ФЕДЕРАЛЬНОЕ АГЕНТСТВО ПО ТЕХНИЧЕСКОМУ РЕГУЛИРОВАНИЮ
И МЕТРОЛОГИИ (РОССТАНДАРТ)

ФЕДЕРАЛЬНОЕ ГОСУДАРСТВЕННОЕ БЮДЖЕТНОЕ УЧРЕЖДЕНИЕ
"РОССИЙСКИЙ ИНСТИТУТ СТАНДАРТИЗАЦИИ"

СТАНДАРТ ОРГАНИЗАЦИИ

National Forest Certification System.
Certification requirements for supply chain management

Национальная система лесной сертификации.
Сертификационные требования к управлению цепочкой поставок

Обозначение стандарта

СТО НСЛС.48861355-004-2023
на английском языке

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(FGBU “INSTITUTE OF STANDARDIZATION”)

ORGANIZATIONAL STANDARD **STO NSFC.48861355-004-2023**

APPROVED
General Manager
FGBU “Institute of Standardization”

_________ D.E. Mironov
July 19, 2024
[Signature, Stamp]

AMENDMENT No 1

National System of Forest Certification. Certification requirements for supply chain management

AGREED
By NSFC Coordination Council
Chairman

_________ A.S. Peshkov
July 19, 2024
[Signature, Stamp]

Moscow
2024

Organizational Standard STO NSFC.46363355-004-2023 “National Forest Certification System. Certification Requirements for Supply Chain Management” shall be amended as follows:

1. The following words shall be replaced in the paragraph 5.7.1: “Example of the statement “letter designation of the certification body -/NSFC (RFCS) – SOS – certificate No” with the words: “INSTRUCTION: The NSFC statement in trade and/or shipping documents shall be formed by specifying the certificate number and certification status of the product in these documents. Variants of NSFC statements are given in Table B”,

2. The paragraph 5.7.1 shall be supplemented with the Table B as follows: “Table B – Examples of NSFC statements for output products

Type of NSFC statement for output products / group of products	**Example of NSFC statement (rus/eng)**	**Statement control method**
Forest management certification scheme		
Basic requirements (S)	НСЛС—RU-XXXX-Л-XXXXX-XX – S NSFC—RU-XXXX-FM-XXXXX-XX – S	Not applicable
	НСЛС S НСЛС—RU-XXXX-Л-XXXXX-XX NSFC S NSFC—RU-XXXX-FM-XXXXX-XX	
Expanded requirements (S+)	НСЛС—RU-XXXX-Л-XXXXX-XX – S+ NSFC—RU-XXXX-FM-XXXXX-XX – S+	Not applicable
	НСЛС S+ НСЛС—RU-XXXX-Л-XXXXX-XX NSFC S+ NSFC—RU-XXXX-FM-XXXXX-XX	
Supply chain management certification scheme		
Basic requirements (S)	НСЛС—RU-XXXX-Ц-XXXXX-XX – S NSFC—RU-XXXX-CoC-XXXXX-XX – S	Any
	НСЛС S НСЛС—RU-XXXX-Ц-XXXXX-XX NSFC S NSFC—RU-XXXX-CoC-XXXXX-XX	
Expanded requirements (S+)	НСЛС—RU-XXXX-Ц-XXXXX-XX – S+ NSFC—RU-XXXX-CoC-XXXXX-XX – S+	Physical separation method
	НСЛС S+ НСЛС—RU-XXXX-Ц-XXXXX-XX NSFC S+ NSFC—RU-XXXX-CoC-XXXXX-XX	
Expanded requirements (S+credit)	НСЛС—RU-XXXX-Ц-XXXXX-XX – S+credit NSFC—RU-XXXX-CoC-XXXXX-XX – S+credit	Credit method
	НСЛС S+credit НСЛС—RU-XXXX-Ц-XXXXX-XX NSFC S+credit NSFC—RU-XXXX-CoC-XXXXX-XX	
Expanded requirements (S+X%)	НСЛС—RU-XXXX-Ц-XXXXX-XX – S+ X% NSFC—RU-XXXX-CoC-XXXXX-XX – S+ X%	Percentage method
	НСЛС S+ X% НСЛС—RU-XXXX-Ц-XXXXX-XX NSFC S+ X% NSFC—RU-XXXX-CoC-XXXXX-XX	

INSTRUCTION: NSFC statements in Russian and English are equivalent. The organization may choose the language of the NSFC statement depending on the requirements of the customer or other reasons.

INSTRUCTION: Values of certificate number registers are given in the Certification Procedure of the Voluntary Certification System “National System of Forest Certification”, Section 5.9, paragraph 5.9.1.

3. Paragraph 5.1.3 shall be read as follows: “The organization may use NSFC “S” statements (basic) instead of NSFC “S+” statements (expanded) for output products at its own discretion, but not vice versa”.

4. Paragraph 5.8.1 shall be read as follows: “The organization may mark products with NSFC conformity marks on the product (its package) with the certification status in accordance with the requirements specified in the “Procedure for application of the conformity mark”. In case when marking of NSFC products (its package) conformity mark is additionally supplemented with the NSFC statement it shall comply with the NSFC statement specified in trade and shipping documents of these products.”

5. Section 7 shall be supplemented as follows:

“Section 7 – Requirements for supply chain management system of an association group

7.1 General

7.1.1 Several organizations may jointly undergo the voluntary conformity assurance procedure under this standard if they are members of an association group pursuant to the terms and procedures hereof.

7.1.2 An association group shall consist of member organizations and shall have a manager who manages the association group. The number of members in the association group shall not exceed twenty.

7.1.3 Member organizations of an association group are those organizations whose facilities (sites) used for supply chain management activities are included in the scope of certification.

7.1.4 An association group may be managed by an organization that is a member of the association group, an external organization or an individual entrepreneur engaged by group members to manage the association group.

7.1.5 Association group members shall fulfil all applicable requirements of this standard in accordance with the scope of their supply chain management system.

7.2 Legal and contractual issues

7.2.1 The procedure for the establishment and operation of an association group, the procedure for affiliation and expulsion of association group members, the procedure for determining their manager, the requirements for the members and manager, their rights, duties and responsibilities are given in this section and shall be described in the following mandatory documents of the association group.

a) an Association group agreement signed between its participants,

b) an agreement signed between the association group participants and the manager,

c) a management procedure of the association group.

INSTRUCTION: With the consent of the association group participants, agreements between the association group participants and their manager may fulfil the function of the Association group agreement. In this case the Association group agreement shall not be documented.

7.2.2 The date of establishment of an association group is the date on which its members sign an Association group agreement. If agreements concluded between the members of the association group and the head of the association group fulfil the function of the Association group agreement, the date of establishment of the association group shall be the earliest date on which such agreements were signed.

7.2.3 The Association group agreement shall include at least the following provisions;

a) Full name, location address and full name of the head of each association participant.

b) Information about sites (facilities) of each participant in the sphere of application of their supply chain management system.

c) Obligation of each participant to ensure that that supply chain management system complies with the applicable requirements of this standard.

d) Obligation of each participant not to take actions that violate interests of the association group and participants.

e) Obligation of each participant to fulfil the requirements of the management procedure of the association group.

f) Obligation of each participant not to disclose confidential information about association group members.

7.2.4 The agreement between association group participants and the association group manager shall include, at least, the following;

a) Full name, address and full name of the manager of the association group.

b) Participant's consent for the association group manager to perform management functions of the association group in accordance with the association group management procedure.

c) Obligation of the association group manager to act for the benefit of the association group, to ensure fulfilment of the association group management procedure and procedure of the conformity assurance under this standard.

d) The association manager's obligation to identify and allocate necessary resources to manage the association group.

e) Procedure of termination of the agreement signed between the association group members and the association group manager on the grounds prescribed in 7.7.6.

7.2.5 The association group management procedure shall be documented and shall include at least the following provisions;

a) Full name, location address of the association group manager, including full name of its manager, name of the organization department and full name of the employee responsible for managing the association group.

b) Requirements for the association group manager and description of his/her functions, including description of those functions delegated to the participants of the association.

c) Requirements for the participants of the association group.

d) Procedure for affiliation and expulsion of the association group members, including facilities included in the scope of their supply chain management system.

e) Internal audits procedure and the procedure for correction of nonconformity revealed during such audits.

f) Procedure for selecting members of the association group to be included in the annual internal audit plan.

g) Procedure for keeping records related to the association group management system.

7.3 Types of association groups

7.3.1 Depending on the members of the association group, it shall be defined as a Type A or Type B association.

7.3.2 An association group shall be defined as a type A association when the following requirements are met;

a) the amount of annual sales revenue of each member of the association group does not exceed RUR 500,000,000,

b) participants of the association group are not affiliated with each other, i.e. one of the following conditions is met:

   – shares in the charter capital of the association group participants of the same owners and cross ownership of shares in the charter capital of the association group participants does not exceed 20 %,

   – association group participants are not in a single production and economic process – and the share of sales proceeds to other association group participants of each participant does not exceed 50 % in the total annual proceeds sales,

   – sole or collective executive bodies of the association group participants do not include the same persons.

INSTRUCTION: An association group may be defined as a type A association if the annual sales revenue of the organization performing the functions of the head of the group association exceeds 500 thousand rubles.

7.3.3 An association group shall be defined as a type B association if at least one of its members gets more than 50 % of the total annual sales revenues to the other members or if one of the following conditions is met with respect to the members;

– shares in the charter capital of the association group participants are owned by the same owners and/or cross-ownership of shares in the charter capital of the association group participants exceeds 20 %,

– top managers of the association group participants are the same persons,

7.4 Responsibilities and authorities of the association group participants

7.4.1 Association group participants shall assist their manager in managing the association group in accordance with the association group management procedure, and shall exercise the delegated management responsibilities, if applicable.

7.4.2 Association group participants shall conduct internal audits in accordance with the association group management procedure and the agreed internal audit schedule.

7.4.3 Association group participants shall eliminate nonconformities revealed during internal audits by implementing corrective and preventive measures developed within the specified time period.

7.5 Responsibilities and authorities of the association group manager

7.5.1 The association group manager shall develop and implement a documented procedure for managing the association group as described in 7.2.5.

7.5.2 In order to comply with the requirements of 4.2.4, the association group manager shall provide training to association group members and shall provide association group members with guidance and advice to ensure their compliance with the applicable requirements hereof.

7.5.3 The association group manager shall ensure development of internal audits plans of association group members, their frequency and selection of members and facilities to be included in the internal audit plan. Planning of audits and audit procedures shall be guided by the applicable requirements of the subparagraph 4.4 hereof.

7.5.4 The association group manager shall assist in organizing certification activities of the certification body.

7.5.5 The association group manager shall regularly (at least once a year) review association group management results subject to provisions of the subparagraph 4.5.

7.5.6 By mutual agreement with the association group members, a Type B association group manager may delegate some of his/her management functions to association group members.

