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**GENERAL REGULATION FOR
PRODUCT, PROCESSES AND
SERVICES CERTIFICATION** 

SPECIAL REQUIREMENTS

FSC® Chain of Custody

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1. FOREWORD

- 1.1. APCER develops the activity of Chain of Custody (COC) certification according to the Forest Stewardship Council® (FSC®) standards worldwide except for China.
- 1.2. The original version of this document is a Portuguese edition. In case of doubt or overlapping, the dispositions of the Portuguese document prevail.

2. SCOPE

- 2.1 This document defines the conditions and the contractual dispositions to obtain and maintain FSC Chain of Custody certification (COC) for the following levels: individual, multi-site, group, and project certification.
- 2.2 These Special requirements for FSC COC complement the General Regulation for Product Certification (REG002), prevailing in case of superposition. Where there is no specific provision, REG002 dispositions apply.
- 2.3 The application to APCER for the FSC chain of custody certification (COC) implies the acceptance of the dispositions contained in REG002 and REG002AF by the applicant or certified organization, formalized through the signature by a legal representative of the organization of the certification request, according to the draft template presented by APCER.
- 2.4 APCER accepts a certificate transfer from other accredited Certification Bodies within the rules defined by FSC.
- 2.5 This main part of this document defines the applicable dispositions for the individual FSC certification at the level of a single chain of custody operation. For the group and multi-site certification levels and for project certification additional dispositions and requirements shall be met as defined in the appendixes of this document.
- 2.6 Organizations with more than one site may apply for certification under a unique certificate if they meet the eligibility criteria set by the FSC and the applicable FSC requirements. The specific dispositions for multi-site certification are complementary to this document and presented in Appendix I.
- 2.7 A small set of independent companies can have a facilitated access to FSC certification, forming a group, sharing the certification costs and benefiting from technical support and monitoring by a central office. The group of companies can apply for certification under a unique FSC certificate, provided the eligibility criteria set by the FSC and the applicable FSC requirements for group level certification are met. The specific provisions for group certification are complementary to this document and presented in Appendix I.
- 2.8 FSC offers a certification tool that allows a project, and not an organization, to be certified. Appendix II defines the specific provisions for project certification.

- 2.9** The certification is applicable to all chain of custody operations throughout the supply chain: logging, trade, processing of forest based and non-timber forest products from virgin or recovered materials, including primary sector (logging and primary processing) or, in the case of recovered materials, recycling plants, industry (primary and secondary processing) and tertiary sector (trade, wholesale, retail and print services).
- 2.10** To obtain FSC chain of custody certification, organizations shall operate the management system, consistently and effectively, according to the FSC chain of custody requirements.
- 2.11** The chain of custody certification is required for all organizations in the supply chain of forest-based products, timber, or non-timber products, taking legal possession of FSC certified products and performing at least one of the following activities:
- a) Deliver products to their clients with an FSC claim in sale and delivery documents.
 - b) Apply the FSC label on-product.
 - c) Process or transform FSC certified products (e.g., production, repacking, labeling, or addition of other forest-based components to the product).
- 2.12** The certificate is issued to the organization that holds the legal responsibility or management responsibility of the Chain of Custody system.
- 2.13** The certificate issued by APCER provides a credible assurance that all chain of custody operations placed in the certificate scope comply with all applicable FSC requirements.
- 2.14** APCER reserves the right not to provide services, nor maintain contractual relationships with organizations, nor to issue or maintain a certificate of an organization whose activities are in conflict of interest with APCER's obligations, stipulated in the accreditation agreement with FSC for FSC certification activities or, based solely in APCER's opinion, with organizations that may have a negative impact on APCER reputation. Including, but not limited to, are organizations engaged in illegal activities, organizations that have a history of repeated non-compliance with the certification requirements, or other similar circumstances.
- 2.15** APCER can resort to the services of companies from the APCER group to provide the certification services described in the present regulation, remaining in either case the existing contractual position.
- 2.16** APCER may request access to records related to non-FSC related material and products when this information is relevant to confirm the organization's compliance with applicable certification requirements.
- 2.17** Within FSC COC certification scope APCER offers evaluation services according to FSC STD 40-005 v3-1 Requirements for Sourcing FSC Controlled wood, per supply area included in the organization COC operations.
- 2.18** Acceptance of the evaluation of a risk assessment performed by the organization for FSC unassessed areas or evaluation of risk assessment where a complex number of mitigation

measures apply, is subject to a feasibility analysis prior acceptance of the evaluation. APCER reserves the right not to offer such evaluations in result of this analysis.

- 2.19** In case of FSC STD 40-005 V3-1, regarding the adaptation of the organization's DDS to a newly approved risk assessment, the organization shall adapt its FSC Risk Assessment within 6 months of the approval date of the risk assessment, as indicated in FSC STD 40 005 V3-1. The need to perform a special audit within this timeframe will depend on the nature of changes on the risk assessment and specific orientations that might come from FSC on the new risk assessment.
- 2.20** APCER can contract the services of another FSC Forest Management accredited certification body in the context of FSC STD 40 005 certification for controlled wood, namely to perform field visits at forest level, public consultations in countries where APCER has not a direct presence, etc. The existing contractual position between the organization and APCER remains valid.

3. NOTICE OF CHANGES

- 3.1** APCER reserves the right to amend the certification requirements during the certificate validity, including the revision of prices and fees associated with the service.
- 3.2** Changes in the certification requirements imply the revision of this document or of the REG002.
- 3.3** All revisions of this Regulation or of the REG 002, as well as changes to FSC standards with implications to the FSC Chain of Custody or other applicable reference documents, are communicated in writing to the client within a maximum of 30 calendar days after approval.
- 3.4** Organizations certified before the effective date for application of a standard or other FSC applicable document shall ensure fulfillment of its requirements within the transition period specified therein, that is, between the effective date and the end of the transition period.
- 3.5** During the transition period APCER will automatically plan the audit to occur according to the revised standard or document, except if otherwise defined by FSC and requested by the client organization. Transition to the revised version of the standard or document only becomes effective after a positive decision after an audit done against the revised standard or document.

4. DEFINITIONS AND REFERENCES

- 4.1** The FSC COC certification is based on the applicable requirements of the reference documents defined by FSC, for the FSC Chain of Custody certification, as well as the reference documents defined in REG002. APCER provides and maintains an updated list of reference documents applicable to the chain of custody certification.
- 4.2** FSC chain of custody standards are designed to be applied at the local level of chain of custody operation.

- 4.3** The applicable FSC requirements defined in the standards or other FSC documents are applied in their most recent version, being applicable the defined transition or application dispositions specified therein.
- 4.4** Organizations applying for FSC certification, or FSC COC certified organizations, shall implement the chain of custody system in accordance with the applicable requirements of the FSC documents: policies, standards, procedures, and advice notes, etc., whose latest version can be found at www.fsc.org or requested to APCER.
- 4.5** All requirements applicable to a specific chain of custody operation are considered to be normative, including the scope, the effective date of the standard, references, definitions, tables and annexes, unless otherwise stated.
- 4.6** For orientation purposes, reminding that the listed documents do not contain the full spectrum of FSC requirements that must be met by organizations, we identify herein the key documents. These are complemented by other documents and requirements and it is the applicant's organization or the FSC COC certified organization responsibility to identify and maintain updated information about the documents applicable to them.

