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If you should require any further information, then please do not hesitate to contact us. We will be pleased to help you.

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The certification process according to the FSC®-CoC (Forest Stewardship Council®-Chain of Custody) usually consists of an initial certification and four surveillance audits. The audits and certification are conducted by TÜV NORD CERT GmbH ("Certification Body").

1. HOW DOES A COMPANY OBTAIN A COC CERTIFICATION?

- The applicant or existing certificate holder (hereinafter referred to as the customer) must be able to demonstrate that FSC wood is not mixed with non-certified wood, or that strict controls are in place on inputs of non-certified wood. The customer generally requires clear product identification for this purpose.
- The customer shall be able to provide evidence of the quantity of FSC wood purchased, the quantities per supplier and, if the goods are separated in the "transfer system", appropriate separation in the storage area.
- In addition, the customer shall be able to document the quantities of FSC-certified wood that have left the company. Many companies already operate an inventory control system. In most cases, only minor adaptations for FSC products are required.
- With regard to wood processing, the customer shall provide evidence of which FSC-certified wood was processed, in what quantities, at what time and into which products.
- If the customer chooses the percentage or volume credit system, he or she shall set up a control system for non-certified wood inputs and ensure that acquired FSC credits do not exceed or fall below percentage values.
- If the EUDR module is selected: The customer shall be able to explicitly demonstrate that the FSC wood comes from deforestation-free sources and is not associated with forest damage. This includes various verification requirements, such as the felling location, harvest time, quantity, wood species, and much more. Legal compliance shall also be demonstrated for companies based in the EU (e.g., proof of the submission(s) of due diligence reports to the EU information system or cooperation with the competent national authority).

2. SCOPE OF INSPECTION AND CERTIFICATION

Certification in the simple variant of a transfer system refers to wood or wood products from certified forest management, in particular to the following stages in the supply chain

- Purchasing of certified wood, certified forest and wood products.
- Processing of certified wood, certified forest and wood products.
- Storage of certified wood, certified forest and wood products.
- Sale of certified wood, certified forest and wood products.

In addition, depending on the customer's requirements, the procurement of non-certified wood under a control program and/or the procurement of secondary raw materials such as waste paper or recycled wood must be documented and verified. This is required when choosing a percentage or volume credit system.

If the EUDR module is selected: The product and/or supply chain also includes information from the supplier regarding the so-called FSC claims, which confirm certification according to the FSC EUDR module.

3. CERTIFICATION PROCEDURE

3.1. Audit preparation

After the contract has been concluded, the auditor will coordinate the next steps with the customer. A prerequisite for certification is that the customer also has a valid contractual relationship with the system provider (FSC).

3.2. Certification audit

The customer's task during the audit is to demonstrate the practical application of their documented procedures. Auditors may only enter the customer's premises accompanied by a supervisor and, if necessary, shall attend a safety briefing on the customer's site beforehand. The audit focuses on:

- Validation of the valid certified suppliers and comparison of all relevant records for the certified product (e.g. purchasing/freight documents, loading/delivery notes and invoices with the current load).
- Validation of input and output of certified goods. This should be traceable based on the utilization rate and/or an inventory of purchased quantities, stock and sales quantities.
- Validation of physical separation or labelling of certified and non-certified products, if necessary.
- Checking the directly available parameters (e.g. marking of logs, sawn timber, stocks).
- Visual inspection of facilities and work processes to determine whether a clear identification of certified goods is possible.
- Review of internal administrative processes (e.g. written procedural instructions, employee training, conducting internal audits).
- Additionally, if you choose the EUDR module: Review of the FSC reporting platform (FSC Trace) regarding the conformity of delivered goods. Verification of compliance with reporting obligations to the EU and national authorities.

The customer therefore maintains, as is customary, relevant records of the product chain, i.e. records of the material flow, including all records of dispatch, receipts and calculations of the certified material.