7.6 Internal audit of association group members

7.6.1 Each participant of a type A association group shall be subject to an internal audit procedure in accordance with the association group management procedure for at least 5 years. Herewith, the schedule and frequency of internal audits of each participant shall be established taking into account the risk of their non-compliance with the requirements of this standard; and the minimum quantity of sites in the sphere of application of the supply chain management system, critical control points and suppliers in the scope of Due diligence system (DDS) (if applicable) to be audited at each of them, shall be determined according to the formula $x = 0.88 \sqrt{y}$, where y is the number of sites, critical control points and suppliers in the scope of group certification at this participant, with due consideration of the mathematical rules of rounding to the nearest whole number, but it shall be at least one.

7.6.2 In a type B association group, based on its specifics, the main parameter to determine selection during preparation of the internal audit plan is the number and characteristics of sites in the scope of the supply chain management system and critical control points. The minimum number of these objects to be included in the annual internal audit plan shall be determined by the formula $x = 0.88 \sqrt{y}$, where y is the number of all sites and critical control points in the scope of association group management, with due consideration of the mathematical rules of rounding to the nearest whole number, but it shall be at least one. Objects shall be selected taking into account the risk of non-compliance with the requirements hereof during their operation.

7.6.3 The group association manager, when managing a Type B association, may delegate some of his/her functions on planning and internal audit functions to its members.

7.6.4 The group association manager shall ensure preparation and implementation of the annual internal audit plan, which shall include:

a) Name of the association group participants included in the scope of the internal audit.

b) A list and description of the supply chain management activities included in the internal audit plan.

c) Dates, duration, and methods of the internal audit.

d) Members of the audit team.

7.6.5 The association group participants included in the annual internal audit plan shall ensure access to documents, records, objects in the scope of the Forest management system for implementation of the audit program.

7.6.6 An association group participant included in the annual internal audit plan shall be informed of the audit date and audit programme at least one month prior to the audit.

7.6.7 The association group manager shall ensure preparation of the audit report based on the audit results, which shall contain at least the following information;

a) Date and duration of the audit.

b) Names and titles of the persons who conducted the audit.

c) A list of the facilities included in the scope of the audit,

e) Requirements of this standard included in the scope of the audit.

f) Description of nonconformities revealed during the audit.

g) Description of corrective and preventive measures to eliminate or prevent nonconformities.

h) Due date for implementation of corrective and preventive measures and persons responsible for their implementation.

i) Description of the results of the corrective and preventive measures.

Also he/she shall ensure that the audited member of the association group received the report.

7.7 Procedure for affiliation and expulsion of association group participants

7.7.1 Affiliation of a new member into the association group shall be by means of its incorporation (signing) into the association group agreement and signing the agreement with the association group manager.

7.7.2 The association group manager shall ensure internal audit of the new participant before its affiliation with the association. An organization may not join an association until all significant nonconformities are eliminated, if such nonconformities were identified by the internal audit.

7.7.3 A member of an association group may voluntarily withdraw the membership by terminating the agreement with the association group participants and manager. In order to do so, the association group participant shall notify the association group manager and its participants at least two months before the withdrawal.

7.7.4 The association group manager shall expel a participant from the association group if three or more significant nonconformities were revealed in relation to its certification activities as a result of the certification audit, inspection control or internal audit, or if it fails to confirm correction of significant nonconformities within the established period.

7.7.5 The association group manager shall expel a participant from the association group in case of impossibility to conduct planned internal audit due to the fault of that participant and in case of facts of violation of the terms of the agreement.

7.7.6 Participants of the association group shall divest the association group manager the authority to manage the association group if the results of an external audit carried by certification bodies reveal three or more significant non-compliances of his/her activity with assessment requirements or significant non-compliances were not eliminated within the established period. The authority shall be divested by means of termination of the agreements previously concluded with the association group manager within 30 calendar days from the date of appearance of the grounds for such termination.

7.7.7 The participants of the association group may determine additional grounds for revocation of the manager's authority to those specified in 7.7.6, that are specified in the agreement between the participants and the manager of the association group and in the procedure for association group management.

7.7.8 In case of revocation the association group manager of the authority to manage the association group, a new manager shall be determined within 30 calendar days from the date of termination of his/her authority or the association group shall be liquidated.

7.7.9 An association group may be liquidated by the decision of its participants or the manager. The procedure for such a decision shall be approved in the association group agreement or in the procedure for the association group management. In this case, certificates of conformity of the association group participants acquire the status of individual certificates.

7.8 Purchase and sale of materials and products between association group participants

7.8.1 Association group participants shall keep separate records of the volumes of incoming materials (inputs) and output products (outputs) by type and product group, that were transferred and received from other group participants, as well as of incoming materials and output products transferred and received from other counterparties."

FEDERAL STATE BUDGETARY INSTITUTION
“RUSSIAN INSTITUTE OF STANDARDIZATION”
(FGBU “INSTITUTE OF STANDARDIZATION”)

ORGANIZATIONAL STANDARD **STO NSFC.48861355-004-2023**

APPROVED
General Manager
FGBU “Institute of Standardization”

_________ D.E. Mironov
November 10, 2023
[Signature, Stamp]

National Forest Certification System. Certification requirements for supply chain management

AGREED
By NSFC Coordination Council
Chairman

_________ A.S. Peshkov
November 02, 2023
[Signature, Stamp]

Moscow
2023

Foreword

1	DEVELOPED	by the Federal State Budgetary Institution “Russian Institute of Standardization” (FGBU “Institute of Standardization”).
2	INTRODUCED	By the Management Systems Certification Department of the Federal State Budgetary Institution “Institute of Standardization”. November 02, 2023.
3	APPROVED AND ENACTED	By the order of the Director General of FGBU “Institute of Standardization” dated November 10, 2023, No 144.
4	ENACTED	NEWLY.
5	OKVED CODE (All-Russian National Classifier of Economic Activities)	02.10 Forest growing and other forestry activities.

Introduction

This standard is aimed at realizing objectives of the voluntary certification system “National System of Forest Certification” (hereinafter - NSFC) and is intended for implementation of supply chain management systems of the wood from sustainably managed forests, processed materials and products made thereof, with the aim of further compliance confirmation in NSFC.

NSFC is registered in the Unified Register of Registered Voluntary Certification Systems (date of registration: 14.04.2023, registration number: РОСС RU.B3000.04НЛС0) in accordance with the requirements of the Federal Law dated December 27, 2002 No 184-FZ “About Technical Regulation”.

The main purpose of NSFC operation is the assistance by methods and means of voluntary certification;

- promotion of sustainable forest management based on requirements that meet the needs of forestry enterprises and consumers of their products, meet the criteria and indicators of sustainable development, have credibility among interested parties and citizens, and reinforce economic, social and ecological role of forests;
- general recognition of the key role of forests in social and economic development and the necessity of their careful treatment;
- fair best interest of all forest participants and interested parties and elimination of disagreements between them;
- involvement of a wide range of stakeholders with different approaches and views in NSFC to promote sustainable forest management;
- reducing forests vulnerability to the effects of economic activity and strengthening their ecological and habitat forming functions;
- sustainable, rational and economically profitable use of forest resources in the long term.

The certified products supply chain includes all stages of harvesting, processing, storage, transportation to the place of sale, including the declaration of voluntary certification of NSFC and/or, in the case of final products, marking of products with the NSFC conformity mark.

Content

O R G A N I Z A T I O N A L   S T A N D A R D

National System of Forest Certification.
Certification requirements for supply chain management

Национальная система лесной сертификации. Сертификационные требования к управлению цепочкой поставок

Valid from 2023—XX—XX

1 Scope

This standard specifies requirements for a supply chain management system for wood, processed materials and wood products (hereinafter referred to as incoming materials).

This standard is aimed at tracking sources of origin of incoming material, its certification status, certification status of output products at all stages, including transportation, acceptance, production, sale, and resale.

The requirements of this standard specify management of supply chains including wood, processed materials and products made thereof; those manufactured using mechanical, chemical, biological and/or thermal treatment or their combination.

The following categories of materials are acceptable incoming materials for the Organization in supply chain management (see Table A):

– compliant with the basic requirements,

– compliant with the expanded requirements.

The basic and expanded requirements regarding the sources of origin of incoming materials (forest management requirements) were determined as the results of risk assessment given in STO NSFC.48861355-001-2023 “National Forest Certification System. National risk assessment”.

Basic requirements in each area of the identified risk are minimum requirements that expand legal requirements in definite areas. Expanded requirements supplement the basic requirements in the same areas, they involve for greater efforts on the part of certificate holders, more proactive actions to achieve the certification objectives, they more significantly supplement the legal requirements.

Compliance with the expanded requirements is a way for certificate holders to demonstrate their commitment to sustainable development and the principles of ESG:

– commitment to the environment (English, E – environment);

– high social responsibility (English, S – social);

– high quality of corporate governance (G – governance).

NSFC statement specifies the very category (basic or expanded requirements) the incoming material belong to. This statement shall be used when supplying incoming material with certification status.

If the incoming material has no certification status (no NSFC statement), the incoming material shall be evaluated by a second party (Organization) for compliance with its Due diligence system (DDS) in accordance with Section 6 hereof. Upon positive evaluation results, the material shall be recognized as meeting the basic requirements.

Processed materials meet the basic requirements if the requirements of this standard are met.

The requirements of this standard shall not be applied to forest management (economic activities on leased (managed) forest areas).

Certification of the supply chain management system is required by the Organization if it:

– sales products with NSFC statement in trade and shipping documents;

– marks products (product packaging) with the NSFC conformity mark;

– manufactures or change the composition of products (e.g., mixing or adding wood-based materials to products) or physical integrity (e.g., repackaging, relabeling) of products sold with NSFC statement.

Certification of the supply chain management is not required for persons providing services to certified Organizations without acquiring legal title to products with NSFC statements, including:

– agents and auction houses arranging trade of products with NSFC statements between a buyer and a seller;

– logistics companies engaged in transportation and/or temporary storage of products with NSFC statements without changing their composition or compromising their physical integrity;

– contractors working under contractor's agreements in accordance with subparagraph 4.8 hereof.

– companies engaged in the promotion of products with NSFC statements (without changing its packaging, form of processing, etc.).

2 Normative references

The following normative references are used in this organizational standard:

OK 034 (KPES 2008), All-Russian Classifier of Products by Types of economic activity (OKPD 2).

TN VED EAES (FEACN of the EEU), Classifier of Goods for Foreign Economic Activities of the Eurasian Economic Union.

GOST R ISO 19011-2021, Conformity assessment. Guidelines for auditing of management systems. Procedure for application of the conformity mark of the voluntary certification system “National Forest Certification System”.

STO NSFC.4

8861355-001-2023 National Forest Certification System. National risk assessment.

STO NSFC.48861355-002-2023 National Forest Certification System. Terms and definitions.