Table I – FSC standards for certification purposes

CHAIN OF CUSTODY CERTIFICATION - BASE	
FSC-STD-40-004	<i>FSC Standard for Chain of Custody Certification</i>
FSC-STD-40-004a	<i>FSC Product Classification</i>
FSC-STD-01-002	<i>FSC Glossary of Terms</i>
FSC-STD-20-001	<i>General Requirements for FSC Accredited Certification Bodies</i>
FSC-STD-20-011	<i>FSC Chain of Custody Evaluations</i>
USE OF FSC TRADEMARKS	
FSC-STD 50-001	Requirements for the use of the FSC trademarks by Certificate Holders
CONTROLLED WOOD	
FSC-STD-40-005	<i>Standard for Company Evaluation of FSC Controlled Wood</i>
RECLAIMED MATERIAL	
FSC-STD-40-007	<i>Sourcing reclaimed material for use in FSC Product Groups or FSC Certified Projects</i>
MULTI-SITE or GROUP	

FSC-STD-40-003	<i>Chain of Custody Certification of Multiple Sites</i>
PROJECT	
FSC-STD-40-006	<i>FSC Chain of Custody Standard for Project Certification</i>

- 4.7** Definitions contained in REG002 and in the FSC reference documents apply. To ease the reading and understanding of this document some definitions are transposed here and in the appendixes.
- 4.8 Chain of Custody:** The path taken by raw materials, processed materials, 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 stage 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 product.
- 4.9 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.
- 4.10 FSC trademark license code:** Identification code issued to organizations that have signed an FSC License Agreement. For certificate holders, it is in the form FSC-C#####. It is used to identify the organization on the FSC license holder database and must accompany any use of the FSC trademarks.
- 4.11 Intellectual Property Rights:** any and all rights to copyright, typography, databases, designs, patents, trade or service marks, know-how and all other intellectual property, any and all proprietary or other rights (whether or not any of the same are registered or registerable, and including any applications or rights to apply for registration of any of the same) which may exist anywhere and, in any form, worldwide.
- 4.12 License Agreement with the FSC Certification Scheme:** an agreement that each applicant for FSC Certification or FSC Certificate Holder has to enter into with FSC Global Development in order to be eligible for FSC Certification. The License Agreement for the FSC Certification Scheme authorizes the use of the FSC trademarks under specified terms and provisions.
- 4.13 Minor non-conformity:** deviation from the normative requirement (s) that can be considered:
- Temporary lapse, or
 - Unusual / non-systematic, and
 - Whose non-compliance impacts are limited in their temporal or organizational scale, and
 - It does not result in a fundamental failure to achieve the objective of the relevant requirement.

- 4.14 Major non-conformity:** any non-compliance which, either alone or in combination with further nonconformities result, or is likely to result, in a fundamental failure to achieve the objective of the relevant requirement of the chain of custody's operation within the scope under evaluation. Indicators to this fundamental failure are nonconformities that:
- a) Continue over a long period of time, or
 - b) Are systematic, or
 - c) Affect a wide range of the production, or
 - d) Affect the integrity of the FSC COC system, or
 - e) Are not corrected or adequately addressed by the client once it has been identified.
- 4.15 Observation:** early stages of a problem which does not yet constitute a nonconformity, but which the auditor considers may lead to a future nonconformity if not addressed by the client.
- 4.16 Annual turnover:** Total revenue of an organization derived from the provision of goods and services, less trade discounts, VAT, and any other taxes based on this revenue. In the context of the Annual Administration Fee, turnover refers to forest products (e.g., sawn timber, particle boards, paper, non-timber forest products) and products containing wood or fiber components. It does not refer to other 100% non-wood (non-fiber) products companies might produce. The annual turnover refers to the most recently completed fiscal year.

5. CERTIFICATION SCHEME

5.1 Product and production process requirements

- 5.1.1** For the FSC COC certification, the requirements set out in the reference documents and herein are applied.

5.2 Certification scheme requirements

- 5.2.1** The FSC COC certification scheme is set according to the requirements set by FSC.
- 5.2.2** Assessment activities include conducting an initial audit to the FSC chain of custody, annual surveillance audits and a recertification audit at the end of 5-year certification cycle that might be subject to other actions presented in this document.
- 5.2.3** When the organization applies FSC STD 40-005 V3-1 to source material, assessment activities might encompass stakeholder consultation prior to initial FSC STD 40-005 v3-1 audit and at each re-evaluation, as specified later in this document.

6. GRANTING CERTIFICATION

6.1. Pre-audit

- 6.1.1 The organization may request a pre-audit or APCER can determine its need, as defined in REG002.
- 6.1.2 The pre-audit is recommended when the organization applies the FSC-STD-40-005 standard regarding controlled wood with a verification program.
- 6.1.3 APCER determines the need of a pre audit when the organization applies FSC STD 40 005 V3-1 and sources form regions with approved FSC risk assessments with specified or unspecified risk in any category or makes his own risk assessment.

6.2. Application

- 6.2.1. Certification request is done according to dispositions set out in REG002.
- 6.2.2. The certification request is accepted only when accompanied by the License Agreement with the applicable FSC Certification Scheme, duly signed by an authorized representative of the applicant organization.
- 6.2.3. By signing the certification request, the organization agrees and accepts, as an integral part of the agreement:
 - i. To comply with the conditions stipulated by APCER for the issuance of a certificate, including those defined in REG002, the conditions stipulated in this document and any other conditions that may come as necessary.
 - ii. To fully comply with the applicable Rules and Regulations set in applicable FSC standards, in their latest version.
 - iii. In case of reduction, suspension, or cancellation of APCER's FSC COC accreditation, APCER will provide this information to the organization within 30 calendar days. The organization accepts to seek another accredited certification body within six calendar months after the date of reduction, suspension, or cancellation of the respective scope of accreditation, time after which the organization's certificate will be suspended.
 - iv. To use FSC trademarks in accordance with all applicable regulations, authorizing APCER to take the necessary arrangements about violations to FSC trademarks rights or to FSC intellectual property rights, being APCER able to use information that has been brought to its attention.
 - v. To recognize FSC intellectual property rights and that FSC has full possession of those rights and to recognize that nothing could be considered as a right or justification for the client organization to use any of the intellectual property rights.

- vi. Once certified, to make any claims related to FSC certification consistent with its FSC scope of certification, as determined in the FSC applicable requirements.
 - vii. Refrain from making any claim of compliance or nearly compliance with the FSC requirements under the proposed certification scope before obtaining the certification or extending the certification scope.
 - viii. Not to make any statement regarding its FSC COC certification that may be considered misleading or unauthorized.
 - ix. Not to use its certification in such a manner as to bring APCER, FSC or ASI into disrepute.
 - x. To disclose any information regarding current or previous application or certification with FSC or other forestry certification schemes in the last five years; either from the applicant organization or from other management units or sites to be included in the certification scope.
 - xi. To accept ASI witness audits.
 - xii. To consider the participation of observers, in the terms specified in FSC in FSC PRO-01-17.
 - xiii. Agree with the publication of specified public information, as determined in the FSC documents.
 - xiv. Keep a record of all complaints made known to the organization, relating to conformity with certification requirements and make these records available to APCER when requested.
 - xv. Take appropriate action with respect to any complaints received and any deficiencies found in products that affect conformity with FSC certification requirements and document the actions taken.
 - xvi. Inform APCER, within 10 days of changes in the ownership, structure of the organization (e.g., changes in key managerial staff), certified management systems or circumstances which relate to the implementation of FSC certification requirements.
 - xvii. Agree, that in case of disagreement with audit findings related to FSC normative documents, this complaint is first handled according to APCER's dispute resolution procedure and, if not resolved, referred to ASI and ultimately to FSC.
- 6.2.4.** The applicant organization shall be a legal entity. FSC certification can be restricted to certain geographic areas of the organization's operation, activity sites or product lines. As a minimum, it is accepted a request for the certification of a business unit.
- 6.2.5.** Single level FSC Chain of Custody certification generally applies to organizations with a single site. However, under specific circumstances, additional sites can be included in the scope of the certificate, as long as all sites are part of the same Chain of Custody operation.
- 6.2.6.** Single level FSC COC certification may include multiple sites, if they conform to all of the following criteria:

- a) One site under the scope of the Single COC certificate:
 - i. Acts as the certificate holder.
 - ii. Is responsible for the invoicing of certified and non-certified materials or products covered by the scope of the certificate to external clients.
 - b) All sites under the scope of the Single COC certificate are:
 - i. Operating under a common ownership structure.
 - ii. Managed under direct control of the certificate owner.
 - iii. In an exclusive business relationship with each other for the output materials or products covered by the scope of the certificate.
 - iv. Located in the same country.
- 6.2.7.** To the single level FSC COC certification with more than one operational site as defined in the previous point, are applicable all certification requirements as defined in FSC-STD-40-004. These requirements shall be evaluated by APCER in every audit at all sites included in the scope of the certificate, without any sampling.
- 6.2.8.** Single level certificate only identifies the certificate holder and its address.
- 6.2.9.** APCER shall not accept an application at a single level for certification with more than one operational site where any of these operational sites are already covered by a valid or suspended FSC certification, except where a certification transfer process according to FSC PRO- 20-003 is ongoing.
- 6.3. Application review**
- 6.3.1.** APCER analyzes the submitted application and documentation, and decides on its acceptance, asking for any clarification or reformulations when needed.
- 6.3.2.** When the organization applies for certification against FSC STD 40-005 v3-1 for sourcing control wood material, either entering as a new client or requiring the assessment of a new supply area, APCER will verify if the sourced areas where the client organization sources are from unassessed regions or have a valid and approved FSC risk assessment with unspecified or specified risk areas.
- 6.3.3.** In case they are in the situations above, APCER will verify feasibility for conducting the assessment. APCER reserves the right to contract the evaluation to another certification body or not to accept to make the evaluation for that area.
- 6.3.4.** When the organization applies FSC STD 40 005 for sourcing controlled wood material and sources from FSC unassessed areas or areas with approved FSC risk assessment but with specified or unspecified risk areas, and APCER accepted the assessment, APCER shall conduct a stakeholder consultation prior to the certification audit, or the first audit against FSC STD 40-005

V3-1 and prior to each re-evaluation audit. The public consultation shall be initiated at least six weeks prior to the audit date.

