



FSC Advice Note
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Title: Use of CoC Certified Contractors

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Advice sought on: Provisions for and implications of using CoC certified contractors

Foreword

This Advice Note provides clarification on and details the conditions for the following issues:

- how *CoC certified* organizations contracted to produce an FSC certified product without obtaining legal ownership of the material have to proceed;
- how non-certified commercial organizations that place a production order for a finished FSC certified product to a *CoC certified* contractor can promote this product as FSC certified;
- the outsourcing requirements applicable to *CoC certified* organizations that use *CoC certified* contractors.

So far, organizations that were gaining legal ownership of materials that were to be further transformed into a finished FSC product have been required to have FSC Chain of Custody certification in order to allow for an on-product or promotional FSC claim.¹ In practice, this had required companies which would often not handle products physically, e.g. publishers, to set up a Chain of Custody system and apply this system to one or several non-certified contracted processing operations through outsourcing agreements.² Such an arrangement, however, is not seen as advantageous over one where the physical handling of material would be controlled by a *CoC certified* contractor and where required documented evidence would be arranged for with a non-certified contracting customer.

The Advice Note presents the prerequisites and safeguards to be put in place in order to allow for a deviation from the existing approach and also clarifies the benefits and implications of using *CoC certified* contractors.

¹ FSC-STD-40-004 V2-0, Section A 'Scope' requires CoC certification for organizations that "produce and promote FSC-certified products".

² FSC-POL-40-006 (2001) stipulates that "The basic premise is that either the printer or the publisher (or a third-party owner) must hold a valid Chain of Custody (CoC) certificate covering the entire operation, up to and including delivery of the printed product to the client."

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Terms and definitions in the context of this Advice Note

CoC certified An operation that holds a valid FSC Chain of Custody certificate which covers the processes relevant in the production or trade of a specific product that is sold or promoted with FSC claims.

Contractor Individual, company or other legal entity contracted by a *customer* for the production of an FSC-certified product.

Customer Individual, company or other legal entity purchasing raw material from *suppliers* and placing a production order for an FSC-certified product to a *contractor* under an outsourcing agreement.

Supplier Individual, company or other legal entity selling material for an FSC-certified product to a customer, thereby delivering the material to the *contractor* and issuing an invoice to the *customer*.

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A Outsourcing arrangements with CoC certified contractors

1 A CoC certified organization can produce an FSC-labelled product acting as a contractor to a customer who does not have an FSC Chain of Custody system that covers the outsourced production under the following conditions:

Scope of Chain of Custody system

Policy references: FSC-STD-20-011 V1-0, clause 6.3 c)

- 1.1 The *contractor* has an FSC Chain of Custody system that covers the relevant processes and services and meets all applicable standard requirements.
- 1.2 The scope of the *contractor's* FSC Chain of Custody certificate specifies that the relevant processes and services are (also) provided in the context of outsourced contract work.

Documentation

NOTE: The general requirements for material sourcing and receipt as well as sales and delivery apply for the *contractor* as specified by FSC-STD-40-004.

*Policy references: FSC-STD-40-0004 V2-0, clause 4.1.1
FSC-STD-40-0004 V2-0, clause 6.1.2*

- 1.3 The *contractor* has entered into a written agreement with the *customer* specifying the outsourced process and the FSC-certified product to be delivered.
- 1.4 The *customer* provides a copy of the relevant *supplier* invoice(s) to the *contractor*.
NOTE: Information on prices can be blacked out.
- 1.5 *Supplier* transport documentation is provided by the *supplier(s)* to the *contractor* together with the delivered raw material; a copy of the *supplier* transport documentation is provided to the *customer*.
- 1.6 The *supplier* invoice(s) and the corresponding transport documentation are issued by the same *supplier* and include a reference to each other.
- 1.7 The *contractor* shall issue transport documentation in accordance with FSC-STD-40-004 to the recipient of the FSC-certified product and, if the recipient is not identical with the *customer*, provide a copy of this document to the *customer*.

Transportation

- 1.8 The *customer* arranges for the transport of the raw materials directly from the *supplier(s)* to the *contractor*.

