

PREFACE

This [Interim] Standard was prepared by the Australian Forestry Standard Technical Committee. This committee is a technical committee under the Standards Development Organisation – Australian Forestry Standard Limited.

The objective of the chain of custody standard is to provide all organisations in the wood or forest products certification chain with the minimum criteria and requirements to implement a credible system for the tracking of wood or forest products originating from certified forests through all phases of ownership, transportation and manufacturing to the end consumer.

Chain of custody (CoC) basically tracks a wood or forest product from its origin in a certified forest through to its end use as a wood or forest product by the consumer. CoC covers all intermediate steps such as harvesting, transportation, primary and secondary processing, manufacturing, re-manufacturing, distribution and sales. As such, CoC is an inventory control system that provides a quality assurance standard.

This standard is intended for voluntary application by any organisation that seeks to assure its customers that the certified wood and forest products they buy are sourced from a certified forest. Its application will assist in ensuring or delivering access to domestic and international markets that seek assurances on the origin of wood or forest products from sustainably managed forests.

Third-party certification against this CoC standard provides a clear statement that wood and forest products have been produced, in accordance with a set of clearly defined performance requirements, from certified forests that demonstrate sustainable forest management.

The CoC standard may be used by itself or in conjunction with:

- AS/NZS ISO 9001:2000: Quality management systems – Requirements;
- AS/NZS 3843:1998 Guide 65: General requirements for bodies operating product certification systems; and/or
- AS/NZS ISO 14001:1996: Environmental management systems - Specification with guidance for use.

[The term *informative* has been used in this Standard to define the application of the appendix to which it applies. An *informative* appendix is only for information and guidance.]

[The date of expiry for comment is two years after publication, at which time this [Interim] Standard will be confirmed, withdrawn or revised in the light of public comment, or published as an Australian Standard. During the life of this document, the Australian Forestry Standard Technical Committee will monitor all comment as it is received.]

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FOREWORD

[To be considered for insertion and would appreciate comments on suitable text after reviewing the Forewords for the 'Carbon accounting for greenhouse sinks' Interim Standard and the Occupational health and safety management systems – Specification with guidance for use AS 4801—2000]

STANDARDS AUSTRALIA

[AUSTRALIAN STANDARD]

Chain of custody for certified wood and forest products

SECTION 1 Scope and General

1.1 Scope

This [Interim] Standard sets out the minimum criteria and requirements for Chain of Custody (CoC) certification for wood or forest products originating from a defined forest area (DFA) that has been certified to the Australian Forestry Standard [AS 4708(Int)—2003]. Generally, an organisation will be responsible for certified wood or forest products from the point at which the organisation takes ownership or control of the product to the point at which the organisation delivers certified wood or forest products to the next organisation in the link of the certification chain from the forest to the end consumer.

1.2 Objective

The objective of this [Interim] Standard is to provide a common approach to track the pathway that wood or forest products take from a DFA or stated source to the final consumer. It is applicable to all of the linkages in the certification chain including manufacturing, transformation and distribution. The CoC standard does not deal with the environmental merits of forest management or processing/manufacturing as links in the certification chain. The anticipated outcome from the use of such a standard is to give confidence to all organisations in the certification chain that they are dealing with a certified wood or forest product from its receipt by their organisation to delivery to the next organisation in the certification chain. This recognises that there may be one or several stages in the certification chain from a wood or forest product in the DFA to final product and that ownership of the certified product may also change at times along the certification chain.

1.3 Application

This [Interim] Standard is intended to apply to the various certified wood or forest products available from a DFA or as a result of processing wood from a DFA. Examples include, but are not limited to, the following:

- wood products, such as unprocessed logs, poles, piles, woodchips;
- timber products that arise directly from manufacturing, such as sawn timber, veneer, plywood, pulp;
- by-products that arise indirectly from manufacturing or re-manufacturing, such as wood chips, flakes, shavings and sawdust;
- timber products that arise from re-manufacturing or composition processes, such as paper, paper board, composite board, furniture, doors, window frames; and
- other forest products, such as craftwood, burls, honey, seed, eucalyptus oil, foliage.

This [Interim] Standard is intended for application only within Australia.

