

# Certification Process

FSC/PEFC CHAIN OF CUSTODY  
FORESTRY

SGS

# Accreditation status

SGS holds FSC accreditation through ASI ([www.accreditation-services.com](http://www.accreditation-services.com)) and PEFC accreditation through SAS [www.seco.admin.ch/sas](http://www.seco.admin.ch/sas). Through this you are entitled to use the SGS, FSC and PEFC logos (as applicable) on the completion of a successful audit. Use of these logos is restricted by their individual terms and conditions for use. For clarification, SGS does not provide management systems consultancy for FSC and or PEFC but acts as an independent auditing and certification body for both schemes. If the organisation requires consultancy to assist them with preparation for FSC and or PEFC certification, then this service must be requested from a consultancy provider.



## STEP A

### ACCEPTING THE SGS CONTRACT AND WHAT YOU NEED TO SEND US

A contract is submitted by SGS for your consideration. We are happy to arrange a visit or discussion with a Sales Executive or an auditor to outline the process and discuss your requirements. This contract is valid for 60 days. Once the 60 days end, we will review the contract again and issue a new quote if necessary.

**Application:** To apply for registration the contract offer document must be completed, signed and returned to your sales executive before work can commence. In addition, the FSC require you to sign a licence agreement and return it to us, until we receive this agreement we are not able to confirm your contract and proceed with the audit. Your contract will be processed and one of our regional co-ordinators will contact you to arrange the next steps of the audit process.

**Your Preparation:** If you have not already, you should begin preparation for the evaluation, using the appropriate standard. The standards can be downloaded from the FSC website: [www.fsc.org](http://www.fsc.org) and the PEFC website: [www.pefc.co.uk](http://www.pefc.co.uk) in the key documents section.

**FSC Chain of Custody – FSC-STD-40-004**  
**FSC Multi site – FSC-STD-40-003**  
**FSC Controlled Wood – FSC-STD-40-005**  
**FSC Sourcing Reclaimed Materials –FSC-STD-40-007**  
**PEFC ST 2002-2010**

It is a requirement that you have completed a management review and internal audit program prior to the Stage II on site audit commencing. In addition, for PEFC certification, Certified Material must have been processed through the system prior to the Stage II on site audit commencing.

## STEP B

### PRE-AUDIT (AT YOUR REQUEST)

This activity is conducted at your request should you feel a pre-audit would be beneficial. The pre-audit process is designed to ensure you are ready to proceed to the next stage of certification and that you have considered all of the requirements of Chain of Custody.

This stage also allows us to plan competent and sufficient resources for the main assessment, and to prepare working documents and audit plans. It also allows us to provide immediate, focused feedback before you progress to the next stage.

**Multi-Site and Group Proposals:** If you are applying for Multi-site or Group registration we draw your attention to the requirements of FSC-STD-20-011 clause 7.5.1 and 7.5.2. This standard limits the maximum annual growth of the group and the requirements that have to be met if you wish to exceed the limits stated.

Where additional sites/group members need to be added to your registration you will need to inform us in writing. This should be treated as a normal extension to scope and a new contract issued as outlined on page 6.

## STEP C

### STAGE II AUDIT – EVALUATION: ON-SITE AUDIT

The Chain of Custody on site evaluation verifies that products which are sold as certified actually contain certified material.

A member of staff must be available to assist the assessor throughout the evaluation.

You will need to provide all necessary safety equipment for each member of the assessment team or to inform us in advance if you are unable to do this. Failure to meet this requirement will result in the assessment being terminated.

The assessor may ask to be given an overview of the process before beginning the evaluation. This is to help identify points where controls are likely to be required.

The key points the assessor will need to check are:

- that there is no objective evidence of legal non-compliance at the production site;
- that the raw material being purchased is certified and covered by a valid chain of custody certificate;
- that all points where mixing between certified and uncertified material might occur (critical control points) have been identified;
- that at each critical control point there are safeguards in place to ensure mixing does not occur;
- that all certified product is clearly identified;
- that any use of the Trademarks is correct.