The client is informed of the audit results during the closing meeting. The results are documented in the report. Non-conformities are documented in non-conformity reports, which are signed on-site by the client. The auditors decide whether to classify non-conformities as critical or non-critical. A critical non-conformity leads to either a follow-up audit, i.e., a further on-site inspection, or the submission of new documents. The decision is made by the certification body. If more than four critical non-conformities (major nonconformities) are identified, the audit is terminated by the FSC CoC Lead Auditor.

The FSC Lead Auditor decides on the scope of the follow-up audit; however, only the points affected by the non-conformity will be audited. The follow-up audit will be conducted on a time-based basis

according to the quotation. In the case of a non-critical non-conformity, the determined corrective actions will be reviewed during the following regular surveillance audit.

Additionally, when choosing the EUDR module: If one or more module-related major non-conformities occur, the EUDR module will be suspended. The FSC Chain of Custody certificate remains unaffected.

3.3. Certificate issuance

The auditor prepares a report on the results of the respective audit, including recommendations for certification. The certification body reviews the report for form and content and, if the results are consistent, confirms the auditor's recommendations for certification. The certificate is only issued if all critical non-conformities have been resolved.

If the audit is positive, the certification body issues a certificate for the audited part of the product chain and provides information on the conditions of use of the certification. The FSC certificate is valid for five years, with annual surveillance audits required within the company.

4. SURVEILLANCE AUDIT

Surveillance audits always take place within 15 months of the previous audit and once per calendar year. During the surveillance audit, all elements and corrective actions from the previous audit are audited.

The surveillance audit is conducted by an auditor. The date is agreed upon with the client. Non-conformities are handled in accordance with the procedure for certification audit. In case of serious non-conformities, the certificate may be suspended.

5. RECERTIFICATION AUDIT

Before the expiration of the validity period, a recertification audit must be conducted within the company to extend the certificate for another five years. The audit procedure is the same as for the certification audit. The recertification audit must take place within 15 months of the previous audit. Furthermore, the recertification audit must take place before the certificate expires.

6. EXTENSION AUDIT

If the scope of an existing certificate needs to be expanded, this can be done through an extension audit. The extension audit can be conducted as part of a surveillance audit, recertification audit, or at a specially scheduled date. This does not change the validity period of the certificate.

7. SHORT-NOTICE OR UNANNOUNCED AUDITS

The certification body reserves the right to conduct an unannounced surveillance audit or a surveillance audit scheduled at short notice in individual cases.

8. TRANSFER OF CERTIFICATIONS FROM OTHER CERTIFICATION BODIES

Transfers shall generally be carried out in accordance with the latest version of FSC-PRO-20-003.

9. CERTIFICATION OF COMPANIES WITH MULTIPLE LOCATIONS (MULTI-SITE OR GROUP CERTIFICATION)

Such certifications are awarded to companies or organizations with multiple production sites, or to companies with branches that are considered merely remote locations. With multi-site or group certification, the sites to be audited are determined based on a specific sampling process.

The multisite or group certification is awarded for two types of corporate structures:

- Small independent enterprises: groups of small enterprises supported by an organisation, for example a professional association or a cooperative (group), e.g. small sawmills, log traders, craftsmen, print shops etc.
- Companies with several branches or numerous small sub-units for which a common certification is required (Multi-site).

The basis for multi-site or group certification is compliance with all requirements of the CoC standard by the wood or wood product management systems of each member of the multi-site or group. Some of the provisions regarding administration and communication with the certification body can be consolidated within the head office/central organization, thereby reducing the duration of monitoring and evaluation.

Requirements for Group certification:

- The group must have a common control system that all sites in the group use.
- A central office is responsible for the joint FSC control system. It may make changes to the control system and monitor its implementation by the group members. The central office may be an external consulting firm.
- All group members are located in the same country as the headquarters.

Requirements for Multi-site Certification:

- Either the organization must demonstrate that all multisite members (locations) as well as the central office itself are under a uniform ownership structure
- Or the multisite has a common control system that all locations within the multisite operate, and all locations are contractually linked to the headquarters. Furthermore, the common control system must include central purchasing or sales functions; or specify common procedures for production or service provision (e.g., similar product specifications, similar methods, integrated inventory management); or all locations operate under a common brand (e.g., as a franchise).
- At one of the locations, certain activities that are carried out entirely or partially at other locations must be planned, regulated, and managed. This location is called head office.

