

NSC Chain of Custody Standard

February 4, 2014

1 General

1.1 Scope

This standard specifies the management and production requirements for Chain of Custody control with respect to sourcing, labeling (where applicable) and sale of products as Genuine Stone certified. It specifies the requirements under each system element that, if successfully implemented, allow organizations to sell and label products as Genuine Stone certified.

The standard defines and addresses the basic elements of a Chain of Custody management System, including:

- Quality management: responsibilities, procedures and records
- Material receipt and storage: identification, receipt, and segregation
- Volume control: control of quantities and determination of Genuine Stone claims
- Sales & delivery: invoicing and transport documentation
- General labeling requirements: requirements for the application of the Genuine Stone label
- Outsourcing: outsourcing of fabrication when retaining ownership

For a product to be claimed as Genuine Stone certified (through a product label or sales documentation), there must be an unbroken chain of certified organizations covering every change in legal ownership of the product from the certified quarry up to the point where the product is finished or sold to retail.

Chain of Custody certification is therefore required for all organizations in the supply chain of natural stone products that have legal ownership of certified products and perform one or more of the following activities:

- a) Pass on the Genuine Stone claim to subsequent customers through sales and delivery documents;
- b) Apply the Genuine Stone label on-product;
- c) Process or transform Genuine Stone certified products (e.g. manufacturing, repackaging, relabeling).

Organizations that do not perform the activities described above are exempt from Chain of Custody certification, including:

- I. Retailers selling to end-users;
- II. Individual or organizational end-users of Genuine Stone certified products;
- III. Organizations providing services to certified organizations **without taking legal ownership of the certified products**, including:
 - Agents and auction houses arranging the trade of certified products between buyer and seller;
 - Logistics companies transporting or temporarily storing certified products;
 - Contractors operating under an outsourcing agreement according to section 11 of this standard.

NOTE: Even if not required, organizations that use and trade Genuine Stone certified products may apply for Chain of Custody certification in order to access the benefits of the Genuine Stone certification system.

NSC Chain of Custody Standard is the main standard that applies for the certification of all Chain of Custody operations and may be combined with NSC 373 according to the scope of the organizations activities. “

1.2 Principles

This Standard was developed based on the following important principles.

1.2.1 Life cycle consideration

A comprehensive life cycle approach was employed to ensure that relevant aspects of quarry operations and stone fabrication associated with natural & dimension stone products were considered when developing the criteria for this Standard.

1.2.2 Relationship with legislation

A prerequisite for claiming conformance with this Standard shall be that the facility operator is in compliance with health and safety, environmental, and other relevant regulations that are applicable to the quarry operations or processing facilities claiming conformance.

1.2.3 International trade aspects

The procedures and requirements included within this Standard are designed to enhance trade while maintaining a level of awareness with respect to environmental and social issues.

1.2.5 Innovation

Use of this Standard is intended to support, not inhibit, innovation that maintains or has the potential to improve environmental and social responsibility.

1.2.6 Continuous improvement

This Standard is maintained by the consensus body to promote continuous improvement within the industry.

2 Normative References

The following documents contain provisions that, through reference, constitute provisions of this Standard. At the time this Standard was balloted, the editions listed below were valid. All documents are subject to revision, and parties are encouraged to investigate the possibility of applying the most recent editions of the documents indicated below.

ASTM C119-11 *Standard Terminology Relating to Dimension Stone*

NSC 373 Sustainable Production of Natural Dimension Stone. Version 1.0, 2014

Natural Stone Council. *Guidelines for Usage of the NSC Genuine Stone Label, 2014*

3 Definitions

chain of custody code – A code issued to an organization by an approved independent third party certifier on behalf of the NSC that signifies that the organization is currently in compliance and has been certified to either this standard or to NSC 373.

dimension stone¹: naturally occurring stone used as units, or cut and finished to specifications. This excludes natural stone processed for use as crushed stone, fines, or powder for any purpose, or as aggregate or chemical raw materials. For purposes of this Standard, the term is used interchangeably with *natural stone*.

facility operator: any company that engages in quarrying or stone fabricating.

natural stone; see definition for dimension stone.

product group – A group of materials having the same form, material type, color, origin, and pattern.

stone fabricating: process which yields natural dimension stone cut and finished to specifications. This may include trimming of stone to standard units, application of finishes, coatings, or other surface treatments, and the packaging or other preparation for shipment (ready-to-set) for project application. Transportation beyond the operation facility's gate is not considered in this scope.

