive paper sheets	Yes
		Internal paper	Yes
		Rationale: 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.	
	Magazines	Cover	Yes
		Internal Paper	Yes
		Inserts	Optional
		Detachable promotional stickers	Optional
		Rationale: 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.	
	Toilet Paper	Toilet paper	Yes
		Cardboard roll	Optional
		Rationale: 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).	
	Boxes of Tissues	Tissues	Yes
		Box	Optional
		Rationale: 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.	
	Furniture	Furniture	Yes
		Packaging	Optional
		Price tag or promotional label	Optional
		Rationale: 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.	
	Adhesive Labels in Sheets	Stickers	Yes
		Release paper	Optional
		Rationale: 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.	
	Pre-fabricated houses (or entire houses sold as an unit)	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
		Rationale: 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.	
	Wood flooring with paper or veneer inlays	Wood	Yes
		Paper or veneer inlays	Yes
		Rationale: 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.	

ADVICE-40-004-07	Sale of FSC certified products through non-FSC certified auction entities
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"> <input checked="" type="checkbox"/> produce and sell FSC-certified materials or products; or <input checked="" type="checkbox"/> produce and promote FSC-certified products; or <input checked="" type="checkbox"/> trade materials or products with FSC claims. <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"> a) to make a deal without taking physical possession (often called an 'agent'); or b) to transport the materials or products.
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>

ADVICE-40-004-08	Non-conforming product
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"> i. No more than 15 employees (full time equivalent), or ii. No more than 25 employees (full time equivalent) and a maximum total annual turnover of US\$ 1,000,000.
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"> 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. <p>NOTE: Small COC enterprises are not required to have the procedure in writing.</p> <ol style="list-style-type: none"> 2. In case non-conforming products are detected after they have been delivered, the organization shall: <ol style="list-style-type: none"> a) immediately cease to sell any non-conforming products held in stock; 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; c) analyse causes for occurrence of non-conforming products and implement measures to prevent its re-occurrence. d) notify their certification body; 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.

ADVICE-40-004-09	Minor components
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	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

	<p>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"> 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. 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. 3. After 31 December 2013 and applying worldwide, the production of FSC products containing uncertified and uncontrolled minor components is no longer allowed. 4. After 31 December 2014 and applying worldwide, the sale of FSC products containing uncertified and uncontrolled minor components is no longer allowed.

ADVICE-40-004-10	Access to information required by timber legality legislations
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	<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 the EU Timber Regulation (EUTR) and other timber legality legislations such 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"> • Bans, quotas and other restrictions on the export of timber products (e.g. bans on the export of unprocessed logs or rough-sawn lumber) • Requirements for export licences for timber and timber products • Official authorisation that entities exporting timber and timber products may require

	<ul style="list-style-type: none"> • Taxes and duties applying to timber product exports
Advice	<ol style="list-style-type: none"> 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"> a) Common name and/or scientific name of timber species as required by the applicable legislation; <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"> b) Origin of timber (countries of harvest and where applicable, sub-national regions and concessions of harvest); <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"> c) Proof of compliance with relevant trade and customs laws. 2. FSC certified suppliers shall provide timely responses to the information requests specified in Clause 1 above. 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. 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.

ADVICE-40-004-11	Trade and customs laws
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	<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 the EU Timber Regulation (EUTR) and other timber legality legislations such 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"> • Bans, quotas and other restrictions on the export of timber products (e.g. bans on the export of unprocessed logs or rough-sawn lumber) • Requirements for export licences for timber and timber products • Official authorisation that entities exporting timber and timber products may require • Taxes and duties applying to timber product exports.
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.

ADVICE-40-004-12	Pre-consumer reclaimed wood compliance with the EUTR
Normative reference	FSC-STD-40-004 V2-1 Clause 3.3.1
Effective date	01 October 2014.
Terms & definitions	<p>Pre-consumer reclaimed material: 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>Europe: 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"> 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. 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"> a) Inform their customers about the presence of pre-consumer reclaimed wood material in the product before its delivery and commit to support their customers in applying their due diligence system, as required by the EUTR, or; 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. 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.

ADVICE-40-004-13	Classification of pre-consumer reclaimed paper as equivalent to FSC certified and post-consumer reclaimed materials
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.

ADVICE-40-004-14	Supply chain integrity
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	<p>FSC Transaction: Purchase or sale of products with FSC claims on sales documents.</p> <p>Fibre Testing: a suite of wood identification technologies used to identify the family, genus, species and origin of solid wood and fibre based products.</p>
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"> 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. <p>NOTE: Pricing information is not within the scope of transaction verification data disclosure.</p> <ol style="list-style-type: none"> 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.

ADVICE-40-004-15	Neutral materials that cannot be distinguished from FSC certified ingredients
Normative reference	FSC-STD-40-004 V3-0 Clause 11.2
Effective date	08 September 2017. <u>Amended in 30 January 2018.</u>
Background	<p>The FSC Board has approved in its 74th 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"> - Paper made of a combination of forest (virgin or reclaimed) and agricultural fibres (cotton, sugar cane); - Tires made of a combination of natural and synthetic rubber; - Briquettes made of a combination of forest and agricultural residues; - Textiles made of a combination of wood and other organic fibres (cotton). <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><u>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.</u></p>
Advice	<p>1. 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, and the FSC certified ingredient (e.g. wood) of the product shall be clearly specified in the FSC label or through an additional disclaimer, as for example:</p> <p>2. This product contains FSC certified [ingredient]; or</p> <p>The [ingredient] of this product is FSC certified.</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>

ADVICE-40-004-16	Disassociated organizations operating as outsourcing contractors
Normative reference	FSC-STD-40-004 V3-0 Clause 12.4 e)
Effective date	08 September 2017.

Background	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.
Advice	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. NOTE: Once this decision has been taken, this advice will be updated accordingly.

<u>ADVICE-40-004-17</u>	<u>Claiming 100% reclaimed products as FSC Mix</u>
<u>Normative reference</u>	<u>FSC-STD-40-004 V3-0 Clause 5.9</u>
<u>Effective date</u>	<u>30 January 2018.</u>
<u>Background</u>	<u>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.</u>
<u>Advice</u>	<u>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.</u> <u>NOTE: Once this decision has been taken in late March 2018, this advice will be updated accordingly.</u>