



FOREST STEWARDSHIP COUNCIL®  
UNITED STATES

*The mark of responsible forestry*  
FSC® F000232

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## Chain of Custody Certification

### What is FSC Chain of Custody?

FSC Chain of Custody (CoC) is the path taken by forest products from the forest to the end-consumer. The CoC path begins in the forest and follows the supply chain through processing, manufacturing, and distribution. At each step along the supply chain, forest products are tracked using one of three different control systems, thus ensuring that a credible **FSC claim** can be made on the outgoing product. The three control systems are called the transfer system, percentage system, and credit system.

### Who needs Chain of Custody certification?

Companies along the supply chain that take legal ownership of FSC certified forest products and wish to make an **FSC claim** through sales and delivery documents about their products, or label products with the **FSC on-product label**, must be Chain of Custody certified. CoC certification is required for companies that have legal ownership and want to do one of the following:

1. Pass on an FSC claim to customers through sales and delivery documents.
2. Apply the FSC on-product label.
3. Process or transform FSC certified products and materials.

### What companies become Chain of Custody certified?

- |                                  |                       |                                |
|----------------------------------|-----------------------|--------------------------------|
| ▪ Printers                       | ▪ Loggers             | ▪ Lumber Yards*                |
| ▪ Brokers and Traders            | ▪ Paper Manufacturers | ▪ Architectural<br>Woodworkers |
| ▪ Paper Merchants                | ▪ Pulp Producers      | ▪ Sawmills                     |
| ▪ Packaging and Paper Converters | ▪ Retailers*          | ▪ Publishers*                  |

\* Lumber yards, retailers, and publishers selling FSC certified products that are finished and labeled do not always need FSC Chain of Custody certification. Green building programs (e.g., LEED, Living Building Challenge, etc.) and end-users may require FSC claims on invoices from suppliers. For example, lumber yards selling materials to a green building project such as LEED will need to be Chain of Custody certified to provide the FSC claim on the invoice to the project.



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## How to Become FSC Certified

### How does a company become FSC Chain of Custody certified?

FSC is a third-party certification system. This allows FSC to maintain the independence and integrity of its policies and standards. Certification Bodies (CB) are accredited by FSC to conduct audits to FSC standards and provide FSC certification for companies. Companies seeking FSC CoC certification must become certified through a CB. Small companies may be eligible to seek certification through an FSC Group Certificate. For more information, please visit our [Become Certified](#) webpage or follow the steps below to receive FSC Chain of Custody certification:

1. Contact a CB or Group Manager.
2. Submit an application to the CB or Group Manager.
3. Complete an on-site or virtual assessment of compliance to the FSC CoC standard.
4. Receive certification approval and begin production and sale of FSC certified products.
5. Undergo annual audits to maintain CoC certification.

### What is needed to earn Chain of Custody certification?

FSC certified companies are audited to the Chain of Custody Standard (FSC-STD-40-004). The FSC Chain of Custody Standard is available for download ([Chain-of-Custody Certification](#)). To obtain a Chain of Custody certificate, a company must complete the following steps:

1. Contact a few different CBs to understand their expectations, costs, timeline, and processes.
2. Check that direct suppliers have their own current FSC CoC certification and that it covers the FSC certified material they are (or will be) supplying. Once a company obtains CoC certification, they gain access to tools and resources, including one that helps keep them up to date on changes to their supplier's certification status.
3. Set up a CoC management system (see next question below).
4. Define their Product Groups that will be sold with FSC claims.



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## What is needed to set up a Chain of Custody management system?

Each company is responsible for determining how they will satisfy the certification requirements and ensure that FSC certified products are correctly labeled and sold. Section 1 of the Chain of Custody Standard (FSC-STD-40-004) outlines the requirements of the CoC management system in detail. In summary, there are four main parts to a CoC management system that a company needs to set up:

- **Responsibilities:** One person must be designated to take charge of the organization's compliance with the standard. Key personnel are identified where they are responsible for implementing procedures.
- **Documented Procedures:** All the systems covering certification requirements must be written up as a manual that can be shown to the CB.
- **Training:** All relevant staff must be trained and aware of the requirements. The CB will ask for evidence that all relevant staff have had training. This evidence is typically collected via interviews with employees and review of up-to-date training records.
- **Records:** All documents relating to FSC certified product production, purchase, and sales as well as training records and copies of FSC trademark approvals (for labels and promotional purposes), must be kept for at least five years. An up-to-date list of all FSC product groups covered by the scope of the CoC must be maintained.

