



# Introduction to Chain of Custody in the Wood Industry



This project is supported by the USDA Forest Service and Vermont Department of Forests, Parks and Recreation.

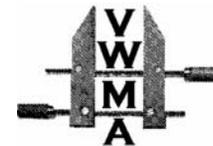


# Welcome!

## Event Sponsors:



- ❖ **USDA Forest Service**
- ❖ **Vermont Department of Forests, Parks and Recreation**
- ❖ **Vermont Manufacturing Extension Center (VMEC)**
- ❖ **Vermont Wood Manufacturers Association**



# Topics to be Covered

- ❖ What is a chain of custody certification (CofCC)?
- ❖ Where do chain of custody (CofC) systems exist?
- ❖ Why are they used?
- ❖ Why do we need CofCC for wood products?
- ❖ Why would we do this in Vermont?
- ❖ What CofCC systems already exist?
- ❖ What's needed to create a CofC?
- ❖ Overview of how to create a CofC for ATFS wood

# Who Uses Chain of Custody Certification?



Fair Trade Products



Forensic Evidence



Medical Specimens



# Wood products CofC can be defined as:

“All the changes of custodianship of forest based products, and products thereof, during the harvesting, transportation, processing and distribution chain from the forest to the end-use”

**Source: PEFC**

“The path taken by raw materials, processed materials or finished products from the forest to the consumer including each stage of transformation, manufacturing, storage and transport where progress to the next stage involves a change of ownership of the materials or products”

**Source: Forest Stewardship Council**

# Why is CofC needed in the World?

- ❖ Protect rainforests
  - ❖ Over cutting
  - ❖ Use of toxic chemicals
- ❖ Prevent labor abuse
- ❖ Protect forest habitat
- ❖ Reduce soil erosion
- ❖ Direct industry to sustainably managed forests
- ❖ Protect watersheds
- ❖ Benefit local communities



# Why In Vermont?

Industry is requiring CofCC.



Recent data by PEFC International shows a growing interest by companies in Chain of Custody certification and of their customers in procuring wood-based products responsibly, with a current growth rate of more than 30% per year.

# Why in Vermont?

July 16th, 2010

Members of Congress have joined with 10 U.S. governors, adding their voices to the thousands calling for an open LEED rating system. A [bipartisan letter](#) signed by 79 members of the House of Representatives was sent to Mr. Rick Fedrizzi, president and CEO of the U.S. Green Building Council, urging the USGBC to “expedite the review of forest management certification systems and to accept all credible forest management certification systems for qualification under the LEED rating system.” .....

Government and LEED projects often require certification.



# Why In Vermont

- WASHINGTON, DC – Maine Governor Paul LePage signed an [executive order](#) today directing that “any new or expanded state buildings shall incorporate ‘Green Building’ standards that give certification credits equally to forest products grown, manufactured, and certified under the Sustainable Forestry Initiative Standard, Forest Stewardship Council, American Tree Farm System, and Programme for the Endorsement of Forest Certification systems.”

# Why in Vermont?

Could be used to support the Vermont brand.



# Existing CofCC Systems



- ❖ PEFC -The Programme for the Endorsement of Forest Certification -1999

- ❖ SFI – Sustainable Forestry Initiative – 1994



- ❖ FSC – Forest Stewardship Council – 1993

- ❖ ATFS – American Tree Farm System – 1941\*



- ❖ There are others



Forest certification only, ATFS  
uses PEFC CoC System

# It's in the Marketplace



# It's Happening Now

Many wood manufacturing companies in Vermont are already associated with some type of CofCC system.

