



**Group Chain of Custody (CoC) FSC Certification Manual**  
(University of Kentucky, Department of Forest is the managing entity and certificate holder)

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# 1. Introduction

The Center for Forest and Wood Certification (Center or CFWC) is a collaborative effort to facilitate wood and forest certification in the central hardwood and southern Appalachian regions. The Center functions as both a certification incubator assisting forest industry and forestry consultants build their certification prowess as well as providing certification options for forest and small woodlands certification, small forest industries, and loggers. In essence the Center is an umbrella for developing and coordinating certification efforts.

The Center coordinates, develops, and administers certification projects. Management of the Center is the responsibility of the Director of Operations overseen by the managing partners including university, forest industry, forestry consultants, and non-profit organizations. The Center is housed and the day-to-day operations are directed by and conducted at the University of Kentucky Department of Forestry's Cooperative Extension Service. The University of Kentucky holds the group certificates managed by the Center. The Center has sustaining partners that provides fiscal or other tangible resources to the Center and its projects. The Center also has a list of supporting partners including organization and individuals that openly support the Center and its goals, objectives, and projects. The supporting partners along with sustaining partners provide input to the Center's managing partners.

Participating members of the Center include:

- Participating forest industries - small industries that are members of the Center's group chain-of-custody (CoC) certificate and large forest industries that obtain technical assistance and potential management of their individual CoC certificates and development of a sustainable supply of certified wood.
- Participating forest and woodland owners - all sizes of family owned woodlands or industry owned forests that have or having achieved membership in forest management certificates
- Cooperating Foresters – consultants can be trained and directly involved in managing or assisting in the management of woodlands and forests of participating forest and woodland owners
- Participating Loggers – private loggers and logging firms that have achieved membership in the Center's point-of-harvest certification program

The Center's coordinated and strategically designed projects provide direct assistance to forest industries, foresters, loggers, and woodland owners as well as explore avenues to enhance certification efforts. The holding of approved certification system group certificates is critical components of the University of Kentucky's and the other managing partners' commitment to long-term sustainable and well managed forestry.

The Center's stated mission statement is, "The mission of the Center for Forest and Wood Certification is to build forest and wood certification capacity by providing information,

technical assistance, and mechanisms for landowners, loggers, and forest products industries to participate in certification in a sustainable and affordable manner.”

## 2. Definition of Terms

These definitions apply to the terms below only in reference to this document

**American Tree Farm System®** -- a national program that promotes the sustainable management of forests through education and outreach to private forest landowners.

**Auditor** -- a person with the competence to conduct an audit (ISO 19011:2002, 3.8).

**Best management practices (BMPs)** -- a practice or combination of practices for protection of water quality that is determined by a federal, provincial, state, or local government or other responsible entity, after problem assessment, examination of alternative practices, and appropriate public participation, to be the most effective and practicable (including technological, economic, and institutional considerations) means of conducting a forest management operation while addressing any environmental considerations.

**Certified content** -- raw material that can count towards the calculation of certified content percentages in chain-of-custody tracking. Below are the acceptable certified content sources.

**Certified forest content** -- raw material from lands thirdparty certified to acceptable forest management standards.

**Claim period** -- a period of time which has been specified by the organization for each product group for the purpose of making a specific FSC claim.

**Chain of custody** -- the path taken by raw materials, processed, finished products and co-products from the forest to the consumer or (in the case of reclaimed/recycled materials or products containing them) from the reclamation site to the consumer, including each state of processing, transformation, manufacturing, storage and transport where progress to the next stage of the supply chain involves a change of ownership (independent custodianship) of the materials or the products.

**Chain of custody operation** -- individual, company or other legal entity operating one or more facilities or sites within any ‘stage’ of the forest product supply chain and issuing invoices for materials or products with an FSC claim that can be used by customers to treat such products as certified or make promotional claims.

**Control system** — a written description of how FSC wood is segregated, tracked and tagged.

**Conversion factor** -- the ratio between material quantity entering and leaving a given transformation process employed by the organization. The conversion factor is calculated by

dividing the output (volume or weight) by the input (volume or weight) and is applied to each individual component of a product group.

**Conversion sources** -- roundwood and/or chips produced from conversion of forestland to other land uses. Manufacturers can use this wood to avoid wasting it but cannot include it when calculating *certified forest content* component.

**Credit account** -- a record kept by a certified organization operating a credit system which lists entries and withdrawals of volume credits for the purpose of selling products with FSC claims.

**Credit claim** -- part of an FSC claim for FSC Mix or FSC Recycled products which specifies that the full quantity can be used as FSC input or post-consumer input for subsequent calculations of input percentages or FSC credit. Applicable claims are “FSC Mix Credit” or “FSC Recycled Credit.”

**Credit system** -- a Chain of Custody system applied at the product group level which allows a proportion of outputs to be sold with a credit claim corresponding to the quantity of FSC and post-consumer inputs. Considering the applicable conversion factor(s), FSC and post-consumer inputs can be accumulated as FSC credit on a credit account.

**Direct supplier** -- an individual or organization with whom a program participant has a direct contractual relationship for fiber sourcing.

**Economic viability** -- the economic incentive necessary to keep forest ownerships profitable and competitive and to keep people gainfully employed.

**Fiber sourcing** -- acquisition of roundwood (e.g. sawlogs or pulpwood) and field-manufactured or primary-mill residual chips, pulp and veneer to support a forest products facility.

**Fiber sourced from areas without effective social laws** -- the United States and Canada have a strong legal framework. Fiber from countries without effective laws addressing the following will need a risk assessment:

- workers’ health and safety;
- fair labor practices;
- indigenous peoples’ rights;
- anti-discrimination and anti-harassment measures;
- prevailing wages; and
- workers’ right to organize.

**Forestry** -- the profession embracing the science, art and practice of creating, managing, using and conserving forests and associated resources for human benefit and in a sustainable manner to meet desired goals, needs and values.

**Forest Stewardship Council (FSC)** — an international, non-profit organization that sets standards for forest management and chain-of-custody certification, accredits certifiers and governs the use of the FSC logo.

**FSC accredited certification bodies (CB)** — a third party which assesses and registers the quality system standards and any supplementary documentation required under the FSC standards. A list of the FSC accredited certifying bodies is available on the FSC website: <http://www.fsc.org>.

**FSC certified material** -- FSC 100%, FSC Mix or FSC Recycled material that is supplied with an FSC claim by an organization which has been assessed by an FSC-accredited certification body for conformity with FSC Forest Management and/or Chain of Custody requirements.

**FSC certified product** -- FSC certified material that is eligible to carry an FSC label and to be promoted with the FSC trademarks.

**FSC Controlled Wood** -- virgin material originating in non FSC-certified forests or plantations supplied with an FSC claim by a supplier which has been assessed by an FSC-accredited certification body for conformity with FSC Chain of Custody and/or FSC Controlled Wood requirements.

**FSC credit** -- amount of product (volume or weight) that can be sold from a product group with a credit claim. Applicable only when using the credit system.

**FSC input** -- input of FSC-certified virgin material that counts towards the input percentage or towards the FSC credit for a product group as follows:

- a) Material with an FSC 100% claim counts as the full quantity stated on the supplier's invoice;
- b) Material with an FSC Mix percentage claim counts as the percentage of its quantity that is stated on the supplier invoice;
- c) Material with an FSC Mix credit claim counts as the full quantity stated on the supplier's invoice;

**FSC 100%** -- FSC-certified virgin material originating in FSC-certified forests or plantations that has not been mix with material of another material category throughout the supply chain. FSC 100% products are eligible to be used in FSC Mix product groups.

**FSC Mix** -- FSC-certified virgin material based on input from FSC-certified, controlled and/or reclaimed sources, and supplied with a percentage claim or credit claim. FSC Mix materials is only eligible to be used in FSC-Mix product groups.

**FSC Recycled** -- FSC-certified reclaimed material based on exclusive input from reclaimed sources, and supplied with a percentage claim or credit claim. FSC Recycled material or products are eligible to be used in FSC-Mix or FSC Recycled product groups.

**Group CoC certification** — the FSC certification for Chain of Custody using the FSC system, of a group of small enterprises under one certificate.

**Group entity** — the entity that applies for group certification and holds any group certificate that is issued. The group entity may be an individual person, a cooperative body, an association, or other similar legal entity.

**Group Administrator** — contact for managing and coordinating UK Forestry.

**Group members** — small enterprises in the wood processing chain that have formed a group for the purpose of obtaining FSC certification.

**Illegal logging** -- the theft of timber or logs and cutting in parks, reserves or other similar areas where otherwise precluded by laws such as the United States Lacey Act, as amended in 2008<sup>1</sup>. The Act combats trafficking in “illegal” wildlife, fish, and plants. As of May 22, 2008, the Lacey Act makes it unlawful to import, export, transport, sell, receive, acquire, or purchase in interstate or foreign commerce any plant, with some limited exceptions, taken, possessed, transported or sold in violation of the laws of the United States, a State, an Indian tribe, or any foreign law that protects plants.

**Initial inspection** — inspection or assessment by a certification body or group certificate holder to determine whether a group member conforms with FSC recognized standards for Chain of Custody.

**Input** -- Raw materials, semi-finished or finished products that are procured or generated by an organization, and physically enter the production process or are traded under the scope of a specific FSC product group.

**Input percentage** – percentage of FSC and/or post-consumer input to a product group for a specific claim period. Applicable only when using the percentage system.

**Lead auditor** -- an auditor appointed to lead an audit team. Also referred to as an audit team leader (ISO 19011:2002, 3.9, note 1).

**Managing Entity** — the entity responsible for the group certification; in this case, University of Kentucky, Department of Forestry (UK Forestry).

**Material category** -- categories of virgin or reclaimed material that, if eligible input, can be used in FSC product groups:

- a) FSC 100% material
- b) FSC Mix material
- c) FSC Recycled material
- d) FSC Controlled Wood
- e) Controlled material
- f) Post-consumer reclaimed material
- g) Pre-consumer reclaimed material

**Monitoring** — checks to verify continuing conformity with the requirements of the group CoC certification.

**Old-growth forests** -- a forested ecosystem distinguished by old trees and related structural attributes, such as tree size, down woody debris, canopy levels, and species composition. Program Participants should utilize a definition specific to their region and particular forest types.

**On-product** -- term applied to any label, packaging or marking attached or applied to a product. Examples of on-product labels or marks include product tags, stencils, heat brands, information on retail packaging for small loose products (e.g. pencils), protective packaging and plastic wrap.

**Origin** -- the attributes of the raw material used in the product. This can be certified forest content, responsible fiber sources or post-consumer recycled content.

**Percentage claim** -- part of an FSC claim for FSC Mix or FSC Recycled products that specifies the percentage of their FSC or post-consumer input, respectively. Buyers of such products must use the percentage claim for subsequent calculations of input percentage or FSC credit.

**Percentage system** -- a Chain of Custody system applied at the product group level which allows all outputs to be sold with a percentage claim that corresponds to the proportion of FSC and post-consumer input over a certain period in time.

**Policy:** A written statement of commitment to meet an *objective* or to implement a defined *program* or plan to achieve an *objective* or outcome.

**Post-consumer reclaimed material** -- material that is reclaimed from a consumer or commercial product that has been used for its intended purpose by individuals, households or by commercial, industrial and institutional facilities in their role as end-users of the product.

**Primary producers:** Manufacturing units that manufacture forest products and source 50% or more (by weight) of their wood-based raw materials directly from *primary sources*. *Primary producers* can include companies that manufacture roundwood, wood chips, and/or composite products.

**Primary sources:** Roundwood (logs or pulpwood) and wood chips. Wood chips include:

- Field Manufactured Chips - chips produced from roundwood in the forest.
- Primary Chips – chips produced from roundwood other than in the forest or as residuals from production of other wood products.
- Mill Residual Chips – chips produced from slabs or other residuals from a primary operation.

**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 not capable of being re-used on-site in the same manufacturing process that generated it.

**Primary manufacturing** -- any processing that transforms roundwood into materials other than roundwood. For chip and fibre products, primary manufacturing includes the pulp mill as well as the paper mill stage.