The head office is authorized to implement corrective actions at each site. The FSC responsible person has authority over all sites. This is documented in writing.

10. FSC WEBSITE

The certification body issues the certificate and uploads it to the FSC database. The certificate is only valid once it is listed and accessible online in the FSC database at <http://info.fsc.org/>.

11. FSC CONDITIONS AND USE OF THE LOGO

During the audit, the FSC receives access to confidential information that the client provides to the certification body. In practice, the FSC reviews such client information solely for accreditation purposes.

Once your company is FSC certified, it may apply the FSC logo to its certified products. A logo license agreement with FSC International, which sets out the terms and conditions for logo use, shall be signed for this purpose.

Contents of the agreement:

- The logo is limited to FSC-certified products.
- Any packaging with an FSC logo can be inspected by FSC.
- The guidelines for logo usage must have been accepted.

Any use of the logo must be approved in advance by the certification body. Please use our parent mailbox to request approval TNCERT-FSC@tuev-nord.de

12. FSC ACCREDITATION FEE

The AAF fee is calculated and invoiced to the certification body by FSC International as per the information on the aggregated Forest Products turnover provided by certification body in the FSC Certification Database. The steps for the calculation are set up in FSC-POL-20-005, Annex 2. The certificate holder shall inform the certification body about the Forest products turnover before the certification audit and a minimum in each calendar year, latest during the audit. The Forest products turnover is presented in the form A21F047. The plausibility check of data is performed by the auditors. The certification body is obliged to inform FSC without undue delay if any of the mandatory data is not submitted in time by a certificate holder.

The certification body shall identify the fee on their invoices to certificate holders as calculated for that certificate holder according to FSC-POL-20-005, Annex 2. Upon receipt of the invoice a certificate holder should check it and in case of incorrect fee calculations send a request to a certification body for correction of the invoice. If the wrong data entry into the FSC certification database is detected the certification body shall report wrong data input to FSC and update the FSC database. If the Forest Products Turnover and/or Revenue entered in the FSC Database for a fiscal year turns out to be misstated, in addition to updating the FSC database, the certification body shall inform FSC via email and attach supporting documents without undue delay. The certification body shall collect and remit 100% of the accreditation fee to FSC International. See also www.fsc.org.

13. MANAGEMENT OF NONCONFORMITIES

For each nonconformity, the client must carry out and implement actions. Depending on the severity of the nonconformity, the client is obligated to inform the audit team within the specified deadlines after the last day of the audit about the implementation of the actions that will allow the audit team to close the nonconformity. Failure to meet this deadline will result in the audit failing. A certificate cannot be issued or the certificate will be withdrawn.

14. CHANGES TO CERTIFICATION REQUIREMENTS

The certification body will inform the customer in an appropriate manner of any intended changes to the certification requirements. Furthermore, the customer should inform the certification body of any changes within the organization that may be related to certification, such as any intended modification of the product, the manufacturing process, or, if applicable, its quality management system, which may affect product conformity. The certification body must determine whether the announced changes require further investigation.

The certification body is entitled to implement changes to the certification process based on updated FSC requirements within the certificate's validity period. The company is obliged to implement and, if necessary, document any associated changes within the company, and to bear any additional associated costs (e.g., changes to the FSC license fee). The right to extraordinary termination remains unaffected.

Certificate holders must meet the requirements of the latest FSC standard. This also applies to certificate holders certified before the date of an applicable FSC standard. Implementation is considered fulfilled if the company applies the standard no later than the specified effective date.

15. ROLE OF FSC

The company accepts that all rights to the logo and FSC are owned by the Forest Stewardship Council and will not take any action to restrict these rights.