The evaluation will be carried out in the steps outlined below:

- Opening meeting during which the assessor will explain what will happen and answer any questions.
- Check on the source of certified raw material.
- Inspection of facilities and operations
- Check on certified product and any use of the Trademarks
- Closing meeting during which the assessor will explain the outcome of the evaluation

The assessor will then need to visit each part of the site including, as appropriate for your organisation:

- Areas where raw material arrives and is stored;
- Purchasing department or area where information on purchasing is stored;
- Processing and manufacturing facilities;
- Training department or area where training records

are stored;

- Product storage areas;
- Sales department

In each place visited, the assessor will need to talk to staff, examine procedures, check records and look at methods used for identification (e.g. labelling of certified material) and segregation (e.g. separate storage areas for certified material). If any issues are identified, these will be discussed with you. On conclusion of the audit the auditor will make a recommendation dependent on findings. This recommendation will reflect the level of findings identified during the audit.

**Audit Findings:** At the conclusion of the site visit, during the closing meeting the assessor will inform you whether any non-conformances have been identified that might threaten the integrity of the Chain of Custody. These will be recorded as Major non-conformances and you will have to attend to them before we recommend certification. For FSC if items are identified that, although not critical to the chain of custody, may cause problems in the future, these will be raised as Minor non-conformances. Verification and closure of minor non-conformances will take place at the next routine surveillance visit. For PEFC Minor non-conformances must also be attended to before we recommend certification. Action plans must be provided for the closure of non-conformances. Observations are opportunities for continuous improvement or best practice.

**Reporting/Certificate issue:** At the end of the Stage II Audit the auditor will make their recommendation on site and talk through the findings. This will include confirmation of the recommended scope following assessment. The report is then compiled off site and reviewed and approved by an Independent Decision Authority. Once the certification decision has been made, the certificate is processed and made available to you along with the formal report. Certificates can only be issued in the name of the Parent Legal Entity. The FSC brand pack is available to download and a link will be emailed to you. The PEFC Labelling Licence is available from [[info@pefc.co.uk](mailto:info@pefc.co.uk)]. SGS can support you in the form of certificate presentations

and arranging press releases to help you promote your achievement should this be required.

**Approval of Use of FSC Trademarks:** In order to obtain an approval for an FSC Logo & Trademark use, a certificate holder simply needs to email the use to [gb.forestry@sgs.com](mailto:gb.forestry@sgs.com). The logo should be in place & the correct colour, also needs to meet the sizing requirements of the FSC-STD-50-001 logo & trademark standard. SGS will keep a record of your logo approvals & we kindly ask that certificate holders do the same for future evidence at assessments. Records of these approvals should be kept for a minimal of 5 years.

The FSC Logo & Trademark standard now includes the use of a 'Trademark Use Management System' once a sufficient amount of consecutive approvals have been obtained. SGS UK as your certification body can discuss this process with you, please email [gb.forestry@sgs.com](mailto:gb.forestry@sgs.com) for this.

## STEP D

### ONGOING MAINTENANCE: SURVEILLANCE VISITS

Once issued, certificates are only valid subject to satisfactory maintenance of your system. Ongoing audits (surveillance visits) are conducted annually to ensure that the integrity of the chain of custody is being maintained and to audit your production records. Surveillance visits will take place as quoted irrespective of the level of product activity since the last visit.

The first surveillance must be conducted within 12 months of the end of the Stage II audit. A copy of the audit report will be sent to you following SGS internal review. We will work with you to identify areas that are not conforming to support opportunities for improvement. Itineraries will be forwarded in advance of the agreed audit date.

In preparation please see below a typical list of documents that auditors would require being available

at surveillance audits:

Purchase Orders/Contracts, Supplier Invoices and Delivery Notes, Training Records, Production Records, Volume Summaries (purchases and sales), Trademark/ Logo Approvals, Supplier Certificates and Validations, Credit Account Records (where appropriate), Percentage System Records (where appropriate), Stock Records, Internal Audit Reports, Sales Invoices and Delivery Notes, Controlled Wood Verification Records (where appropriate).