**Procedure** -- a specified way to carry out an activity or process. Procedures can be documented or not.

**Product classification** -- the FSC product classification is based on the United Nations Statistics Division (UNSD) “Central Product Classification (CPC)” as well as on the related Standard International Trade Classification (SITC). It is made up of a hierarchical system of product classes and associated product types.

**Product group** -- a product or group of products specified by the organization, which share basic input and output characteristics and thus can be combined for the purpose of FSC Chain of Custody control, percentage calculations and labeling according to the FSC material categories: FSC 100%, FSC Mix, FSC Recycled or FSC Controlled Wood.

**Product type** -- a general description of outputs based on a categorization or classification system. Examples of product types according to the FSC product classification are: ‘logs of coniferous wood’, ‘wood charcoal’, ‘chemical wood pulp’, garden furniture’, or ‘particle board’.

**Reclaimed material** – material that demonstrably would have otherwise been disposed of as waste or used for energy recovery, but has instead been collected and reclaimed as input material, in lieu of virgin material, for re-use, recycling, re-milling in a manufacturing process or other commercial application. Inputs of the following material categories are classified as reclaimed material:

- a) FSC Recycled material;
- b) Post-consumer reclaimed material;
- c) Pre-consumer reclaimed material.

**Salvaged wood** -- wood that has been felled for reasons other than obtaining its lumber, or which was felled for its lumber and subsequently lost or abandoned. Examples include lake/river salvage (logs/timber that sink to the bottom of a river or lake while being transported). For the purposes of FSC Chain of custody Control and labeling salvaged wood is considered as virgin material and shall be controlled for use in FSC product groups.

**Scope** -- the scope of a Chain of Custody certificate defines the organization’s sites, product groups, and activities that are included in the evaluation by an FSC-accredited certification body, together with the certification standard(s) against which these have been audited.

**Secondary Producers** -- manufacturing units that produce forest products and source 50% or more (by weight) of their wood-based raw materials from secondary sources. Secondary producers can include manufacturers of finished forest products, such as plywood, furniture, windows, magazines, printers or catalogs, and manufacturers using market pulp.

**Secondary Sources** -- semi-finished solid wood, paper, market pulp, recycled wood fiber, or composite products obtained from a primary producer and/or a secondary producer.

**Site** -- a single functional unit of an organization or a combination of units situated at one locality, which is geographically distinct from other units of the same organization. One or more sub-sites may be regarded as part of a site if they are an extension of the main site with no purchasing, processing or sales functions of their own (e.g. a remote stockholding and dispatch site).

**Small enterprises** — organizations or companies that have no more 5 million in turnover annually.

**Solid wood products** --products that constitute a single, solid piece of wood, such as a log, beam or plank.

**Supplier** -- individual, company or other legal entity providing goods or services to an organization.

**Transfer system** -- a Chain of Custody system applied at the product group level, which allows outputs to be sold with an FSC claim that is identical to the material category and, if applicable, the associated percentage claim with the lowest FSC or post-consumer input per input volume.

**Transport documentation** -- covers all types of delivery, both international shipping documents and local delivery notes.

**Turnover** — a company's total annual revenue from goods and services.

**Verifiable monitoring system** -- a system capable of being audited by a third party that includes:

- a means to characterize the Program Participant's wood and fiber supply area, which may include sources certified to a standard that requires conformance with best management practices, including those sources from certified logging professionals;
- a process to identify and use sources of available data (e.g., state or provincial monitoring programs, certification status of suppliers) in the use of best management practices; and
- a method to assess supplier performance, if needed, to supplement available data.

**Virgin material** -- primary (i.e. non-reclaimed) material originating in forests or plantations.

Inputs of the following material categories are classified as virgin material:

- a) FSC 100%;
- b) FSC Mix;
- c) FSC Controlled Wood;
- d) Controlled material.

# **CFWC (Group Entity) Responsibilities**

## ***Group Chain of Custody Commitment Statement***

1/31/2011

Center for Forest and Wood Certification  
Jeff Stringer (Director)  
214 Thomas Poe Cooper Building (Office: 201)  
Lexington, KY 40546-0073  
Phone: (859) 257-5994  
Fax: (859) 323-1031  
Email: stringer@uky.edu

The Center for Forest and Wood Certification (CFWC) is committed to implement and maintain the chain of custody requirements of the FSC Chain of Custody standards. We are committed to ensure that the members of CFWC group who manufacture products which have been certified under our Forest Stewardship Council (FSC) group certificate Chain of Custody have been produced in accordance with recognized sustainable forestry practices. CFWC will only add and support members who share in our commitment to these programs.

It is the policy of CFWC for its members to avoid procuring wood that was illegally harvested, wood harvested in violation of traditional and civil rights, wood harvested in forests where high conservation values are threatened by management activities, wood harvested in forests being converted to plantations or non-forest use, and wood from forests in which genetically modified trees are planted. CFWC requires its members to make every effort to determine sources of wood used in all FSC Certified labeled products. If a member ever determines that it has procured lumber that originated from one of these sources for its FSC products, the member is required to immediately stop procuring lumber/timber from these sources and replace with material procured from acceptable sources. When origin of harvest cannot be determined the lumber from these sources the member is required to not use the lumber in its production of FSC products. All sources are required to be verified and monitored. The CFWC has developed a complaints mechanism to deal with complaints supported by evidence relative to supplies of controlled wood. Bobby Ammerman is the contact and person responsible for implementing this policy. Bobby can be reached by 606-666-2438 extension 256. It is also the commitment and policy of the CFWC that all of its members comply with social laws, such as those covering civil rights, equal employment opportunities, anti-discrimination and anti-harassment, measures, worker's compensation, indigenous peoples' rights, and worker' and communities' right to know, prevailing wages, and workers' right to organize.

Jeff Stringer  
Director of Operations  
Center for Forest and Wood Certification

The CFWC will make the Group Chain of Custody commitment statement available on its website and to all of its members.

### ***Scope of Group Chain of Custody***

The Center for Wood and Forest Certification (Center or CFWC) was developed to facilitate wood and forest certification in the central hardwood and southern Appalachian regions. The Center is focused on assisting forest industry, loggers, consultants, printers, and woodland owners with certification. The Center coordinates efforts to ensure effective and sustainable development of certified forests and industries. Products included in the CFWC group include logs, lumber, chips, various secondary wood products, and printers. The Center provides the following to forest industry.

- **Forest industries** over \$5 million in sales: technical assistance for mills and secondary industries with initial FSC Chain-of-Custody (CoC) certification. This includes assistance with development of the operations plan necessary for CoC, and assistance at undergoing the initial audit process.
- **Forest industries** less than \$5 million in sales: University of Kentucky as a managing partner of the Center will maintain a group certificate for FSC enabling small mills, secondary industries, and logging firms to cost effectively obtain certification.

### ***3.1 Group entity authority***

The Center for Forest and Wood Certification is the legal entity that acts as the group manager. The CFWC has the authority to assign a COC administrator and give him the authority and technical support to implement the responsibilities specified in the FSC-STD-40-003 V3 EN standard and manage the participating sites. The CFWC has entered into a contract with Rainforest Alliance (RA) to create and maintain a group CoC scheme compliant with RA guidelines for The Forest Stewardship Council (FSC) Chain of Custody Certifications. The CFWC has the following authority and responsibilities.

- Contractually responsible to the RA for ensuring that the requirements of all relevant FSC guidelines are fully implemented by all members of the group and when necessary provide appropriate training and to keep record of trainings.
- Responsible for ensuring that reasonable attempts are made to correct conditions on which certification is dependent and any corrective action request issued by the RA thereafter.

- Has the authority to remove members from the scope of the group certificate if the requirements of the membership or any corrective action requests issued by the RA or the CFWC are not complied with.
- The CFWC CoC administrator and/or the director of the CFWC has the right, for any reason, to terminate the group or revoke group membership.
- The CFWC will notify RA of any removals or additions to the group within 30 days. The CFWC takes no responsibility for any member's CoC certification in the event of suspension or loss of individual CoC certification or loss of the group certificate.
- Is responsible for collecting any dues to RA or the CFWC from the members of the group.
- Is responsible for the annual monitoring of each and every member. Monitoring procedures must be in line with FSC CoC Certification Requirements where appropriate.
- Is responsible for ensuring that a training program for Participating Sites is established, implemented, and maintained that enables them to meet the requirements of the relevant Chain of Custody certification standards.
- Update and maintain all necessary records and reports.

## ***3.2 Group entity procedures and documentation requirements***

### **3.2.1 Membership Application**

Any business/facility located in Kentucky, Tennessee, West Virginia, Ohio, Indiana, Illinois, Virginia, North Carolina, Michigan, South Carolina, Georgia, Mississippi, California, Pennsylvania, and Missouri can join the group. Other states will be considered for membership base on individual situations. Those members that have an annual turnover less than \$5,000,000 can participate in the FSC Group Certificate. See attachment A for a blank application form. A copy of the signed application form will be kept on record by the CFWC CoC administrator. Prior to receiving an application form, the CFWC will conduct an on-site scoping session and at that time will provide each potential group member with documentation, or access to documentation, specifying the relevant terms and condition of group membership. The documentation includes:

- A copy of the Chain of Custody certification standard to which the group is committed FSC-POL-04-002 (2004) EN, FSC-STD-40-004 V3 EN, FSC-STD-40-005 V3-1 EN, FSC-STD-40-007 V2-0
- Explanation of the certification process.
- Explanation of the Rainforest Alliance and the CFWC's rights to access the group members' documentations and installations for the purposes of evaluation and monitoring.
- Explanation of the Rainforest Alliance and the CFWC's requirements with respect to public information.
- Explanation of any obligations with respect to group membership, such as:

- Maintenance of information for monitoring purposes.
- Use of systems for tracking and tracing forest products.
- Requirements to conform with conditions or corrective actions issued by Rainforest Alliance.
- Any special requirements related to marketing or sales of products covered by the certificate.
- Use of FSC trademarks and product claims.
- Proper use of CoC certificate number and sub-code.
- Other obligations to group membership.

### **3.2.2 Training**

The CFWC will provide training for all new members to ensure they know what their responsibilities are to the group. These training sessions will occur during the initial scoping session and on an as needed basis. There may be sessions conducted that target the entire group. In these situations all members will be required to attend. A record of attendance will be kept by the CFWC in the CoC administrator's office.

### **3.2.3 Initial inspection**

Before membership is granted by the CoC administrator, an on-site inspection will be conducted. The inspection will verify that the potential group member complies with all certification requirements, including all documentation and written procedures. The auditor will be looking for the following documents:

- Application
- Written control procedures
- Small enterprise declaration
- FSC Material accounting record
- FSC Volume summary
- FSC suppliers list
- FSC Supplier verification form
- Annual volume summary form from previous years
- Statement of commitment
- At minimum a mock sales invoice
- At minimum a mock delivery tag
- At minimum a mock bill of lading
- Training registration sheet
- Mock production id tags

#### Sawmills

- Suppliers/landowners list
- Supplier information list

- Controlled wood suppliers list

The CFWC will either provide these documents to the member during the scoping session or will help the member develop these documents on their own.

### **3.2.4 Annual Monitoring**

The CFWC will conduct annual audits on each group member. After making a declaration in the form of an email or fax group members that have had no certified production during the audit year can be excluded from the audit per request. The audit will include review of all documentation (including the above documentations), facilities, and logo use. The results of the annual audits will be kept on file for a minimum 5 years in the CFWC CoC administrator's office and made available to the Rainforest Alliance. The CFWC may issue major and/or minor corrective action requests (CAR) as the result of the annual monitoring/auditing. The CFWC auditors will evaluate each identified nonconformity to determine whether it constitutes a minor or major nonconformity. Nonconformities shall lead to Corrective Action Requests (CARs) or removal of the Participating Site from the certificate. The CFWC auditors may also identify the early stages of a problem which does not of itself constitute nonconformity, but which may lead to a future nonconformity if not addressed by the participating site. Such observations will be recorded in the audit report as 'observations'.