Note — When using this standard, it is advisable to check validity of the reference standards in the public information system – on the official website of the Federal Agency for Technical Regulation and Metrology on the Internet or with the annual information index "National Standards" published as of January 1 of the current year, and with monthly information indexes "National Standards" for the current year. If the document is referenced by an undated reference, it is advisable to use the current edition of this document, subject to all its amendments. If the document referenced by a dated reference is replaced, it is advisable to use the specified edition of this document with the above year of approval (adoption). If after approval of this organizational standard, the referenced document with a dated reference was amended in the part applicable to the referenced provision, then this provision shall be applied with no regard for this amendment. If the reference document is withdrawn without any substitution, then the provision, which is referred to, is to be applied to the extent not affected by this reference.

3 Terms, definitions, and abbreviations

The terms according to [1], Regulations of the voluntary certification system “National System of Forest Certification” and STO NSFC.48861355-002-2023 are used in this organizational standard.

4 General requirements for the management system

Explanation: An organization may confirm compliance with the requirements of this section by having a valid certificate of compliance of its management system with the requirements of GOST R ISO 9001-2015, and/or GOST R ISO 14001-2016, or GOST R ISO 45001-2020, if its supply chain management system is included in the scope of the certificate and if the requirements listed in this section are included in the scope of conformity assessment to the above standards.

4.1 Organizational requirements

4.1.1 The organization shall define the scope of application of the supply chain management system.

4.1.2 The organization shall ensure that application of the supply chain management system is consistent for both the facilities applied for certification and the remaining facilities within the scope of the supply chain management system.

INSTRUCTION – The organization shall demonstrate a commitment to NSFC at all facilities within the scope of the system. Such facilities shall not violate the basic principles of NSFC, in particular, activities at such facilities shall not damage the reputation of NSFC, discredit it, or be associated with illegal timber harvesting or trade in illegal timber, destruction of protected areas and rare species, violation of the rights of employees and affected parties, which is confirmed by absence of objective evidence on the part of authorized bodies or experts.

4.1.3 The scope of the supply chain management system shall be documented.

4.1.4 The supply chain management system shall be adapted to the size and structural complexity of the Organization, its operations.

4.2 Responsibility and authorities

4.2.1 The Organization's management shall develop, document and keep up to date its policy that includes commitments to implement and maintain a supply chain management system in accordance with the requirements of this standard, as well as its continuous improvement.

4.2.2 The policy shall be brought to knowledge of the Organization's employees involved in the supply chain.

4.2.3 The Policy shall be made available to suppliers, contractors and customers.

4.2.4 Organization’s management shall:

a) allocate appropriate resources to fulfill supply chain management system obligations;

b) identify competencies required for employees influencing the operation of the supply chain management system;

c) ensure qualification of these employees based on the appropriate education, training and/or experience;

d) keep competence certificates and records of employee training;

e) designate an employee responsible for fulfilment of requirements of the supply chain management system;

f) assign responsibility and authority to ensure that the supply chain management system complies with the requirements hereof;

g) ensure that the relevant requirements for implementation and maintenance of the supply chain management system are communicated to the Organization's employees, suppliers and contractors involved in the supply chain.

EXPLANATION – Implementation of the system in small organizations may result in functional tasks overlapping among employees.

4.2.5 An employee of the Organization responsible for ensuring compliance with the requirements of the supply chain management system shall:

a) document authority and responsibility for compliance of the supply chain management system with the requirements of this standard in the Organization's regulations and in contracts with suppliers and contractors (if applicable);

b) implement a procedure for identifying and correcting violations related to the supply chain management system.

4.3 Document management

4.3.1 The organization shall determine the procedure for development, implementation and updating of documented information required by the standard and necessary for operation of the supply chain management system.

4.3.2 To manage documented information the organization shall define requirements for:

a) identification by certain characteristics (e.g., title, date, author or reference number);

b) approval, including use of an electronic digital signature (EDC);

c) method of communication, access, retrieval and use;

d) updating;

e) change management (e.g., Document Versioning);

f) establishment of storage periods and procedures for withdrawal.

INSTRUCTION – Storage period for documented information on sales and purchases of inputs and outputs, training, and other documentation supporting operation of the supply chain management system shall be at least three years.

4.4 Audit and control

Internal Audit

INSTRUCTION – Requirements of this section apply to applicants that have more than one facility within the scope of their supply chain management system.

4.4.1 The organization shall establish a procedure for verification, identification, and correction of nonconformities in the operation of the supply chain management system to ensure that the management system is compliant with:

a) the requirements of this standard;

b) own requirements of the organization.

EXPLANATION – The organization may conduct internal audits at scheduled intervals, but at least once a year, according to a defined procedure. The frequency of audits may be oftener depending on the complexity of the scope of the supply chain management system.

4.4.2 The internal audit shall include planning, preparation and execution of the audit program (taking into account frequency, responsibility and reporting established by the organization).

4.4.3 When planning, preparing and executing the audit program, the organization shall:

a) define the scope and extent of each audit;

b) take into account all processes that fall within the scope of the supply chain management system, including any activities carried out by contractors;

c) ensure objectivity and impartiality of the audit process;

d) communicate the results of the audit to the employees responsible for implementation of relevant processes and corrective actions (4.4.4);

e) keep documented evidence obtained at each audit, information on their results and corrective actions taken.

4.4.4 The organization shall form an internal audit program based on the results of analysis/analyses on the part of the management (4.5) and nonconformities (4.4.5) identified during previous audits.

EXPLANATION – The organization may use additional methodological guidelines on the procedure of audits defined in GOST R ISO 19011.

Nonconformities

4.4.5 When nonconformities to the requirements of this standard and the supply chain management system are identified, the Organization shall:

a) determine causes of nonconformities;

b) take actions to eliminate nonconformities, develop corrective actions aimed at eliminating the consequences and causes of nonconformities, including appointment of responsible employees, and determination of deadlines;

c) take actions to implement planned measures aimed at eliminating the causes of nonconformities;

d) analyze effectiveness of the corrective actions taken;

e) keep documentation on nonconformities and corrective actions taken for at least five years.

4.5 Management Analysis

4.5.1 The Organization's management shall review the effectiveness of the Organization's supply chain management system and, if necessary, revise it at scheduled intervals, but at least once a year.

4.5.2 Management analysis shall include review of the following items:

a) implementation of the decisions of the previous management analysis;

b) significant changes in external and internal factors that may affect the supply chain management system;

c) results of analysis of identified nonconformities and effectiveness of corrective actions taken;

d) results of actions on complaints and claims;

e) results of audits (internal and external);

f) proposals for improvement of the supply chain management system.

4.5.3 Management analysis shall be documented.

4.6 Claims (complaints)

4.6.1 In order to consider claims (complaints) regarding the supply chain management system and regarding risks of origin and commixing from suppliers, customers and other stakeholders, the Organization shall develop, implement and keep up to date a documented procedure for processing of claims (complaints).

4.6.2 Upon receipt of a claim (complaint), the Organization shall analyze the facts stated therein and make an appropriate decision, inform the complainant within one month from the date of receipt of the claim (complaint). If more time is required for the investigation, the Organization shall send an appropriate notification to the complainant.

4.6.3 As for a claim (complaint) related to risks of origin and commixing, the Organization shall:

– notify the certification body within two (2) weeks of receipt of the claim (complaint);

– collect and verify all information necessary to evaluate and decide on the complaint within three (3) months, if more time is required for investigation, notify the complainant accordingly;

– notify the complainant and the certification body of the decision on the complaint and the measures (corrective actions) taken in relation to the subject of the complaint to the complainant and the certification body once these actions have been implemented.

4.6.4 If the Organization, based on the results of the claim (complaint) examination, has determined that the claim (complaint) is valid, corrective actions shall be developed and implemented to eliminate defects in the processes that led to the claim (complaint) in accordance with 4.4.5.

4.7 Nonconforming products

4.7.1 When nonconforming products are identified after their delivery, the organization shall take the following actions:

a) send written notification to customers within five working days of identification of nonconforming products and keep records of such notifications;

b) analyze causes of nonconforming products and take measures to prevent their recurring.

4.8 Contracting

4.8.1 The Organization shall be responsible for all outsourced processes and contractor employees related to the Organization's supply chain management system.

EXPLANATION – Contracting organizations are organizations involved in production processes, both inside and outside the production facilities included in the scope of the Organization's supply chain. Particularly, contractors are attracted to work or fulfil definite operations on receipt, handling, sorting, storing, processing, packing, labeling, transporting, and shipping raw materials or products to customers.

4.8.2 The Organization shall sign a written agreement with each contractor participating in the Organization's supply chain containing, at a minimum, the following requirements:

a) ensuring that the contractor fulfils the requirements for the supply chain defined in this standard;

b) allowing representatives of the Organization, the certification body, access to the contractor's facilities and relevant documentation to monitor and ensure that the supply chain complies with the requirements of this standard;

c) implementation by the contractor of a documented control system that ensures clear identification of material related to the Organization's supply chain system, unless the Organization has implemented its own control system;

d) prohibition to outsource third parties for operations that are within the scope of the Organization's certificate, including operations on receipt, storage, handling of materials and products without an authorization of the Organization;

e) prohibition to use the NSFC conformity mark without the Organization's authorization.

4.9 Social requirements, health care and safety requirements within the supply chain

4.9.1 The organization shall demonstrate its commitment to social requirements, health care and safety requirements defined in 4.9.2 hereof.

4.9.2 The organization shall demonstrate that:

a) it does not obstruct the freedom of workers to cooperate, the choice of labor representatives to represent workers' interests, and collective bargaining with the employer;

b) it does not use involuntary labor;

c) it does not use labor of employees whose age is under the legal limitations and doesn’t put restrictions when hiring employees;

d) employees are provided with equal opportunities and rights in employment;

e) labor safety and health protection are ensured.

5 Supply chain

5.1 Requirements for material procurement

5.1.1 Acceptable supply chain incoming material includes the incoming material listed in the Table A, verified in accordance with the requirements of the due diligence system (DDS) specified in Section 6.

Table A – Material categories

Categories and statement for output products	Acceptable incoming material
Compliant with the basic requirements, S	Verified material
	Inputs or products with the NSFC statement that meet the basic requirements
	Processed material
Compliant with the expanded requirements, S+ (S+ credit) (S+ X%)	Incoming material or products with the NSFC statement that meet the expanded requirements

EXPLANATION – At their option, organizations may replace the S+ statement with S for output products.

5.1.2 The organization shall develop and implement documented procedure(s) for acceptance of incoming material to assign each lot of incoming material to the category specified in Table A.

5.1.3 If the incoming material does not meet any of these categories, it may not be used to manufacture and/or sell output products with the NSFC statement.

5.1.4 For certified incoming materials with the NSFC statement, documentation shall also include:

– NSFC statement;

– supplier's certificate number.