- 6.3.5.** The same applies when stakeholder consultation is defined as a control measure by the organization or in the approved National Risk Assessment.
- 6.3.6.** The organization shall cooperate with APCER providing a list and contact of all its directly affected stakeholders as well as other interested stakeholders identified.
- 6.3.7.** If the organization has identified that legal requirements may conflict with adequate control measures, APCER shall approve such control measures before they are implemented, in case they assure risk mitigation. The organization shall communicate the need for this approval at the application stage or prior to implement these control measures.

6.4. Certification audit

- 6.4.1.** The dispositions for the certification audit follow REG002, complemented or replaced by the following.
- 6.4.2.** The organization shall take all necessary dispositions to ensure that the Audit Team (AT) has free access to locations, equipment, documents, files, areas, records, and personnel, including bodies providing outsourced services to clients, during all relevant shifts. The organization shall be available to the AT during the audit and collaborate with it, informing about all facts considered relevant to the evaluation of the chain of custody.
- 6.4.3.** When an organization contracts activity to third parties that are within the scope of the chain of custody management system, it is the organization's responsibility to ensure APCER's AT access to contractors' sites.
- 6.4.4.** APCER evaluates the implemented chain of custody system when this is applied by the organization through outsourcing agreements to verify that all applicable FSC requirements are met.
- 6.4.5.** When an organization applies the FSC STD 40-005 standard, related to Controlled Wood (CW), it is the organization's responsibility to provide to APCER the publicly available information required in the applicable standards in the templates provided by APCER.
- 6.4.6.** When an organization applies the FSC STD 40-005 V3-1 standard related to controlled wood, and sources from FSC unassessed risk areas, or areas with unspecified or specified risk supplies, or areas where mitigation measures apply, it is the organization's responsibility to collaborate in pursuing the preparation of the audit and audit to filed verification of any control measures
- 6.4.7.** At the end of the audit, is delivered to the organization a record sheet identifying the failures of compliance with the requirements.
- 6.4.8.** The complete final report, including the classification of findings, is presented to the organization by the AT within five working days after the last audit day.

- 6.4.9.** The final report may present findings of situations which were audited but weren't referred in the final meeting and in the respective record.
- 6.4.10.** The organization has five working days to comment on the accuracy of the report in relation to the audit work.
- 6.4.11.** For each finding, major or minor non-conformity and observation, the organization shall carry out a cause analysis, implement a correction, define, and implement corrective actions and detail the timelines and the responsibilities, documenting this process.
- 6.4.12.** In case of major nonconformities or other non-conformities or observations for which the auditor or APCER expressly request, the organization shall submit, up to a maximum period of one calendar month from the time when non-compliances are presented formally to the organization, ultimately the last day of audit, the corrective actions for the corrective action requests, as documented in the previous paragraph.
- 6.4.13.** The corrections and corrective actions for the remaining non-conformities and observations, will be assessed at the next audit to verify if they have been implemented and are effectively closed, not needing to be previously sent to APCER.
- 6.4.14.** A corrective action for a major non-conformity shall be effectively implemented and closed in order to allow the decision within the maximum deadline of three months' calendar after the last audit day.
- 6.4.15.** A corrective action for a minor non-conformity or for an observation shall be effectively implemented and closed within the maximum deadline of twelve months' calendar.
- 6.4.16.** The auditor may determine shorter deadlines than those defined in the two paragraphs above.
- 6.4.17.** The organization's answer is analyzed, and additional clarifications or evidence can be requested, when relevant.
- 6.4.18.** When there are minor non-conformities for which the organization has not submitted or implemented adequate corrective action, these minor NC's may be reclassified as Major NC.
- 6.4.19.** Reports with major nonconformities are submitted to decision within three calendar months after the last audit day, for the remaining situations the reports are submitted within six months.

6.5. Certification decision

- 6.5.1.** Certification is granted to an organization that demonstrates compliance with all the requirements of all applicable FSC standards and documents.
- 6.5.2.** If nonconformities have been identified:
- a) The corrections and corrective actions proposed by the applicant organization for the major nonconformities are considered adequate, verified through a new audit or other appropriate verification method.

- b) For major non-conformities, evidence is presented that the proposed actions were implemented, and these were assessed and considered effective;
- c) The deadlines for the implementation of corrective actions for minor nonconformities are considered appropriate and are within the time limits established in the preceding section of this Regulation.

- 6.5.3.** If the evidences of practical application are limited, certification can be granted, in the condition of conducting a special audit within the deadlines to be defined and communicated by APCER.
- 6.5.4.** The results of the certification audit are valid for a maximum period of six (6) months and the certification decision is taken by APCER, within that period. Otherwise, the results are considered outdated and a new on-site certification audit shall be performed before the certificate is issued.
- 6.5.5.** APCER does not issue, reissue, or reinstate a certificate if there are any major non-conformities open.
- 6.5.6.** APCER reserves the right to delay or postpone the certification decision if any new or additional information is brought to its attention that had not been previously considered in the audit or in its report that needs to be evaluated to determine the impact on the outcomes of the evaluation and on the decision.

6.6. Certificate and FSC code

- 6.6.1.** APCER only issues or reissues an FSC certificate when the organization holds a valid and updated to the latest version '*License Agreement for the FSC Certification Scheme*', where the right to use FSC licenses is not suspended, and accepts the contractual dispositions laid down in this Regulation by signing the certification request.
- 6.6.2.** The certificate is valid for five years. During the validity period of the certificate, annual surveillance audits are performed. The certificate can be reissued for subsequent periods after a recertification audit with a positive decision.
- 6.6.3.** After a positive decision of certification, APCER communicates the result of the decision to the FSC, and sends the necessary information to the FSC database, as defined in 14 (Information).
- 6.6.4.** The FSC generates and directly sends the certified organization a license code for product and promotional use, together with the access to the FSC logo generator.
- 6.6.5.** The certified organization can use its certificate, within the scope of its certification, for pursuing its business objectives, namely: disclosing it to their customers at the sale of certified products, when advertising its certified products, in the company documentation or on its website.

6.7. USE OF FSC TRADEMARKS

- 6.7.1.** "FSC" initials, the name "Forest Stewardship Council" and the FSC Logos (*checkmark and tree logo, forest for all forever – full e forest for all forever – logo with text*) are trademarks owned by the Forest Stewardship Council A.C. (FSC).
- 6.7.2.** Only certified organizations that signed the "License Agreement" can use the FSC trademarks in accordance with FSC rules.
- 6.7.3.** The rules for the proper use of these trademarks, on the product and for promotional use are defined by the FSC in the applicable relevant documents and are mandatory for users of the trademarks.
- 6.7.4.** Once certified, the access to the FSC website is given to the organization, in order to generate its logo in accordance with the rules set by the FSC.
- 6.7.5.** The use of the logo on-product or for promotional purposes shall be previously approved by APCER, according to FSC trademark requirements, before publication or dissemination by the organization. Within five working days APCER decides on its approval or communicates the need for corrections.
- 6.7.6.** The organization shall maintain records of the logo approvals.
- 6.7.7.** Alternatively, organizations already certified, with a history of at least two years of application and approval of the logo by APCER, assessed in at least two audits, may implement a trademark use management system under the terms of the FSC STD 50 001 standard. The organization shall request the approval of the trademark use management system by APCER.
- 6.7.8.** In the case of the previous paragraph, the organization shall ensure that at least one of the logo approvers has received the training provided by the FSC, ensuring the training of the remaining logo approvers.
- 6.7.9.** This request shall be made before the next audit or through a specific audit to that effect.
- 6.7.10.** APCER reviews the audit result and makes an approval decision. Once there is an approval decision, the organization may start to affix the logos without requiring authorization from APCER.
- 6.7.11.** Validation of the trademark use management system is performed on a regular basis during all audits.
- 6.7.12.** APCER reserves the right to suspend the approval of the trademark use management system if non-conformities related to misuse of the FSC logo are identified. In such a case, the organization shall once again submit to APCER all uses of the logo for approval.
- 6.7.13.** APCER specifies the conditions for lifting the suspension of the approval of the trademark use management system.
- 6.7.14.** The sale of FSC certified products or FSC controlled wood shall be done with the correct FSC claim in the sales documents, invoices, delivery notes or other, including the APCER certificate number.