Unique Identifier - An identifier unique to a quantity of stone assigned by the organization that facilitates the identification, tracking, and ultimately the ability to trace back to the point of its origin or purchase its chain of custody information. Examples of such a system include the use of unique lot numbers, serial numbers, invoice numbers, or product codes.

4 Quality Management

4.1 Operational Boundary

4.1.1 The organization shall clearly identify all sites and operations involved in the receiving, shipment, management, handling, or storage of natural dimension stone

4.2 Responsibilities

4.2.1 The organization shall appoint a management representative as having overall responsibility and authority for the organization's compliance with all applicable requirements of this standard.

4.2.2 All relevant staff shall demonstrate awareness of the organization's procedures and competence in implementing the organization's Chain of Custody management system.

4.3 Procedures

4.3.1 The organization shall establish, implement and maintain procedures and/or work instructions covering all applicable requirements of this standard, according to its scale and

¹ ASTM C119-11 *Standard Terminology Relating to Dimension Stone*

complexity.

4.3.2 The organization shall define the personnel responsible for each procedure, together with the qualifications and/or training measures required for its implementation.

4.4 Training

4.4.1 The organization shall establish and implement a training plan according to the qualifications and/or training measures defined for each procedure.

4.4.2 The organization shall keep records of the training provided to staff in relation to implementation of this standard.

4.5 Records

4.5.1 The organization shall maintain complete and up-to-date records covering all applicable requirements of this standard.

4.5.2 Retention time for all records and reports, including purchase and sales documents, training records, production records, and volume summaries shall be specified by the organization and shall be at least five (5) years.

4.6 Occupational Health and Safety

4.6.1 The organization shall comply with all U.S. OSHA and MSHA laws or their local and regional equivalents for Occupational Health and Mining Safety.

4.6.2 If located outside the U.S., the organization shall comply with all applicable international and regional laws and or requirements addressing occupational health and safety.

5 Material receipt and storage

5.1 Identification of inputs with NSC claims

5.1.1 On receipt of material or prior to further use or processing the organization shall check the supplier invoice and supporting documentation to ensure the following:

- a) all information specified in criterion 7.1.1 is reported on the supplied documentation
- b) the supplied material and quantities are in compliance with the supplied documentation;
- c) the supplier's NSC Chain of Custody code is quoted for all material supplied with an NSC claim.

5.1.2 The organization shall verify that the supplier is currently certified to the NSC 373 Sustainable Production of Dimension Stone Standard or to the NSC Chain of Custody Standard at the time of purchase.

The organization is required to maintain copies of all information for a period of 5 years from the stone is obtained.

5.2 Segregation

5.1.1 The organization shall categorize all input materials by product group category

5.1.2 The organization shall ensure that inputs with NSC claims are managed as follows:

- a) materials are assigned a unique identifier capable of matching the material with all relevant chain of custody information as defined in criterion 7.1.1.
- b) remain identifiable and separable by product group and not be comingled with material without NSC claims.

5.3 Precautions for labeled material

- 5.3.1 For materials received with an NSC label the organization shall ensure the following:
- a) material which will be further processed shall be cleared of any labels before sale;
 - b) material which shall be sold unchanged shall be checked by the organization for being correctly labeled unless the organization does not gain physical possession of the material.²

6 Volume control

6.1 Material balances

6.1.1 For each product group the organization shall establish a material accounting record to ensure that at all times the quantities produced and/or sold with NSC claims are compatible with the quantities of inputs³. The accounting record shall include at least the following information:

For inputs and outputs:

- a) product group description
- b) invoice references;
- c) quantities (by volume, weight, or number of pieces);
- d) unique identifiers.

6.1.2 For each product group the organization shall prepare annual volume summaries providing quantitative information for each product group received/used and product type produced/sold, as follows:

- a) inputs received;
- b) inputs used for production (if applicable);
- c) inputs still in stock;
- d) outputs still in stock;
- e) outputs sold.

7 Sales and delivery

7.1 Identification of stone sold with NSC claims

7.1.1 The organization shall ensure that all sales and delivery documents issued for outputs sold with an NSC claim include the following information:

- a) name and contact details of the organization;
- b) name and address of the customer;

² In cases where the organization identifies or has been informed about mislabeled (improperly or incompletely labeled) products or discrepancies in the accompanying documentation, it shall inform its NSC-accredited certification body to resolve the issue before such products are put on the market.