5.2 Risks of commixing – Critical points

5.2.1 The organization shall identify and document all critical control points where there is a risk of commixing or substitution between acceptable incoming materials of the various categories listed in the Table A and nonconforming material, including when the organization outsources operations (e.g., storage, transportation, finishing, or other operations).

EXPLANATION – The organization can identify possible critical control points in the production process:

a) receipt,

b) storage,

c) stages of processing into finished goods,

d) marking,

e) storage of finished goods,

f) shipment,

g) sales,

h) organization of contractors' work.

5.2.2 If the organization simultaneously applies several statement control methods, it shall identify critical control points for each method.

5.3 Statement control methods

5.3.1 The organization shall determine product groups according to the Annex A and shall include all types of output products in them, taking into account their species (if applicable).

5.3.2 The organization shall establish and implement one or more of the following statement control methods for all products. Only one of the methods listed below may be used for one product group:

a) physical separation method (see 5.4);

b) percentage method (see 5.5):

  – continuous percentage;

  – simple average percentage;

  – moving average percentage;

c) credit method (see 5.6).

5.3.3 For each product group or batch of products, the organization shall identify the major processing stages involving a change in the volume or weight of the incoming material; and for each step or, if this is not possible – for the entire processing process, the organization shall specify the output factor(s).

5.3.4 For each type of the incoming material used, the output factor of finished products in a product group or in a batch of products shall be specified. The output factors shall be specified rounded to at least three decimal digits.

EXPLANATION 1 – Different types of products may be combined in the same group, but an appropriate output factor shall be applied to each type of the incoming material for the purpose of calculating the output quantity that can be sold with an interest or credit statements.

EXPLANATION 2 – For equivalent substitution of incoming materials, total products (batch of products) shall be from a single incoming material (e.g. pine timber) or a combination of materials from equivalent wood species (e.g. the "veneer chipboard" product group where the entire product is made of a combination of chipboard and timber veneer of equivalent wood species). Examples are given in the Annex B.

EXPLANATION 3 – Incoming materials and/or species in a product group may be substituted for another material and/or species provided this substitution is equivalent. Variations in the size or shape of materials, or products within the same product group are acceptable.

5.3.5 The organization shall have a methodology for calculating the output factor(s) and shall keep the methodology and factors up to date.

5.3.6 The organization shall maintain records of incoming materials and output products within the scope of the NSFC certificate, including:

a) incoming materials: type, quantity and category of material for each batch, indicating receipt document, date of acceptance, including NSFC statement;

b) output products: type, quantity and category of material for each batch, indicating sales document, date of shipment, including NSFC statement.

5.4 Physical separation method

5.4.1 The physical separation method ensures inextricable connection between incoming materials, semi-finished products and output products of a particular category (see Table A) at all stages of the production process(es).

5.4.2 An organization applying the physical separation method shall ensure that incoming materials, semi-finished products, and output products of different categories (see Table A) are fully separated or clearly identified at all stages of the production and/or trade process(es) using:

a) physical separation at production and storage facilities, or

b) physical separation in terms of time, or

c) accurate separation of incoming materials, semi-finished products, and output products during technical process(es). An example is given in the Annex B (Figure 2).

5.5 Percentage method

5.5.1 General

a) Control method is based on determining the percentage ratio for each category of incoming material when materials of different categories are mixed (see Table A).

b) When using this method, it is allowed to use continuous percentage determination, simple average percentage determination, or moving average percentage determination.

EXPLANATION:

1) Continuous percentage may be used when the ratio of incoming materials of different material categories is approximately constant, when the Organization releases individual batches of output products, and otherwise.

2) Simple and moving average percentages may be used when the ratio of incoming materials of different categories is constantly changing.

5.5.2 Continuous percentage

The organization shall determine the percentage of incoming materials with an NSFC S+ statements for each batch of output products in accordance with the proportion of material with an NSFC S+ statements in the total incoming material of that type, taking into account the output ratio, as determined based on the balance records of those materials at the time of production of that batch.

5.5.3 Simple average percentage

1) In this case, the Organization shall establish an accounting period at the end of which the proportion of each incoming material of each type with NSFC S+ statement shall be determined.

2) At the beginning of each accounting period, for each type (group) of output products, the Organization shall determine the average percentage of materials with NSFC S+ statement. It shall be determined on the basis of the ratio of types of incoming materials used in the production of a unit of output product, the share of material with an NSFC S+ statement in the total volume of balances of incoming material of that type. This share shall be defined as the sum of the volume at the beginning of the previous period and the volume that was received in the previous accounting period, taking into account the output ratio. The ratio shall be recalculated at the beginning of each accounting period.

3) The organization shall use the percentage of incoming materials with an NSFC S+ statement calculated using this method when selling output products throughout the entire current accounting period.

4) The accounting period shall not exceed 3 months.

5) If it is impossible to use the data of previous accounting periods (the percentage system of statements control is at the stage of implementation, the accounting period duration is being changed, production technology is being changed, new products appear, other significant changes are made to the supply chain management system), the Organization in its initial (zero) accounting period may determine the forecast % content of the incoming material with NSFC S+ statements. In this case, when determining the % content for the next accounting period, the Organization should adjust the resulting % content, if necessary, to account for the difference between the actual and forecasted receipt of incoming material with an NSFC S+ statements for the previous accounting period.

5.5.4 Moving average percentage

1) In this case, the Organization shall determine, in addition to the requirements for simple average percentage determination, the number of previous accounting periods used to determine the rolling average. The rolling average % content of incoming material with an NSFC S+ statements, shall be determined for the sum of the previous accounting periods.

2) Duration of the sum of the accounting periods used to determine the moving average may not exceed 12 months.

3) The Organization shall make a new calculation before the beginning of each subsequent accounting period. This approach mitigates possible fluctuations in the proportion of incoming materials with an NSFC S+ statements in certain accounting periods.

An example of application of the percentage method is given in the Annex B (Figure 3).

5.6 Credit method

5.6.1 General

a) The credit method shall be applied when two categories of incoming materials (see Table A) are used in the production of the same type of output product or group of output products. The quantity of output products of each type (group) shall be equivalent to the incoming materials, taking into account the output factor (see 5.3.4).

b) The organization shall establish on its own the procedure for credit utilization (time period and volume of each type (group) of output products), for sale of output products with the NSFC “S+” statements, taking into account restrictions specified in 5.6.4 and 5.6.5.

5.6.2 The Organization shall establish an accounting period at the end of which it shall determine the accounting balance on the credit account. The accounting period shall not exceed one month.

5.6.3 The accounting balance on the credit account shall be calculated either for incoming materials or output products, or for both incoming materials and output products for each period according to one of the below formulae:

Formula 1: Shall be used when the credit account balance is calculated for output products (applicable only for single component production, excluding minor components)

$$КРо = КРпп + (М \cdot КВ) – П$$

In this case, the accounting balance of the credit account shall be calculated in units of output products.

Formula 2: Shall be used when the credit account balance is calculated for incoming materials

$$КРо = КРпп + М – (П / КВ)$$

where

КРо is the accounting balance of the credit account (unit, volume, or weight);

КРпп is the accounting balance of the credit account as of the end of the previous period (unit, volume or weight);

М is the incoming material received in the accounting period (unit, volume or weight);

П are sold products, that were debited from the credit account in the accounting period (unit, volume or weight);

КВ is the output factor.

When the accounting balance shall be determined for both incoming materials and output products, the Organization shall maintain interdependent accounting records on the credit account for incoming materials and on the credit account for output products.

a) As of the end of the previous accounting period, the Organization shall determine the credit account balance for each incoming material with NSFC “S+” statements in units of measure for that material.

b) For multi-component products, if it is not possible to substitute incoming materials equivalently, the maximum possible credit balance of the output product shall be determined by the amount of the smallest accounting balance of the incoming material used to produce the product, taking into account the output factor.

c) The accounting balance on the credit account for each type (group) of output products determines the maximum quantity of that type (group) of product that can be sold with an NSFC “S+” statements in the following accounting period.

d) Examples of accounting balances determination are given in the Annex B.

5.6.4 The organization shall maintain records of movement for each category of incoming material used to produce output products. The quantity of each type or group of products with NSFC “S+” statement shall be determined based on the result of these accounting.

5.6.5 The possible volume of output products with NSFC “S+” statement shall be determined by multiplying the quantity of incoming materials by the applicable output factor(s) for each component of a separate product type or product group.

EXPLANATION 1.

The share of minor components in a product composition that may be neglected for determination of possible output products with NSFC “S+” statements may be no more than five percent.

EXPLANATION 2.

a) Components certified under the basic requirements may comprise no more than 10 percent of the output products with NSFC “S+” statement.

b) If the number of components certified under the basic requirements is more than 1 component, and the share of each component is more than 10 percent, substitution with equivalent material (see 5.3.4), with NSFC “S+” statement, or use of NSFC “S+” statement, is required.

5.6.6 The balance of credit that the organization accumulates on the credit account shall not exceed the amount of new credits for the last 24 months. (This means that credits that have not been used for NSFC “S+” statements during this period shall be set to zero.) The credit balance that exceeds the amount of credits credited to the account during the previous 24 months shall be debited from the credit account at the beginning of the following month (on the 25th month after it was credited to the account).

5.6.7 The organization shall sell products with NSFC “S+” statement only if there are accounting balances on the relevant credit account.

EXPLANATION – An example is given in the Annex B (Figure 4).

5.6.8 A credit system may be used at the level of one or more production or warehouse facilities. Conditions for establishing a centralized credit account for several facilities are as follows:

a) credits shall be spread within the same product group;

b) all facilities shall be included in the scope of the certificate and managed by the Organization;

c) all facilities shall be located in the same country;

d) all facilities shall use the same integrated management system software;

e) each of the facilities included in the common credit account shall contribute at least 10 % of the incoming material used on it within 12 months.

5.7 Sales

5.7.1 The organization shall ensure that the following information is provided in sales documents (paper or electronic versions) invoiced for products sold with NSFC statements;

a) name and contact details of the organization;

b) information about the customer, such as name and address of the customer (except for sales to end consumers);

c) date of the document;

d) name or description of the products;

e) quantity sold;

f) the certificate code;

g) a clear indication of the NSFC statement for each product type or for all products, as specified in the Table B.

EXPLANATION – Example of a statement “lettering of the certification body – / NSFC (RFCS) – SOS – certificate No”.

Table B – Acceptable NSFC statements for output products for all control methods

NSFC statement for output products / product group	Physical separation method	Percentage method	Credit method
Basic requirements (S)	✓	✓	✓
Expanded requirements (S+)	✓	✗	✗
Expanded requirements (S+ credit)	✗	✗	✓
Expanded requirements (S+ X%)	✗	✓	✗

5.7.2 If trade documentation issued by the Organization is not attached to a shipment of products and this information is important to the purchaser to determine product's certification status, the appropriate shipping documentation shall include the same information as required in 5.7.1.