A nonconformity will be considered minor if:

- a) It is a temporary lapse; or
- b) It is unusual/non-systematic; or
- c) The impacts of the nonconformity are limited in their temporal and organizational scale; and
- d) It does not result in a fundamental failure to achieve the objective of the relevant requirement.

A nonconformity shall be considered major if, either alone or in combination with further nonconformities, it results in, or is likely to result in a fundamental failure to achieve the objective of the relevant requirement under the scope of the evaluation. Such fundamental failure will be indicated by nonconformity(ies) which:

- a) Continue over a long period of time; or
- b) Are repeated or systematic<sup>2</sup>; or
- c) Affect a wide range of the production or a large proportion of workers; or
- d) Are not corrected or adequately addressed by the Participating Sites once it has been identified.

The CFWC will consider the impact of a nonconformity, taking account of how it affects the integrity of the relevant supply chains for FSC-certified products and the credibility of the FSC system, when evaluating whether a nonconformity results in or is likely to result in fundamental failure to achieve the objective of the relevant requirement.

CARs shall have the following maximum timelines:

- a) Minor nonconformities shall be corrected within the maximum period of one (1) year or by the next annual Central Office's audit (whichever happens first);
- b) Major nonconformities shall be corrected within three (3) months.

The CFWC will determine whether Corrective Action Requests have been appropriately implemented within their timelines. Minor CARs that are not closed within the established timelines will be upgraded to Major CARs. Participating Sites that do not conform to Major CARs within established timelines shall be immediately removed from the certificate scope until they are able to close the CAR. The CFWC will determine whether the number and impact of a series of minor nonconformities identified during evaluation is sufficient to demonstrate 'systematic' failure (i.e. failure of management systems). If this is the case, then the repeated instances of minor nonconformities shall constitute a major nonconformity.

Five or more major CAR's will immediately suspend membership/certification until action is taken to remediate the major CARs. If a member fails to complete requested actions after being issued a CAR in the given time frame, that member will have membership and certification terminated and possibly not reinstated depending on the situation.

The Central Office will document each Participating Site's audit in a report covering at minimum the following information:

- a) Participating Site details (sufficient to identify the site);
- b) Checklist covering the certification requirements applicable to the Participating Site, providing a systematic presentation of findings and demonstrating conformity or nonconformity to each requirement;
- c) Status of CARs issued by the certification body and/or by the Central Office, including CARs issued during the previous audit and current audit;
- d) Verification of FSC material balance for each Participating Site in accordance with the requirements of FSC-STD-40-004;
- e) Summary of audit conclusions, including the decision on whether or not the site is eligible to be included or remain in the scope of the certificate.

Participating Sites that have received Major CARs during the initial audit by the Central Office shall not be included in the scope of the Multi-site or Group COC Certificate until the Major CARs are closed.

### **3.2.5 Marketing and Logo Use**

Once membership has been granted, members can begin using the FSC where applicable. The member must request preapproval for any logo use, including, website, invoices, labeling, brochures, or any other uses from the CFWC – COC Administrator. Attachment D is a form for requesting logo use. Send the completed form to the CFWC's Group CoC administrator and he will get the final approval. Final approval has to be given prior to use

trademarks. The final approval will come from the Rainforest Alliance and has to come from the Office of Label Use and Licensing. Once approval has been made, the CoC administrator will provide the member with documented approval. Approval records must be kept for a minimum of five years.

The CFWC understands it cannot produce any documents similar to an FSC certificate for its participants. If individual membership documents are issued, these statements shall be included:

- a) “Managing the FSC® certification programme of [name of group]”
- b) “Group certification by [name of certification body]”

In addition, no other forest certification schemes’ marks or names shall appear on any membership documents (as per clause 1.2 in FSC-STD-50-001 V2-0) issued by the group in connection with FSC certification. Subcodes of members cannot be added to the license code.

### **3.2.6 Record Keeping**

An electronic database will be kept by the CFWC’s CoC administrator containing all of the pertinent information related to the group and the activities of the group members. The database will include:

- Name, address, and other contact information of each group member.
- Date of entry into the group
- Sub-code assigned the group member
- The scope of the member’s certificate
- Dates when audits or inspections occurred
- List of CARs and actions taken to correct CARs
- If a member is removed from the group, the date removed

Additional records that are kept on file and not in the database:

- Evidence of consent (Attachment B) of all group members
- Inspection reports, CARs and actions taken to correct any such non-compliance
- Documents regarding certified production and sales.
- The group members inflows and outflows and conversion
- Documentation showing the member meets the definition of “small enterprise” if included in the FSC CoC Group Certificate

All records will be kept for a minimum of 5 years. The database will be used to prepare reports summarizing the group activities.

### **3.2.7 New Members**

The following procedures are required for new membership into the group:

1. Contact the group administrator.
2. On-site scoping session conducted by the CFWC.
3. Fill out application form and send it the CoC administrator listed on the form. See attachment A.
4. Evidence of consent of all group members. See attachment B. In signing this consent document you are agreeing that you understand the certification body's and ASI's rights to access your facility for the purposes of external evaluation and control (including unannounced audits); and the certification body, ASI, and FSC's requirements with respect to collect and publish information related to your certification. Primarily, contact and product information for listing on FSC's website.
5. Develop a control system (written procedures) for how the facility will meet the requirements for FSC whichever is applicable, CoC Certification (individualized help may be given by the CFWC for the development of the control system/written procedures).
6. Train all relevant employees on control system and document training and install the required business installations for control system.
7. Pay the required group fees for membership.
8. Coordinate on-site inspection/audit by the CoC Administrator or appointed auditor.
9. Complete any Major Corrective Action Requirements (CARs).
10. Once membership has been approved (member will be notified – likely email)
11. Request permission for specific logo use.

The group CoC administrator will inform the Rainforest Alliance if and when a member leaves the group.

### **3.2.8 Certification Costs**

The CFWC is responsible for collecting all fees from group members and for paying all costs the group owes to the Rainforest Alliance for evaluation and monitoring throughout the period of validity of the certificate.

#### **3.2.11 The CFWC CoC Group Administrator**

Bobby Ammerman  
 University of Kentucky  
 Department of Forestry  
 130 Robinson Rd  
 Jackson, KY 41339

## **4. CFWC Group Member Responsibilities**

### **PART I: Universal Requirements**

#### **4.1 *Quality management***

##### **4.1.1 Responsibilities**

The group member must appoint a representative in the organization as their CoC administrator. This person must be identified in the application for membership. It is the responsibility of the CoC administrator to insure that all requirements of the FSC-STD-40-004 V3 EN, FSC-STD-40-007 V2-0, are applicable, are followed and understood by all relevant staff. All relevant staff must be able demonstrate awareness of the member's procedures and competence in implementing the organization's chain of custody management system. The CoC administrator must notify the CFWC's administrator of any changes in procedures or physical location within one month of the change.

##### **4.1.2 Procedures/Flow of Materials**

The member must create, implement, and maintain written procedures covering all requirements of whichever is applicable, FSC-POL-04-002 (2004) EN, FSC-STD-40-004 V 2-1 EN, FSC-STD-40-005 V3-1 EN. The CFWC will help with the development and implementation of the written procedures. The member must identify key personnel responsible for each procedure and provide proper training for identified personnel. The personnel that are usually identified are those that already manage or oversee critical points in the manufacturing process. Critical points also known as critical controls points (CCP) and are areas in the manufacturing process where certified materials can be easily mix with non-certified materials. Individuals must be identified in the written procedures that will be responsible for each CCP.

##### **4.1.3 Training**

The member must establish and implement a training plan according to the qualifications and/or training measures defined by each procedure. The plan must be written in the procedures and all records of relevant training documented and kept on file for a minimum of 5 years. All employees that come in contact with certified material must be appropriately trained. All training records must be kept on file for at least 5 years.

#### **4.1.4 Records**

The member must maintain complete and up-to-date records covering all requirements of FSC-POL-04-002 (2004) EN, FSC-STD-40-004 V3 EN, FSC-STD-40-005 V3 EN, -2014 STD, where applicable, for a minimum of 5 years. These where appropriate include:

- All training documents as mentioned previously
- Certified Product Groups List
- Certified Suppliers list
- Standard documents including; purchase orders, receiving documents, production control documents, bills of lading, packing list, invoices, and any other document identifying certified materials from point of specification to shipment
- Samples of labels used on outgoing shipments
- Examples of tags used while certified stock is in inventory and or in the manufacturing process
- Material accounting records
- Annual volume summaries of certified inputs and outputs in a unit measure (each pc., lineal feet, board feet, square feet, tons, etc, but not dollars)
- Records of all trademark and on-product label approvals by Rainforest Alliance for this member. These include date and who gave approval from Rainforest Alliance
- Inventory balances of certified inputs at the beginning and end of the audit period.
- Signed outsourcing agreements for contractors if applicable

#### **4.1.5 Commitment to FSC Values**

The member shall demonstrate its commitment to comply with the values of FSC as defined in the “Policy for the Association of Organizations with FSC” (FSC-POL-01-004)

The organization shall declare not to be directly or indirectly involved in the following activities:

- Illegal logging or the trade in illegal wood or forest products;
- Violation of traditional and human rights in forestry operations;
- Destruction of high conservation values in forest operations;
- Significant conversion of forest to plantations or non-forest use;
- Introduction of genetically modified organisms in forestry operations;
- Violation of any of the ILO Core Conventions, as defined in the ILO Declaration on Fundamental Principles and Rights at Work.

The CFWC has developed a template letter/declaration of commitment for the member to use in their CoC Procedures Manual that includes the FSC’s definition for values as they have defined in policy FSC-POL-01-004.

#### **4.1.6 Occupational Health and Safety**

The member shall demonstrate its commitment to occupational health and safety. In 1971 congress created **The United States Occupational Safety and Health Administration (OSHA)**. Its mission is to prevent work-related injuries, illnesses, and occupational fatality by issuing and enforcing standards for workplace safety and health. As a result, the United States has laws in place to deal with occupational health and safety concerns in our manufacturing environments.

The member can state and use other indicators in its CoC procedures manual such as, requiring employees to use PPE and evidence the member organization allows for Freedom of association and right to collective bargaining.

## 4.2 *Scope of Chain of Custody*

### 4.2.1 Product Groups

The member must develop certified product groups that will be sold with certified claims and must maintain an up-to-date and publically available certified product Group list. Below is an example of a CFWC product group list.

