



SUSTAINABLE
FORESTRY
INITIATIVE

The Sustainable Forestry Initiative® Program

Requirements for Fiber Sourcing, Chain of Custody, and Product Labels

October 2006





The Sustainable Forestry Initiative® Program

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The Sustainable Forestry Initiative® Program

The 2005-2009 Sustainable Forestry Initiative (SFI) Standard is one of the world's most rigorous and widely applied standards of sustainable forestry. It sets forth measures by which interested parties — customers, conservation interests, or members of the public — may monitor and evaluate the commitment of **program participants** to practice sustainable forestry. Not only are **program participants** committed to improving the performance of their own operations, they are also setting new standards for the forest industry and extending those practices to other forest landowners, as well.

Program participants have a strong record of stewardship on the lands they own and manage. Private and public forests in North America include some of the most productive forests in the world. Innovative programs to create habitats and landscapes, and to enhance the diversity of flora and fauna, offer excellent examples of how foresters are working to integrate modern forest science for wood and wood fiber production with the protection of biological diversity and the conservation of sites that are unique in their geologic, ecological, cultural, or historic value. **Program participants** are also working diligently to share their technology and stewardship knowledge with non-industrial private landowners who own most of the forestland in the U.S. **Program participants** are committed to meeting the needs of society by providing quality products for home and other building needs as well as for printing, packaging and personal use.

The SFI – 2005-2009 Audit Procedures and Qualifications (SFI APQ) provides direction to **program participants**, **certification bodies** and other interested parties about the principles and procedures required for certification.

The SFI certification process is also consistent with the auditing principles and procedures outlined in various international standards including: the Canadian Standards Association (CSA) Plus 1133, Generally Accepted Accounting Principles (GAAP), Generally Accepted Auditing Standards (GAAS), Guidelines for Sustainable Forest Management Systems – General Audit Principles and Audit Procedures for Auditing Sustainable Forest Management Systems; the European Union auditing and certification procedures (EN 45011 and EN 45012); and the ISO standard for environmental management systems auditing (ISO 19011:2002), now adopted as American National Standards Institute (ANSI) Standard for the United States."

This document, Sustainable Forestry Initiative: Label Use & Fiber Sourcing Requirements, Chain of Custody of Forest Based Products Requirements and Rules for Use of Sustainable Forestry Initiative Product Labels, provides direction to SFI program participants who choose to use the SFI on-product labels including those with percent content claims. Program participants should consult with the Sustainable Forestry Board (www.aboutsfb.org) on all matters related to the use of the Program for the Endorsement of Forest Certification schemes (PEFC) on-product labels.





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ANNEX 1

SFI® LABEL USE AND FIBER SOURCING REQUIREMENTS



ANNEX 1

SFI® LABEL USE AND FIBER SOURCING REQUIREMENTS

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Foreword

Program participants seeking to use an SFI program's on-product label shall successfully complete an independent third party certification to the Sustainable Forestry Initiative (SFI) Standard and SFI Label Use & Fiber Sourcing Requirements as specified herein.

Program participants and other organizations seeking chain of custody for their facilities to qualify for the use of an SFI label with a claim regarding the percent of certified fiber from a forest independently certified to the SFI Standard or other **acceptable standards** shall use chain of custody certification procedures set out in the **SFI Chain of Custody Standard**, The Canadian Standards Association's PLUS 1163 Chain of Custody for Forest Products Originating from a Defined Forest Area Registered to CSA Standard CAN/CSA-Z809, PEFC's Chain of Custody of Forest Based Products Requirements, Normative Document, Annex 4, dated June 17, 2005, or **other credible chain of custody standards** that may be approved for use.

1 Scope and Purpose

- 1.1 **Scope:** This document describes the requirements for *primary* and *secondary producers* seeking use of the SFI on-product label.
- 1.2 **Purpose:** The purpose of this document is to describe the requirements that *primary* and *secondary producers* must meet in order to use the SFI on-product label.