16. ADDITIONAL REGULATIONS OF FSC AND ASI REGARDING CONTRACTS WITH CUSTOMERS ACCORDING TO FSC-STD-20-001

Herewith the client agrees to:

- a) Conform with all applicable certification requirements;
- b) Conform with any conditions set by the certification body for granting or maintaining certification;
- c) Disclose current or previous application or certification with FSC and/or other forestry certification schemes in the last five years;
- d) Agree to the conduct of evaluations at the required intervals, including the certification body's right to carry out unannounced or short notice audits;
- e) Agree to witness audits of ASI;
- f) Agree, that specified information is published, as indicated in the applicable FSC normative documents;
- g) Consider the participation of observers as specified in FSC-PRO-01-017;
- h) Agree, that a complaint is first handled according to the certification body's dispute resolution procedure and if not resolved referred to ASI and ultimately to FSC, in case of disagreement with audit findings related to FSC normative documents;
- i) Making claims regarding certification consistent with the scope of certification and not making any claims of conformity (or near conformity) with FSC certification requirements until and unless certification is granted;

- j) Not use its certification in such a manner as to bring the certification body, FSC or ASI into disrepute and not make any statement regarding its certification that may be considered misleading or unauthorized;
- k) Keep a record of all complaints made known to it relating to conformity with certification requirements and make these records available to the certification body when requested, and:
 - a. Take appropriate action with respect to such complaints and any deficiencies found in products that affect conformity with FSC certification requirements;
 - b. Document the actions taken.
- l) Inform the certification body within ten (10) days of changes in the ownership, structure of the organization (e.g. changes in key managerial staff), certified management systems or circumstances which relate to the implementation of FSC certification requirements;
- m) Agree, that in case of reduction, suspension or withdrawal of the scope of certification body's FSC accreditation, the certification of the affected clients will be suspended within six (6) months after the date of reduction, suspension or withdrawal of the respective scope of FSC accreditation; regarding the rights of the certification body, ASI and FSC
- n) Agree, that the certification body has the right to delay or postpone its decision on certification, in order to take account of new or additional information which has not already been considered in its audit report and which, in the opinion of the certification body, could affect the outcome of its evaluation;
- o) Agree, that the certification body shall not be obliged to grant or maintain certification, if activities of the client conflict with the obligations of the certification body as specified in its accreditation contract with ASI, or which, in the sole opinion of the certification body, reflect badly on the good name of the certification body;
- p) Agree, that the certification body and FSC have the right to revise the requirements of certification within the period of validity of the certification, including the revision of costs and fees;
- q) Agree, that the certification body, FSC and ASI have the right to access confidential information, examine documentation deemed necessary, and access to the relevant equipment, location(s), area(s), personnel, and bodies providing outsourced services to clients;
- r) Agree, that the certification body has the right to use information which is brought to its attention, to follow up on misuses of the FSC trademarks and of the intellectual property rights held by FSC;
- s) Acknowledge the title of the FSC's intellectual property rights and that FSC retains full ownership of the intellectual property rights and that nothing shall be deemed to constitute a right for the client to use or cause to be used any of the intellectual property rights;
- t) Agree, that the certification body has the right to suspend and/ or withdraw its certification with immediate effect if, in the sole opinion of the certification body, the client is not in conformity with the conditions specified for the maintenance of certification; Regarding the actions relating to suspensions or withdrawal of certification.
- u) The certification body reserves the right to suspend or withdraw the certificate decision if new or additional information is made available to the certification body that may influence the certification decision (particularly if there is a risk to the integrity of the FSC system).
If the certificate has been suspended or withdrawn, the certificate holder must inform all its customers of the certification body's decision within three working days, cooperate with the certification body to ensure compliance, and retain evidence of this.

- v) The certificate holder must also return the certificate to the certification body and destroy all copies. Furthermore, in the event of suspension or withdrawal of the certificate, the certificate holder is obligated to remove the Forest Stewardship Council name, the initials FSC, and the FSC logo from products, documents, and marketing materials at their own expense.
- w) The most recent version of FSC rules and regulations are obligatory and are available online at www.fsc.org.