These are a minimum requirement to evidence traceability through a chain of custody system and should be readily available for the auditor on the day of the audit.

It is a requirement of PEFC certification that Certified Material must have been processed through the system since the last audit, if it has not a Major CAR is raised.

## STEP E

### RE-CERTIFICATION

SGS operates a system of continuous certification. We conduct a recertification visit which will ensure that we review all aspects of your system. The recertification audit must be carried out and major non-conformances closed prior to the expiry of your current certificate. The recertification audit is the first visit of your new certification cycle and will result in a new certificate being issued. Consequently, we look to conduct the audit approximately 3 months prior to the expiry date of your certificate.

We shall contact you approximately 6 months before the certificate expiry to make the necessary arrangements for this audit, including information on the costs for the next cycle (this can be provided earlier, on request).

## PAYMENT TERMS

We will send you an invoice for the fees when we have carried out each stage. Once you receive an invoice, you must pay it within 30 days after the date of invoice (no matter what your company's payment terms) unless we agree otherwise in writing.

If you require a purchase order it is your responsibility to ensure this is supplied to SGS, either prior to the date of audit on the booking confirmation letter, or given to the auditor during the on-site visit.

SGS recover fees on behalf of both the FSC and PEFC. These fees are invoiced to you at cost in GBP, with VAT applied at current rates on the invoice with your visit fees. Conversions to GBP are made using exchange rates applicable at the time of invoice. Fees are calculated using the tables opposite.

## CHANGES TO SCOPE

In the event of any developments that will alter your certification, e.g. site or scope additions, reductions, it is important you inform us at your earliest convenience. Changes to scope can be covered at any time in the process and can include adding new standards to your existing contract. A revised contract would be issued in advance. The scheduling can take place at the same time as a surveillance/renewal visit, which is the most cost-effective method, or can be carried out between visits depending on your requirements and instructions. As this is personal to your individual business needs, it is anticipated this would need to be discussed between SGS and you, the client. This also applies to additions to Group/ Multisite registrations.

We routinely review core data which impacts on your certification and therefore your contract with us. These reviews can result in audit time requirements increasing or decreasing. We will notify you accordingly should any changes be required.

## ANNEX A

Calculation of the Total FSC AAF Amount for SGS COC Certificate Holders - Comparison of old and new system. All calculations refer only to single certificate fees. Multisite fee calculations are not considered here. Please enquire for details  
For the exact calculation of the fee, please consider the formulas provided in the FSC-POL-20-005 V3-1 EN./ Annex 2 / Clause 2.

We also draw your attention to the Codes of Practice, where it states your obligation to keep us notified of any organisation changes.

## CHANGE OF COMPANY NAME/MERGERS/ ACQUISITIONS

In the event of a change to your company name, merger or acquisition you must inform us as soon as this is a possibility, as dependent on the circumstances we may need to conduct an audit before we are able to issue a certificate in the new name. As this may take time to organise and you may find yourself not able to trade in certified product under the new company name. We can only issue certificates in the parent legal entity name.

## SWITCH OF CERTIFICATION

If you have a current certification assessed by an accredited certification body, and this certification is up to date and in good standing, you can switch to SGS at any time in the process. We will conduct a review of your current certification and in order for us to do this you will need to send us a copy of your current certificate, previous visit reports, including the status of any outstanding corrective actions and the date of your last visit. Following the review, we will provide you with a proposal to take over this certification. Once you have accepted our proposal and dates have been arranged, we simply take over the next visit.

The process for reporting and certificate issue is the same as outlined above in Step D.

## COMBINING CHAIN OF CUSTODY WITH ISO STANDARDS

It is possible to arrange combined audits for chain of custody with for example, ISO 14001 or ISO 9001. If you have been quoted for this, you will have received your certification process explained documents for the related standards.