2 Normative References

The following standard is referenced in this document:
2005-2009 Sustainable Forestry Initiative (SFI) Program Standard (SFIS).

3 Definitions

- 3.1 **Acceptable standards:** Standards capable of independent third-party certification and recognized by the SFI program as functionally equivalent.
- 3.1.1 For purposes of labels described in sections 4 and 5, they include American Tree Farm System® (ATFS) and Canadian Standards Association's (CSA) CAN/CSA-Z809.
- 3.1.2 For purposes of labels described in section 6, only North American standards endorsed by the Program for the Endorsement of Forest Certification Schemes (PEFC) are recognized as functionally equivalent.
- 3.1.3 Additional certification programs may apply for similar recognition or be recognized by the SFI program in the future.
- 3.2 **Agricultural sources:** Agricultural products (e.g. cotton or other non-wood fibers and biomass farm wood fiber legally classified as agricultural by state or local government) and agricultural residues.
- 3.2.1 *Agricultural sources* are not counted in calculation of the wood fiber sourcing percentages specified for use of the SFI on-product label.
- 3.3 **Certification body:** an independent third party that is accredited by:
- ANAB - ANSI-ASQ National Accreditation Board as being competent to conduct certifications to the *2005-2009 SFI Standard*.
 - ANSI - American National Standards Institute as being competent to conduct certifications to the *SFI Chain of Custody Standard*.
 - SCC – Standards Council of Canada as being competent to conduct certifications to the *2005-2009 SFI Standard* and the *SFI Chain of Custody Standard*.
- 3.4 **Independently third-party certified sources:** Confirmed by a *certification body* to be sourced: (1) from specific forest tracts managed in conformance with the SFI Standard or other *acceptable standards*; or (2) through a procurement system certified to be in conformance with the SFI Standard; or (3) a combination of those two.
- 3.5 **Label licensee:** A secondary producer such as a secondary manufacture, publisher, printer, retailer or distributor, or a *primary producer* outside the United States or Canada who has obtained a license to use the label.

- 3.6 **Label users:** SFI *program participants* and *label licensees* who have met the SFI Label Use and Fiber Sourcing Requirements and have obtained approval to use the label for at least one product or manufacturing unit.
- 3.7 **Neutral sources:** *Recovered wood fiber* and *recovered paper* and *sawdust or dry shavings* produced as a by-product of a primary or secondary manufacturing process.
- 3.7.1 **Recovered Wood Fiber** is fiber derived from *recovered paper*.
- 3.7.1.1 **Recovered Paper** is paper and paper byproducts that have been separated, removed, or diverted from solid waste and are intended for sale, use, reuse or recycling, excluding the mill broke.
- 3.7.1.2 **Recovered Fiber** is fiber derived from *recovered paper* that is processed into a product or a form usable in the manufacture of a product.
- 3.7.1.3 **Sawdust and Dry Shavings** are byproducts produced by a primary or secondary manufacturing process including trim and other scrap material.
- 3.7.2 *Neutral sources* are always counted as *secondary sources*.
- 3.8 **Non-acceptable sources:** Sources are non-acceptable unless they meet the criteria set out in the SFI Label Use & Fiber Sourcing Requirements for one of the following: (1) *independently third-party certified sources*; (2) *neutral sources*; (3) conversion sources; (4) *agricultural sources*; or (5) *other credible sources*.
- 3.9 **Non-U.S. and non-Canadian Sources:** *Primary* or *secondary sources* that originate from countries other than the United States or Canada.
- 3.10 **Office of Label Use & Licensing:** Provides administrative support and oversight of the SFI on-product labeling program, maintains the web-based application process and serves as the depository for certification certificates and other documents that must be submitted to receive approval for use of the SFI on-product label.
- 3.11 **Other credible chain of custody standards:** Standards capable of tracking fiber back to a forest certified under the SFIS or other *acceptable standards* and recognized by the SFI program as functionally equivalent to the *SFI Chain of Custody Standard*. They include:
- Canadian Standards Association's PLUS 1163 Chain of Custody for Forest Products Originating from a Defined Forest Area Registered to CSA Standard CAN/CSA-Z809.
 - PEFC Chain of Custody of Forest Based Products Requirements, Normative Document, Annex 4, dated June 17, 2005.
- Additional programs may apply for similar recognition or be recognized by the SFI program in the future. The criteria used to assess other chain of custody standards are in Appendix 1.
- 3.12 **Other credible sources:** Wood or wood fiber that originates from non-U.S. or non-Canadian sources and comes from forest plantations or other well-managed forests that are harvested:
- a) in compliance with generally accepted sustainable forestry practices; and
 - b) in a manner that does not constitute illegal logging practices as defined in the SFI Standard.
- 3.13 **Primary producers:** Manufacturing units that manufacture forest products (wood, paper, pulp, or composite products) and source 50% or more (by weight) of their raw materials directly from *primary sources*.