³ Organizations in the certification process may use towards their input calculations already obtained NSC certified material held in their stock at the time of the certification assessment as well as material received between the date of the assessment and the issue date of the organization's NSC Chain of Custody certificate. However, the organization may not sell any material with NSC claims prior to holding an NSC Chain of Custody certificate.

- c) date when the document was issued;
- d) description of the product, including each of the following;
 - i. form of product (e.g. slab, tile);
 - ii. material type (e.g. granite);
 - iii. color and pattern;
 - iv. unique product identifier
- e) Origin of the product including;
 - i. Name and contact details of originating quarry;
 - ii. Originating quarry's NSC Chain of Custody code;
 - iii. Unique product identifier from originating quarry;
- f) all previous chain of custody information provided on purchasing documentation when stone was obtained;
- g) quantity of the products sold;
- h) the organization's NSC Chain of Custody code;
- i) if separate delivery documents are issued, information sufficient to link the sale and related delivery documentation to each other.

7.1.2 The organization shall include the same information as required in clause 7.1.1 in the related delivery documentation, if the sales documentation (or copy of it) is not included with the shipment of the product.

7.2 Labeling of products sold with NSC claims

7.2.1 The organization shall ensure that products which carry an NSC label are always sold with the corresponding NSC claim on their sales and delivery documentation.

7.2.2 The organization shall ensure that products sold with an NSC claim on sales and delivery documentation do not carry any labels from other stone conformity assessment schemes.

8 General labeling requirements

8.1 Application of the NSC Genuine Stone label

8.1.1 Organizations wishing to apply the NSC Genuine Stone label directly on products or to use the label in conjunction with the sale or transfer of ownership of stone products shall ensure that the stone has an unbroken chain of custody and that all requirements of this standard have been met.

8.1.2 Organizations wishing to use the NSC Genuine Stone label shall ensure that usage of the label meets all of the requirements of the NSC for applying the label, as directed in *Guidelines for Usage of the NSC Genuine Stone Label, 2014*.

9 Outsourcing

NOTE: In situations where dimension stone inventory requires additional processing, organizations may outsource such processing under the scope of their NSC Chain of Custody certificate without the transfer of ownership provided the specific requirements of this section are met.

9.1 Pre-conditions for outsourcing

9.1.1 Organizations which wish to outsource work under the NSC Chain of Custody certificate shall ensure the following:

- a) the organization has legal ownership of all material to be outsourced for processing;
- b) the organization does not relinquish legal ownership of the materials during outsourced processing;
- c) if the outsourcing requires processing of the dimensional stone, the organization confirms that the contractor is currently certified to the NSC 373 Sustainable Production of Dimension Stone Standard.
- d) the organization has a documented control system with explicit procedures for the outsourced process which are shared with the relevant contractor.

NOTE: Where the outsourced process would not usually involve the physical re-possession of the material following outsourced processing, the organization is not required to re-take physical possession.

9.2 Maintaining traceability and paper trails

9.2.1 The organization's control system for the outsourced process shall ensure that:

- a) the material used for the production of NSC-certified material under the outsourcing contract or agreement can be tracked and controlled sufficiently to ensure that the material cannot be co-mingled with any other material during outsourced processing;
- b) the contractor keeps records of inputs, outputs and delivery documentation sufficient to meet the requirements of 6.1.1 associated with all NSC-certified material which is processed under the outsourcing contract or agreement.

9.3 Records

9.3.1 The organization shall record the names and contact details of all contractors used for the processing or production of NSC-certified materials.

9.3.2 The organization shall verify that the contractor has achieved certification to the NSC 373 Standard for Sustainable Production of Natural Dimension Stone and that the certification is currently up-to-date.

9.4 Invoicing

9.4.1 The organization shall issue the final invoice for the processed or produced FSC-certified material following outsourcing. The invoice shall state the certificate holder's Chain of Custody certificate number.

NOTE: If the organization has not issued the final invoice for the processed or produced FSC-certified material following completion of outsourced processing, then the material shall not be sold with FSC claims.

9.5 Labeling

6.5.1 The organization shall ensure that the contractor only uses NSC labels on products covered by the scope of the outsourcing agreement.

9.6 Promotion

6.6.1 The organization shall ensure that the contractor does not use the NSC Label or Trademarks for promotional use.

9.7 Preclusion of subcontracting

9.7.1 The organization shall ensure that contractors do not themselves outsource processing, i.e. the material may not pass from one outsourcing contractor to another under the outsourcing agreement. Such an activity is prohibited under this standard.