## FSC AAF ACCREDITATION AND ADMINISTRATION FEES

| Turnover Class<br>Old System |                         | Old Fee<br>Traders USD | Old Fee<br>Processors<br>USD | Gradation<br>Turnover for<br>new fee USD | New Fee<br>Traders<br>USD | New Fee<br>Processors<br>USD |
|------------------------------|-------------------------|------------------------|------------------------------|------------------------------------------|---------------------------|------------------------------|
| 1                            | < 200'000               | 31                     | 77                           | -                                        | 80                        | 80                           |
|                              |                         |                        |                              | 50,000                                   | 80                        | 80                           |
|                              |                         |                        |                              | 100,000                                  | 80                        | 80                           |
|                              |                         |                        |                              | 150,000                                  | 80                        | 83                           |
| 2                            | 200'000 – 1'000'000     | 119                    | 316                          | 200,000                                  | 80                        | 110                          |
|                              |                         |                        |                              | 466,667                                  | 80                        | 257                          |
|                              |                         |                        |                              | 733,333                                  | 121                       | 403                          |
|                              |                         |                        |                              | 1,000,000                                | 165                       | 550                          |
| 3                            | > 1 – 5 Million         | 235                    | 620                          | 2,000,000                                | 219                       | 730                          |
|                              |                         |                        |                              | 3,000,000                                | 273                       | 910                          |
|                              |                         |                        |                              | 4,000,000                                | 327                       | 1,090                        |
|                              |                         |                        |                              | 5,000,000                                | 381                       | 1,270                        |
| 4                            | > 5 – 25 Million        | 468                    | 1,249                        | 10,000,000                               | 494                       | 1,645                        |
|                              |                         |                        |                              | 15,000,000                               | 606                       | 2,020                        |
|                              |                         |                        |                              | 20,000,000                               | 719                       | 2,395                        |
|                              |                         |                        |                              | 25,000,000                               | 831                       | 2,770                        |
| 5                            | > 25 – 100 Million      | 784                    | 2,149                        | 43,750,000                               | 1,000                     | 3,333                        |
|                              |                         |                        |                              | 62,500,000                               | 1,169                     | 3,895                        |
|                              |                         |                        |                              | 81,250,000                               | 1,337                     | 4,458                        |
|                              |                         |                        |                              | 100,000,000                              | 1,506                     | 5,020                        |
| 6                            | > 100 – 500 Million     | 1,168                  | 4,667                        | 200,000,000                              | 2,046                     | 6,820                        |
|                              |                         |                        |                              | 300,000,000                              | 2,586                     | 8,620                        |
|                              |                         |                        |                              | 400,000,000                              | 3,126                     | 10,420                       |
|                              |                         |                        |                              | 500,000,000                              | 3,666                     | 12,220                       |
| 7                            | > 500 – 1'000 Million   | 2,334                  | 7,816                        | 625,000,000                              | 4,229                     | 14,095                       |
|                              |                         |                        |                              | 750,000,000                              | 4,791                     | 15,970                       |
|                              |                         |                        |                              | 875,000,000                              | 5,354                     | 17,845                       |
|                              |                         |                        |                              | 1,000,000,000                            | 5,916                     | 19,720                       |
| 8                            | > 1'000 – 2'000 Million | 4,667                  | 10,966                       | 1,250,000,000                            | 7,041                     | 23,470                       |
|                              |                         |                        |                              | 1,500,000,000                            | 8,166                     | 27,220                       |
|                              |                         |                        |                              | 1,750,000,000                            | 9,291                     | 30,970                       |
|                              |                         |                        |                              | 2,000,000,000                            | 10,416                    | 34,720                       |
| 9                            | > 2'000 – 3'000 Million | 5,833                  | 17,496                       | 2,250,000,000                            | 11,354                    | 37,845                       |
|                              |                         |                        |                              | 2,500,000,000                            | 12,291                    | 40,970                       |
|                              |                         |                        |                              | 2,750,000,000                            | 13,229                    | 44,095                       |
|                              |                         |                        |                              | 3,000,000,000                            | 14,166                    | 47,220                       |
| 10                           | > 3'000 – 5'000 Million | 7,893                  | 22,550                       | 3,500,000,000                            | 16,041                    | 53,470                       |
|                              |                         |                        |                              | 4,000,000,000                            | 17,961                    | 59,720                       |
|                              |                         |                        |                              | 4,500,000,000                            | 19,791                    | 65,970                       |
|                              |                         |                        |                              | 5,000,000,000                            | 21,666                    | 72,220                       |
| 10+                          | > 5'000 Million         | 11,275                 | 33,834                       | 6,000,000,000                            | 25,416                    | 84,720                       |
|                              |                         |                        |                              | 7,000,000,000                            | 29,166                    | 97,220                       |
|                              |                         |                        |                              | 8,000,000,000                            | 32,916                    | 109,720                      |
|                              |                         |                        |                              | 9,000,000,000                            | 36,666                    | 122,220                      |