1.4 Recognition

Other chain of custody systems or processes may be recognised as being compatible or substantially equivalent with the requirements of this [Interim] Standard, especially those with third-party auditing requirements developed according to or consistent with, the requirements of national and international standards and conformity assessment forums such as ISO or IAF, It is expected that such national or international standards will have a basis in the ISO/IEC Guides 62, 65 and 66.

1.5 Definitions

For the purposes of this [Interim] Standard, the following definitions apply.

Auditing	A systematic and documented verification process that objectively obtains and evaluates evidence to determine whether an organisation's management system conforms to chain of custody criteria and requirements of the Standard. This process will also take into account the likelihood of failure to detect breaches. It also provides for communication of the results of this process to management.
AFS	The Australian Forestry Standard [AS 4708(Int)—2003]
Certificate	A document indicating that an organisation's CoC system conforms to this Australian Standard and any supplementary documentation required under the CoC system
Certification	A means of providing assurance that a product (including a process or service) complies with specified standards and other normative documents
Chain of custody	The process of tracking wood and forest products originating in certified forests through all phases of ownership, transportation, and transformation from the defined forest area to the final product and delivery to the end consumer
Continual improvement	Process of enhancing and refining a management system to achieve improvements in overall performance in line with the organisation's management policy through monitoring, evaluation and review.
Defined forest area (DFA)	An area of forest including land and water within Australia to which the requirements of the AFS are applied, and over which the forest manager can demonstrate management control that allows them to affect achievement of the requirements of the AFS.
IAF	International Accreditation Forum – an international forum that brings together a number of bodies from around the world with the aim of providing global accreditation coverage for certification and registration of management systems and product certification
IEC	International Electrotechnical Commission (IEC) - the global organization that prepares and publishes international standards for all electrical, electronic and related technologies.
Independent	A separate organisation from the organisation being audited, that is impartial, and free from any bias
Input batch	Wood or forest product input into a processing stream over a specified time period or amount of product (term is applicable to

	the minimum average percentage system)
Recognised systems of sustainable forest management	A system or scheme for sustainable forest management certification recognised as equivalent to the AFS
ISO	International Organization for Standardization – a worldwide federation of national standards bodies
Link	One or several stages in the transformation process from forest product to final product and may include, but not limited to: <ul style="list-style-type: none"> • The defined forest area • Modes of transportation • Primary and/or secondary processing facilities • Manufacturing and re-manufacturing facilities • Wholesale or retail yards, stores or other facilities • Any other intermediate point at which product is stored, processed, separated, packaged, or handled
Minor non-conformance (audit)	Where there is a breach of the CoC requirements, and that breach is likely to have a minor impact on the function and intent of the CoC system
Major non-conformance (audit)	Where a significant element of the CoC system is not functional, or where data has been falsified, or there is ongoing resistance to correcting minor non-conformances
Misuse	[Where an organisations use of a certificate is misleading, invalid or false, including marketing claims, for a certified product OR Use of CoC documentation, logos, or labels, or inventory control processes to effect outcomes that are adverse, or otherwise deleterious to the implementation of this standard]
Observation (audit)	Where there is opportunity to improve current practice but there is no breach of requirements, or the breach is insignificant and likely to have no impact on the function and intent of the CoC system
Organisation	A company, corporation, firm, enterprise, authority, institution, or part or combination thereof, whether incorporated or not, public or private, that has its own functions and administration, and that, for the purposes of this standard, applies for qualification of its chain of custody
Output batch	Wood or forest product output from a processing stream (term is applicable to the minimum average percentage system)
Ownership	Pertains to the period that the certified wood and forest product remains the responsibility of an organisation in the certification chain
Physical separation	Where certified wood raw material or wood and forest products are received and clearly marked or otherwise identified, and certified products remain identifiable throughout the certification chain
Third-party	An independent organisation accredited by a reputable accreditation organisation, and in possession of sectoral expertise, that provides certification services
Certification chain	The organisations involved in each link of the wood and forest product supply chain from defined forest area to the final product and end consumer including ownership, handling, transport or transformation
Verify	[The process or action to prove an issue, action or process to be true OR