- ❖ Cersosimo
- ❖ Copeland Furniture
- ❖ Allard Lumber
- ❖ Beeken Parsons



copeland  
FURNITURE



Beeken Parsons

# What's Needed to Implement a System?

- ❖ Select a standard
- ❖ Establish who in your organization is responsible for compliance with the CofC standard
- ❖ Document Procedures
- ❖ Train personnel
- ❖ Establish a record keeping system
- ❖ Verify through third party audits





Certified Forests

# Let's Focus

Certified Wood Products



PEFC ST 2002:2010



# The Standard

## **Chain of Custody (PEFC ST 2002:2010)**

- 33 pages (including the appendices)
- <http://www.pefc.org/standards/technical-documentation/pefc-international-standards-2010/item/673>

# Key Requirements



- ❖ Build Management System and Write Procedures
- ❖ Train Personnel
- ❖ Identify Sources of Certified Material
- ❖ Implement the System
- ❖ Maintain Records to Prove Compliance
- ❖ Perform Internal and Third Party Audits

# Management System (6.0)

- Documented Procedures
- Material Handling
  - Physical Separation
  - Percentage based
- Record Keeping
- Human Resource Management and Technical Facilities
- Inspection (audits) and Control
- Complaints



<http://www.pefc.org/certification-services/supply-chain/get-pefc-certified>

# Train Everyone Involved

- Employees
- Customers
- Suppliers
- Subcontractors



## Document the Training

# Identify Sources of Certified Material

- Establish Documentation
- Train Your Buyer
- Locate Sources
- Train the Supplier
- Train the Receiving Department



# Implementation

- Every Implementation is Different
- YOU decide what the implementation looks like



# Record Keeping

- Electronic
- Paper



It's up to you

# Transaction Records

- 5.5.1.3 The document associated with each delivery of all products covered by the chain of custody shall include at least the following information:
  - (a) customer identification,
  - (b) supplier identification,
  - (c) product(s) identification,
  - (d) quantity of delivery for each product covered by the documentation,
  - (e) date of delivery / delivery period / accounting period,
- 5.5.1.4 In addition to information required in 5.5.1.3 the document associated with each delivery of certified products shall include the following information:
  - (a) the formal claim on the material origin (including percentage of certified material) specifically for each certified product covered by the document,
  - (b) the identifier number of the supplier's chain of custody certificate or other document confirming the supplier's certified status.

# Audits

- Internal Audits
- External Audits

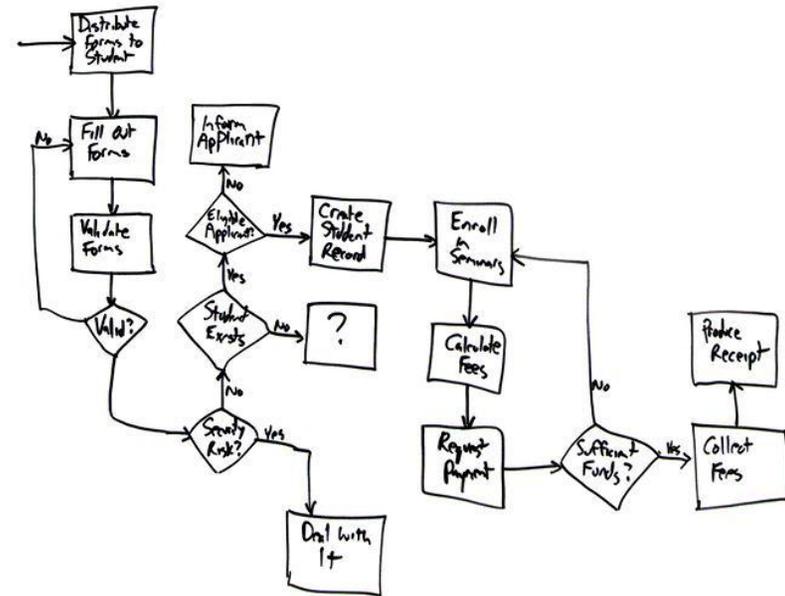
Internal surveillance audits are done yearly and reports are reviewed by management and the external auditor.

External audits are typically done every three years.



# Benefits of Implementing a Chain of Custody System

- Review and enhance management and operational procedures
- Basic building block for cost accounting
- Sales tool





# How To Get Started

<http://www.pefc.org/certification-services/supply-chain/get-pefc-certified>

<http://www.treefarmssystem.org/inyourstate?s=vt>

<http://www.sfiprogram.org/index.php>



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# You Decide How to Comply



# Questions?