5.7.3 The organization may use NSFC "S" (basic) statements instead of NSFC "S+" (expanded) statements for output products at its discretion, but not vice versa. NSFC conformity marking shall be consistent with the statement on the trade and shipping documentation, unless retailers sell finished and marked products to end consumers.

5.8 Requirements for marking

5.8.1 The organization may apply marking with NSFC conformity mark, to products with certification status in accordance with the requirements specified in the "Procedure for application of the conformity mark", and shall comply with the NSFC statement in trade and shipping documents.

6 Due diligence system

6.1 General

6.1.1 The Organization shall develop and implement a documented Due Diligence System (DDS) to confirm that all incoming materials meet the requirements of this standard and ensuring a low risk of noncompliant material entering the Organization's supply chain.

INSTRUCTION – The requirements for the content of the DDS for certified suppliers can be found in 6.4; for processed materials – in 6.3.

6.1.2 Organization's DDS shall be developed in three stages:

a) collection of the required information (see 6.2 – 6.4);

b) risk assessment (see 6.5);

c) risk mitigation (see 6.6).

6.1.3 The organization shall apply DDS at the level necessary to mitigate the risk.

EXPLANATION – The DDS application level depends on various factors, for example:

– national level, where risks are objectively the same throughout the country. Control measures may also be applied throughout the country (e.g. risk of violations during forestry operations);

– regional level, when the risk depends on the region of timber harvesting (e.g. risk of violation of indigenous peoples' rights in their habitual residence);

– level of the site provided for timber harvesting (e.g. presence of Important Bird Areas (KOTR), Wetlands (WBU) over the rented forest area, etc.);

– level of wood cutting areas (e.g. conservation of biodiversity);

– level of timber storage places (in relation to risks of commixing).

6.1.4 The organization shall apply the DDS for all suppliers in the supply chain, plus it shall determine verification procedures in accordance with Annex D. Contracts with suppliers shall contain requirements for their obligations to comply with the DDS.

6.1.5 The organization shall require suppliers to report information on any changes in the supply chain management system and shall independently monitor suppliers' timely provision of data on any changes in information related to the agreed terms and conditions of incoming material supply.

EXPLANATION – This information may include changes in species composition, material origin, processed material category, supply chain links, etc.

6.1.6 The organization shall suspend deliveries from suppliers in the event of:

– violation of the DDS critical requirements or if remarks were not corrected within the agreed time,

– systematic violation of the same requirements or failure to corrected the remarks (2 or more times) based on the results of inspections aimed at DDS fulfillment check in accordance with the Annex D,

– if, based on the results of the complaint review in accordance with 4.6.4, the organization cancels the purchase as a corrective action.

INSTRUCTION – DDS critical requirements are the requirements, violation of which, confirmed by the results of control measures, shall result in cancelation of incoming material purchase until the violations are eliminated in accordance with the requirements of STO NSFC.48861355-001- 2023.

6.1.7 The organization shall revise the DDS at least once a year.

Revision of the DDS includes, but is not limited to, the following:

a) revision due to changes in risk assessment sphere;

b) revision of the organization's control measures;

c) formal update of the NCFC risk assessment, within six months after the date the risk assessment is officially published on the NCFC website.

6.2 Access to information

6.2.1 The organization shall collect and keep information (see 4.3) related to incoming materials:

a) a description of product types (in accordance with the OKPD 2 (All-Russian Classification of Products by Economic Activities) or TN VED (Foreign Economic Activity Commodity Classification), including trade name (see Annex A);

b) general name of species (species composition) of timber (or possible species in case of incoming material containing more than one species) and, if necessary, full Latin name;

c) region of harvesting or collection of processed material;

d) quantity (in volume, weight or quantity units);

e) name and address of suppliers of incoming materials to the organization;

f) information on all suppliers supplying material up to the harvesting area.

EXPLANATION – For material sold to an Organization with certification status, no information specified in 6.2.1 (e) is required.

EXPLANATION – For processed material, no information specified in 6.2.1 (b) is required.

6.2.2 The organization shall have sufficient information on incoming materials to:

a) conclude that the incoming materials come from low-risk areas or supply chains or that potential risks have already been mitigated; or

b) effectively identify, specify and mitigate risks associated with the production or receipt of materials or products that do not conform to the requirements of this standard.

6.2.3 The Organization shall:

a) inform suppliers about the Organization's Policy (see 4.2.3).

b) include in the contract with a supplier the terms authorizing the Organization and/or certification bodies to conduct supply chain audits to verify compliance with this Standard.

6.3 Information required for processed material

6.3.1 The organization using processed materials and/or products made from processed materials (excluding products with NSFC certification status) shall have confirmation that the material meets the definition of the processed material.

6.3.2 In order to confirm that the material is a processed material and to eliminate the risks of commixing with co-products, the Organization shall:

a) identify the supplier's sphere of operation (e.g. a buyer or a processed material collector, a processing organization);

b) determine the required level of control (e.g. document review and analysis, stakeholder consultation, supplier audits, etc.) (see Annex B).

6.4 Information required for certified material

6.4.1 For all incoming materials delivered with the NSFC statement (compliance with the basic and/or expanded requirements) the organization shall:

– regularly check certificates' validity and the list of product groups included in the scope of the certificates, own NSFC-certified suppliers on the NSFC website.

6.4.2 If the organization accepts materials with statements of other forest certification schemes, the organization shall check such materials for compliance with all applicable requirements of this standard and shall carry out risk assessment and risk mitigation in accordance with 6.5 and 6.6.

6.5 Risk assessment

6.5.1 The organization shall assess and document, using the “National Risk Assessment” of STO NSFC.48861Z55-001- 2023 (hereafter referred to as NSFC Risk Assessment), the risks associated with the source of origin of the material.

INSTRUCTION – For certified materials and processed materials, risk reduction shall be ensured by fulfillment of the requirements specified in 6.3, 6.4.

Risk assessment in accordance with 6.5 and risk reduction in accordance with 6.6 shall not be performed for these categories of material.

6.5.2 The organization shall assess and document the risks of commixing of incoming materials checked in accordance with the DDS with incoming materials that do not meet the requirements of this standard.

6.5.3 The organization shall review the risk assessment, as required, but at least once a year.

6.5.4 If no conclusion can be made about low risk associated with origin and/or commixing with incoming materials not meeting the requirements hereof in the supply chain, the Organization shall apply control measures in accordance with 6.6 and the DDS prior to using materials as compliant with the basic requirements.

6.6 Risk mitigation

6.6.1 To mitigate risks associated with the source of origin of the material, the organization shall at least apply mandatory control measures specified in the “National Risk Assessment” of STO NSFC.48861355-001- 2023.

6.6.2 When the Organization believes that the mandatory control measures specified in the NSFC Risk Assessment are not applicable to the supply territory, the Organization shall justify the inapplicability of such measures.

6.6.3 The Organization may replace the mandatory control measures specified in the NSFC Risk Assessment with other self-developed control measures under the following conditions:

a) The Organization develops control measures in such a way that they contribute to effective risk reduction;

b) The Organization shall demonstrate adequacy of the control measures and agree the control measures with the certification body;

c) Such control measures shall be applied by the Organization on a mandatory basis.

6.6.4 The Organization shall develop measures to reduce the risk of commixing of incoming materials checked in accordance with the DDS and incoming materials that do not meet the requirements of this standard.

6.6.5 The organization shall document, maintain and keep (see 4.3) records of all risk assessment measures implemented.

6.6.6 Control measures by their content and method of implementation are divided into control measures applied

– during field inspections (field audit of sites, territories and other facilities included in the scope of the supply chain management system);

– during documentary inspections (verification of documentary evidence of fulfilment of the Organization's DDS requirements);

– by means of consultations with interested and affected parties and experts;

– by means of analyzing public information sources.

This division is functional in nature. Priority of application of control measures shall be determined by the Organization's procedure for audit of its suppliers and the audit programme. The Organization should plan the audits by means of cooperation with a Supplier for appropriate use of both parties' resources and time to be spent for audit.

Instruction – The way in which control measures are implemented may depend on their applicability to the object of verification as well as on external factors. For example, if a field inspection is conducted in winter and it is not possible to visually verify undergrowth preservation, soil damage, etc., then verification of the relevant requirements can be accomplished by document review or consultation.

6.6.7 If the risk cannot be effectively mitigated, the material shall not be accepted as the incoming material.

6.7 Requirements for a Multi-Site Organizations

6.7.1 An organization with more than one site (facility) within the scope of the supply chain management system shall have a management body that performs planning, control, management of the supply chain management system.

6.7.2 An organization with more than one site (facility) shall be a single legal entity. All sites shall be part of a single organizational structure under the management of a management body.

6.7.3 All sites and the management body shall be subject to the organization's internal audit program (4.5).

Functions and responsibilities of the management body

6.7.4 The management body shall:

a) implement and maintain the supply chain management system in accordance with the requirements hereof;

b) provide all sites with the necessary information and guidance required to effectively implement and maintain the supply chain management system in accordance with the requirements hereof.

6.7.5 The management body shall provide the sites with the following information or access to the following information:

a) rules for the application of the NSFC conformity mark and guidance on application;

b) NSFC standards, Regulations, Rules and application manuals;

c) procedures relating to Multi-site organization's supply chain management system;

d) rights of the certification body to have access to the documents and to the premises of the sites (facilities) for the purposes of conformity assessment;

e) mutual responsibility of the facilities (sites);

f) results of internal audits and assessments of the certification body, corrective and preventive actions to be performed by the sites (facilities);

g) sections of the certificate for more than one site.

EXPLANATION – The term “mutual responsibility” means that nonconformities identified at one site or at the management body may result in corrective actions for all sites; an increase in the number of internal audits or exclusion from the scope of the certificate of one site.

6.7.6 The management body shall have the authority to:

a) implement and ensure any corrective and/or preventive actions;

b) initiate exclusion of any site from the scope of the certificate in case of noncompliance with this standard;

c) establish written procedures regarding the Multi-site organization's supply chain management system;

d) implement an internal audit program, including with due consideration of expansion, inclusion of new sites (if necessary) in the scope of certification,

Functions and responsibilities of the sites (facilities)

6.7.7 Each site shall:

a) implement and maintain the supply chain management system in accordance with the requirements hereof;

b) timely respond to requests from the management body in respect to provision of data, documentation or other information required by the certification body, whether or not related to audits, analysis or other activities;

c) ensure full cooperation and support for organization of internal audits conducted by the management body and audits conducted by the certification body, including access to the sites;

d) implement corrective and preventive actions identified by the management body within agreed period of time.