<b>FSC Material Output Category</b>	<b>FSC Product Classification(s)</b>	<b>FSC Species Terminology</b>	<b>Material Input Categories</b>	<b>Control System</b>
FSC 100% FSC Mix FSC Controlled Wood	(W5) lumber	Mixed Hardwoods	FSC 100% FSC Controlled Wood FSC Mix	Transfer Credit
FSC 100% FSC Mix FSC Controlled Wood	(W3.1) chips	Mixed Hardwoods Mixed softwoods	FSC 100% FSC Controlled Wood	Transfer Credit
FSC 100% FSC Controlled wood	(W1.1) round wood (logs)	Mixed Hardwoods Mixed softwoods	FSC 100% FSC Controlled Wood	Transfer Credit
FSC 100% FSC Mix FSC Recycled	(W11) Wood for Construction	Mixed Hardwoods	FSC 100% FSC Controlled Wood Non-FSC Reclaimed post-consumer	Transfer Credit
FSC 100% FSC Mix	(W16) household articles	Mixed Hardwoods	FSC 100%	Transfer Percentage

			FSC Controlled Wood	
FSC Controlled Wood	(W7) Veneer	Mixed Hardwoods	FSC Controlled Wood	Transfer
FSC 100% FSC Mix FSC Controlled Wood	(W8) Wood Panels	Mixed Hardwoods	FSC Mix FSC Controlled Wood FSC 100%	Transfer Percentage
FSC 100% FSC Mix	(W12) Indoor Furniture	Mixed Hardwoods Mixed Softwoods Bamboo, ( <i>Bambusa, spp.</i> )	FSC 100% FSC Mix	Transfer Percentage
FSC Mix	(P8) Printed materials	Mixed Hardwoods Mixed Softwoods	FSC Mix	Transfer
FSC Controlled Wood FSC 100%	(14) Musical instruments	Indian Rosewood ( <i>Dalbergia latifolia</i> ) Red Spruce ( <i>Picea Rubens</i> )	FSC Controlled Wood FSC 100%	Transfer

Mixed hardwoods include the following species; American Basswood (*Tilia Americana*); Blue Ash (*Fraxinus quadrangulata*), Green Ash (*Fraxinus pennsylvanica*), White Ash (*Fraxinus americana*); American Beech (*Fagus grandifolia*); River Birch (*Betula nigra*); Sweet Birch (*Betula lenta*); Yellow Birch (*Betula alleghaniensis*); Blackgum (*Nyssa sylvatica*); Boxelder (*Acer negundo*); Ohio Buckeye (*Aesculus glabra*); Yellow Buckeye (*Aesculus octandra*); Black Cherry (*Prunus serotina*); Eastern Cottonwood (*Populus deltoids*); Cucumbertree (*Magnolia Acuminata*); American Elm (*Ulmus Americana*); Slippery Elm (*Ulmus rubra*); Winged Elm (*Ulmus alata*); Hackberry (*Celtis occidentalis*); Bitternut Hickory (*Carya cordiformis*); Mockernut Hickory (*Carya tomentosa*); Pignut Hickory (*Carya glabra*); Shagbark Hickory (*Carya ovate*); Shelbark Hickory (*Carya laciniosa*); Eastern Hop-hornbean (*Ostrya virginiana*); American Hop-hornbean (*Carpinus caroliniana*); Kentucky Coffee Tree (*Gymnocladus dioicus*); Black Locust (*Robinia pseudoacacia*); Honey Locust (*Gleditsia triacanthos*); Red Maple (*Acer rubrum*); Silver Maple (*Acer saccharinum*); Sugar Maple (*Acer saccharum*); Northern Catalpa (*Catalpa speciosa*); Northern Red Oak (*Quercus rubra*); Southern Red Oak (*Quercus falcate*); Black Oak (*Quercus velutina*); Shumard Oak (*Quercus shumardii*); Cherry Oak (*Quercus pagoda*); Scarlet Oak (*Quercus coccinea*); Pin Oak (*Quercus palustris*); Blackjack Oak (*Quercus marilandica*); Willow Oak (*Quercus phellos*); Shingle Oak (*Quercus imbricaria*); White Oak (*Quercus alba*); Bur Oak (*Quercus macrocarpa*); Post Oak (*Quercus stellate*); Swamp White Oak (*Quercus bicolor*); Chestnut White Oak (*Quercus prinus*); Chinquapin White Oak (*Quercus muehlenbergii*); Water Oak (*Quercus nigra* L.); Common Persimmon (*Diospyros virginiana*); Yellow Poplar (*Liriodendron tulipifera*); Sassafras (*Sassafras albidium*); Sourwood

(*Oxydendrum arboretum*); Sugarberry (*Celtis laevigata*); Sweetgum (*Liquidambar styraciflua*); American Sycamore (*Platanus occidentalis*); Black Walnut (*Juglans nigra*); White Walnut (*Juglans cinerea*); Black Willow (*Salix nigra*); Indian Rosewood (*Dalbergia latifolia*); Red Alder (*Alnus Rubra*); Yellow Meranti (*Shorea acuminatissima*); White Meranti (*Shorea assamica*); Dark Red Meranti (*Shorea acuminata*); Light Red Meranti (*Shorea leprosula*); Massaranduba (*Manilkara Bidentata*); European Beech (*Fagus Sylvatica*); Bigleaf Maple (*Acer Macrophyllum*); Striped Maple (*Acer Pensylvanicum*); Mahogany (*Sietenia Macrophylla*); African Mahogany (*Khaya senegalensis*); Merbau (*Intsia bijuga*) Downy Birch (*Betula pubescens*); Silver Birch (*Betula Pendula*); Bubinga (*Guibourtia Demeusei*); Jatoba (*Hymenaea courbaril*); Cumaru (*Dipteryx odorata*); Garapa (*Apuleia leiocarpa*); Purpleheart (*Tradescantia pallida*); Rubberwood (*Hevea brasiliensis*); Sapale (*Entandrophragama Cylindricum*); Ipe (*Handroanthus guayacan*); Jelutong (*Dyera cosulata*) Teak (*Tectona grandis*); Tigerwood (*Astronium graveolens*).

Mixed softwoods include the following species; silver fur (*Abies Alba*), sugar pine (*Pinus Lambertiana*), western white pine (*Pinus Monticola*), yellow pine (*Pinus Strobus*), Douglas Fir (*Pseudotsuga Menziesii*), western redcedar (*Thuja Plicata*), and Sitka Spruce (*Picea Sitchensis*) red pine (*Pinus resinosa*), jack pine (*Pinus banksiana*), spruce (*Picea spp.*), balsm fir (*Abies balsamea*); Red Spruce g(*Picea Rubens*); Aromatic Red Cedar (*Juniperus Virginia*); .

#### 4.2.2 Outsourcing

The group member will have to provide traceable documentation through the member’s vendor from the time of receiving the material through the entire manufacturing process and shipping. The whole process will have to be documented in the member’s written procedures and will have to follow all of the requirements for outsourcing listed in part IV section 12 of FSC-STD-40-004 V3 EN. When a member adds an outsourcer, the member is required to notify the CFWC CoC administrator or subgroup manager in those situations who in turn is responsible for notifying the CFWC CoC administrator. The member is also responsible for keeping an updated list of all of its outsourcers. The CFWC will maintain a list of outsourcers for the entire group and will notify RA when additions occur – see example below.

Name of outsourcer	Address of outsourcer	Contact person	Phone number	Is out-sourcer FSC CoC certified	Member name
Danzer Specialty Veneer	206 South Holland Str. Edinburg, IN 46124	Kami Ervin	812-526-6789	No	Antique River Logs
Dimension Plywood	415 Industrial Blvd New Albany, IN 47150	Amy Watson	812-944-6491	Yes	Antique River Logs

Cartwright Logging	8065 State Route 144 Hawesville, KY 42348	Bryon Cartwright	270-922-1389	No	Hopkins Hardwoods
Hubert Courtney JR Logging	31 Miller Street Greenville, KY 42345	Hubert Courtney JR	270-338-2643	No	Hopkins Hardwoods
International Timber and Veneer	75 McQuiston Drive Jackson Center, PA 16133	Mike Rastatter	724-662-0880	Yes	Burden-Direct
West Point Veneer	320 Dupont Street West Point, VA 23181	Robert Van Der Meulen	804-843-2900	Yes	Burden-Direct
Universal Veneer	1776 Tamarack Rt. Newark, OH 43055	Terry Mellars	740-522-1147	Yes	Laurel Creek Veneers, Inc.
Finish Line Die Cutting, LLC	800 West Leigh Street, Richmond, VA 23220	Wendy Vick	804-342-8000	No	Heritage printing

### **4.3 Material Sourcing**

#### **4.3.1 Input Specifications**

The group member shall adopt and use the definitions and categorizing of input materials as specified by FSC-STD-40-004 V3 EN, where applicable. The member shall categorize all inputs to certified product groups by their material category and shall ensure that only eligible inputs are used. In other words, if the product classification requires an FSC 100% material input, then only FSC 100% inputs (materials purchased) will be used to manufacture products for that particular product group. The procedure for how the member will verify proper inputs are procured, sourced, and purchased need to be documented in the member's written procedures.

#### **4.3.2 Supplier Validation**

The member (usually the member's CoC administrator) will maintain an up-to-date record (attachment I) of all suppliers who are supplying materials used for certified

product groups, including, the product type, material category, and the supplier’s FSC CoC code, FSC Controlled wood code, or, whichever is applicable . The member is also responsible for verifying the validity and scope of the supplier’s certification certificate for any changes that might affect the availability and authenticity of the supplied products via, whichever is applicable the FSC website [www.fsc-info.org](http://www.fsc-info.org). The member’s written procedure must identify the person responsible for verifying the supplier’s validity and the frequency of the verification. An example record of a supplier’s list is below.

<b>Name of supplier</b>	<b>FSC certificate code</b>	<b>Controlled Wood number</b>	<b>Type of material Received</b>	<b>FSC claims of material received</b>
Nobody logging	SW-COC-000000	NA	Logs (W1)	FSC 100%
AA Sawmill	SW-COC-000001	SW-CW-000001	Lumber (W5)	FSC 100% Controlled Wood

### **4.3.3 Purchase of FSC Controlled Wood**

For the purchase of controlled material or responsibly fiber sourced non-certified wood, the group member must comply with the requirements of FSC-STD-40-005 where applicable. These standards are to be used for member evaluation of Controlled Wood or fiber sourced non-certified wood. Section 5 of this manual goes into detail explaining the group member’s requirements of the standard for purchase and use of Controlled Wood or non-certified material.

For the purchase of non-certified reclaimed material the group member must comply with the provisions of FSC-STD-40-007 V2-0. This standard is to be used for sourcing reclaimed (recycled) material for use in FSC Product Groups. Section 6 of this manual goes into detail explaining the group member’s requirements of the standard for purchase and use of reclaimed materials.

## **4.4 *Material receipt and storage***

### **4.4.1 Identification input**

On all purchase orders the group member must state “FSC Certified” and the documentation accompanying each shipment (such as the bill ladings, delivery tickets, or packing list) should state; the words “FSC Certified” the supplier’s FSC CoC Certificate number (example SCS-COC-12345), and the FSC Claim (FSC 100%, FSC Mix 70%,

FSC Recycled, FSC Mixed Credit). The claims a member will use can be discussed and determined during the training phase of the scoping session.

On receipt of material or prior to further use or processing the member must check the supplier invoice and supporting documentation to ensure the following:

- The supplied material quantities and quality are in compliance with the supplied documentation;
- The material category and, if applicable, the associated percentage or credit claim is stated for each product item or for the total products;
- The supplier's FSC Chain of Custody and/or FSC Controlled Wood is quoted for the material supplied with certified claims

#### **4.4.2 Segregation**

All FSC material received by the member will have to be segregated and labeled as FSC whichever may be applicable while in inventory and during manufacturing and distribution. Segregation may not be required for those members using the credit system. The member will have to develop written procedures for how material will be segregated and labeled at each identified Critical Control Point.

#### **4.4.3 Precautions for labeled material**

For materials received with an FSC label the member shall ensure the following:

- a) Materials that will be further processed shall be cleared of any labels or tags before sale;
- b) Materials that will be sold unchanged or as is shall be checked by the member for being correctly labeled according to FSC material category unless the organization does not gain physical possession of the material.

The member must ensure no other certification labels are attached to FSC materials upon the sale FSC products.

### **4.5 *Volume control***

#### **4.5.1 Conversion factors**

For each product group the member shall identify the main processing steps involving a change of material volume or weight and specify the conversion factor for each processing step. A sawmill is a good example. Because of the overrun that occurs during most sawing operations there will be more lumber produced in terms of board feet from

the logs than the amount of board feet measured and purchased in those logs. Thus the producer has to show on paper why and how there is more certified lumber sold than what was purchased.