The most important areas to cover are Critical Control Points where there is a risk of FSC certified and non-FSC material being mixed up. For each Critical Control Point, the company must show that the system ensures the following:

- **Segregation:** FSC certified and non-FSC certified product lines must be separated. Segregation can be physical or temporal. Examples of segregation include:
  - (a) clear markings on the product;
  - (b) separate storage areas; and/or
  - (c) sequential and non-overlapping processing of materials (i.e., batch processing).
- **Identification:** Batches of FSC certified material and FSC Controlled Wood must have secure markings.
- **Documentation:** Copies of sales, purchase and shipping/delivery documents covering FSC certified products must be kept and available for the auditor.



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## FSC Claims and Labels

### What is an FSC claim?

An FSC claim is the designation on sales and delivery documents (such as invoices and packing slips) that shows a product's status as FSC certified or as an eligible input. FSC claims include:

- FSC 100%
- FSC Mixed XX%
- FSC Recycled Credit
- FSC Mix Credit
- FSC Recycled XX%
- FSC Controlled Wood\*

\* FSC Controlled Wood claims can only be made on sales and delivery documents to other FSC Chain of Custody certificate holders.

### What is an FSC On-Product Label?

An FSC on-product label is placed on FSC certified products to allow consumers to easily identify an FSC certified product in the marketplace.

FSC certified companies have a wide variety of options when choosing the layout and color of the label. For example, there are label options for green/white and white/black, as well as landscape or portrait, and negative vs. positive colors. For more information on label use requirements, please visit our website ([Logo Use: Certificate Holders](#)).

### What are the differences between the three FSC on-product labels?

FSC labels provide consumers with the assurance that their product supports responsible forest management. The FSC label applied to a product depends on the FSC claim a certified company makes and the control system they employ when producing the product. For more information on FSC claims and control systems, please see Chain of Custody Control Systems discussion beginning on page [8](#). For more information on FSC labels and trademark guidelines, please visit our website ([Logo Use](#)).



FSC 100% labels identify products which are made of 100% virgin material from FSC certified forests.



FSC Mix labels identify products which are made with a combination of FSC virgin fiber, and/or recycled materials with Controlled virgin fiber. The mobius loop represents the total pre- and post-consumer recycled fiber.



FSC Recycled labels identify products manufactured with only recycled materials (both pre- and/or post-consumer reclaimed materials).



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## Material Inputs and Controlled Wood

### What are eligible inputs into FSC certified products?

During the production process of wood and paper products, there are a variety of different materials that may be used by a manufacturer. These materials include different types of material that either originated from a forest at one time (e.g., wood, paper, pulp, chips, etc.) or from non-forest materials (e.g., glass, water, stone, etc.). The FSC certification system is focused only on those forest materials. The following forest-based eligible inputs are only permitted to be in an FSC certified product:

FSC 100%	
FSC Mix (Credit or XX%)	
FSC Recycled (Credit or XX%)	
Post-Consumer Reclaimed Material (wood and paper)	
Pre-Consumer Reclaimed Paper	These are all eligible inputs that contribute value to an output FSC claim, referred to as claim-contributing inputs in the CoC standard. Under the percentage and credit system, post-consumer reclaimed material (both wood and paper) and pre-consumer paper fiber (paper only) has equivalent input value to inputs of FSC Mix credit or FSC-100%. FSC Recycled XX% and FSC Mix XX% contribute only the XX% associated with the input claim. Please see Control Systems and related examples beginning on page <a href="#">8</a> .
Pre-Consumer Reclaimed Wood Controlled Wood	These eligible inputs are permitted to be an FSC certified product, but they do not contribute value to the output FSC claim. Please see Control Systems and related examples beginning on page <a href="#">8</a> .



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## What is Controlled Wood?

Much like renewable energy which is mixed with non-renewable sources on the electrical grid, FSC allows certified manufacturers to mix wood and fiber from FSC certified forests with non-certified materials to produce “FSC Mix” labeled products. FSC has an additional safeguard, however, that requires that non-certified materials are controlled to reduce the risk of sourcing from places with objectionable forestry practices (such as harvesting that threatens high conservation values or the conversion of forests to non-forest uses). This control of non-certified forest materials is required whether the materials are mixed in as part of a percentage claim or over time as part of a credit system.