- 6.7.15.** The use of the logo without APCER's approval is not allowed and infractions will be punished, except for organizations with an approved trademark use management system, as mentioned in 6.7.7.
- 6.7.16.** APCER monitors and controls the use of FSC trademark by the client, either on-product or for promotional use as part of its regular surveillance and re-evaluation audits and by addressing cases of detected or reported misuses.
- 6.7.17.** APCER reserves the right to identify non-conformities related to the misuse of the FSC logo outside the normal auditing process, using information that is brought to its attention.

7. CERTIFICATION MAINTENANCE

7.1 The conditions for the certification maintenance of an organization are:

- i. To comply and continue to comply with all APCER conditions for maintenance and reissuance of the certificate, including, but not limited to, the implementation of any actions required to correct minor non-conformities identified before the certificate issuance or in previous audits.
- ii. To comply with all FSC and APCER requirements relating to FSC claims, use of logos, certification marks or trademarks.
- iii. To correct any nonconformities with applicable FSC normative documents within the maximum period specified by APCER.
- iv. To correct any major non-conformity within the timeline defined by the lead auditor, which cannot, in any case, exceed the maximum period of three calendar months.
- v. Pay the fees and costs within the specified time limits.
- vi. Accept the annual surveillance audits, or other frequency determined by APCER or FSC.
- vii. Holds a valid "License Agreement for the FSC Certification Scheme", where the right to use FSC trademarks is not suspended.

7.2 APCER performs surveillance audits on an annual basis. APCER can establish lower intervals when circumstances so determine or when required by FSC or by the accreditation body.

7.3 For a correct planning of the surveillance and recertification audits, the organization shall previously submit to the audit team an updated copy of the documented procedures related to the FSC COC, as well as the annual volume summary made by the organization under section 5.2.2 of the FSC STD 40-004 standard.

7.4 The absence of a valid "License Agreement for the FSC Certification Scheme" is formally considered and treated as a major non-conformity, whose period for closure is of two (2) weeks. If the nonconformity is not closed within this timeframe, the certificate will be suspended.

8. SUPPLEMENTARY ACTIONS

8.1. GENERAL

- 8.1.1.** The dispositions of REG002 apply. Additionally, APCER can also perform extraordinary short-notice audits or unannounced audits.

8.2. CHANGES AND EXTENSION TO SCOPE

- 8.2.1.** Any change or extension to the certification scope shall be formally requested to APCER through the delivery of an extension application request (see 6.2).
- 8.2.2.** In case the organization exchanges from individual level to multi-site or group level a new FSC License agreement is required.
- 8.2.3.** A change in scope can be determined as a result in changes in ownership, structure of the organization or changes in the management systems. A change in scope can result in a scope reduction or in an extension of scope.
- 8.2.4.** If the organization applies the FSC-STD-40-005 standard for controlled wood and intends to extend the supply of controlled wood to a new region, it shall previously communicate this intention to APCER, in the terms of the previous paragraph.
- 8.2.5.** APCER analyzes the request and, depending on the scope of the required changes, decides on the actions needed.
- 8.2.6.** The scope change only will become effective after a positive decision. The certificate will be reissued reflecting the change in scope and maintaining the expiry date of the previously issued certificate.
- 8.2.7.** The extension of the controlled wood risk assessment to a new region is effective only after a positive decision from APCER. The organization can only supply controlled wood from the new region after this positive decision is communicated.
- 8.2.8.** During an extension process the organization shall maintain the conditions for certification within the scope for which is currently certified.
- 8.2.9.** After the extension, the organization will return the original version of the previous certificate to APCER.

9. SANCTIONS

- 9.1.** APCER reserves the right to suspend or cancel the organization's certification with immediate effect if, based solely on its opinion, the organization is not in accordance with the conditions specified for maintenance of certification, or there is evidence of abusive use of FSC certificate or trademarks are brought to its attention.

- 9.2.** If five or more major non-conformities are identified during an audit, APCER shall suspend the certificate.
- 9.3.** APCER shall suspend certification, at latest three (3) months after the closing meeting of a surveillance audit, if a certification decision to maintain the certification cannot be taken due to circumstances beyond the control of APCER. These circumstances beyond the control of APCER may include, but are not limited to, the client organization or other parties preventing the use of audit findings or the delayed or declined acceptance of audit findings or the audit report by the client.
- 9.4.** APCER shall suspend the certificate if in an audit, one or more major non-conformities create a reasonable doubt about the introduction of non-certified or non-controlled materials in the FSC chain of custody or in the market.
- 9.5.** APCER can suspend a certificate immediately after an audit as a consequence of the audit results communicated in the final meeting. Timeliness of this decision is determined by the severity of the identified findings.
- 9.6.** Additionally, the certificate may be suspended or cancelled if the organization:
- i. Refuses or fails to implement changes specified by the FSC to its certification system from the effective date of implementation of the standards or within the specified transition period,
 - ii. Does not comply with its financial obligations, or
 - iii. Does not accept the dates for surveillance or recertification audits.
- 9.7.** Suspension or cancellation of the certificate shall be communicated in writing and will be valid after receipt by the organization.
- 9.8.** Within three working days APCER updates the status of the certificate in the FSC database of registered certificates (www.fsc-info.org) indicating the effective date of suspension or revocation and the reasons.
- 9.9.** APCER issues a notification letter to organizations whose certificates have expired, have been closed, suspended, or withdrawn.
- 9.10.** If APCER proceeds to suspension or cancellation of the certificate, the organization undertakes to:
- a) Immediately cease the use of any FSC trademarks, the selling of any products that were previously marked or labeled with the FSC trademarks, or making any claims that imply that the organization complies with the requirements of certification.
 - b) Identify all relevant existing customers and inform them, in writing, within three business days of the suspension or cancellation of the certificate, keeping records of such communication;
 - c) Cooperate with APCER and the FSC, allowing them to confirm that the obligations identified in the preceding paragraphs have been met.
- 9.11.** Additionally, if a certificate is canceled, the organization undertakes to:

- a) Return the original certificate to APCER and destroy any electronic or hard copies in their possession.
 - b) Remove, on its behalf, any and all use of the FSC name, initials, logo, certification mark or registered trademarks from its products, documents, advertising, or marketing material.
- 9.12.** APCER can reinstate certification after suspension if all major nonconformities have been effectively corrected and APCER verified its closure, by appropriate means, which might include a follow-up audit, within the maximum period after suspension.
- 9.13.** A certificate can remain suspended up to a maximum period of twelve (12) months. After that period, APCER withdraws the certificate.
- 9.14.** In case the organization wants to reinstate the certificate within the twelve months of suspension, APCER shall conduct a surveillance audit.
- 9.15.** Upon justification and at the discretion of APCER the timeline may be increased to eighteen (18) months to allow the organization to correct nonconformities. After this period, the certification shall be withdrawn, unless all major nonconformities have been successfully corrected and a surveillance audit was conducted.
- 9.16.** Once the certification is reinstated after suspension, either with the same certification scope or with a scope reduction, APCER shall make all necessary modifications to formal certification documents, public information, and authorizations for use of FSC trademarks.

10. WITHDRAWAL OF THE COMPLIANCE CERTIFICATE

- 10.1.** The organization may request the withdrawal of certification following the provisions of REG002.