	To confirm without ambiguity the source of a product and to independently track its process through the CoC OR The process or action to assess by an accredited third party auditor to prove a statement or claim]
Wood raw materials Option 1	Categories of certifiable wood material being: Category 1 which includes AFS certified wood based raw material or certified wood based raw material from other certification schemes recognised as equivalent to the AFS Category 2 which includes recycled wood and recycled fibres (post-consumer wood and fibres) and reclaimed pre-consumer by-products from processes in manufacture where these are not traceable to virgin wood sources Category 3 which includes wood harvested from urban forestry, non-wood waste material (eg agricultural fibre and rags), starch and pigments Category 4 which includes non-certified wood based raw material

In this [Interim] Standard, unless the contrary intention appears, the singular includes the plural and vice versa.

1.6 Normative references

Standards Australia International Standards

AS 4708(Int)—2003	The Australian Forestry Standard
AS/NZS ISO 9001:2000:	Quality management systems – Requirements
AS/NZS 3843:1998: Guide 65:	General requirements for bodies operating product certification systems
AS/NZS ISO 14001:1996:	Environmental management systems - Specification with guidance for use
ISO/IEC Guides	??

SECTION 2 Chain of custody requirements

2.1 Overview

In order to provide for a credible, third-party independent and operational CoC system for wood or forest products, a number of guiding principles provide the necessary support to the criteria and requirements of such a system. These principles are:

1. CoC certification is a complementary activity to the AFS forest management certification and aims to support continual improvement towards sustainable wood production in Australia. It seeks to assure buyers and consumers that the certified wood or forest products they purchase are the products of well-managed forests and from participating processing/manufacturing companies;
2. The CoC system is used to track forest products including solid wood, manufactured wood and timber products, pulp and paper products and other forest products, to meet the certification needs of all organisations along the certification chain such as forest managers and owners, sawmills, wood based panel mills, pulp and paper mills, converters, publishers, printers, wholesalers retailers, buyers groups, customers, and the community at large;
3. Accredited, independent, third-party certification bodies will be responsible for the verification and auditing of the performance requirements of the CoC system and as such be responsible for safeguarding its credibility; and
4. Continual improvement is the basis for the AFS forest management certification and it will be the basis for the CoC system so as to ensure that the criteria and requirements are regularly reviewed and revised to incorporate changes that will improve their effectiveness.

The requirements of the CoC system are derived from certain elements of like standardisation initiatives such as those under the certification schemes of internationally recognised systems of sustainable forest management and from a review of other national and international standards to provide an Australian context for the development of a national CoC system.

2.2 Chain of custody requirements

This section sets out the internationally recognised criteria and the performance requirements for an organisation participating in a CoC system and that is seeking certification of that system.

2.2.1 Management commitment to CoC

The organisation shall define a management policy that includes a commitment to:

- supporting any claims related to the source of wood and forest products with CoC certification; and
- providing assurance of the continuity, integrity and validity of the CoC system and the wood and forest products certified by it.

The organisation shall ensure that procedures, controls and guidelines are in place and roles and responsibilities are defined in order to implement the CoC system.

The organisation shall ensure that staff and contractors have appropriate skills, competencies and available resources that are essential to the implementation and control of the CoC system.

The organisation shall identify a management representative with the responsibility and authority to implement and maintain the CoC system. Senior management of the organisation shall periodically review the effectiveness of the CoC system.

2.2.2 Documented control system

The organisation shall establish, document and update a control system that addresses the CoC system for its certified wood or forest products and which specifies the:

- personnel responsible for control of the CoC system and their specific responsibilities in relation to the system;
- components of an information system or parts thereof that relate to the CoC system including the necessary forms, records or documentation as well as activities or actions; and
- specific and correct requirements for completing the components of the information system or parts thereof including the necessary forms, records or documents.

Note: The control system may be in a hard copy or an electronic format but must be suitable for audit inspection for a period of at least five years after the product has passed to the next link in the certification chain.

2.2.3 Personnel training and development

The organisation shall provide or have a system in place that provides for the:

- training and orientation of the personnel involved in the handling and representation of certified wood or forest products and non-certified products;
- training of personnel sufficient for them to understand their specific responsibilities in the implementation and control of the CoC system; and
- written instructions/guidelines or an accessible electronic system covering instructions/guidelines on the CoC system handling and representation procedures and policies for certified wood or forest products and non-certified products.