The material subject to this risk mitigation is referred to as Controlled Wood.

FSC certified companies are required to mitigate the risk of sourcing materials from any of the following unacceptable sources:

- Illegally harvested wood
- Wood harvested in violation of traditional and civil rights
- Wood harvested in forests where “High Conservation Values” are threatened by management activities
- Wood harvested from natural forests that were converted to non-forest uses
- Wood from genetically modified trees

FSC certified companies that source from the conterminous United States and wish to use Controlled Wood as an input in their manufacturing process must either: a) use materials that already have an FSC Controlled Wood claim, or b) use the FSC US National Risk Assessment (US NRA) to determine the risk of non-certified material inputs coming from any of the above unacceptable sources, and then mitigate any risks that are determined to be something other than “low.”

For more information on Controlled Wood and the US NRA, please visit the FSC US Controlled Wood webpage ([FSC Controlled Wood](#)).



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## Chain of Custody Control Systems

### What FSC control system should I use for my company?

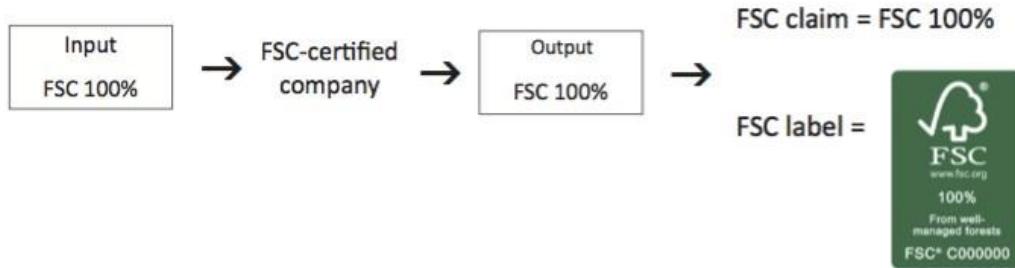
The three Chain of Custody control systems are summarized below. For detailed requirements of each control system, please visit the Chain of Custody webpage to download a copy of the standard ([Chain-of-Custody Certification](#)).

#### Transfer System

Most FSC certified companies, including printers, brokers, distributors, and merchants, employ the transfer system. This is the most straightforward and simple of the three systems. Most companies that use the transfer system purchase FSC certified products with a specific FSC claim and then sell that product along with its FSC claim to their customers. For example, if a printer employing the transfer system uses a roll of FSC Mix Credit paper for a print job, they can sell this product to their customer with the same FSC claim of FSC Mix Credit and they can label the product with an FSC Mix label. Companies can also employ the transfer system to manufacture FSC certified products, but only claim-contributing inputs may be used, and the lowest claim value of the input materials is applied for the output claim. Examples of the transfer system are found below.

#### *EXAMPLE 1: Input with one FSC claim*

An FSC certified company employing the transfer system buys FSC certified materials with an FSC of FSC 100%. The company can sell this material with this same FSC claim and may also place an FSC 100% label on their outgoing product.