These areas should be identified during the scoping session. The CFWC staff can help the member determine the proper methodology and development of the required procedures. See example chart below;

<b>Manufactured Product</b>	<b>Input product and unit of measure</b>	<b>Output unit of measure</b>	<b>Conversion factor</b>	<b>How was factor determined</b>
Lumber (W5)	Sawlogs Board feet	Board feet	1 to 1.1 1,000 to 1100	Historical data yield
Bark Mulch (W3)	Sawlogs Board feet	Cubic Yards	1000 bf sawlogs: 0.9 cu yd mulch	USFS Publication
Furniture parts (W12)	Lumber Board feet	Pieces (convert to bf)	Bf net out / .55 yield	Historical data yield

#### 4.5.2 Material Balances

For each product group the member shall establish a material accounting record to ensure that at all times the quantities produced and/or sold with FSC claims are compatible with the quantities of inputs from different material categories, their associated percentage or credit claims, and the product group conversion factor(s). The accounting record shall include at least the following information:

For inputs and outputs;

- a) Invoice references
- b) Quantities (by volume or weight)

For inputs:

- c) Material category and, if applicable, percentage claim or credit claim;

For outputs:

- d) FCS claim;
- e) Information to identify the product item in invoices:
- f) Applicable claim period or job order

For each product group the organization shall prepare annual volume summaries providing quantitative information for each material category received/used and product type produced/sold, as follows:

- a) Inputs received
- b) Inputs used for production (if applicable);
- c) Inputs still in stock;
- d) Outputs still in stock;

e) Outputs sold

The CFWC will provide spreadsheets, forms, and training to members for data collection to maintain continual material balances. These records will be requested by The CFWC during each annual audit and potentially by Rainforest Alliance during the group annual audit.

### **4.5.3 Determination of FSC claims**

The member shall determine for each claim period or job order the appropriate FSC claim according to one of the following control systems specified for the product group;

- a) FSC Transfer system;
- b) FSC Percentage system;
- c) FSC Credit system.

NOTE: For FSC 100% product groups the transfer system shall be applied.

For each product group the member shall carry out calculations of input percentages (under a percentage system) or credit (under a credit system) at the level of a single site.

The CFWC will provide information and input to each member during the scoping session to determine which control system will be used by the member. Controlled wood or responsible fiber sourcing can be used when using the percentage and credit systems, additional accounting and paper work is required. See section 5 for additional information.

## **4.6 Sales and delivery**

### **4.6.1 Identification of outputs sold with FSC claims**

The member shall ensure that all invoices issued for outputs sold with FSC claims include the following information:

- a) name and contact details for the organization;
- b) name and address of the customer;
- c) date when the document was issued;
- d) description of the product;
- e) quantity of the products sold;
- f) the organization's FSC Chain of Custody and FSC Controlled Wood code.
- g) clear indication of the FSC claim for each product item or the total products:

FSC Claims as follows:

- i. the claim “FSC 100%” for products from FSC 100% Product groups;
- ii. the claim “FSC Mix x% where ‘x’ represents the applicable percentage claim for products from FSC Mix Product groups under a percentage system;
- iii. the claim “FSC Mix Credit” for products from FSC Mix product groups under a credit system;
- iv. the claim “FSC Recycled x% where ‘x’ represents the applicable percentage claim for products from FSC Recycled Credit” for products from FSC Recycled product groups under a credit system;
- v. the claim “FSC Recycled Credit” for products from FSC product groups under a credit system
- vi. the claim “FSC controlled Wood” for products from FSC Controlled Wood product groups or for products from FSC Mix product groups that will not be sold as FSC-certified.
- vii. If separate transport documents are issued, information sufficient to link the invoice and related transport documentation to each other.

Products produced by members that meet the labeling thresholds specified in Section 4.6 may omit the percentage or credit information in sales and transport documentation. In these situations the material has lost its information on certified or post-consumer (recycled) input for the subsequent customers and therefore may not be further re-sold with certified claims.

The member shall include the same information as required in the above section 4.5.1 in the related transport documentation (bill loadings, delivery tickets, or packing list), if the invoice (or copy of it) is not included with the shipment of the product.

The member shall include the same information as required in section 4.5.1 in the related transportation documents if the invoice or copy of it is not included with the shipment of the certified product(s).

#### **4.6.2 Labeling of products sold with FSC**

The member shall ensure that products which carry an FSC label are always sold with the corresponding FSC claim on their sales and transport documentation.

The member shall ensure that products sold with an FSC claim do not carry any labels from other forestry certification systems.

### **4.6.3 Supplying FSC Controlled Wood**

The member shall ensure that the sale of FSC Controlled Wood is in compliance with Part 4 of “FSC-STD-40.005: FSC Standard for Company Evaluation of FSC Controlled Wood”. Section 5 goes into detail on the requirements for members to purchase and sale controlled wood.

## **PART II: Systems for controlling claims**

Part II presents the three systems for making claims on outputs. Members shall choose one for each product group:

Section 4.7: Transfer system (FSC)

Section 4.8: Percentage system (FSC)/percentage base method –

Section 4.9: Credit system

### **4.7 *Transfer system (FSC)***

The transfer system/physical separation shall be used for trading activities related to finished products and for the production of 100% certified content product groups. In addition, it can also be used for other product groups in the following situations:

Mix product groups

--mixtures of 100% certified forest content and mix sourced inputs

--exclusive use of mix source inputs

Recycled product groups

-exclusive use of Recycled and/or post-consumer reclaimed material;

Controlled Wood product groups

#### **4.7.1 Specification of claim periods or job order**

For each product group, the member shall specify claim periods or job orders for which a single claim shall be made

NOTE: The minimum length of the claim period shall be the length of time to complete a batch run including receipt, storage, processing, labeling and/or sale of the output product

#### **4.7.2 Inputs with identical claims**

For claim periods or job orders in which inputs belong to only one material category carrying an identical claim the member shall determine this to be the corresponding claim for the outputs

NOTE: If the input consists of 100% post-consumer reclaimed materials the output claim shall be “Recycled 100%

#### **4.7.3 Inputs with different claims**

For claim periods or job orders in which inputs of different material categories or associated percentage claims or credit claims are mix the member shall use the claim with

the lowest certified content or post-consumer input per input volume as the claim for the outputs

NOTE: Inputs with a 'Mix Credit' claim or a 'Recycled Credit' claim shall be considered as having a lower standing than inputs with a 100% certified claim or a Recycled 100% claim respectively.

## **4.8 Percentage System (FSC)**

The percentage system can be used for mix credit (sources) and Recycled product groups. It is not applicable for trading activities related to finished products and can only be applied on the level of a single, physical (storage, distribution, manufacturing, etc.) site.

### **4.8.1 Specification of claim periods or job orders**

For each product group the member shall specify claim periods or job orders for which a single percentage claim shall be made

### **4.8.2 Determination of certified and post-consumer input**

For Mix and/or Recycled inputs, the member shall use the percentage claim or credit claim stated on the supplier invoice to determine the quantities of certified and post-consumer inputs

NOTE: Material supplied with a credit claim shall be used by its full quantity as certified input or post-consumer input, respectively

### **4.8.3 Calculation of the input percentage**

The member shall calculate and record the input percentage for each claim period or job order using the following formula:

$$\% \text{ input} = (Q \text{ certified content} + Q \text{ post-consumer}) / Q \text{ total} \times 100$$

$$\% \text{ input} = \text{input percentage}$$

$$Q \text{ certified content} = \text{quantity of certified input}$$

$$Q \text{ post-consumer content} = \text{quantity of post - consumer input}$$

$$Q \text{ total} = \text{total quantity of virgin material and reclaimed material inputs}$$

The member must identify the units in which the calculation was performed. The units should be the same as the input units.

For each product group, the member shall calculate and document the input percentage based on:

- a) The input to the same claim period or job order (single percentage) OR
- b) The input to a specified number of previous claim periods (rolling average percentage)

NOTE: claims based on rolling average calculations can only be made once the specified number of previous claim periods has been completed since the setup of the product group under a percentage system

The time period over which the input percentage is calculated shall not exceed 12 months unless otherwise warranted by nature of the business and approved by the accredited certification body

#### **4.8.4 FSC claims for outputs**

The member may sell the total output of a claim period or job order from mix product groups with a percentage claim that is identical to or lower than the calculated input percentage

The member may sell the total output of a claim period or job order from recycled product groups with a percentage claim that is identical to or lower than the calculated input percentage

The member may sell as FSC Controlled Wood the portion of the out of a claim period that has not been sold with an FSC percentage claim

#### **4.8.5 Promotion of Products**

The member shall ensure that the FSC trademarks are not used for the promotion of products which do not meet the thresholds for labeling specified in Part II of the FSC standard FSC-STD-40-004 (version 2-1) EN.

### **4.9 *Credit System***

The credit system can be used for mix sources and recycled product groups. It is neither applicable for print processes nor for trading activities related to finishing products. The credit system can only be applied on the level of a single, physical, (storage, manufacturing, etc.) site.

#### **4.9.1 Specification of claim periods**

For each product group, the member shall set up and maintain a credit account with specified claim periods of up to 12 months according to which additions and deductions of credits shall be recorded.

#### **4.9.2 Determination of FSC and post-consumer input**

For mix sources and/or Recycled inputs, the organization shall use the percentage claim or credit claim stated on the supplier invoice to determine the quantities of FSC and post-consumer inputs.

NOTE: Material supplied with a credit claim shall be used by its full quantity as FSC input or post-consumer respectively.

#### **4.9.3 Adding credit to the credit account**

The member shall add the converted quantity (volume or weight) of certified input as credit to the credit account using the conversion factor(s) specified for each component of the product group.

The member shall add credit to the credit account after the organization has gained legal ownership and the material category has been verified, and before the material enters the production process.

#### **4.9.4 Withdrawing credit from the credit account**

The member shall deduct the quantity sold and/or labeled as FSC Mix credit, or Recycled from the available credit in the product group credit account

#### **4.9.5 Credit account management**

The member shall ensure that the credit in the credit account is not more than the sum of new credit that has been added during the previous 12 months. Any credit that exceeds these total new credits is clearly visible to relevant staff and maintained updated at all times

The member shall not accumulate more FSC credit in the credit account than the sum of new FSC credit that has been added during the previous 12 months. Any FSC credit that exceeds the total new FSC credit shall be deducted at the beginning of each new claim period from the credit account

Attachment H is an example of a credit account. The CFWC will provide credit account spreadsheets for those members who want to use a credit account system.

#### **4.9.6 Claims for outputs**

At any time the member may sell material from FSC Mix product groups with a credit claim up to the total credit available in the credit account

At any time the member may sell material from Recycled groups with a credit claim up to the total credit available in the credit account

The member may supply as FSC Controlled Wood the portion of the output volume that has not been sold as FSC Mix or FSC Recycled material, on the basis of a corresponding (FSC Controlled Wood credit account)

#### **Complaint policy for FSC CoC certified products**

Each member will ensure that complaints received regarding the organization's conformity to the requirements applicable to the scope of the CFWC CoC certificate are adequately considered, including the following in their procedures and complaint policy:

- a) The member will immediately contact the CFWC COC administrator (Bobby Ammerman)
- b) The member will acknowledge the receipt of the complaint within two (2) weeks of receiving the complaint;
- c) The member and/or the CFWC will investigate the complaint and specify its proposed actions in response to the complaint within three (3) months. If more time is needed to complete the investigation, the member or the CFWC will notify RA per guidance from the CFWC;
- d) The member will take appropriate actions with respect to the complaint and any deficiencies found in processes that affect conformity to the certification requirements;
- e) The member will notify the complainant and RA (when more than 3 months is needed and approved by RA) when the complaint is considered to be successfully addressed and closed.

All records related to complaints and including actions taken will be retained for a minimum of five years.

The member will include their contact information in their complaint policy.

## **Non-Conforming FSC Products**

The member's CoC administrator is responsible for overseeing controls as written in their FSC CoC procedure's for preventing non-conforming products (i.e. products that do not meet FSC requirements) from leaving or entering Member's FSC supply stream. The Member's chain of custody system must be designed to ensure that products which do not conform to FSC requirements are identified and controlled to prevent its unintended delivery.

In the event non-conforming products are detected after they have been delivered to the customer, the member's CoC administrator will:

- a) notify its certification body, CFWC COC Administrator (Bobby Ammerman), and all affected direct customers in writing within five business days of the non-conforming product identification, and maintain records of that notice;;
- b) analyse causes for occurrence of non-conforming products, and implement measures to prevent their reoccurrence analyze causes for occurrence of non-conforming products and implement measures to prevent its re-occurrence.
- c) cooperate with its certification body in order to allow the certification body to confirm that appropriate actions were taken to correct the non-conformity.