2.2.4 Verification of origin

2.2.4.1 Origin

The organisation shall implement a recognition system for verification of the origin of the wood raw material used in manufacturing processes and also for procured wood or forest products. The CoC system shall distinguish between certified and non-certified sources.

Note: The organisation's recognition system needs to provide adequate detail of the origin of the product to ensure no ambiguity of locality, place or area exists. For example, , it may be coupe/compartiment/block¹; portion/parish²; or section/lot/deposited plan³ or equivalents of a named DFA identified by an AFS certificate number.

¹ An area of State Forest or Crown Lease/Land delineated on a map or within a Geographic Information System (GIS) usually with an alpha and/or numeric identifier.

² A system to identify freehold properties by legal title and reference to a map or within a GIS

³ A system to identify freehold properties by legal title and reference to a map or within a GIS

When an organisation receives or procures wood raw material or wood or forest products, that are claimed to be from certified sources, its recognition system shall ensure that:

- the material or products are sourced from a forest manager or owner, or a group certification body with a valid forest management certificate that meets the requirements of the AFS or equivalent;
- the supplier of either material or products has a valid CoC certificate or can otherwise verify the source of origin through certified CoC; and
- the origin of the material or products can otherwise be readily verified to the satisfaction of the recipient organisation.

In addition, an organisation's recognition system shall ensure that a copy of a document verifying the certified status of the forest manager or owner, group certification body, or supplier eg forest management certificate or CoC certificate is held and valid.

The organisation shall ensure that the documentation supplied on the origin of receipted or procured wood raw material or wood or forest products relates to that material or products and is authentic. If the authenticity of any CoC certificate or associated documents is in dispute, the organisation shall undertake the necessary checks with the certification body or the supplier in question to validate the CoC certificate or associated documents.

Note: In terms of authenticity, the organisation needs to ensure that the scope of any CoC certificate covers the wood raw material or wood or forest products purchased from a forest manager or owner, a group certification body or a supplier.

2.2.4.2 Approaches to Chain of Custody verification

In order to verify the origin of wood raw material or wood or forest products, the organisation shall select either an inventory control and accounting of raw material flow option (see Appendix A) or a physical separation and/or marking of raw material option (see Appendix B) as its preferred Chain of Custody system.

Note: The inventory control and accounting of raw material flow option incorporates two approaches namely a percentage input/output system (%in / %out) for solid wood or a minimum average percentage system for composite products. Both approaches are described in further detail in Appendix A.

Note: An organisation seeking CoC certification may choose the most appropriate option of the two available, noting that one option has two distinct approaches, for different facilities if it requires such flexibility due to the mix of inputs. If the organisation carries CoC certification, it can change its current option or approach to an alternative option or approach provided it complies with the criteria and requirements of this Standard and seeks the prior approval of the certification body. This may or may not, at the discretion of the certification body, be contingent on an audit of the organisation.

2.2.4.3 Controversial sources

The organisation shall ensure that no wood raw material known to be from illegal logging or wood or forest products known to be from illegal sources, under relevant state, national and/or international law, enters any stages within the organisation's link along the certification chain.

Consistent with the requirements of the organisation's document control system, the organisation shall document its knowledge base for the origins of wood raw material or wood or forest products that demonstrates that steps have been taken to confirm the legal status of the products.

Note: Recognised systems of sustainable forest management certification all require compliance with applicable national law as a means to demonstrate legality of wood raw material sources.

2.2.5 Final inspection

The organisation shall carry out a final inspection of certified wood or forest products at the end of their link in the certification chain, and prior to distributing to the next link, to ensure that:

- identification and traceability has been established and maintained throughout the certification chain;
- necessary tracking and recording has been completed in the document system; and
- relevant data, documentation and records are complete, duly authorised and retained for audit purposes for a period of five years.

The organisation, where appropriate circumstances permit practical application, shall store certified wood or forest products separate from non-certified wood or forest products.

2.2.6 Record keeping

The organisation shall maintain appropriate records of all wood raw material and wood or forest products procured, processed or sold. The records shall relate to purchase, delivery, shipment, receipt, forwarding and invoicing of certified wood or forest products and include information on their category status.