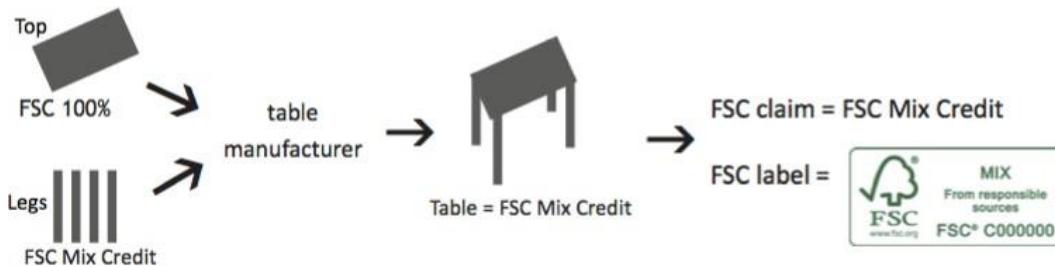


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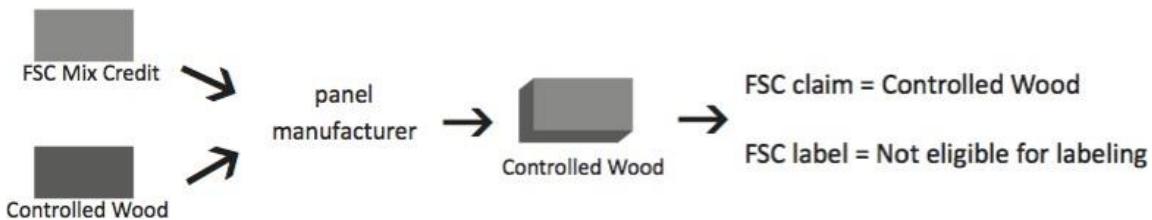
#### EXAMPLE 2: Inputs with different FSC claims

An FSC certified manufacturer employing the transfer system makes tables out of input products with different FSC claims. The tabletop has an input claim of FSC 100% while the tablelegs have an input claim of FSC Mix Credit. The manufacturer can make the tables using these different FSC certified inputs, but the output claim must reflect the lowest FSC input claim, in this case FSC Mix Credit. The FSC Mix label may be placed on the product.



#### EXAMPLE 3: Inputs with different FSC claims, including FSC Controlled Wood

An FSC certified panel manufacturer employing the transfer system can make a panel out of two input products, including Controlled Wood. One component of the panel has an input claim of FSC Mix Credit and a second component has an input claim of Controlled Wood. The panel manufacturer can make a panel using these eligible inputs, but the output claim must reflect the lowest FSC input claim. In this case the output claim would be Controlled Wood. Therefore, the panel can be sold with an FSC claim on the invoice to another FSC certified company for further manufacturing, but the product cannot carry an FSC label on the product.



#### Percentage System

Many manufacturers employ the percentage system, including mills, woodworkers, and some printers. Companies using this system will monitor inputs of eligible materials through either a rolling average or by batch method. For a product to be eligible to carry an FSC on-product label under this control system, FSC requires a minimum of 70% certified inputs into the product or batch of products. The other non-certified inputs into the product MUST be from eligible inputs such as Controlled Wood or pre-consumer reclaimed wood. FSC does not allow non-eligible inputs into FSC certified products. Products that do not meet the 70% labelling threshold can still be sold with an FSC claim on the invoice, including the actual percentage, but the products are



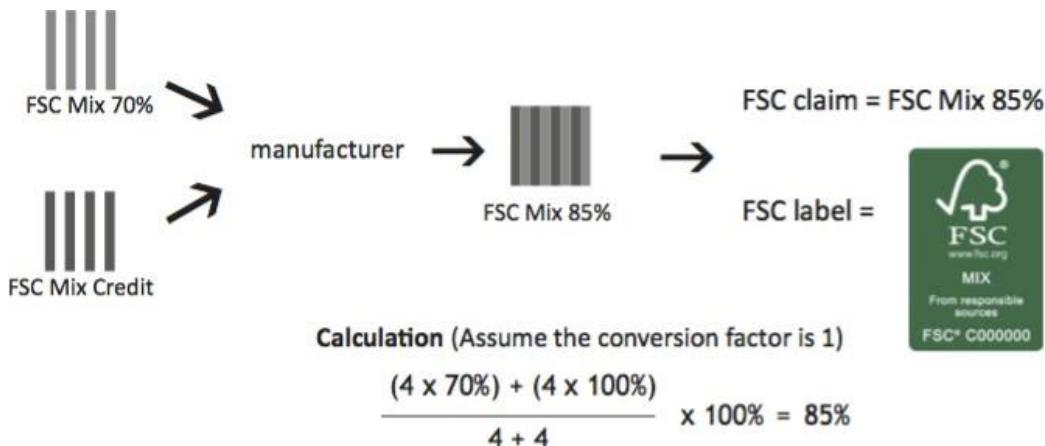
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NOT allowed to carry an FSC on-product label. Under certain conditions, FSC- certified companies may also apply the percentage system across multiple sites under one certificate by using the average percent of FSC inputs among the sites. Examples of the percentage system are found below.