- 3.13.1 **Primary sources:** Roundwood (logs or pulpwood) and wood chips of field manufactured-, primary- and mill-residual origin.
 - 3.13.1.1 Field Manufactured Chips are chips produced from roundwood in the forest.
 - 3.13.1.2 Primary Chips are chips produced from roundwood other than in the forest or as residuals from production of other wood products.
 - 3.13.1.3 Mill Residual Chips are chips produced from slabs or other residuals from a primary operation.
- 3.14 **Program participant:** A licensee of the SFI program.
- 3.15 **Secondary producers:** Manufacturing units that produce forest products and source 50% or more (by weight) of their raw materials from *secondary sources*. *Secondary producers* can include manufacturers of finished forest products such as plywood, furniture, windows, magazines, printers or catalogs, and manufacturers using market pulp.
 - 3.15.1 **Secondary sources:** Semi-finished solid wood, paper, market pulp, *recovered wood fiber*, or composite products obtained from a *primary producer* and/or a *secondary producer*.

4 Fiber Sourcing Labels — Primary Producers

4.1 Primary Producers in the U.S. and Canada

- 4.1.1 **Label statement:** *Label users* qualified as *primary producers in the United States and Canada* shall include the statements in 4.1.1.1 and 4.1.1.2 in their label.
 - 4.1.1.1 “SFI Certified Participant”
 - 4.1.1.2 “Fiber used in this product line meets the sourcing requirements of the SFI program. www.aboutsfi.org”
- 4.1.2 **Label meaning:** Fiber used in this product line meets the sourcing requirements of the SFI program.
- 4.1.3 **Criteria for label use:** The wood or wood fiber in this product was sourced from independently *third-party certified sources* in conformance with the SFI Label Use & Fiber Sourcing Requirements.
- 4.1.4 **Certified content**
 - 4.1.4.1 A *primary producer* must account for 100% of its *primary sources* as *independently third-party certified sources*, but no more than 2/3 (by weight) from *other credible sources*.
 - 4.1.4.1.1 To the extent a *primary producer* sources from company-owned and controlled lands enrolled in the SFI program, those lands must be independently third-party certified to be in conformance with the SFI Standard, in addition to the producer’s independently third-party certified procurement system.
 - 4.1.4.2 All *non-U.S. and non-Canadian sources* must either be certified under an *acceptable standard* or come from *neutral* or *other credible sources*.
 - 4.1.4.3 Inclusion of *non-acceptable sources* will preclude approval for label use.

4.1.4.4 **Certified content calculation:** Determination of certified content is based upon total flow or supply of *primary sources* (by weight) for a single manufacturing unit using either a rolling four-quarter average or the most recent full calendar year's consumption.