The member must ensure that its FSC-certified products conform to all applicable timber legality legislation. The member must have procedures in place to ensure the import and/or export of FSC-certified products by the organization conform to all applicable trade and customs laws. Upon request the member is required to collect and provide information on species (common and scientific name) and country of harvest (or more specific location details if required by legislation) to direct customers and/or any FSC-certified organizations further down the supply chain that need this information to comply with timber legality legislation. The form and frequency of providing this information may be agreed upon between the member and the requester.

## **Commercialization of FSC certified products**

Members exporting and/or importing timber or timber products (including chip and fiber products) must have procedures in place to ensure that the commercialization of FSC certified products comply with all applicable trade and customs laws.

NOTE: Applicable trade and customs laws include, but may not be restricted to:

- 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 licenses for timber and timber products
- Official authorization that entities exporting timber and timber products may require taxes and duties applying to timber product exports

## **Transaction Verification**

Members are required to participate in any transaction verification process initiated by the CFWC's COC certification body by providing documentation when requested.

## **5. FSC Controlled Wood (Member Requirements)**

### **5.1 Implementation and maintenance of a Due Diligence System**

- 5.1.1** The member shall have, implement and maintain a documented due diligence system (DDS) for material supplied without an FSC claim to be used as controlled material or to be sold with the FSC Controlled Wood claim.
- 5.1.2** The organization shall include all suppliers and sub-suppliers of the material.
- 5.1.3** The member shall ensure that the member, the certification body, and Accreditation Services International are granted access to evidence of conformity with applicable requirements of this standard, including access to documents, sites, premises of suppliers and sub-suppliers, and supply units, where relevant.
- 5.1.4** The member shall not apply its DDS to forest resources that it or any affiliated organization owns or manages.
- 5.1.5** The member shall only use material as controlled material or sell material with the FSC Controlled Wood claim, if it is in conformity with the requirements of this standard, confirmed through the DDS.
- 5.1.6** The member shall review, and if necessary, revise its DDS at least annually, and whenever changes occur that affect the relevance, effectiveness or adequacy of the DDS.
- 5.1.7** The member shall implement internal audits of its DDS at least annually to ensure that it is being implemented correctly.
- 5.1.8** The member shall document the scope, dates, and staff involved in internal audits.
- 5.1.9** The member shall document all cases of the DDS being evaluated as ineffective during the internal audit, and shall ensure that all relevant issues are addressed and corrected within 12 months of their detection.
- 5.1.10** The member shall not use material from supply chains where ineffectiveness of the DDS leads, or may lead to, non-eligible inputs entering production.

### **5.2 *Part 2: Obtaining information on material***

- 5.2.1** The member shall obtain, document and maintain the following up-to-date information on material, subject to 5.2.5:
  - a) Names and addresses of suppliers;
  - b) Description of the material;
  - c) Quantity of the material purchased by volume or weight;

d) The species (including scientific and common name), where the species information designates the product characteristics and/or where required by applicable timber legality legislation;

NOTE: A list of possible species is acceptable for material used in paper, composite board, and other products that usually contain many species.

e) Purchase documentation;

f) Applicable risk assessment;

g) The country of harvest, where required by applicable timber legality legislation;

h) Evidence of origin, according to 5.2.2; and

i) Information about supply chains, according to 5.2.3.

**5.2.2** The member shall maintain evidence of the origin of material that allows it to (subject to 5.2.5):

a) Identify the area with a homogeneous risk designation, for each controlled wood category in the applicable risk assessment; or

b) Confirm that material was harvested from FSC certified sources, or previously controlled sources (where material was sold with the FSC Controlled Wood claim), but supplied to the organization without an FSC claim.

**5.2.2.1** A declaration from a supplier shall only be used as part of the body of evidence for demonstrating the origin. A supplier declaration alone, even if covered by a contractual agreement, is not considered sufficient proof of origin.

**5.2.3** The member shall have access to information on its supply chains (including sub-suppliers) to a level that allows it to confirm and document:

a) The origin of the material;

b) The risk related to the origin, and the risk related to mixing with non-eligible inputs in the supply chain (according to Section 3); and

c) The mitigation of risk (according to Section 4).

**5.2.4** The member shall enforce its suppliers to notify it of any changes that may affect a risk designation or the mitigation of risk, such as changes in species, origin and supply chain.

**5.2.5** For by-product inputs, the member shall document the origin as per 2.2, or with a legally effective and enforceable agreement with the supplier of the byproducts that includes a statement on the origin.

**5.2.5.1** A written supply agreement shall include:

a) Information about the origin of the by-products that allows the area with a homogeneous risk designation in the applicable risk assessment to be identified for all five controlled wood categories (e.g. province and/or forest type/ownership);

b) A commitment that, in cases where material originates from specified risk areas, the supplier will support the organization to collect the information needed to implement control measures.

**5.2.5.2** In the case of a supply agreement, the member shall verify the information provided to confirm that:

- a) The supplied species are commercially harvested in the declared supply area (and accompanied by a CITES certificate, if required);
- b) The type and quality of the supplied material are commercially available from the declared supply area;
- c) The distance and means of transportation to the organization (or to the supplier site when the supplier is purchasing by-product inputs) are consistent with the declared supply area, and are economically viable.

NOTE: It is the responsibility of the organization to confirm the above and come to a fair and objective judgment regarding the plausibility and reliability of the information provided by the supplier. The precautionary approach should be applied.

**5.2.5.3** The member shall not use material as controlled material, or sell it with the FSC Controlled Wood claim if 2.5.2 a, b, or c are not confirmed.

**5.2.6** Products and material from species listed in Appendices 1, 2 or 3 of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) that will be imported, exported, or re-exported, shall be accompanied by the applicable valid certificates.

## **5.3 Risk assessment**

**5.3.1** The member shall use the applicable FSC risk assessment to determine the risk related to the origin of the material for each controlled wood category.

**5.3.2** The member shall adapt its DDS to use FSC risk assessments within 6 months of the date of their approval by FSC, unless extension is justified and approved by the certification body.

**5.3.3** Risk assessment of unassessed areas shall only be possible according to the following:

- a) The member may conduct its own risk assessment according to the requirements in Annex A;
- b) The member shall obtain approval of its risk assessment, conducted for its supply area, and/or extended to new supply areas, from the certification body, before using risk designations in its DDS.

NOTE: Use of an FSC risk assessment is not required if material is classified as per 3.6. For an illustration of the use of different sources of risk designations, see Figure 5 in Annex A).

**5.3.4** The member shall assess and document the risk of mixing material with non-eligible inputs in its supply chains during transport, processing, or storage.

**5.3.5** The member may use material as controlled material and/or sell it with the FSC Controlled Wood claim if it has been confirmed as low risk for all five controlled wood categories, and there is no risk of mixing with non-eligible inputs in the supply chains.

**5.3.6** The member may use material as controlled material and/or sell it with the FSC Controlled Wood claim if it previously carried the FSC 100% or FSC Controlled Wood claims (but was supplied without an FSC Claim), and if there is evidence that no mixing has taken place in the non FSC certified supply

**5.3.7** Whenever specified or unspecified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain is determined, the member shall implement the requirements of Section 4 before material can be used as controlled material or sold with the FSC Controlled Wood claim.

## **5.4 Risk mitigation**

**5.4.1** The member shall have and implement adequate control measures to mitigate specified or unspecified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain.

NOTE: Examples of control measures and guidance for developing them are contained in Annex E. Control measures established by the organization.

**5.4.2** The desired outcome of each control measure shall be clearly stated.

**5.4.3** Where legal requirements may be in conflict with adequate control measures, control measures shall be approved by the certification body before they are implemented.

NOTE: Conflicts only occur where a legal obligation prevents the implementation of FSC requirements. It is not considered a conflict if the control measures exceed the minimum requirements for legal compliance.

**5.4.4** Applicable approved controlled wood documents listed in FSC-PRO-60-002b List of FSC Approved Controlled Wood Documents (e.g. high conservation value assessment frameworks) shall be used when establishing control measures.

**5.4.5** Indicators and verifiers in an approved Forest Stewardship National Standard, certification body standard, or International Generic Indicators may be used for control measures where relevant.

**5.4.6** Whenever stakeholder consultation is required for a control measure, it shall be conducted according to the requirements in Annex B.

**5.4.7** The member may conduct stakeholder consultation according to the requirements in Annex B in order to verify the adequacy of its control measures.

**5.4.8** In the case that unspecified risk is designated for controlled wood categories 2 and 3, the organization shall conduct stakeholder consultation as one of the control measures.

NOTE: Unspecified risk areas may result either from NRAs approved according to FSC-PRO-60-002 V2-0 ('old NRAs') or a simplified risk assessment conducted by the organization (see Annex A).

**5.4.9** For controlled wood categories 2 and 3, the organization shall use the opinion of at least one expert to justify the adequacy of control measures, unless they have been provided as mandatory by the relevant NRA, or unless they are implemented to avoid material harvested in specified risk areas. Experts used shall meet the minimum requirements provided in Annex C.

NOTE: The organization may also use publically available materials developed by experts (who meet the requirements of Annex C), to justify the adequacy of control measures.

**5.4.10** For material originating from areas not covered by an NRA approved according to FSC-PRO-60-002 V3-0, and where there is specified or unspecified risk related to traditional and human rights:

- a) Material shall not originate from areas where there is substantial evidence of widespread violation of the rights of Indigenous Peoples or traditional peoples;
- b) Material shall not originate from areas where there is conflict of substantial magnitude pertaining to the rights of Indigenous Peoples and/or traditional peoples, unless steps that are recognized by the affected Indigenous Peoples and/or traditional peoples as being fair and equitable are being taken by the conflicted parties to resolve the conflict, or free, prior and informed consent (FPIC) is given by the affected Indigenous Peoples and/or traditional peoples for management activities related to the sourcing of material; and
- c) The organization shall obtain the opinion of one or more experts, and seek the opinion of the relevant FSC network partner(s) on requirements relating to FPIC when implementing 4.10.1 b). The experts used shall meet the minimum requirements provided in Annex C.

**5.4.11** For material originating from areas not covered by an NRA approved according to FSC-PRO-60-002 V3-0, and where there is specified or unspecified risk related to high conservation values (HCVs) 2-6:

- a) HCV 2 (Landscape-level ecosystems and mosaics): Material shall not originate from commercial logging in Intact Forest Landscapes<sup>6</sup> (IFLs), and shall not originate from areas where management activities contribute to/increase the fragmentation of IFLs.
- b) HCV 3 (Ecosystems and habitats): Material shall not originate from areas where HCVs are present, unless specific measures that are designed to protect the HCV inherent in the ecosystem (e.g. logging in areas of rare, threatened or endangered ecosystems is designed to protect the extent and values of these ecosystems) are in place.

c) HCV 4 (Critical ecosystem services): Material shall not originate from identified or mapped watersheds<sup>7</sup> that supply local communities with drinking water, unless best practices of forest management are applied, including water course buffers, equipment restrictions, road building, and protection against contamination.

NOTE: The implementation of best practices may be assessed based on the enforcement of codes of best practices and other, general regulations.

d) HCV 5-6 (Community needs - Cultural values): Material shall not originate from areas where HCVs are present, unless there is evidence that confirms that local communities and Indigenous Peoples are engaged, and their requirements are met.

## **Control measures provided in an NRA**

**5.4.12** The member shall implement control measures provided as mandatory in the applicable NRA, subject to 4.13.

**5.4.13** The member may replace mandatory control measures provided in the NRA with more effective control measures, under the following conditions:

- a) The organization demonstrates that control measures provided in the NRA are inadequate to mitigate risk found in the organization's specific operations;
- b) The member demonstrates to the certification body that the alternative control measures are sufficient to mitigate the risk, and the FSC-accredited certification body approves the alternative control measures; and
- c) The organization has, after approval by the certification body, forwarded a description of the alternative control measures, and justification for their use, to the body responsible for NRA maintenance (as defined in the NRA).

## **Using material**

**5.4.14** The member may use material as controlled material or sell it with the FSC Controlled Wood claim after adequate control measures have been implemented.