The records shall be sufficient to allow a certification body or an independent assessor to undertake traceability to and from certified input and certified output and to determine the conversion rates for manufacture of certified output from given certified input.

The organisation shall conduct internal audits of the CoC system and shall maintain records of such audits of the CoC system and any non-conformity, which occurred, and corrective or remedial action that has been taken. In the event of non-conformity, a corrective or remedial action report shall include the changes necessary to the CoC system that could be expected to prevent a reoccurrence of the non-conformity. At no time shall the internal audits be less frequent than third party audits.

The organisation shall advise the certification body on any non-conformity and of recommended corrective or remedial action at the time of the internal audit.

The organisation shall seek the prior approval of the certification body for any change to its selected option or approach to CoC system verification under requirement of clause 2.2.4.2.

The records, including audit and corrective or remedial action reports, shall be stored and maintained in such a manner to ensure ease of retrieval and protection against damage, deterioration, tampering or loss.

All records shall be kept for a minimum period of five years.

2.2.7 Use of certificates

The organisation shall have a system to ensure that its CoC certificate is not misused.

The organisation shall acknowledge that the certification body is responsible for verifying the CoC system and the certification body controls and supervises the use of the CoC certificate.

The organisation shall acknowledge that the certification body uses a two-tier system for breaches of the CoC system prior to undertaking punitive action. The breaches in order of severity are minor non-conformance and major non-conformance.

Note: Prior to issuing breach notices, the certification body may issue an observation to the organisation as an indication that corrective and remedial action may be warranted to avoid notifiable breaches of the CoC system.

The organisation shall acknowledge that the certification body may cancel the CoC certificate where it has been established that transparent and sufficient reasons have demonstrated misuse has occurred.

2.2.8 Management system

The organisation seeking CoC certification should consider the adoption of an operational management system based on ISO management systems or a comparable management system.

Any management system adopted should support the organisation's handling and processing of wood raw material and wood or forest products and should include compliance with all relevant legal requirements in a proactive and responsible manner.

2.2.9 Continuous improvement

The organisation shall demonstrate throughout its CoC system that it has relevant and appropriate mechanisms in place to facilitate the continuous improvement of its system.

The organisation shall:

- maintain a record of all complaints or comments made known to the organisation relating to its CoC system;
- take appropriate corrective and preventative action to deal with deficiencies in its CoC system;
- provide a documented record of corrective and preventative actions undertaken in its CoC system;
- establish and implement a program of periodic internal checking, auditing, corrective action and review of its CoC system; and
- ensure that internal audits are at a relevant frequency and take into account the outcomes of previous internal audits.

Section 3 Implementation

3.1 Certification bodies

Certification bodies are accredited and independent third-party organisations, which assess and verify the tracking system for the origin of wood raw material and wood or timber products in each step of the certification chain.

The tasks of a certification body include:

- verifying the whole CoC system and the proportion of certified wood or forest product in each step of the certification chain;
- issuance, monitoring and withdrawal of CoC certificates;
- advice on the issuance and withdrawal of CoC certificates to Australian Forestry Standard Limited; and
- monitoring and control of the use or misuse of CoC certificates including the certificate holder's statements and any market claims.

3.2 Accreditation body

The national accreditation body, the Joint Accreditation System of Australia and New Zealand (JAS-ANZ) accredits certification bodies to audit and certify particular standards to ensure the transparency and credibility of the certification process. It also ensures competence and independence in regards to certification activities and to facilitate mutual recognition. Certification bodies undertaking CoC certification to this standard must be accredited by JAS-ANZ.

3.3 Certificates

In order to verify the origin of certified wood and forest products as they move from the DFA to the end consumer, CoC certificates will be required from each link in the certification chain, which includes:

- roundwood producers or traders;
- primary and secondary processors;
- manufacturers and re-manufacturers; and
- traders and/or retailers who break up packages and resell goods in a different form or units from its originally purchased form.

A claim regarding the origin of wood or forest products at any point in the certification chain must be supported by an unbroken chain of CoC certificates for each preceding link, back to the certified forest or source of origin.