11. COMPLAINTS AND APPEALS

- 11.1.** Complaints addressed to APCER may be related to the service provided by APCER, done by its clients or by other relevant interested parties in APCER service.
- 11.2.** Complaints can also be related to APCER's FSC COC certified organizations including, when applicable, their procurement of controlled material, and can provide specific information or allegations of non-conformity to applicable FSC standards and requirements to certified or controlled wood.
- 11.3.** APCER considers an appeal any claim made by the client organization regarding its certification decision, and it shall be submitted within 30 days after notification of the decision.
- 11.4.** Appeals are assessed by the APCER's Appeals Committee, composed of independent elements from the process under analysis.

- 11.5. The organization accepts that, in case of disagreement with audit findings related to FSC normative documents, the appeal is first handled according to APCER's dispute resolution procedure and, if not resolved referred to ASI and ultimately to FSC.
- 11.6. When the organization applies FSC STD 40-005 v3-1, if APCER receives comments or complaints about a risk assessment, APCER will forward them to the responsible body for approval of the risk assessment.
- 11.7. Complaints and appeals are investigated and handled in accordance with procedures established by APCER for this purpose, which are publicly available.
- 11.8. The organization recognizes that the Appeals Committee is the body established in APCER to analyze and decide on the appeal, in accordance with the procedures provided by APCER.
- 11.9. If an appeal is resolved in favor of the appellant organization, APCER cannot be required to refund any cost or payment for any loss incurred by the organization.
- 11.10. If the complainant organization considers that its claim or appeal have not been fully resolved through APCER processes, it may apply to the FSC conflict resolution process.
- 11.11. The organization recognizes that the FSC General Assembly is the highest body to examine and decide on disputes.
- 11.12. When an appeal is not decided in favor of the organization, the organization shall pay the costs incurred with any extraordinary audits or other investigation, as well as the administrative fees set by APCER.

12. POSTPONEMENTS

- 12.1. Audit postponements are not allowed, except in exceptional cases and duly justified in written.
- 12.2. When a duly justified reason for postponement is presented, the postponement is granted within the same civil year and until the limit of fifteen months after the last day of previous yearly audit.
- 12.3. In case of postponement, if there are open NC they will be automatically upgraded to major nonconformities and observations to nonconformities, one year after the date where they were identified.
- 12.4. In case of postponement and if there is a need to verify the closure of nonconformities and observations before the date of the new audit, using remote audit techniques or other, APCER will charge the extra hours.
- 12.5. Any request for a postponement that exceeds the period of time between audits stipulated herein or otherwise defined by APCER, or any unavailability on the part of the organization to schedule or perform the audit may lead to the decision of certification suspension, as defined in section 9 of this Regulation.

- 12.6.** The cancellation of scheduled audits by the organization, with 15 days or less of prior notice from the schedule date, regardless of the date when it was set, implies the payment of a sanction in the amount of 50% of the respective audit.

13. CONFIDENTIALITY

- 13.1.** APCER controls the access and manages the confidentiality of all information, data and documents obtained during the organization's certification process, at all levels of its structure, including elements of the audit teams, committees and external bodies, or persons acting on its behalf. APCER controls the access and manages the confidentiality of the information on the organization obtained from external sources (e.g., claimants, regulatory bodies).
- 13.2.** There will be no duty of confidentiality in the following cases:
- When information received is in public domain.
 - When the information is no longer confidential because it was publicly revealed by the organization.
 - When compliance with a legal obligation or binding orders issued by competent authorities is concerned, namely courts or arbitral tribunals.
- 13.3.** APCER reserves the right to provide confidential information to auditors and representatives of the accreditation body, to provide documented evidence of compliance with standards and procedures for the certification activity.

14. PUBLIC INFORMATION

- 14.1.** Public communication on the status of certified organizations by APCER follows REG002 dispositions.
- 14.2.** APCER communicates to FSC the information requested for the FSC database of certified organizations, available in <http://www.fsc.org> that will be publicly available.
- 14.3.** Additionally, APCER 's website has a link to the FSC certified organizations database.
- 14.4.** In case the organization applies FSC STD 40-005 v3-1, APCER will upload information on supply areas of the organization as required by the applicable FSC standards, as well as the public summary.
- 14.5.** In case the organization applied control measures different from those approved in the applicable FSC approved risk assessment APCER will contact the body responsible for its approval to check that the organization has communicated the different control measures applied.

- 14.6.** In case the organization applies FSC STD 40-005 v3-1, APCER shall notify the FSC Supply Chain Integrity Program (fiber-testing@fsc.org) regarding participation of the organization in the FSC Fiber Testing Program, where applicable.
- 14.7.** APCER discloses publicly the following information: the name of the organization; the certificate code, information on products and certification status.

15. FINANCIAL OBLIGATIONS

- 15.1.** The certification process involves the payment of the amounts associated with the services provided through different assessment activities and applicable supplementary activities (e.g. application review, change or extension, pre-audits, audits, certificate copies, reissuance or deployed certificates, logo approval or costs arising from extraordinary audits, etc.), which are invoiced upon delivery of services and constitute an obligation of the organization, regardless the results.
- 15.2.** In addition, the fees incurred from the signing of the license Agreement with the FSC, are invoiced to the organization, and later sent to the FSC.
- 15.3.** Calculation of AAF fees are based on the organization's annual turnover from the most recently completed fiscal year, in USD, according to the FSC-POL-20-005 document and other relevant FSC requirements, or in the cost of each project for project certification.
- 15.4.** AAF fees are converted to the organization's national currency using the exchange rate of the day the AAF fee is invoiced, available in www.oanda.com, increased by 4% due to exchange costs.
- 15.5.** The AAF fee is invoiced to the organization after certification is granted, and respects one year period, beginning in the date of the certification decision until a year after. For projects AAF fee is charged at the conclusion of each project.
- 15.6.** For certified organizations, the AAF fee is invoiced after the surveillance or recertification audit for identical annual periods, or twelve months after the previous audit, if an audit postponement has been accepted.
- 15.7.** The AAF fees are charged to organizations with valid and suspended certificates.
- 15.8.** APCER reserves the right to request payment of any costs incurred in the transaction verification process required by ASI.
- 15.9.** APCER reserves the right not to issue the certificate until settlement of invoices associated with AAF fees and the assessment process.
- 15.10.** APCER reserves the right, at any stage of the certification process, to suspend or cancel the certificate, unless financial obligations of the organization with APCER are timely settled, without prejudice of the use of other legal means at its disposal.
- 15.11.** APCER may, at any stage of the certification process, require prepayments of certification activities.

16. RESPONSIBILITIES

- 16.1.** The dispositions of REG002 apply, complemented by the exposed in the following paragraphs.
- 16.2.** The certified organization shall effectively maintain the implemented chain of custody system during the validity of its certificate of conformity.
- 16.3.** The certified organization undertakes to implement the necessary changes in its chain of custody system and to comply with the requirements of the new or revised FSC standards or other applicable requirements approved by the FSC, in accordance with the effective date and transition period specified there in and any transition dispositions defined by FSC.
- 16.4.** The certified organization undertakes to inform APCER without delay, of any significant changes in its organizational structure and COC system, such as:
- Legal, commercial, organizational or ownership status;
 - Organization and management (e.g. key personnel such as managers, decision makers and others);
 - Changes with impact in the certification scope;
 - Significant changes made to the COC system, processes or products;
 - Changes on addresses (headquarters and other locations).
- Where appropriate, these changes may lead to a special audit. This regulation has in relevant sections complimentary dispositions for communication of relevant changes.
- 16.5.** The organization applying for certification or FSC COC certified, when requested by the FSC or within the scope of ASI accreditation activities, shall take all necessary measures to ensure the free access of FSC to sites, documents, files, areas, records and personnel and provide all necessary information.
- 16.6.** The organization undertakes to recognize the valid FSC certificates from other organizations.
- 16.7.** The organization undertakes to refrain from making any statements regarding the adherence to the FSC Principles and Criteria prior to the issuance of the certificate.
- 16.8.** APCER cannot be liable for claims and damages made by third parties to the client organization (in particular customers of the organization) for failure to comply with its expectations, or in the case of non-recognition of the APCER FSC certificate as evidence in disputes or lawsuits.
- 16.9.** If legal actions about the certified product are brought to the organization, such may not result in any legal action to APCER for having issued the certificate.
- 16.10.** APCER reserves the right to engage in legal proceedings in case of infringement of the certification requirements.