Labelling

*Policy references: FSC-STD-40-0004 V2-0, clause 10.1.1
FSC-STD-40-201 V1-0, clauses 1.4, 1.5, and 5.1*

- 1.9 For each contract work, the *contractor* maintains control of applying the correct FSC label based on the material(s) supplied.
- 1.10 The *contractor* ensures that its certificate code is used in the FSC label and submits the proof to its FSC Trademark Service Provider for approval according to FSC-STD-40-201.
NOTE: If the *customer* holds an FSC Chain of Custody certificate, the *customer's* certificate code may be used alternatively.

B Use of products supplied by CoC certified contractors

2 Customers contracting CoC certified organizations may use the FSC-certified products as follows:

2.1 For *CoC certified customers*, general rules for certificate holders apply as regards the definition of FSC product groups, determination of FSC claims, as well as sale and promotion of the supplied products as FSC-certified.

2.2 For *customers* that do not hold an FSC Chain of Custody certificate, the rules for non-certified commercial organizations that buy FSC-labelled products and wish to use the FSC trademarks for promotional purposes apply as specified by FSC-TMK-50-201.

NOTE: Provided that the conditions specified under section 'A' of this Advice Note as well as the requirements stipulated by FSC-TMK-50-201 are met, non-certified *customers* can promote finished (packed/labelled) FSC-certified products as certified but can not make their own FSC claims in sales invoices towards their clients.

Policy references: FSC-TMK-50-201 V1-0, clause 1.11

C Inspection of CoC certified contractors

3 Organizations that are providing contract work to a CoC certified customer according to section 'A' of this Advice Note are exempted from a potential inspection by the customer's FSC-accredited certification body.

NOTE: In this case, the *contractor* will be evaluated and monitored independently by its own FSC-accredited certification body.

Policy references: FSC-STD-20-011 V1-0, clauses 11.1 and 19.1

D Implications for CoC certified customers

4 For CoC certified customers that place a production order for an FSC-certified product to a CoC certified contractor under an outsourcing agreement, the following applies:

4.1 The *customer* shall apply the provisions for 'supplier validation' as specified by FSC-STD-40-004 also to the *contractor*.

Policy references: FSC-STD-40-004 V2-0, clauses 3.2.1 and 3.2.2

4.2 The *customer* shall check the *contractor's* transport documentation for compliance with the provisions for 'identification of input' as specified by FSC-STD-40-004.

Policy references: FSC-STD-40-004 V2-0, clause 4.1.1 a) – c)

4.3 The agreement or contract between the *customer* and the *contractor* covering the outsourced process shall specify that the *contractor* provides the service under his FSC Chain of Custody system and complies with all applicable certification requirements.

Policy references: FSC-STD-40-004 V2-0, clause 12.1.1 c), first sentence

4.4 Outsourcing requirements stipulated by FSC-STD-40-004 that aim at maintaining control over the outsourced process by the contracting organization do not apply:

- clauses 12.1.1 c), second sentence, and 12.1.1 d);
- clause 12.2.1;
- clauses 12.5.1, 12.6.1, and 12.7.1.

NOTE: *Contractors* that are providing contract work to a *CoC certified customer* according to section 'A' of this Advice Note may use their own subcontractors in accordance with section 12 of FSC-STD-40-004.

Policy references: FSC-STD-40-004 V2-0, section 12

References

<i>FSC-POL-40-006 (2001)</i>	<i>FSC Trademark Policy for the Printing and Publishing Sector</i>
<i>FSC-STD-20-011 V1-0</i>	<i>Accreditation standard for Chain of Custody evaluations</i>
<i>FSC-STD-40-004 V2-0</i>	<i>FSC Standard for Chain of Custody certification</i>
<i>FSC-STD-40-201 V1-0</i>	<i>FSC On-product Labelling Requirements</i>
<i>FSC-TMK-50-201 V1-0</i>	<i>FSC Requirements for the Promotional Use of the FSC Trademarks by FSC Certificate Holders and Non-certified Commercial Organizations</i>