Annex A
(normative)

List of product groups according to FEACN classifier

Level 1	*Level 2*	*Level 3**	*Examples***
44 Wood and articles of wood	4401 Fuel wood	4401 11 Coniferous fuel wood	Firewood (pine, spruce)
		4401 12 Nonconiferous fuel wood	Firewood (birch, aspen)
		4401 21 Coniferous chips or spills	Coniferous fuel chips
		4401 22 Nonconiferous chips or spills	Nonconiferous fuel chips
		4401 31 Wood pellets	Fuel briquettes, pellets
		4401 40 Sawdust, wood waste and scrap, unagglomerated	Sawdust
	4402 Wood charcoal		Wood charcoal
44 Wood and articles of wood	4403 Unprocessed wood: Roundwood	4403 11 Unprocessed coniferous wood	Logs for sawing and planing of other species, balances, full-length logs, logs for pit wood cutting, piles, logs for supports. Logs for peeling
		4403 12 Unprocessed nonconiferous wood	
		4403 21 Pine timber	
		4403 49 Unprocessed timber of tropical species	
		4403 95 Birch timber	
		4403 97 Poplar and aspen timber	
		4403 99 Other unprocessed timber	
44 Wood and articles of wood	4404 Wood for use in landscape design	4404 10 Wood for use in landscaping of coniferous species	Wood for cooperage; split logs; piles, pickets and stakes of wood, pointed but not sawn lengthwise; wood, roughly trimmed but not turned, bent or otherwise worked, suitable for manufacture of walking-sticks, umbrellas, tool handles or the like; chip wood and the like.
		4404 20 Wood for use in landscaping of nonconiferous species	
Level 1	*Level 2*	*Level 3**	*Examples***
44 Wood and articles of wood	4405 Wood wool, wood flour		Wood flour
	4406 Sleepers of wood	4406 11 Unimpregnated coniferous wood sleepers	Unimpregnated coniferous sleepers
		4406 12 Unimpregnated nonconiferous wood sleepers	Unimpregnated nonconiferous sleepers
	4407 Wood sawn or chipped lengthwise, sliced or peeled		Edged and unedged board
	4408 Sheets for veneering (including those obtained by slicing laminated wood), for plywood or for similar		Veneer sheets, laminated plywood with at least one outer ply of nonconiferous wood, Pencil wood

	laminated wood and other wood		
	4409 Sawn wood in the form of profiled mouldings		Boards and parquet strip for parquet flooring, moulding for frames for paintings, photographs, mirrors or similar objects
	4410 Particle board, oriented strand board (OSB) and similar board (for example, waferboard) of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances	4410 11 Particle board	Particle board
44 Wood and articles of wood		4410 12 Oriented strand board (OSB)	OSB
		4410 19 Waferboard	
	4411 Fiberboard of wood or other ligneous materials	4411 12 Fiberboard	MDF, HDF boards
Level 1	***Level 2***	***Level 3****	***Examples*****
	4412 Plywood, veneered panels and similar laminated wood	4412 10 Plywood with at least one outer ply of bamboo	Plywood consisting of three or more plies of wood glued or compressed and arranged so that the fibers of adjacent plies are at an angle to each other; this ensures panel’s greater strength and, by compensating for shrinkage, reduces warpage. Veneer
44 Wood and articles of wood		4412 31 Other plywood consisting solely of sheets of wood (other than bamboo)	
		4412 94 Blockboard, laminated board and battenboard	Laminboard, blockboard, and battenboard
	4413 Densified wood, in blocks, plates, strips or profile shapes		Densified wood for gears, gates, bearings and other machine parts, motors, insulators and other electrical devices, chemical industry tanks, etc.
	4414 Wooden frames for paintings, photographs, mirrors or similar objects		Decorative wooden frames
	4415 Packing cases, boxes, crates, drums and similar packings, of wood; cable-drums, of wood; pallets, box-pallets and other load boards, of wood; pallet collars of wood	4415 10 Packings of wood; cable-drums and similar packings	Packing cases, and other packings, cable-drums

44 Wood and articles of wood		4415 20 Pallets, box-pallets and other load boards; pallet collars	Boards, pallets, box-pallets, of wood
		4415 20 Pallets, box-pallets and other load boards; pallet collars	Boards, pallets, box-pallets, of wood
	4416 Barrels and other coopers' products		Barrels of wood
Level 1	***Level 2***	***Level 3****	***Examples*****
44 Wood and articles of wood	4417 Tools, tool bodies, tool handles		Tools of wood
	4418 Builders' joinery and carpentry of wood		Cellular wood panels, assembled flooring panels, shingles and shakes. Parquet blocks. Roofing shingles. Shakes. Ladders.
		4418 10 Windows, French-windows and their frames	French-windows of wood, French-windows frames of wood
		4418 20 Doors and their frames and thresholds	Doors and their frames and thresholds
44 Wood and articles of wood		4418 73 Floor panels assembled	Cellular panels of wood
	4419 Tableware and kitchenware, of wood		Woodenware
	4420 Décor articles		Wood marquetry and inlaid wood; caskets and cases for jewelry or cutlery, and similar articles, of wood; statuettes and other ornaments, of wood; wooden articles of furniture
	4421 Other articles of wood		Bathroom accessories. Insect repellent. Other household goods
		4421 10 Clothes hangers, and clothespin	
		4421 99 Other	
3912 Cellulose and its chemical derivatives, in primary forms			Cellulose acetates ethyl cellulose hydroxypropyl cellulose
47 Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or paperboard; paper and paperboard and articles thereof	4701 Mechanical wood pulp		
	4702 Chemical wood pulp, dissolving grades		Viscose pulp, acetate pulp
	4703 Chemical wood pulp, soda or sulphate, other than dissolving grades		Pulp of fibers derived from dissolving cellulose Cellulose yarn Cellulose textile Clothing Regenerated cellulose film
Level 1	***Level 2***	***Level 3****	***Examples*****
47 Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper		4703 1 Unbleached kraft pulps	
		4703 2 Semi-bleached or bleached sulfate	

or paperboard; paper and paperboard and articles thereof		4703 21 Other	Fluff pulp Recycled pulp
	4704 Chemical woodpulp, sulfite, other than dissolving grades		Unbleached sulfite pulp Bleached sulfite pulp
	4705 Semi-chemical woodpulp		
	4707 Recovered (waste and scrap) paper and paperboard		
		4707 10 Unbleached kraft paper or paperboard or corrugated paper or paperboard	
47 Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or paperboard; paper and paperboard and articles thereof		4707 20 Other paper or paperboard, made mainly of bleached chemical pulp, not colored in the mass	
		4707 30 Paper or paperboard made mainly of mechanical pulp (for example, newspapers, journals and similar printed matter)	
		4707 30 Old and unsold newspapers and magazines, telephone directories, brochures and printed advertising products	
		4707 30 9 Other	
		4707 90 Other, including unsorted waste and scrap	
48 Paper and paperboard; articles of paper pulp, of paper or of paperboard	4801 Newsprint, in rolls or sheets		
	4802 Uncoated paper and paperboard	4802 10 Hand-made paper and paperboard	
		4802 20 Paper and paperboard of a kind used as a base for photo-sensitive, heat-sensitive or electro-sensitive paper or paperboard	
		4802 40 Wallpaper base	
Level 1	***Level 2***	***Level 3****	***Examples*****
48 Paper and paperboard; articles of paper pulp, of paper or of paperboard	4803 Paper used for household or sanitary purposes		Toilet or facial tissue stock, towel or napkin stock and similar paper. Cellulose wadding and webs of cellulose fibres.
	4804 Uncoated kraft paper and paperboard, in rolls or sheets		Kraftliner, sack kraft paper and other kraft paper for wraping and packaging
	4805 Other uncoated paper and paperboard, in rolls or sheets, not		Semi-chemical fluting paper. Multilayer paper and

	further worked or processed		paperboard obtained by pressing two or more layers of wet paper pulp. Sulphite wrapping paper. Filter paper and paperboard. Felt paper and paperboard. Blotting paper.
48 Paper and paperboard; articles of paper pulp, of paper or of paperboard		4805 11 Fluting paper of semi-chemical pulp	
		4805 12 Straw fluting paper	
		4805 19 Other	
		4805 24 Testliner (recycled liner board)	
		4805 30 Sulphite wrapping paper	
		4805 40 Filter paper and paperboard	
		4805 50 Base paper and paperboard for felt paperboard	
		4805 93 Made of waste paper	
		4805 93 Other	
48 Paper and paperboard; articles of paper pulp, of paper or of paperboard	4806 Vegetable parchment, greaseproof papers, tracing papers and glassine and other glazed transparent or translucent papers, in rolls or sheets		
Level 1	***Level 2***	***Level 3****	***Examples*****
48 Paper and paperboard; articles of paper pulp, of paper or of paperboard	4807 Composite paper and paperboard (made by sticking flat layers of paper or paperboard together with an adhesive), not surfacecoated or impregnated, whether or not internally reinforced, in rolls or sheets		
		4807 00 Made of waste paper, whether or not surface coated with paper	
	4808 Paper and paperboard, corrugated		
48 Paper and paperboard; articles of paper pulp, of paper or of paperboard	4809 Self-copy paper		
	4810 Paper and paperboard, coated on one or both sides with kaolin (China clay) or other inorganic substances	4810 22 Coated paper containing wood pulp	
	4811 Paper, paperboard, cellulose wadding and webs of cellulose fibres, coated,		Gummed or adhesive paper and paperboard, paper and paperboard coated, impregnated or

	impregnated, covered, surface-coloured, surface-decorated or printed		covered with plastics (excluding adhesives)
48 Paper and paperboard; articles of paper pulp, of paper or of paperboard	4812 Filter blocks, slabs and plates, of paper pulp		
	4813 Cigarette paper		
	4814 Wallpaper and similar wall coverings		
	4817 Small-format printed products		
		4817 10 Envelopes	
		4817 20 Letter cards, plain postcards and correspondence cards	
Level 1	***Level 2***	***Level 3****	***Examples*****
48 Paper and paperboard; articles of paper pulp, of paper or of paperboard		4817 30 Boxes, pouches, wallets and writing compendiums, of paper or paperboard, containing an assortment of paper stationery	
	4818 Household, sanitary, hygienic or medical products, clothing articles		
		4818 10 Toilet paper	
		4818 20 100 Handkerchiefs, cleansing or facial tissues and towels	
		4818 20 Hand towels, handkerchiefs, cleansing or facial tissues and towels	
48 Paper and paperboard; articles of paper pulp, of paper or of paperboard		4818 30 Tablecloths and serviettes	
		4818 50 Articles of apparel and clothing accessories	
		4818 90 Other	
	4819 Packaging articles		Cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wadding or webs of cellulose fibres; box files, letter trays, and similar articles, of paper or paperboard of a kind used in offices, shops or the like
		4819 10 Cartons, boxes and cases, of corrugated paper or paperboard	
		4819 30 Sacks and bags	
		4819 50 Other packing containers	
		4819 10 Cartons, boxes and cases, of corrugated	