## **PART II QUALITY MANAGEMENT SYSTEM**

### **5.5 Competence, documentation and records**

**5.5.1** The organization shall appoint a management representative to be responsible for the organization's conformity with all applicable requirements of this standard.

**5.5.2** All relevant staff shall demonstrate awareness of the organization's procedures, and competence to implement the applicable requirements of this standard.

**5.5.3** The member shall implement documented procedures covering all applicable requirements of this standard.

**5.5.4** The member shall maintain records and documentation demonstrating its conformity with this standard, and ensure that they are readily available to the certification body.

**5.5.5** The member shall retain all relevant records for a minimum of five (5) years.

## **5.6 Publicly available information**

**5.6.1** The member shall provide a written summary of its DDS to the certification body. The written summary shall include the following information:

- a) A description of the supply area(s) and respective risk designation(s);

NOTE: The description should allow the identification of the area with a homogeneous risk designation in the applicable risk assessment for each controlled wood category.

- b) Reference to the applicable FSC risk assessment;
- c) The member's own risk assessment (excluding confidential information);
- d) The procedure for filing complaints; and
- e) Contact information of the person or position responsible for addressing complaints.

NOTE 1: This information will be included in the public summary of the certification report by the certification body on the FSC database.

NOTE 2: The summary of the DDS is not required to be in one of the official languages of FSC.

**5.6.2** For material sourced from areas not designated as low risk for the origin of material, the written summary of the DDS shall also include:

- a) The control measures implemented by the organization, by risk assessment indicator 8;
- b) The organization's summary of the consultation process (es) performed according to Annex B, if applicable;
- c) Information on the engagement of one or more experts in the development of control measures, if applicable.

NOTE: For individual experts this includes the names of the experts, their qualifications, their license/registration number (if applicable), and the scope of their services. For publicly available expertise, the specific sources of information shall be cited.

- d) A summary of the organization's findings from field verification undertaken as a control measure, if applicable, and steps taken by the organization to address identified non conformities where they occurred, unless confidential. The organization shall provide a justification for the exclusion of confidential information.

NOTE: The confidential nature of the information may be determined by the legislation that the organization must be in compliance with. Commercially sensitive information, and the names of individual landholders may be treated as confidential.

## 5.7 Stakeholder input and complaints

### Stakeholder Input and Complaint policy for FSC Controlled Wood products

Each CFWC COC member is responsible for developing a complaints policy that includes the following procedures:

- a) Notification of complaint to the CFWC COC Administrator
- b) Acknowledge receipt of complaints;
- c) Inform stakeholder of the complaint procedure, and provide an initial response to complaints within a time period of two (2) weeks;
- d) Forward complaint related to risk designation in the relevant FSC risk assessment to the responsible body (for an NRA, as indicated in the NRA, for the CNRA, FSC);
- e) Conduct a preliminary assessment for determining whether evidence provided in a complaint is or is not substantial, by assessing the evidence provided against the risk of using material from unacceptable sources;
- f) Dialogue with complainant that aims to solve complaints assessed as substantial before further actions are taken
- g) Forward substantial complaints to the certification body and relevant FSC National Office for the supply area within two (2) weeks of receipt of the complaint. Information on the steps to be taken by the organization in order to resolve the complaint, as well as how a precautionary approach will be used shall be included with the complaint;
- h) Employ a precautionary approach towards the continued sourcing of the relevant material while a complaint is pending;
- i) Implement a verification process (e.g. filed verification and/or desk verification) for a complaint assessed as substantial by the organization, within two (2) months of their receipt;
- j) Determine the corrective action to be taken by suppliers and the means to enforce its implementation by a supplier if a complaint has been assessed and verified as substantial. If a corrective action cannot be determined and/or enforced, the relevant material and/or suppliers shall be excluded by the organization;
- k) Verify whether corrective action has been taken by suppliers and whether it is effective;
- l) Excluding the relevant material and suppliers if no corrective action is taken;
- m) Informing the complainants, the certification body, and the relevant FSC National Office of the results of the complaint and any actions taken towards its resolution, and for maintaining copies of relevant correspondences; and
- n) Record and file all complaints received and actions taken

All records related to complaints and including actions taken will be retained for a minimum of five years.

Included in the procedures should be contact information of the member.

## **6. Pre and Post Consumer Reclaimed Material (Member Requirements)**

### **6.1 *Purchase of Reclaimed forest-based materials***

The member that purchases reclaimed forest-based materials without a recycled claim must demonstrate that its reclaimed inputs for use in FSC product groups comply with the definitions for pre-consumer and/or post-consumer reclaimed material.

For each purchase of reclaimed material, the member shall provide written specifications to its suppliers regarding the material category (pre-consumer and/or postconsumer reclaimed).

### **6.2 *Supplier's validation and monitoring***

The member shall conduct a validation process for its suppliers of reclaimed materials to determine whether the materials supplied from them are eligible to enter in FSC product groups, constituted by the following elements:

- a) For each supplier, the member shall define the supplier activity, the reclaimed material categories to be supplied and level of control required, including the necessary documentation, evidences and actions to demonstrate that materials supplied comply with FSC definitions for pre-consumer and post-consumer reclaimed.
- b) The conformance of suppliers in relation to the definitions and purchase specifications must be monitored through inspections upon material receipt by the organization.

In case that the supplier does not comply with material specifications and/or the quantities informed in the invoices are not correct, the member must determine immediate follow-up actions to correct the deviation, such as requesting correction of purchasing documents, auditing at supplier's sites, providing guidance in relation to FSC requirements and temporary or permanent invalidation of the supplier. The actions shall be recorded and communicated to the certification body during the annual audits.

### **6.3 *Material inspection and classification upon receipt***

Upon receipt, all reclaimed materials shall be verified through visual inspection and classified into pre-consumer and/or post-consumer reclaimed.

The member shall record objective evidences that confirm that the reclaimed materials comply with FSC definitions for pre-consumer and post-consumer.

NOTE: Different evidences can be provided, such as certificates, use of Official reclaimed Paper Classification and Assortment Systems, samples, pictures, quality analysis report, invoices, etc.

In cases where the inspection upon receipt does not allow the classification of reclaimed materials as either pre-consumer or post-consumer, the supplier shall be included in a 'Supplier Audit Program' as specified in Clause 6.4 below.

Suppliers of reclaimed wood shall always be included in a 'Supplier Audit Program'.

In cases where the material received contains a mixture of pre-consumer and postconsumer reclaimed material in its composition, the member shall apply one of the following measures:

- a) Classify the full amount of material as pre-consumer reclaimed, or
- b) Analyze and confirm the quantities of pre-consumer and post-consumer in the material received. In this case, the supplier shall:
  - Declare in writing the quantities of pre-consumer and post-consumer reclaimed material in each material mix supplied, and
  - Be included in a 'Supplier Audit Program'.

Inputs where the classification into pre- and/or post-consumer reclaimed are not possible the member cannot use the material in FSC product groups.

## **6.4 *Supplier Audit Program***

The member shall perform regular (at least annual) on-site audits of the supplier's sites. The minimum number of sites to be audited per year is as follows: the size of the sample shall be the square root's number of sites (x) with 0.8 as a coefficient ( $y = 0.8\sqrt{x}$  where 'y' is the number of sites to be audited), rounded to the upper whole number. The organization shall ensure that the selected sample is alternating and representative in terms of their:

- a) Geographic distribution;
- b) Activities and/or products;
- c) Size and/or annual production.

In cases where the supplier selected in the sampling sells reclaimed materials that were previously collected, classified and traded by other companies, the following criteria shall be used to determine the sites that shall be audited:

- a) For reclaimed wood, the member shall audit the complete supply chain up to the site that purchased or collected the reclaimed material from the point of reclamation.
- b) For reclaimed paper, the member shall audit the supply chain up to the point where the classification as pre-consumer and/or post-consumer can be demonstrated through objective evidences.

The member shall evaluate and verify the documents and other evidence regarding the supplied material quantity, quality and compliance with FSC definitions of pre-consumer and post-consumer, which includes:

- a) Supplier's instructions or procedures in place to control and classify the reclaimed materials;
- b) Trainings or instructions provided to the supplier's personnel in relation to classification and control of reclaimed materials;
- c) Registers that demonstrates the origin of the materials (e.g. pictures, address of the demolished house, invoices, etc.).

NOTE: A declaration from the supplier, even if part of the contractual agreement, is not considered sufficient proof of the origin and material category. However, it can be used as additional evidence to demonstrate the material compliance with FSC definitions (such as pictures, material samples, certificates).

The audit details, such as audit date, audit findings, the names and qualifications of the auditors shall be recorded.



**CFWC**  
Center for Forest & Wood Certification

**Attachment A – CFWC Certification Group Chain of Custody  
Membership Application Form**

<b>Date</b>	
<b>Company Name</b>	
<b>CoC Administrator</b>	
<b>Number of Employees</b>	
<b>Address</b>	
<b>City</b>	
<b>State</b>	
<b>Zip Code</b>	
<b>Telephone</b>	
<b>Fax</b>	
<b>Email</b>	
<b>Annual Turnover</b>	





## Attachment B -- Consent Form

Individual members seeking certification for chain-of-custody as part of CFWC's group certification must comply with all of the CFWC's and CB's policies and FSC Chain of Custody guidelines as stipulated in all applicable standards, the certification contract, and the documented procedures of the CFWC. By signing this consent the member agrees to conform to all applicable FSC certification requirements and the documented contractual obligations, corrective action requests, and procedures of the Central Office and authorizes the Central Office to apply for and administer the FSC Chain of Custody certification on behalf of the Participating Site/member. This also, agreement authorizes the CFWC to conduct on-site visits to assess individual members for their capacity to implement chain-of-custody systems as part of the group. Approved members agree to allow their facilities to be inspected through both scheduled and random site-visits by CFWC and CB staff to ensure that the requirements for Chain of Custody are being upheld.

In order to begin the chain-of-custody assessment process, members must pay an initial fee of \$\_\_\_\_\_. This will also be the annual fee for the first year of certification. Members will have to pay an annual fee in subsequent years **estimated** to be roughly the same amount, but could increase. Signature of this agreement by individual members, receipt of payment, and completed initial audit are required before membership and certification can be granted.

Individual members shall disclose to the CFWC's CoC group administrator all information which the administrator deems essential to conduct its assessment, which may include, but not limited to:

- a) production and sales records
- b) internal policy or management records,
- c) invoices for services or other agreements with outside agents

In signing this document you are agreeing to allow the certification body, ASI, and FSC's to collect and publish information related to your certification. Primarily required contact and product information listed on FSC's website.

The CFWC will maintain complete confidentiality in terms of information gathered during this process for individual members.

Signed by:

\_\_\_\_\_  
Bobby Ammerman  
CoC Group Administrator  
Center for Forest & Wood Certification  
C/O UK Department of Forestry

Date:

Signed by:

\_\_\_\_\_  
Name  
Title:  
Company:

Date:



## Attachment C – Initial/Scoping Checklist

- Membership application
- Consent form
- Written control procedures manual (cover all aspects of what will be required in their coc procedures manual – identify any issues the potential member might have with required procedure in their shop/factory/sawmill)
- Statement of commitment
- Supplier verification form
- Purchased/received certified material form
- Sold certified products form
- Annual volume summary form from current year
  - Input mat. category
  - Type of mat. received
  - Inputs received (amount)
  - Inputs used in production
  - Inputs still in inventory
  - Output mat. category
  - Product classification
  - Outputs sold
  - Outputs still in inventory
  - Conversion
- Annual volume summary form from previous years
- Documentation showing member meets small enterprise (FSC Group Members)
- Mock sales invoice
- Mock bill of lading
- Mock delivery tag
- Training registration sheet
- Mock production id tags
- Logo request form
- Controlled wood/sawmills
  - Suppliers/landowners/verification list
  - Supplier information sheets
  - Controlled wood suppliers letter
  - The species and volume of wood supplied and the relevant purchasing documentation

CFWC CoC Administrator: \_\_\_\_\_

Date: \_\_\_\_\_

Member CoC Administrator: \_\_\_\_\_

Date: \_\_\_\_\_



## Attachment D -- Label Request Form

Insert picture of label on product

Write a brief description of products that will have this label attached and how the label will be use.