- 16.11.** APCER reserves the right to supply information and collect evidence requested by ASI under the transaction verification program and to make it available to ASI and FSC through the mechanisms foreseen by them.
- 16.12.** The organization commits to support transaction verification conducted by APCER and ASI by providing data samples of FSC transactions as requested by APCER.
- 16.13.** The organization undertakes to support fiber testing conducted by APCER and ASI by providing on request samples and specimens of materials and products as well as information on species composition for further verification.

17. FSC AND ASI RIGHTS AND DUTIES

- 17.1.** FSC and ASI are the highest authorities on any matter related to FSC certification. APCER acts in FSC COC certification under FSC approval and ASI accreditation.
- 17.2.** FSC and ASI have the right to:
- a) Access to the organization's confidential information and examine any documentation deemed necessary.
 - b) Access to the organization's facilities and any other relevant locations equipment, areas, personnel, and bodies providing outsourced services to clients, at any time to monitor APCER and to require an inspection of all relevant information.
 - c) Publish a list of FSC certified organizations for the FSC chain of custody.
- 17.3.** FSC and ASI undertake to:
- a) Ensure the competence and independence of APCER;
 - b) Treat as confidential all information relating to APCER clients.
- 17.4.** FSC reserves the right to revise the requirements of certification within the period of validity of the certification, including the revision of costs and fees;
- 17.5.** The FSC and ASI provide updated information on standards and documents relating to the certification and accreditation in the websites: <https://ic.fsc.org/en/document-center> or www.accreditation-services.com.

ANNEX I – SPECIAL DISPOSITIONS FOR FSC CHAIN OF CUSTODY CERTIFICATION FOR MULTIPLE SITES

AI.1 INTRODUCTION

- AI.1.1** In addition to the single chain of custody certification, FSC has developed a COC certification scheme for multiple sites, allowing different certification options for organizations of all sizes and structures, including multi-site and group certification.
- AI.1.2** Multi-site certification is designed for the certification of large enterprises that are linked by common ownership or legal/contractual agreements. This model makes certification easier and cheaper for these enterprises that can benefit from a centralized administration and internal control function for the purpose of FSC certification.
- AI.1.3** In group certification, a number of small organizations has the ability and the willingness to organize and coordinate a range of activities so that they can be jointly evaluated. This way they can have easier access to FSC certification by sharing the costs of certification and benefiting from technical support and control provided by a Central Office function. In this case a single certificate is issued to the group entity.
- AI.1.4** The central office, appointed by the organization, has the management responsibility for maintaining the certification contract and communicating with APCER, for upholding the Chain of Custody system and for ensuring that the requirements of the applicable Chain of Custody certification standards and documents are met at the Participating Sites level.
- AI.1.5** In a multi-site or group certification, a participating site can also act as a central office, when designated by the organization.

AI.2 SCOPE

- AI.2.1** The purpose of this annex is to set complementary conditions, applicable exclusively to multi-site and group certification.
- AI.2.2** This Annex is an integral part of the Special Requirements for FSC Chain of Custody, REG002AF and it contains specific provisions for the FSC COC certification of multiple sites, both multi-site and group, which complement the provisions set out in the body of the document.
- AI.2.3** Organizations that meet the eligibility criteria established by FSC and are formed according to the rules established by the FSC certification for multiple sites may apply to the FSC COC multi-site certification.
- AI.2.4 Eligibility for Multi-site COC certification:** Multiple sites or legal entities may be included in the scope of a Multi-site COC certificate if they conform to all of the following eligibility criteria:
- a) All Participating Sites and the Organization that holds the certificate are linked through common ownership, or
 - b) All Participating Sites:

- i. Have a legal or contractual relationship with The Organization; and
- ii. Have common operational procedures (e.g., same production methods, same product specifications, integrated management software); and
- iii. Are subject to a centrally administered and controlled management system established by the Organization that has authority and responsibilities beyond those related solely to certification, including at least one of the following elements:
 - Centralized purchase or sales function of forest products.
 - Operating under the same brand name (e.g., franchise, retailer).

AI.2.5 The following Organizations are not eligible for Multi-site COC certification:

- a) Organizations that do not have authority over the admission or removal of Participating Sites from the certificate scope.
- b) Associations.
- c) Non-profit organizations that have for-profit members.

AI.2.6 Eligibility for Group Certification: Two or more independent legal entities (Participating Sites) are eligible to be included in the scope of a Group COC certificate if they conform to the following eligibility criteria:

- a) Each Participating Site shall qualify as “small” as defined by:
 - i) No more than 15 employees (full time equivalent); or
 - ii) No more than 25 employees (full time equivalent) and a maximum total annual turnover of USD \$ 1,000,000 or other value if defined in FSC-PRO-40-003a, for the specific country. (Note: Annual turnover criterium is only applicable to organizations with for-profit activities);
- b) All Participating Sites shall be located in the same country as the Organization that holds the certificate.

AI.3 DEFINITIONS

AI.3.1 Additionally, to the definitions present in section 4 of the main text, the following definitions and clarifications to the group certification concept apply.

AI.3.2 Central office: The identified central function (e.g. office, department, person) of a Multi-site or Group COC, that holds ultimate management responsibility for maintaining the certification contract with the certification body, for being responsible for upholding the Chain of Custody system and for ensuring that the requirements of relevant Chain of Custody certification standard(s) are met at the Participating Sites.

AI.3.3 Central Office Audit Program: Monitoring of the Participating Sites by the Central Office to verify that all the requirements of certification (including the relevant certification standards and any

other requirements of the certification body and Central Office) are fully implemented at the Participating Sites.

- AI.3. 4 Certificate Manager:** The main party responsible for the management of a Multi-site or Group COC certificate with legal or management authority, knowledge and technical support necessary to implement the responsibilities specified in this standard, and to manage the number of Participating Sites under the scope of the certificate.
- AI.3. 5 Common Ownership:** Ownership structure where all sites under the scope of the Chain of Custody certificate are owned by the same Organization. Ownership means at least 51% of ownership interest over the sites.
- AI.3. 6 Participating Site:** Site included in the scope of a Multi-site or Group COC certificate. Subcontractors that are used within the terms of outsourcing agreements are not considered Participating Sites.
- AI.3. 7 High risk participating site:** A participating site operating a controlled wood verification program or due diligence system according to FSC-STD-40-005, a supplier audit program for reclaimed materials according to FSC-STD-40-007, or high-risk outsourcing to a non-FSC-certified contractor.
- AI.3. 8 Normal risk participating site:** A participating site that does not conduct any of the activities considered 'high risk', as defined above.
- AI.3. 9 Site:** A single functional unit of an Organization situated at one physical location, which is geographically distinct from other units of the same Organization. An Organization's units with distinct physical locations may, however, be regarded as parts of a site if they are an extension of it with no purchasing, processing, or sales functions of their own (e.g. a remote stockholding). A site can never include more than one legal entity. Subcontractors that are used within the terms of outsourcing agreements (e.g. outsourced warehouse) are not considered sites.
- AI.3. 10 Organization:** The person or entity holding or applying for certification and therefore responsible for demonstrating compliance with the requirements upon which FSC certification is based
- AI.3. 11 Non-conformity at central office level** is a nonconformity that may be caused by:
- i. failure to fulfil a central office responsibility, such as administration, internal inspection, record-keeping, trademark use, and others as required by the relevant FSC normative document(s);
 - ii. failure to ensure that participating sites conform to a corrective action request issued by the certification body or the central office.
 - iii. failure of participating sites to fulfil a responsibility, in number of sites, extent of the failure, or consequences, to demonstrate that central office control has broken down (e.g. where identical nonconformities identified by the certification body are issued to three or

more participating sites during an evaluation, the corrective action request may be a result of ineffective training or support by the central office);

AI.3.12 Non-conformity at participating site level, is a nonconformity that may be caused:

- i. Failure to fulfil a responsibility, including but not limited to timely provision of adequate information, effective response to internal corrective actions, or correct trademark use;
- ii. Failure to meet the applicable requirements of the relevant FSC normative documents.

AI.4 REFERENCES

AI.4.1 FSC requirements and standards applicable to FSC COC certification at single level are applicable at each site for the multi-site and group certification. FSC dispositions related to multiple-site certification are applicable to this level.