		paper or paperboard	
Level 1	***Level 2***	***Level 3****	***Examples*****
48 Paper and paperboard; articles of paper pulp, of paper or of paperboard	4820 Registers, account books, notebooks, order books, receipt books, letter pads, memorandum pads, diaries and similar articles, exercise books, blotting pads, binders (loose-leaf or other) , folders, file covers, manifold business forms, interleaved carbon sets and other articles of stationery, of paper or paperboard; albums for samples or for collections and book covers, of paper or paperboard		
48 Paper and paperboard; articles of paper pulp, of paper or of paperboard		4820 10 Registers, account books, note books, order books, receipt books, letter pads, memorandum pads, diaries and similar articles	
		4820 20 Exercise books	
		4820 30 Binders (other than book covers), folders and file covers	
		4820 40 Manifold business forms and interleaved carbon sets	
		4820 50 Albums for samples or for collections	
		4820 90 Other	
49 Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans			
		4901 10 Printed books	
		4901 91 Dictionaries, encyclopedias, and serial instalments thereof	
Level 1	***Level 2***	***Level 3****	***Examples*****
49 Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans	4902 Newspapers, journals and periodicals, whether or not illustrated or containing advertising material		
	4903 00 Children's picture books, drawing or colouring books		
	4904 Sheet music, printed or in manuscript, whether or not bound or illustrated		
	4905 Maps and hydrographic or similar charts of all kinds,		

	including atlases, wall maps, topographical plans and globes, printed		
49 Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans	4906 Plans and drawings for architectural, engineering, industrial, commercial, topographical or similar purposes, being originals drawn by hand; hand-written texts; photographic reproductions on sensitised paper and carbon copies of the foregoing		
	4907 Postage, revenue or similar stamps		
		4907 00 Banknotes, security paper	
	4908 Transfers (decalcomanias)		
Level 1	***Level 2***	***Level 3****	***Examples*****
49 Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans	4909 Printed or illustrated postcards; printed cards bearing personal greetings, messages or announcements, whether or not illustrated, with or without envelopes or trimmings		
92 Musical instruments	9201 Pianos, including automatic pianos; harpsichords and other keyboard stringed instrument		
	9202 Other string musical instruments		
	9205 Wind musical instruments		
	9206 Percussion musical instruments		
94 Furniture, prefabricated buildings	9401 Seats		Chairs and stools Sofas and armchairs Benches
	9402 Medical, surgical, dental or veterinary furniture		
	9403 Other furniture and parts thereof		Furniture of a kind used in educational institutions, stores, warehouses, workshops, furniture of a kind used in laboratories and technical offices, furniture of a kind used in churches.

			Furniture for children. Customized furniture.
94 Furniture, prefabricated buildings		9403 30 Furniture of a kind used in offices	
		9403 40 Wooden furniture of a kind used in the kitchen	
		9403 50 Wooden furniture of a kind used in the bedroom	Beds, headboards, bed bases
		9403 60 Storage systems and units	Drawers, cabinets, shelves, cupboards, sideboards, nightstands, bookcases
	9406 Prefabricated buildings	9406 10 Prefabricated buildings and structures of wood	Buildings of wood Other structures of wood Wooden vessel Wooden bridge
Level 1	***Level 2***	***Level 3****	***Examples*****
95 Toys, games, and sports requisites	9503 Toys		
	9504 Video game consoles and machines		
	9506 Articles for sports		
	9506 Sports requisites		
36 Matches	3605 Matches, other than pyrotechnic articles of heading 3604		

* The Organization may supplement the List of product groups when using other HS codes, OKPD 2 when selling products.

** Product group takes into account all types of products, including species composition (if necessary).

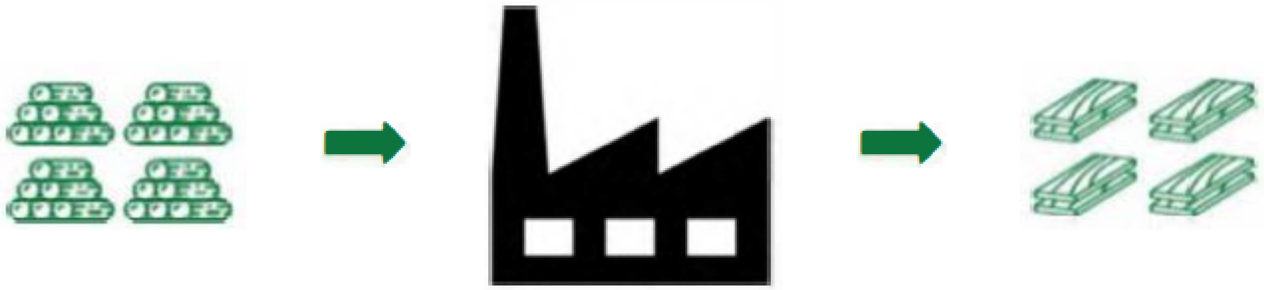
Annex B
(informative)

Examples of applications of statement control methods

Incoming material status control only.

Product group using one category of incoming material.

Incoming materials | Output products



NSFC S+ NSFC S+

Corresponds to the expanded requirements “S+”

Product groups with two categories of incoming materials

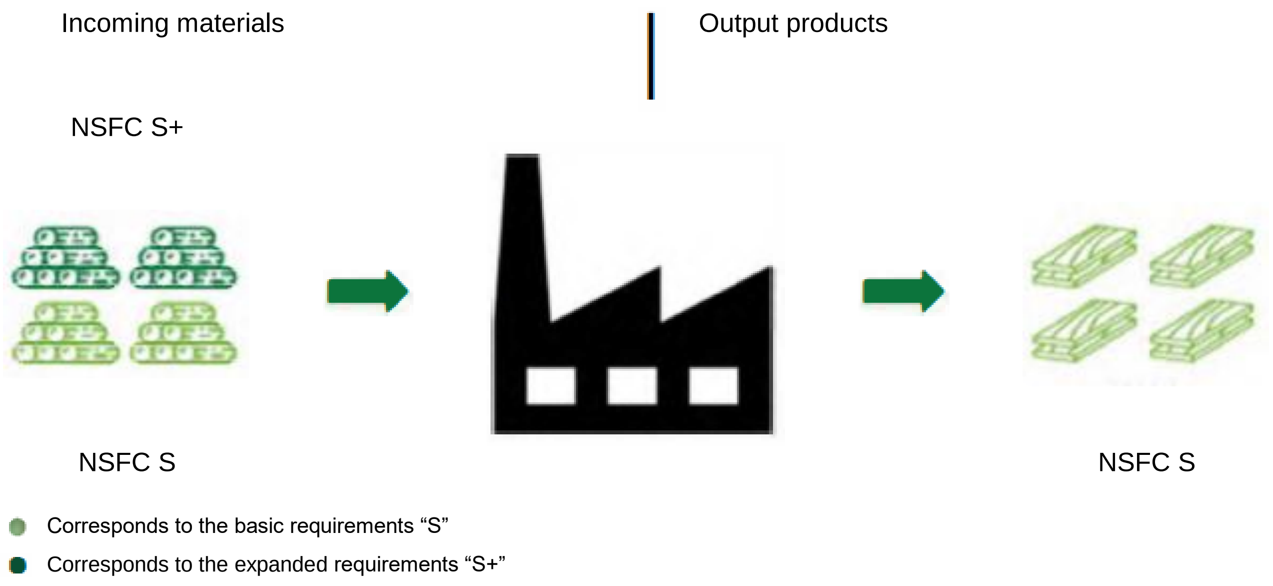


Figure 1

Product groups with two categories of incoming materials using the physical separation method

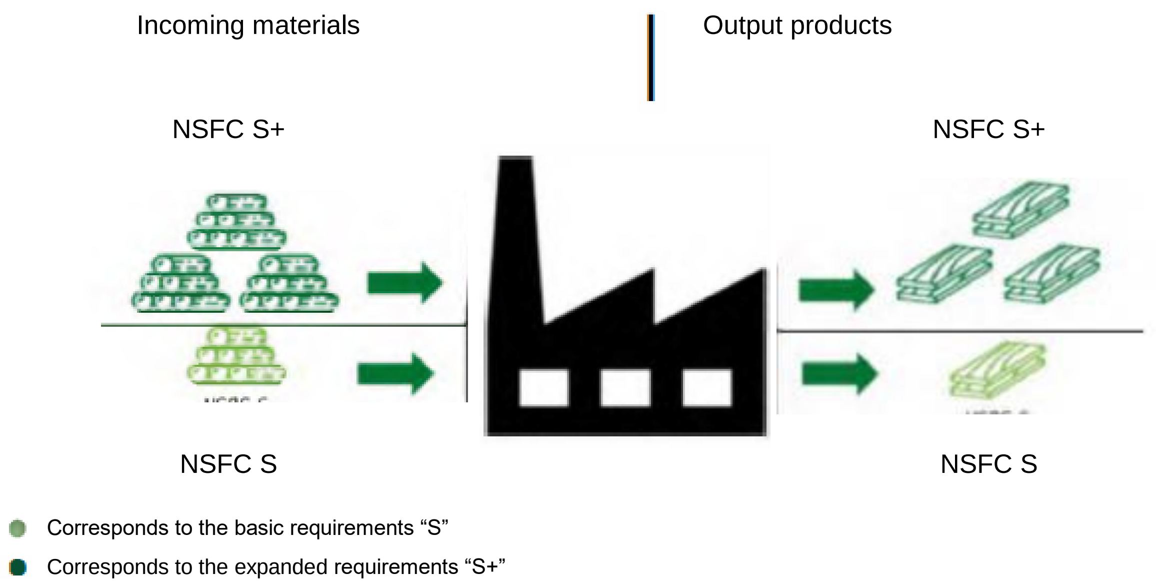
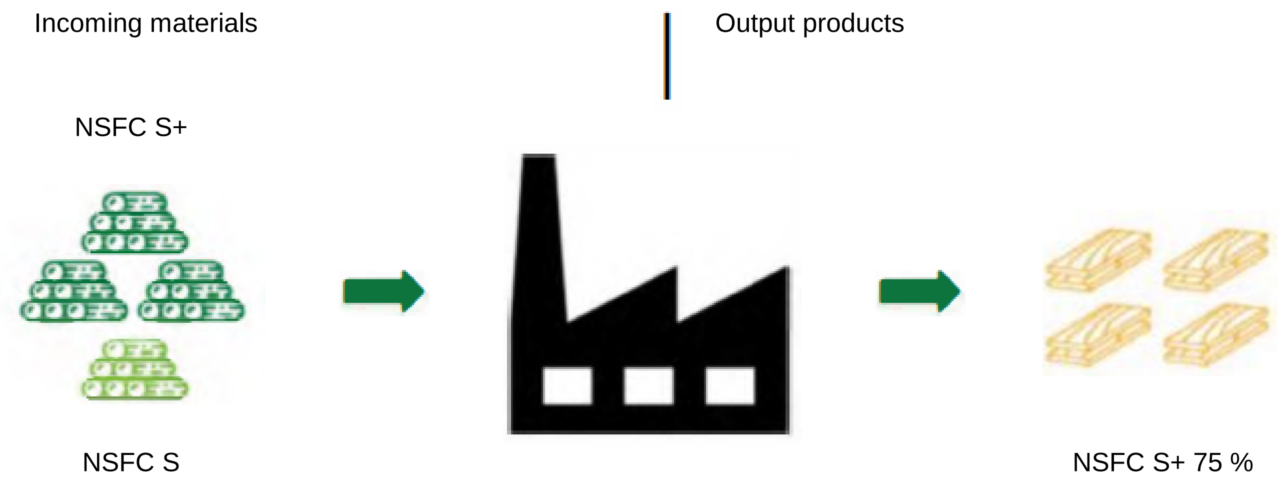