Note: Traders or retailers who do not break up packages or sell goods in any different manner as to that purchased from a preceding link in the certification chain are [at the end of the certification chain and hence do not require a CoC certificate for the final link to sell the product to a consumer/not classed as a link in the certification chain.]

3.4 Scale of CoC verification

As there are various needs or requirements for claims in the marketplace in relation to the origin of certified wood and forest products, there is a need for flexibility in the scale of CoC certification.

This flexibility can be manifested in different scales within the links in the certification chain in order to meet market claims and allows manufacturers and distributors to make relevant decisions according to the markets' needs.

Market claims can be applied through CoC certification to:

- A batch of products (or a single product);
- A single production unit (or a production plant, site facility or line); or
- A whole organisation operating within a region, at a State or national level.

APPENDIX A

INVENTORY CONTROL AND ACCOUNTING OF RAW MATERIAL FLOW

(Normative)

General

A1 The organisation shall ensure that it is able to verify the origin of or accept clearly marked wood raw materials, wood or timber products, or certified products before and after transport, handling and processing on the basis of relevant documentation.

A2 The organisation shall be able to verify the volumes and/or weights of wood raw materials, wood or timber products, or certified products coming from different suppliers on the basis of documentation covering deliveries received at its site or facility.

A3 The organisation shall maintain reliable and current data by volume and/or weight on any wood raw materials, wood or timber products, or certified products which are mixed such that an independent certification body would be able to verify, as easily identifiable, the appropriate share of any mix during selected production periods.

A4 The organisation shall maintain a record system in which information on the suppliers of wood raw materials, wood or timber products, or certified products can be attached to wood raw materials, wood or timber products, or certified products or associated documentation.

A5 The organisation shall ensure that the percentage by dry weight or volume of all wood raw materials, wood or forest products, or certified products deliveries are documented up to the point of feeding into the processing stream to allow for detailed accounting of material flows. The monitoring of material flows shall provide clear and transparent information about the share of certified wood used in various products.

Note: This method allows for the establishment of certified wood flows in the procurement system, which includes the identification of the shares of certified wood in each intermediate storage or log yard at any given point of time and can be applied to each phase in the certification chain including wood procurement, primary and secondary processing and trade.

Input/Output system

A6 An organisation shall be deemed to be utilising the percentage input/output system (or %in / %out) for solid wood approach when it operates at a site, facility or production line with a known percentage of certified wood raw material (i.e. an input batch) entering the processing stream and the same percentage of production from that stream (i.e. output batch) being considered to be certified products.

A7 The assessment of the percentage of inputs and outputs is, on an average basis, over a period of up to twelve months.

Note: This approach is particularly appropriate where there is a discrete batch of certified wood or forest product being processed, and the batch does not account for all of the production being processed and/or sold.

Minimum average percentage system

A8 An organisation shall be deemed to be utilising the minimum average percentage system for composite products approach when it operates at a site, facility or production line using the total batch of products in the processing stream, such that its production output can be considered as certified when the amount of certified wood raw material in the input batch exceeds the set minimum average threshold.

The minimum percentage shall be not less than 70% by volume or by weight for all wood or forest products, including solid wood, assembled goods, pulp and paper, wood chips and fibre (see Appendix C).

Note: This approach is preferred when certified wood accounts for most (over 70%) of the wood input, but where it is difficult and/or costly to segregate certified wood inputs from non-certified wood inputs through the processing stream.

Note: The unit of certified wood can be specified by either weight or volume. In the case of weight, the moisture content and basis of determination (eg at 0% or 12% and wet/dry) must be specified. In the case of volume, it must be specified whether gross or nett. These units are used to determine the percentage of certified wood in wood products and must be applied consistently. The applicable unit will be decided by the organisation and verified by the certification body.

A9 An organisation utilising the minimum average percentage system shall monitor timber flows (batches) in accordance with:

- i. a maximum monitoring period of up to twelve months;
- ii. the actual period to be calculated as a rolling average of the output;
- iii. the organisation determining the period; and
- iv. any calculations for the period based on verifiable documentation.

OR

A9 An organisation utilising the minimum average percentage system shall monitor timber flows (batches) used in the processing of an output batch.

A10 The system shall have the capacity to ensure that any product sold by the organisation as certified can be linked to a specific sales invoice issued by the organisation to a purchaser.