## **Attachment E – Public Policy/Commitment Statement**

### **Public Policy/Commitment Statement**

1/31/2011  
ABC, LLC  
12104 S. Hwy. 411  
PO Box 356  
Somewhere, KY 49999

\_\_\_\_\_ is committed to implement and maintain the chain of custody requirements of the FSC Chain of Custody standards. We are committed to ensure that the manufactured products which have been certified under the Forest Stewardship Council (FSC) CFWC's Group Chain of Custody Certificate have been produced in accordance with recognized sustainable forestry practices and it is our policy to not be directly or indirectly involved in the following activities;

- a) Illegal logging or the trade in illegal wood or forest products;
- b) Violation of traditional and human rights in forestry operations;
- c) Destruction of high conservation values in forestry operations;
- d) Significant conversion of forests to plantations or non-forest use;
- e) Introduction of genetically modified organisms in forestry operations;
- f) Violation of any of the ILO Core Conventions as defined in the ILO Declaration on Fundamental Principles and Rights at Work.

\_\_\_\_\_ makes every effort to determine sources of wood used in all FSC labeled products. If it is ever determined that \_\_\_\_\_ has procured lumber that originated from one of these sources for its FSC products, \_\_\_\_\_ will immediately stop procuring lumber/timber from these sources and replace with material procured from acceptable sources. When origin of harvest cannot be determined lumber from these sources will not be used in the production of FSC products. All sources are required to be verified and monitored. The CFWC has developed a complaints mechanism to deal with complaints supported by evidence relative to supplies of controlled wood. Bobby Ammerman is the contact and person responsible for implementing this policy. Bobby can be reached by visiting the CFWC's website, [www.certificationcenter.org](http://www.certificationcenter.org).

Manager  
ABC, LLC

## **Attachment F – Controlled Wood Risk Assessment**

See external file: **For example COC risk Assessment**



## **Attachment G -- Complaints Mechanism**

See example in earlier text in these procedures.



## Attachment H-- Credit Account System

ABC Company								
FSC Credit System				Product = green lumber				
Units = Board Feet				Specie = red oak				
Dates have to be entered sequentially Date	bdft received	Conversion 1:1.2031564	Board Feet credit Sold	Balance	Sum of credit added previous 12 months	Available Balance	Invoice number of input	Invoice number of output
8/11/2009	10	12.031564		12.031564	0	0	2102	
9/1/2009	10	12.031564		24.063128	0	0	2115	
10/1/2009	10	12.031564	20	16.094692	0	0	2128	458979
11/1/2009	10	12.031564	10	18.126256	0	0	2142	459001
12/1/2009	10	12.031564	10	20.15782	0	0	2152	459015
1/1/2010	10	12.031564		32.189384	0	0	2165	
2/1/2010	10	12.031564	20	24.220948	0	0	2176	459051
3/1/2010	10	12.031564		36.252512	12.031564	12.03156	2188	
4/1/2010	10	12.031564		48.284076	24.063128	24.06313	2201	

ABC Company								
FSC Credit System				Product = hardwood chips				
Units = Board Feet in tons out								
Dates have to be entered sequentially Date	bdft received	Conversion 1:0.010931	(tons) credit Sold	Balance	Sum of credit added previous 12 months	Available Balance	Invoice number of input	Invoice number of output
8/11/2009	1000	1.0931		1.0931	0	0	2102	
9/1/2009	1000	1.0931		2.1862	0	0	2115	
10/1/2009	1000	1.0931	2	1.2793	0	0	2128	458979
11/1/2009	1000	1.0931	1	1.3724	0	0	2142	459001
12/1/2009	1000	1.0931	1	1.4655	0	0	2152	459015
1/1/2010	1000	1.0931		2.5586	0	0	2165	
2/1/2010	1000	1.0931	2	1.6517	0	0	2176	459051
3/1/2010	1000	1.0931		2.7448	1.0931	1.0931	2188	
4/1/2010	1000	1.0931		3.8379	2.1862	2.1862	2201	
5/1/2010	1000	1.0931		4.931	3.2793	3.2793	2212	
6/1/2010	1000	1.0931		6.0241	4.3724	4.3724	2221	
7/1/2010	1000	1.0931		7.1172	5.4655	5.4655	2229	
8/1/2010	1000	1.0931	4	4.2103	6.5586	2.5586	2250	459098
9/1/2010	1000	1.0931		5.3034	7.6517	3.6517	2264	
10/1/2010	1000	1.0931		6.3965	8.7448	4.7448	2278	
11/1/2010	1000	1.0931		7.4896	9.8379	5.8379	2299	
11/14/2010		0	2	5.4896	9.8379	3.8379		459118
1/3/2011	1000	1.0931	1	5.5827	10.931	3.931	2300	460000



## Attachment I – Controlled Wood Suppliers’ Management Form (partial)

**ABC Logging**  
**423 HWY 590**  
**Nowhere, Kentucky 404729**

1. Supplier information		2. Product information				3. Material Origin				4. Risk Assessment				
Supplier name	Supplier country	Product description	Species (scientific name)	Species (trade name)	Volume	Country of harvest	Sub-national region of harvest (if known)	Harvest concession (if known)	Supplier chain information	Access to documentation	Risk identification conclusion	Risk Description and Indicator	Control Measures	Risk Mitigation Status
					Enter the volume purchased during the reporting period.				Do you have access to information about the supplier chain of the product? How many steps away from the supplier? Explain here.	Do you have access to documents disclosing the supply chain and origin of the product? What type of documentation? Explain here.	Enter the conclusion from the appropriate risk assessment (low, significant or elevated, depending on country of origin). Also identify any risk of mixing at the supplier's.			Enter the current status of the risk mitigation action (not applicable and responsible person).
DA Logging	USA	Pulpwood logs	MH see list in ABC's procedures	see list in ABC's procedures		USA			purchases standing timber	Declaration, delivered load tickets, economic analysis	No risk of mixing low risk all five categories CFWC risk assessment	Low risk for all 5 categories CFWC risk assessment	NA	NA







## Attachment M -- Supplier Information Sheet (Sawmills)

Date completed:					
Supplier name:					
Address:		<b>ABC Logging</b>			
Phone:		<b>423 HWY 590</b>			
Fax:		<b>Nowhere, Kentucky 404729</b>			
Email					
Contact person:					
Total volume:					
Report Period:					
<b>1. Product Information</b>					
Product type/description	Product Group	Component or single material	Species (scientific name)	Species (trade name)	Volume
<b>2. Information about origin</b>					
Sub-supplier name	Sub-supplier type	Country of harvest	Sub-national region of harvest (if known)	Harvest concession (if known)	



## Attachment N – Controlled Wood Supplier’s Letter (Sawmills)

**ABC Logging**  
**Po Box 423 / 1909 Kentucky 490**  
**East Bernstadt, KY 404729**

**[SUPPLIER NAME AND ADDRESS]**

**Subject: Securing access to information about timber supply**

Dear **[RECIPIENT NAME]**,

I am writing you regarding our work to meet the requirements of the FSC Controlled Wood Standard, FSC-STD-40-005 V3.

We are purchasing noncertified wood products from your company and wish to consider it “controlled” according to the FSC standards via our company Due Diligence System. In order to do so, we need to demonstrate access to information describing the timber and timber products, country of harvest, species, quantity, details of the supplier and supply chain. We will use this information to conduct a risk assessment and mitigate any risks identified.

As part of this process we are being certified by Rainforest Alliance to the FSC Chain of Custody and FSC Controlled Wood standards to be able to include the materials we are being supplied, into the scope of our FSC certification.

We are therefore writing to collect additional information about the materials we purchase from your company. This will help us in securing access to the relevant information about our products. If you do not wish to disclose confidential information about your sources, we have the opportunity to ask an independent auditor to assess the information about your supply in our place and confirm legality and availability of information without disclosing confidential information to us.

**[IN CASE ADDITIONAL INFORMATION IS NEEDED ABOUT SUPPLY CHAIN THE FOLLOWING SENTENCE CAN BE ADDED] In order for us to evaluate our supply of timber and timber products we would therefore request you to provide information about the products you sell to us in the attached excel sheet **[ENTER NAME OF THE EXCEL FILE (DDS Supplier Information Form)]**.**

We greatly appreciate your cooperation on this and we are happy to answer any questions you should have to this.

Best regards,

Date:

---

Steve Curry  
ABC Logging



# Attachment P – Example Invoice

## INVOICE

5005 Some Street  
 No Name City, No Name State  
 050511

NVOICE NUMBER: 050611

Phone Number: 606362-7861  
 FAX Number: 6066686150

NVOICE DATE: 05/05/2011

SOLD TO:

XYZ COMPANY  
 P O BOX 2011  
 UNKNOWN CITY, UNKOWN STATE 12345

**FSC Certificate: SCS-COC-999999 - A**

CUSTOMER ID	CUSTOMER PO		PAYMENT TERMS	
011551	654321		2/10; n/30	
SALES REP	SHIPPING METHOD	SHIP DATE	DUE DATE	
Joe Jones	Truck	05/06/11	05/17/11	
QUANTITY	ITEM NUMBER	DESCRIPTION	UNIT PRICE	EXTENSION
10	0805	Hickory 4/4 2A FSC 100% SCS-COC-999999 - A	.375	37.50
10	0816	Hickory 4/4 IC FSC Mix Credit SCS-COC 999999 - A	.75	75.00
You may deduct \$2.69 if paid in full by 05/27/11				
			NET INVOICE	112.50
			FREIGHT	150.00
			SALES TAX	6.75
			INVOICE TOTAL	134.25

**Attachment Q – Example Bill of Lading**

**Bill of Lading**

0505 Hwy South  
 No Name City, No Name State  
 12345

Phone: 606-362-7861  
 FAX: 606-362-7861

No. 19888

**FSC Certificate: SCS-COC-999999 - A**  
**SCS-CW-999999 - A**

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DATE	CUSTOMER ORDER #	SHIP TO	SHIP VIA	F.O.B.	OUR ORDER #
NO OF PIECES	FOOTAGE	DESCRIPTION			
8 PKS	1 TRL	6360' 4/4 Red Oak #2 FSC 100% SSC-COC-999999 – A 2350' 4/4 Red Oak #3A com Controlled Wood SCS-CW-999999 – A			
		NHLA SALES CODE TO GOVERN			

2 % SERVICE CHARGE ADDED PER MONTH TO ACCOUNTS OVER 30 DAYS

RECEIVED BY \_\_\_\_\_

# Attachment R – Example Delivery Ticket

<b><u>DELIVERY TICKET</u></b>	No <b>1600</b>
	1520 New Street Unknown City, Unknown State 12345 PHONE: 606-362-7861 FAX: 606-362-7861
<b>TO</b>	_____
	_____
	_____
<b>CONTENTS:</b>	
	<b>VOID</b>
	<b>RO 57 LOGS</b>
<b>RECEIVED BY:</b>	_____ <i>Rose</i>
<b>HAULED BY:</b>	_____ <i>Joe H.</i>



## Attachment S – Annual Volume Summary

Example data:

Year	2011	2011	2011	
Input Mat. Category	100%	Mix credit	Controlled wo	
Type of mat. received	Lumber	Plywood	Lumber	
Inputs Received (amount)	20,000 bf	80,000 sqft	300 bf	
Inputs used in production	15,000 bf	79,000 sqft	300 bf	
Inputs still in inventory	5,000 bf	1,000 sqft	0	
Output mat. Category	Mix credit	Mix credit	Mix credit	
Product classification	Cabinets	Cabinets	Cabinets	
Outputs sold	150 units	150 units	150 units	
Outputs still in inventory	0	0	0	
Conversion	100 bf	526 sqft	2 bf	

Year				
Input Mat. Category				
Type of mat. received				
Inputs Received (amount)				
Inputs used in production				
Inputs still in inventory				
Output mat. Category				
Product classification				
Outputs sold				
Outputs still in inventory				
Conversion				