Figure 2

Percentage method

Product groups with two categories of incoming materials using the percentage method to the entire batch of incoming materials



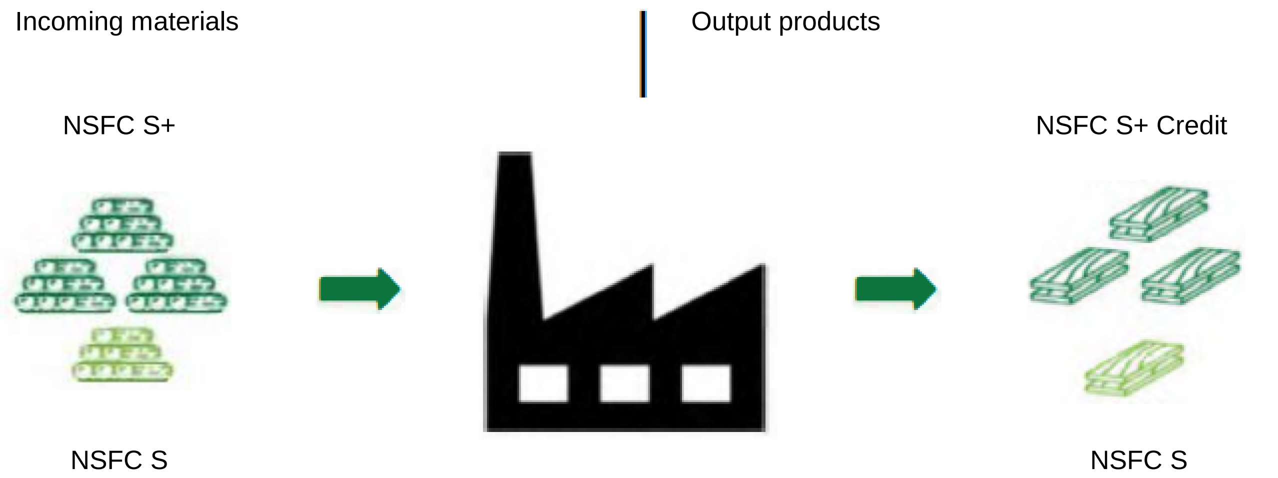
Corresponds to the basic requirements “S”

Corresponds to the expanded requirements “S+”

Corresponds to the expanded requirements with percent specification “S+ X%”

Figure 3

Credit method



Corresponds to the basic requirements “S”

Corresponds to the expanded requirements “S+”

Figure 4

Examples of application of formulae

1) The accounting balance of the credit account for each incoming material:

$$\text{КР}M_{i\text{о}} = \text{КР}M_{i\text{ш}} + M_i^{\text{вход}} - \sum_{j=1}^{m}\left(\frac{\Pi_j^{\text{прод}}}{\text{КВ}_{ij}}\right) - M_i^{\text{прод}}$$

where

$КРМ_{io}$ is the accounting balance of the credit account for i^{th} incoming material as of the end of the current accounting period.

$КРМ_{iПП}$ is the accounting balance of the credit account for i^{th} incoming material as of the end of the previous accounting period.

$М_i^{ВХОД}$ is the amount of the incoming materials received during the current accounting period.

$П_j^{ПРОД}$ is the amount of the output products sold during the current accounting period with the NSFC S+ Credit statement.

$КВ_i$ is the output factor of the j^{th} type of finished product from the i^{th} material.

$М_i^{ПРОД}$ is quantity of incoming material sold without processing during the current accounting period.

EXAMPLE: In June, 1000 m^3 of pine timber was accepted for sawn timber production. As of the end of May there were 500 m^3 of sawn timber not processed. Output factor was 0.61. In June, 600 m^3 of pine timber were produced. As of the end of June the accounting balance amounted to:

$КРМ_{io}$ = (500 + 1000) – 600 / 0.61 – 300 = 216 m^3

2) The accounting balance of the credit account for each type (group) of output products.

$$КРП_{jo} = КРП_{jпп} + \underset{i=1}{\overset{n}{МЙН}} (J_j \times КРМ_{io} \times КВ_{ij}) - П_j ; 0 \le J_j \le 1 ; \sum_{j=1}^{m} J_j = 1$$

where

$П_j^{ПРОД}$ is the amount of the output products sold during the current accounting period.

$КВ_{ij}$ is the output factor of the j^{th} type of finished product from the i^{th} material.

$М_i^{ПРОД}$ is quantity of incoming material sold without processing during the current accounting period.

$КРП_{jo}$ is the accounting balance of the credit account for j^{h} type (group) of output products as of the end of the current accounting period.

$КРП_{jПП}$ is the accounting balance of the credit account for j^{th} type (group) of output products as of the end of the previous accounting period.

J_j is the share of the accounting balance of the credit account of incoming materials to be used for j^{th} type (group) of products with NSFC "S+" statement.

$i \in (1; n)$ $j \in (1; m)$, where i is the number of incoming materials, j is the number of types (groups) of products.

EXAMPLE for equivalent materials

In June, 1000 m^3 of birch balances and 800 m^3 of coniferous balances were purchased. 200 tons of pulp were sold this month, as of the beginning of the months there were 200 tons of pulp on the account. The output factor for birch balances was 0.226, for coniferous balances – 0.232. The ratio of birch to coniferous balances is 0.5:0.5.

$КРП_{io}$ = 200 + (0.5 * 1000 * 0.226 + 0.5 * 800 * 0.232) – 200 = 206

EXAMPLE for non-equivalent materials

In June, 1000 m^3 of birch balances and 800 m^3 of coniferous balances were purchased for pulp production. 200 tons of pulp were sold this month, as of the beginning of the months there were 200 tons of pulp on the account. The output factor for birch balances was 0.226, for coniferous balances – 0.232. The ratio of birch to coniferous balances is 0.5:0.5

$КРП_{io}$ = 200 + (0.5 * 1000 * 0.226 + 0.5 * 800 * 0.103) – 200 = 41

The product accounting balance shall be determined by the smallest amount of non-equivalent incoming materials, taking into account output factors.

Annex C
(informative)

Confirmation of compliance of processed materials and supplier audits

1. The organization shall keep evidences confirming that the materials meet the definition of the processed material, e.g.:

   material samples;

   results of laboratory analyses;

   trade and shipping documents;

   documents of title confirming permits for collection, transportation and processing of materials;

   technical and other documentation for the processed material (GOST, Technical Specifications, Waste Management Instructions, etc.);

   results of stakeholder consultations;

   other evidences.

2. The organization shall conduct field audits of suppliers within planned periods of time, but at least once a year, taking into account the requirements for inspections defined in Annex D.

3. During supplier field audits, the Organization shall review documentation and other evidences confirming that the materials meet the definition of the processed material, such as:

   availability and application of procedures for receipt and identification of materials by suppliers and sub-suppliers;

   registers of receipt and processing of incoming materials;

   training records for supplier and sub-supplier employees;

   photographs;

   and other evidences.

   EXPLANATION – If evidences got during the audit do not clearly confirm compliance with the definition of the processed material, the Organization may conduct supply chain audits to obtain additional evidence.

4. The organization may attract a certification body or experts to audit the supplier.

5. The organization shall document supplier audits, including the date, the results of the audit with respect to DDS requirements, the list and qualifications of auditors, descriptions of evidence supporting compliance with the definition of the processed material, and the conclusions of the audit.

Annex D
(informative)

Approaches to supplier audits

1. The organization shall audit suppliers as required by the DDS.

   EXPLANATION

   For non-certified suppliers and supply chains from which incoming materials and wood products are purchased, the requirements of the Section 6 shall apply except for 6.3 and 6.4.

   For certified suppliers and supply chains from which processed materials and wood products are purchased, the requirements of 6.1 to 6.3 shall apply.

   For materials purchased with NSFC statement or other certification schemes, the requirements of 6.4 shall apply.

2. All mandatory control measures of the Organization's DDS specified in the “National Risk Assessment” in STO NSFC.48861Z55-001- 2023 (to mitigate risks of origin and risks of commixing) shall be applied and audited in respect to new suppliers and supply chains, including their sub-suppliers.

3. To determine the minimum number of audited supplier organizations and sub-suppliers on a regular basis (except for those specified in the paragraph 2 of this Annex) included in the annual audit program (hereinafter referred to as the sampling), a calculation shall be made using the formula:

$$y = 0.8 \cdot \sqrt{x}$$

   where

   – for suppliers of incoming materials of wood and wood products,

     x is the total number of lessees and/or forest operators that harvest the wood that will be or may be included in the supply chain of the Organization (unless the Organization has mitigated the risk of commixing),

   – for suppliers of processed material and products thereof,

     x is the total number of lessees and/or forest operators that for the first time receive the material corresponding to the definition of the processed material.

4. After determination of the number of suppliers (sub-suppliers) to be audited, the organization shall apply risk factors to sampling, such as:

   – results of previous field audits;

   – complaints against the supplier, sub-supplier;

   – complexity of the supply chain (e.g., there are more than 3 links or the chain contains processing plants and warehouses where materials may be commixed);

   – changes in supply chains;

   – increase of supply volumes by more than 10 times;

   – subcontracting by suppliers and/or sub-suppliers;

   – availability of facilities excluded from the organization's DDS;

– possible risks of commixing;

– geographic scale;

– reasonable logistics;

etc. at the discretion of the Organization.

5. The annual total sampling shall include at least 10 % of the total number of lessees, forest operators, collectors of processed material in the Organization's supply chains of wood and processed materials.

Explanation – The Organization may prepare and justify its own approaches to sampling for it to include lessees, forest operators, collectors of processed material, based on risk assessment.

6. Each lessee, forest operators, collectors of processed material included in the annual total sampling shall have at least one harvesting site inspected based on risk assessment, in accordance with the organization's DDS. The Organization shall determine sampling of documents which it would be enough to check to mitigate the risk, based on its risk assessment.

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OKS (The Russian Classification for Standards) 01.120 OKPD 2 71.12.40.110

Key words: organizational standard (стандарт организации), forest utilization (лесопользование), certification (сертификация), voluntary certification (добровольная сертификация), forest management (лесоуправление), national forestry system (национальная система лесной).