The sales invoices shall include:

- a description of the product;
- the volume/quantity of the product;
- date of delivery or period of delivery or accounting period; and
- the organisation's CoC certificate registration code and expiry date.

Note: The intent of this system is that the minimum average percentage be applied using the same moisture content basis for more than one source of input. In practice, this is difficult unless there is allowance for the use of verifiable conversion factors and sampling methods to apply these. For example - Certified chip comes into a particleboard plant at a nominal 130% moisture content (MC) from one source and non certified chip comes in from source B at 90% MC. Sampling techniques are used on each batch from each source to predict the MC of the chip from each source. From this,

the Bone dry weight (i.e. at 0% MC) can be calculated for each, and then the blending ratio can be used to determine whether the 70% minimum on the basis of weight is achieved.

APPENDIX B

PHYSICAL SEPARATION AND/OR MARKING OF RAW MATERIALS

(Normative)

B1 The organisation participating in this option shall ensure that only wood raw materials, wood or timber products, or certified products, which have been verified by the physical separation approach in all previous stages, are utilised at its site, facility or production line for processing to a certified product.

The organisation should store certified inputs and products in separate designated areas to augment the physical separation option.

B2 The organisation shall ensure that when wood raw materials, wood or timber products, or certified products are received at a site, facility or production line that they are clearly marked or have distinguishing marks to indicate their origin and are otherwise readily identifiable as certified inputs or products.

Note: Clearly marked or distinguishing marks may take the form of colour coding, branding, bar coding, stencilled brand or a form of CoC coding (to be determined). All such coding will assist the organisation and the certification body in the identification of certified inputs and products.

B3 Certified inputs or products shall remain readily identifiable as certified throughout the transport, handling, processing or manufacturing links.

The organisation shall achieve this by:

- directing wood raw materials, wood or timber products, or certified products to separate mills, sites, facilities or production lines;
- using materials or products at different times or runs if the organisation has certified materials or products and non-certified materials or products at the same mill, site, facility;
or
- marking the certified materials or products prior to, and at all stages in any process to ensure that intermediate, semi-processed and end products can be identified as certified.

Note: The option of marking certified inputs or products may not be relevant for chips, flakes, shavings, sawdust or particles due to inherent logistical constraints of such products. Also for some products eg veneers, marking may have a detrimental effect on the appearance of the end product.

B4 The organisation shall demonstrate that it has a verifiable method to distinguish certified from non-certified materials or products where such materials or products are unable to be readily marked due to logistical, appearance or other reasons.

B5 The organisation shall ensure that wood raw materials, wood or timber products, or certified products are clearly marked or labelled or otherwise readily identifiable in a way that the marking or labelling does not become detached, ambiguous or otherwise indistinguishable during storage, handling, packaging, transportation or delivery.

B6 The organisation shall have a transparent system to record information on the certification status of wood raw materials, wood or timber products, or certified products in relevant documents or reports.

B7 The system shall have the capacity to ensure that any product sold by the organisation as certified can be linked to a specific sales invoice issued by the organisation to a purchaser.

The sales invoices shall include:

- i. a description of the product;
- ii. the volume/quantity of the product;
- iii. date or period of delivery or the accounting period; and
- iv. the organisation's CoC certificate registration code and expiry date.

APPENDIX C

CALCULATION OF CERTIFICATION PERCENTAGE FOR THE MINIMUM AVERAGE PERCENTAGE SYSTEM

(Normative)

The calculation of the certification percentage is based on the following formula:

$$Pc = [Wc / (Wc + Wnc)] * 100$$

Where Pc = Certification percentage

Wc = Quantity of Category 1: AFS or equivalent certified or AFS or equivalent recognised wood based raw materials over a maximum of twelve months (See Definitions)

Wnc = Quantity of Category 4: Non-certified wood based raw material over a maximum of twelve months (See Definitions)

Note: The quantities of Category 1 and 4 wood based raw materials must be in the same units. Category 2 and 3 raw materials are excluded from the determination of the certification percentage as they are considered to contain recycled or neutral wood in fibre respectively in relation to the certification status.

PAA NAFI example as an Informative Appendix

ARA Example or case study as to how or when a retailer needs a CoC