AI.5 CERTIFICATION PROCESS

AI.5.1 Pre-audit for group certification

AI.5.1.1 APCER conducts a pre-audit to group applicant organizations with 20 or more participating sites to verify the eligibility criteria and to evaluate the risks associated to different participating sites, to establish the sampling program for the sites.

AI.5.1.2 For all other cases, depending on multi-site complexity, APCER reserves the right to decide on the need of a pre audit to establish the audit program.

AI.5.2 CERTIFICATION REQUEST

AI.5.2.1 Certification request for *multi-site* or group is accepted only after receipt of a valid FSC *license agreement*, for multi-site organizations, duly signed by a legal representative of the Central Office.

AI.5.2.2 Only organizations that fulfil the eligibility criteria defined in the scope of this Appendix can apply to multi-site or group certification.

AI.5.2.3 By signing the certification request, the central office has the final contractual responsibility to APCER for the effects of FSC COC certification. Once certification is obtained, the central office is the certificate holder and maintains the same contractual position.

AI.5.2.4 By signing the certification request, the central office accepts the dispositions contained in the main body of this document and in this Appendix.

AI.5.2.5 Application to multi-site or group certification implies the application and fulfillment of FSC requirements described in FSC STD 40 004, as well as other applicable standards and requirements, at each participating site as defined in the main body of this document.

AI.5.2.6 APCER shall not accept applications for certification of management units or sites that are already covered by a valid or suspended FSC certification, except where a certification transfer process according to FSC-PRO- 20-003 is ongoing.

AI.5. 3 Site sampling

AI.5.3.1 Multi-site or group certification may reduce certification costs associated to the audit through the application of sampling of participating sites, but that is not a sufficient condition for APCER to apply sampling.

AI.5.3.2 APCER only applies sampling to multiple sites when the Central Office applies the internal audit program, as required by FSC STD 40 003. If the central office decides not to apply this internal audit program, shall communicate it to APCER. In this situation APCER audits all sites at initial certification, surveillance and recertification audits.

AI.5.3.3 APCER performs a risk assessment to all sites during pre-audit and before each audit. Each site is classified as normal or high risk.

AI.5.3.4 APCER determines the possibility of applying sampling and defines the minimum sampling level according to the risk level of each participating site.

AI.5.3.5 APCER sampling program is updated annually at each audit and is conditioned by the central office internal audit program.

AI.5. 4 Certification decision

AI.5.4.1 A positive certification decision is taken when a multi-site organization demonstrates to be in conformity with all FSC applicable requirements at central office level as at all participating sites.

AI.5.4.2 Nonconformities can be identified at two levels: central office and participating site, as defined in AI.4.

AI.5.4.3 Central Office decision level may differ from decision at each participating site level.

AI.5.4.4 If open major nonconformities at central office level occur, a decision for suspension and cancellation of the certificate can be taken.

AI.5.4.5 If there are open major nonconformities at a participating site level, a decision for suspension or exclusion from the certificate of that participating site can be taken.

AI.5.4.6 APCER reserves the right to request corrective action at central office level or to take the decision at this level, when conformities at participating site level, indicate, by its quantity or type, lack in control by central office.

AI.5. 5 Certificate and FSC code

- AI.5.5.1** Following a positive certification decision, a unique certificate to the central office is issued. The certificate contains information regarding all participating sites, either in its front page or in its annex.
- AI.5.5.2** Each participating site receives a certificate sub code, as a suffix to the certificate code.
- AI.5.5.3** Each participating site shall use the certificate code together with the sub code in selling documents and in any on product or promotional.
- AI.5.5.4** APCER can, under request and subject to additional costs, issue individual certificates to each participating site. These include a reference to the main certificate, having the same or part of its certificate scope.
- AI.5.5.5** In case new participating joins the chain of custody system between audits (see AI.8), these shall only be considered included in the certificate after information of the new sites is published in the FSC database. APCER will update this information within a week from the date that receives the internal audit report to these new sites by the Central Office.
- AI.5.5.6** The central office cannot issue certificates or any declarations to the participating sites that can be understood as formal FSC certificates.

AI.5. 6 Trademark use

- AI.5.6.1** After certification, all participating sites can use FSC logo and trademarks according to the specified requirements.
- AI.5.6.2** The central office cannot issue sublicenses for the use of FSC logo and trademarks.
- AI.5.6.3** The organization shall submit any use of the FSC logo and trademarks to APCER for approval or have a trademark use management system approved by APCER.
- AI.5.6.4** Regardless of whether the origin of the trademark is the central office or one of the participating sites, it shall always be the central office to submit the trademark use to APCER for approval.

AI.6 CERTIFICATION MAINTENANCE

- AI.6. 1** Sampling program is defined according to information from the previous audit and additional updated information on the organization, such as new sites added or removed.
- AI.6. 2** The central office is audited in every audit.

AI.7 PARTICIPATING SITES EXTENSION

- AI.7. 1** APCER decides an annual growth rate of participating sites that can be included by the Central Office between audits, as a result for the previous audit, the identified risks and the

demonstrated central office capacity to effectively manage the participating sites. This annual growth rate is determined in the initial audit and revised annually at each subsequent audit, being recorded at each audit report.

- AI.7.2** At any moment, the central office can add new participating sites, within the APCER's approved annual growth rate. These new participating sites cannot be already covered by a valid or suspended FSC certification, except where a certification transfer process according to FSCPRO-20-003 is required by the organization.
- AI.7.3** New participating sites, added within the APCER's approved annual growth rate, shall be considered included in the certificate after its publication in FSC database, by APCER.
- AI.7.4** To this effect, the central office shall send the internal audit report it performed to each new participating site to APCER, together with the required information on the new site, to be added to FSC database. APCER reserves the right to decide on the need to visit the participating site or to conduct an extension audit.
- AI.7.5** The central office shall inform APCER, in written, within three (3) working days, when a participating site leaves the certificate.
- AI.7.6** In a COC group certificate, if a participating site no longer conforms to the eligibility criteria, due to an increase in the number of employees or annual sales, its participation in the Group shall become "transitory". The Central Office shall communicate to the audit team all the participating sites that became transitory since the previous audit.
- AI.7.7** By the end of 12 months the central office shall reassess the situation to verify if the site is no longer eligible. In case it does not fulfill the eligibility criteria it shall be removed from the group certificate within three months.
- AI.7.8** APCER analyses any request to remove a participating site or to add within the approved annual growth rate and updates FSC database.
- AI.7.9** In case the organization decides not to apply the internal audit program, new participating sites will only be added after APCER conducts an extension audit and takes a positive decision.
- AI.7.10** When the number of participating sites exceed the APCER's approved annual growth rate, new sites will only be added after an extension audit that includes the central office and a sample of the new participating sites with a positive decision. APCER establishes a new annual growth rate for the period between the extension audit and the next surveillance audit.

AI.8 SANCTIONS

- AI.8.1** When five (5) or more major nonconformities (NCM) are issued to the central office, the certificate shall be totally suspended.
- AI.8.2** When APCER issues (5) or more major nonconformities (NCM) to a participating site, the participating site shall be suspended, not necessarily implying a total certificate suspension.

AI.8.3 Nonconformities at participating site level may result in non-conformities at central office level when they indicate to be the result of central office performance issues (e.g., when identical NC are issued to several participating sites, they might be the result of inefficient training or control by the central office).

AI.9 COMMUNICATION

AI.9.1 APCER communicates publicly and to FSC information related to participating sites, including the certificate sub code that is in the FSC database.

AI.9.2 APCER keeps this information updated.

ANNEX II – SPECIAL DISPOSITIONS FOR FSC PROJECT CERTIFICATION

AII.1. INTRODUCTION

AII. 1.1 In addition to the chain of custody certification, FSC has developed a project certification scheme applicable to a project. A project can be a single object or the certification of an organization for the application of continuous projects. A project can be a school, a residential condominium, a civil engineering project, an event infrastructure, such as a stage, the auditorium chairs, the furniture of a school, a boat, a sculpture, etc.

AII.1.2 The certificate is issued to the organization, and it can be a certificate for a one-time project or for continuous projects, allowing the organization to issue declarations and make allegations about the projects included in the scope of the certificate.