4.2 Primary Producers Outside the U.S. and Canada

4.2.1 **Label statement:** *Label users* qualified as *primary producers* but are located outside the United States or Canada shall include the statements in 5.1.1 and 5.1.2 in their label.

4.2.2 **Label meaning:** Fiber used in this product line meets the sourcing requirements of the SFI program.

4.2.3 **Criteria for label use:** The wood or wood fiber in this product was sourced from *independently third-party certified sources* in conformance with the SFI Label Use & Fiber Sourcing Requirements.

4.2.4 Certified Content:

4.2.4.1 A *label user* qualified under section 4.2 must account for 100% of its *primary sources* as coming from *independently third-party certified sources*.

4.2.4.2 Inclusion of *non-acceptable sources* will preclude approval for label use.

4.2.4.3 A *label user* qualified under section 4.2 who obtains *secondary sources* must account for those sources as provided in section 4.3.

4.2.5 **Certified content calculation:** Certified content as specified above must be maintained at all times.

4.3 Treatment of secondary sources

4.3.1 *Primary producers* who obtain *secondary sources* must account for those sources as follows:

4.3.1.1 If more than 5% (by weight) of a manufacturing unit's raw material supply comes from *secondary sources*, then all *secondary sources* must meet the conditions and requirements as set forth for *secondary producers*.

4.3.1.2 If less than 5% (by weight) of a manufacturing unit's raw material supply comes from *secondary sources*, these sources are considered *de minimus* and no certification of this portion is required if all is from U.S. or Canadian sources, subject to 4.3.1.3.

4.3.1.3 If any portion is from *non-U.S.* or *non-Canadian sources*, then that portion must originate from sources certified under other *acceptable standards* or come from *neutral* or *other credible sources*.

5 Fiber Sourcing Labels — Secondary Producers

5.1 **Label statement:** *Label users* qualified as *secondary producers* shall include the statements in 5.1.1 and 5.1.2 in their label.

5.1.1 "SFI Certified Sourcing"

5.1.2 "Fiber used in this product line meets the sourcing requirements of the SFI program. www.aboutsfi.org"

- 5.2 **Label meaning:** Fiber used in this product line meets the sourcing requirements of the SFI program.
- 5.3 **Criteria for label use:** Sources in this product are in conformance with the SFI Label Use & Fiber Sourcing Requirements.
- 5.3.1 **Secondary Producers:** A secondary producer located outside the United States or Canada may qualify as a label user if it conforms to the sourcing requirements of this section.
- 5.4 **Certified content**
- 5.4.1 At least two-thirds (2/3) (by weight) of the wood or wood fiber in the product(s) or manufacturing unit comes from *independently third-party certified sources*.
- 5.4.2 *Neutral sources* are considered certified and may be counted in the 2/3 calculation but cannot exceed one-third (1/3) (by weight) unless they originate from a source identified in 5.4.1, except as provided in 6.4 and 6.5.
- 5.4.3 All *non-U.S. and non-Canadian sources* must be certified under an *acceptable standard* or come from *neutral or other credible sources*.
- 5.4.4 Inclusion of *non-acceptable sources* will preclude approval for label use.
- 5.4.5 *Secondary producers* who obtain *primary sources* must account for these sources as follows:
- 5.4.5.1 If more than 5% (by weight) of a product(s) or a manufacturing unit's raw material comes from *primary sources* then that portion of supply from *primary sources* is subject to the same conditions and requirements as are set forth for *primary producers*.
- 5.4.5.2 If less than 5% (by weight) of a product(s) or manufacturing unit's raw material comes from *primary sources*, these sources are considered *de minimus* and no certification of this portion is required if all is from U.S. or Canadian sources, subject to 5.4.5.3.
- 5.4.5.3 If any portion is from *non-U.S. or non-Canadian sources*, then that portion must originate from sources certified under other *acceptable standards* or come from *neutral or other credible sources*.
- 5.4.6 **Certified content calculation:** Determination of certified content is based upon total flow or supply of secondary sources (by weight) for a product(s) or a single manufacturing unit using either a rolling four-quarter average or the most recent full calendar year's consumption.