## PEFC UK NOTIFICATION FEE

| Size Of Organisation             | Annual Turnover            | Notification Fee from 1st January 2020 |
|----------------------------------|----------------------------|----------------------------------------|
| Small                            | Under £3 Million           | £140                                   |
| Medium                           | £3 Million - £10 Million   | £380                                   |
| Large                            | £10 Million - £50 Million  | £660                                   |
| Very Large                       | £50 Million - £100 Million | £999                                   |
| Largest                          | More than £100 Million     | £1,500                                 |
| International Multi-site Schemes | More than £100 million     | Cost on application                    |

## Appendix A

Special Terms and Conditions for PEFC Certifications  
Current versions of all PEFC scheme documents can be obtained from [www.pefc.org](http://www.pefc.org).

Once a PEFC certificate is issued your company is responsible to contact the relevant PEFC office to obtain a PEFC license contract directly from the PEFC office.

Special Terms and Conditions for FSC Certifications  
Current versions of all FSC scheme documents can be obtained from [www.fsc.org](http://www.fsc.org)

By entering into a contract with SGS, the company [also referred to as the "client"] shall:

- hold a valid "License Agreement for the FSC Certification Scheme" for the duration of the certificate;
- conform with all applicable certification requirements;
- disclose current or previous application or certification with FSC and/or other forestry certification schemes in the last five years;
- agree, that specified information is published, as indicated in the applicable FSC normative documents (standards);
- consider the participation of observers as specified in FSC-PRO-01-017;
- agree, that a complaint is first handled according to the SGS Complaints, Disputes and Appeals Policy and Process and if not resolved referred to ASI and ultimately to FSC, in case of disagreement with audit findings related to FSC normative documents;
- not use its certification in such a manner as to bring SGS, FSC or ASI into disrepute and not make any statement regarding its certification that may be considered misleading or unauthorized;
- keep a record of all complaints made known to it relating to conformity with certification requirements and make these records available to SGS when requested, and:
  - take appropriate action with respect to such complaints and any deficiencies found in products that affect conformity with FSC certification requirements;
  - document the actions taken.
- inform SGS within ten (10) days of changes in the ownership, structure of the organization (e.g. changes in key managerial staff), certified

management systems or circumstances which relate to the implementation of FSC certification requirements;

- agree, that in case of reduction, suspension or withdrawal of the scope of SGSs FSC accreditation, the certification of the affected clients must be transferred to another Certification Body or will be suspended within six (6) months after the date of reduction, suspension or withdrawal of the respective scope of FSC accreditation;
- agree, that SGS has the right to delay or postpone its decision on certification, in order to take account of new or additional information which has not already been considered in its audit report and which, in the opinion of SGS, could affect the outcome of its evaluation;
- agree, that SGS and FSC have the right to revise the requirements of certification within the period of validity of the certification, including the revision of costs and fees;
- agree, that SGS, FSC and ASI have the right to access confidential information, examine documentation deemed necessary, and access to the relevant equipment, location(s), area(s), personnel, and bodies providing outsourced services to clients;
- agree, that SGS has the right to use information which is brought to its attention, to follow up on misuses of the FSC trademarks and of the intellectual property rights held by FSC;
- acknowledge the title of the FSC's intellectual property rights and that FSC retains full ownership of the intellectual property rights and that nothing shall be deemed to constitute a right for the client to use or cause to be used any of the intellectual property rights;
- note that, SGS may suspend a certificate for a limited period as mentioned in the SGS Code of Practice and in case of five new major non-

conformities are raised during a single surveillance visit;