AII 1.3 The project certification can be for the full project, when it applies to all forest-based materials and products included in the project, for specific project components when only some project-based materials and forest-based products are certified or for a percentage, when only a percentage of the materials are certified.

AII.2 SCOPE

AII.2.1 This Annex is an integral part of the Special Requirements for FSC Chain of Custody, REG002AF. It contains specific provisions for the FSC COC certification of projects according to FSC STD 40 006, that complement or replace, where applicable, the dispositions of the main document.

AII.2.2 Individual level organization can apply for one-time certification or for continuous certification.

AII.2.3 Multisite or group organizations can apply for continuous project certification under a single certificate, provided they meet the eligibility criteria established by FSC and the applicable FSC requirements for certification of multisite and groups. The specific conditions for multi-site certification are complementary to the body of this document and are documented in Annex I.

AII.2.4 Projects that use FSC certified materials can be included in the scope of project certification.

AII.2.5 If the projects included in the scope of the certification include the supply of recovered materials pre or post-consumer, the organization shall apply the FSC STD 40-007.

AII.2.6 If the projects included in the scope of the certification include the supply of controlled materials, the organization shall apply the FSC STD 40-005.

AII.2.7 The organization requesting the project certification is the project management organization, which appoints the certificate manager.

AII.2.8 The project may include in its scope project members, which are all companies, contractors or subcontractors that purchase, install, or transform FSC certified materials and products specifically for that project.

AII.2.9. It is not required that project members involved in the project to hold valid FSC chain of custody certificate, but all materials and products purchased under the project (total or partial) shall be purchased to holders of valid FSC chain of custody certificates.

AII.2.10 Only organizations that are effectively contracted or subcontracted to work under the project, as defined in AII.2.5, can be admitted as project members.

AII.3 DEFINITIONS

AII.3.1 Scope: The type and scale of project certification chosen by the organization, the project sites, the project members, and the activities included in the assessment by an accredited certification body, together with the standards by which they were audited.

AII.3.2 Continuous project certification: Project certification type that enables an organization to manage and obtain FSC project certification for multiple projects on a continual basis.

AII.3.3. One time project certification: Project certification type that applies to the certification of a single project. Once the project is finalized and certified, the certificate that was issued to The Organization that managed the project can be terminated.

AII.3.4 Total project certification: Project certification applicable to projects where all materials and products are forest-based eligible entries for the claim.

AII.3.5 Claim contributing inputs: Input material that counts towards of project claims. Eligible claim-contributing inputs are the following: FSC 100% FSC Mix%, FSC Mix Credit, FSC Recycled x %, FSC Recycled Credit, post-consumer reclaimed wood or paper, pre-consumer reclaimed paper.

AII.3.6 Certificate manager: The person/position appointed by the organization to manage the project certificate, with the legal or management authority, knowledge and technical support necessary to implement the responsibilities specified in FSC STD 40-006 and to manage the number of participating sites and/or project members under the scope of the certificate.

AII.3.7 Participating site: Legal entity or individual included in the scope of a multi-site or group certificate. Project members in the context of this standard are not considered participating sites.

AII.3.8 Project members: Entities or companies purchasing, transforming and/or installing forest-based material/products for a project (e.g., contractors, including joiners, carpenters, cabinet makers, etc.).

AII.3.9 Promotional: the term applied to all statements, claims, brands and such like that are not made on the project (e.g., website, flyer) used to promote an FSC-certified project and/or the organization.

AII.3.10 Project: Production or renovation of a construction or civil engineering project (e.g. an office building, a group of houses, event infrastructure such as concert stages, stand in a trade fair, timber bridge), individual art or decorative object (e.g. sculpture), transport vehicle (e.g. maritime vessels), which are made of or contain forest-based materials. Other types and objects may be

classified as a project, requiring prior approval by FSC International. Large projects can be divided into sub-projects.

All 3.11 Finished project: A project is considered finalized when no forest-based materials or products are used or added to the project, and before its sale to the end user or its intended use.

AII. 4. CERTIFICATION PROCESS

AII.4.1 The on-time project certification process has two main phases:

- a) Initial certification audit, performed to the organization and the project at his planning stage, which will result in the issuance of a project certificate for the organization, its register in the FSC database of certificates and the register of the project and an “Applicant Project in FSC database.
- b) Final audit, performed when the project is concluded.
- c) Eventual surveillance audits, to be defined on a case-by-case basis, depending on the length, size and complexity of the project.

AII.4.2 Continuous project certification comprises an initial certification audit, annual surveillance audits and a recertification audit after five years.

AII.4.3 When recovered material is incorporated in any project, audit shall include audit according to FSC STD 40 007.

AII.4.4 When controlled material is incorporated in any project, audit shall include audit according to FSC STD 40 005.

AII.4.5 In continuous certification of projects, when the organization has several sites or different legal entities, audit shall include audit according to FSC STD 40 003.

AII.5 CERTIFICATION APPLICATION

AII.5.1 When signing the certification contract, the organization nominates a project manager, and is constituted as the sole entity contractually liable to APCER for the purposes of project certification.

AII.5.2 Together with the application, the certificate manager shall deliver the following documentation to APCER:

- a) The project description in the case of a single project or list of projects in the case of continuous project certification.
- b) Chain of custody system documentation.
- c) The list of project members, when applicable.
- d) The list of participating locations, when applicable.
- e) FSC standards applied by the organization.

AII.6 AUDITS

AII.6.1. Initial certification audit

AII.6.1.1 APCER performs an initial certification audit to the organization, including, where applicable, all project members and participating sites or a sample.

AII.6.1.2 A report is issued as a result of the audit. The process follows the provisions referred in the main document for chain of custody certification.

AII.6.2 Certification decision

AII 6.2.1 A positive certification decision for one-time certification project results in the issuance of a certificate to the certified organization, whose validity is the planned conclusion date of the project plus one year.

AII 6.2.2 A positive certification decision for continuous certification of projects results in the issuance of a certificate for the organization, valid for five years.

AII. 6.2.3 After a positive decision, the information of the certified organization is inserted in the FSC database.

AII 6.2.4 After the data from the certified organization are in the FSC database, any associated initiated project may be inserted in FSC database, registered as applicant project.

AII.6.2.5 The certified organization can only issue the project declaration after the project is completed.

AII.6.2.6 Once the project is completed and duly verified by APCER, project register in the FSC database changes to concluded.

AII.6.3 Monitoring activities for one-time project

AII.6.3.1 Following the positive decision for certification and issuance of the certificate to the organization, may be defined surveillance audits at different project stages, needed to verify adequate project realization and conformity evaluation to the applicable standard requirements.

AII.6.3.2 Once the project is concluded, a final audit is performed, and a report is issued.

AII.6.3.3. After a positive decision, the project is considered concluded and FSC database information on project status is updated.

AII.6.3.4 Organization's certificate is maintained valid one year after conclusion of the project.

AII.6.4 Monitoring activities for continuous project certification

AII.6.4.1 Following the positive decision for certification and issuance of the certificate to the

organization, annual surveillance chain of custody audits are performed as defined in the main part of this document. Audits shall include a sample of projects concluded, in execution and to be initiated.

AII.6.4.2 A recertification audit is performed before the term of the certificate to reissue a new certificate for another five years.

AII.6.5 Trademark use

AII.6.5.1 Trademark use shall follow the requirements established in the main part of this document.

AII.7 SCOPE CHANGE AND EXTENSION

AII.7.1 Between the applicant project registration phase and final project certification, for single or continuous projects, the certification manager is responsible for communicating, in writing, to APCER:

- a) Any change in project members within 30 days after the entry or exit of a member.
- b) Any change on the project or its execution with impact on FSC products or certified materials.

AII.7.2 Project changes or renovations can be requested for completed FSC certified projects. If the project was completed within a period of less than or equal to twelve months, the change is treated as an extension of the project. If the project was completed after twelve months, it shall be treated as a new renovation project. In the case of single certification, a new certification request shall be requested.

AII.8 RESPONSIBILITIES

AII.8.1 The certification manager is responsible for requesting the certification towards APCER and shall ensure the appointment of a project manager.

AII 8.2 The certification manager is responsible toward APCER, for identifying all project members, participating sites, and any changes with impact in the certificate.

AII 8.3 The certification manager is responsible to request APCER approval of project statement template, send a copy of each project statement issued at the conclusion of the project and provide information on its final cost for AAF calculation and invoicing.