#### EXAMPLE 1: Inputs with different FSC claims

An FSC certified manufacturer employing the percentage system makes products out of inputs with different FSC claims. There are four input units with a claim of FSC Mix 70%, and another four units with a claim of FSC Mix Credit. The manufacturer can mix these inputs together and produce a product with a percentage claim of FSC Mix 85%. FSC Mix Credit contributes 100% of the value, while FSC Mix XX% contributes only the XX% associated with the input claim. Therefore, FSC Mix 70% will only contribute 70% to the overall value. See calculation below. The FSC Mix label may be placed on the products because the output FSC claim is above the 70% threshold for labeling.





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#### *EXAMPLE 2: Inputs with different FSC claims, including FSC Controlled Wood*

An FSC certified manufacturer employing the percentage system makes products with different inputs including Controlled Wood. The inputs are eight units with a claim of FSC 100%, and another four units with an input claim of Controlled Wood. The manufacturer can mix these inputs together and produce a product with an FSC percentage claim of FSC Mix 67%. Controlled Wood is an eligible input into an FSC certified product, but it is not a claim-contributing input. See calculation below. The manufacturer can make an FSC claim of FSC Mix 67% on their invoice to their customer; however, the FSC label may NOT be used because the output FSC claim must be above the 70% threshold for labeling.



#### **Calculation (Assume the conversion factor is 1)**

$$\frac{(8 \times 100\%) + (4 \times 0\%)}{8 + 4} \times 100\% = 67\%$$

#### **Credit System**

Many different types of manufacturing companies employ the credit system, including paper and solid wood mills. The credit system allows manufacturers to store “credit” into a credit account when they source claim-contributing input materials such as FSC certified material (either FSC 100%, FSC Mix Credit, or FSC Mix XX%) or inputs of post-consumer reclaimed material, pre-consumer reclaimed paper fiber. A manufacturer can mix eligible inputs together (both claim-contributing and not) based upon product groups, and then label and/or sell products by removing credit from what is available in their credit account. The credit system works so that the volume being sold as FSC Mix Credit is only as much as the volume of FSC claim contributing input into that specific product group. If a manufacturer runs out of credit in their account, they can no longer sell products as FSC certified.

They can sell the remainder of their stock as Controlled Wood, but only to other FSC certified customers. Under certain conditions, FSC certified companies may also apply the credit system across multiple sites under one certificate by maintaining a centralized credit account that each site would contribute into. Examples of the credit system are found below.



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**EXAMPLE 1: Inputs with different FSC claims**

An FSC certified manufacturer employing the credit system makes products out of inputs with different FSC claims. There are four input units with a claim of FSC Mix 70%, and another four input units with a claim of FSC Mix Credit. FSC Mix XX% contributes only the XX% associated with the input claim, so FSC Mix 70% will only contribute 2.8 out of the 4 units to the credit account. Therefore, with these inputs the manufacturer can add 6.8 units to the company's FSC credit account. See calculation below. The manufacturer can mix all these inputs together and produce products with an FSC Mix Credit claim on what is available in the credit account, a total of 6.8 units.

The remainder can be sold as Controlled Wood. The FSC Mix label may be placed on the 6.8 units sold with the FSC Mix Credit claim; however, the FSC label may NOT be used on the products sold as Controlled Wood.



**Calculation (Assume the conversion factor is 1)**

$$(4 \times 70\%) + (4 \times 100\%) \text{ units} = 2.8 + 4 \text{ units} = \mathbf{6.8 \text{ units}}$$



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**EXAMPLE 2: Inputs with different FSC claims, including FSC Controlled Wood**

An FSC certified manufacturer employing the credit system makes products out of inputs with different FSC claims, including Controlled Wood. There are eight units with a claim of FSC Mix 70%, four units with an input claim of Controlled Wood, and an additional four units that claim of FSC 100%. FSC Mix XX% contribute only the XX% associated with the input claim, so FSC Mix 70% will only contribute 5.6 out of the 8 inputunits to the credit account. With these inputs, the manufacturer can put 9.6 units out of the total 16 units into the credit account. The manufacturer can mix these inputs together and produce output with an FSC Mix Credit claim on what is available in the credit account, a total of 9.6 credits. The FSC Mix label may be placed on the 9.6 units sold with the FSC Mix Credit claim, and the remainder can be sold as Controlled Wood.