- meet the following obligations on suspension or withdrawal of certification:
  - immediately cease to make any use of any FSC trademarks, or to sell any products previously labelled or marked using the FSC trademarks, or to make any claims that imply that they conform with the requirements for certification;
  - identify all existing certified and uncertified customers, inform those customers of the suspension or withdrawal in writing within three (3) days of the suspension or withdrawal, and maintain records;
  - cooperate with SGS and with FSC in order to allow SGS or FSC to confirm that these obligations have been met;
- meet the following additional obligations on withdrawal of certification:
  - return the certificate to SGS or destroy the original, and commit to destroy any electronic copies and printed copies in their possession;
  - at its own expense remove all uses of FSC's name, initials, logo, certification mark or trademarks.
- consider in the case of COC Multisite or Group certifications as well as in the case of certifications against the FSC Controlled Wood standards, that a separate spreadsheet with a detailed audit schedule and calculation of costs based on currently valid parameters may be attached to this contract. These parameters are reviewed annually and in case a revision is required, the spreadsheet may be submitted to the client for approval.

## ABOUT SGS

SGS are the world's leading inspection, verification, testing and Certification Company. SGS is recognised as the global benchmark for quality and integrity.

With more than 89,000 employees, SGS operates a network of over 2,600 offices and laboratories around the world.

We offer the following main services:

- **Customised Audit Solutions** – our diverse skills and experiences help organisations to exploit established management systems, by working in partnership to optimise efficiency and effectiveness, finding practical solutions to challenges related to: best practices in organisational operation, process efficiency and improvement, supply chain management, and Sourcing & Procurement.
- **Inspection services** – we inspect and check the quantity, weight and quality of traded goods. Inspection usually takes place when goods are moved from one type of transport to another.
- **Testing services** – we test quality and performance of products against various health, safety and regulatory standards. We use state-of-the-art laboratories on or close to customers' premises.
- **Certification services** – we confirm that systems or services meet the standards set by governments, standardisation bodies (for example, ISO 9001) or our customers' products. We also develop our own standards to meet our clients' needs. SGS as an accredited certification body can provide confidence to clients that professional, experienced auditors are used and standards are consistently applied.

- **Verification services** – SGS verification services ensure that products and services comply with global standards and local regulations. Combining global coverage with local knowledge, unrivalled experience and expertise in virtually every industry, SGS covers the entire supply chain from raw materials to final consumption.

In the UK, SGS employs over 1,800 staff based in over 30 regional offices. Our certification section provides independent certification and audits to a range of standards, including:

- Quality Management Systems (ISO 9001);
- Environmental Management (ISO 14001);
- Risk Management, IT Certification (ISO 20000);
- Information Security Management (ISO 27001, ISO 27701, BS10002, ISO 27017, ISO 27018);
- Business Continuity Management System (ISO 22301)
- Energy Management Systems (ISO 50001)
- Asset Management Management Systems (ISO 55001)
- Customer Service Excellence;
- Occupational Health and Safety (ISO 45001)
- EC Directives (CE Mark) and other regulations;
- UKCA Mark for Medical, PPE and CPR
- Medical Device Certification (ISO 13485 and MDSAP);
- British Retail Consortium Global Standards;
- Food Safety Management Systems (ISO 22000);
- Aerospace

For more information on any of our services visit

[www.sgs.co.uk/certification](http://www.sgs.co.uk/certification)



[WWW.SGS.CO.UK](http://WWW.SGS.CO.UK)

WHEN YOU NEED TO BE SURE

**SGS**