6 Percent Content Labels

6.1 X Percent Content Label

- 6.1.1 **Label statement:** The appropriate statement from section 4.1.1.1 or from section 5.1.1 plus: "At least "X" percent of the wood fiber used in this product line comes from independently certified forests. www.aboutsfi.org."
- 6.1.2 **Label meaning:** This product was produced by a manufacturing unit that qualifies as a label user and that has been certified to the *SFI Chain of Custody Standard* or *other credible chain of custody standard* that demonstrates a percentage of its raw material in the product or production comes from forests independently certified to the SFI Standard or

other *acceptable standards*.

- 6.1.3 **Criteria for label use:** The manufacturing unit producing this product is in conformance with the SFI Label Use & Fiber Sourcing Requirements and the *SFI Chain of Custody Standard* or *other credible chain of custody standard*.
- 6.1.4 **Percent Content:** *Label users* who seek to include in their label a claim regarding the percent content in a particular product line that is from forests independently certified to the SFI Standard, or other *acceptable standards*, shall use the method set out in section 3.4.1 of Annex 2, the SFI Chain of Custody Standard, or equivalent methodology in other *credible chain of custody standards*, together with Annex 1, the SFI Label Use & Fiber Sourcing Requirements.
- 6.1.5 **Evidence:** The *label user* shall submit to the *Office of Label Use & Licensing* written evidence from the *certification body* of successful completion of a chain of custody certification to the *SFI Chain of Custody Standard* or *other credible chain of custody standard* demonstrating that the manufacturing unit produces the products to be labeled under this section containing the claimed percent content from forests that have been independently certified to the SFI Standard, or other *acceptable standard*, together with any other information required under section 11.
- 6.1.6 **Label:** Upon approval of the written evidence by the *Office of Label Use & Licensing*, the *label user* shall include the label statement in section 6.1.1 in its approved label.

6.2 100 Percent Content Label

- 6.2.1 **Label statement:** The appropriate statement from section 4.1.1.1 or from section 5.1.1 plus: "100 percent of the fiber used in this product comes from independently certified forests. www.aboutsfi.org."
- 6.2.2 **Label meaning:** This product was produced by a manufacturing unit that qualifies as a *label user* and has been certified to the *SFI Chain of Custody Standard* or *other credible chain of custody standard* that demonstrates 100 percent certified content from forests independently certified to the SFI Standard, or other *acceptable standard*, based on physical separation.
- 6.2.3 **Criteria for label use:** The manufacturing unit producing this product is in conformance with the SFI Label Use & Fiber Sourcing Requirements and the *SFI Chain of Custody Standard* or *other credible chain of custody standard*.
- 6.2.4 **Percent Content:** *Label users* who seek to include in their label a claim regarding 100 percent content in a particular product that is from forests independently certified to the SFI Standard, or *other acceptable standard*, shall use procedures for physical separation set out in section 2 of Annex 2, *SFI Chain of Custody Standard* or *other credible chain of custody standard*, together with Annex 1, the SFI Label Use & Fiber Sourcing Requirements.
- 6.2.5 **Evidence:** The *label user* shall submit to the *Office of Label Use & Licensing* written evidence from the certification body of successful completion of a chain of custody certification to the *SFI Chain of Custody Standard* or *other credible chain of custody standard* demonstrating that the manufacturing unit produces the products to be labeled under this section containing 100 percent content from forests that have been independently certified to the SFI Standard, or other *acceptable standard*, together with any other information required under section 11.
- 6.2.6 **Label:** Upon approval of the written evidence by the *Office of Label Use & Licensing*, the *label user* shall include the label statement in section 6.2.1 in its approved label.

6.3 Volume Credit Label

- 6.3.1 **Label statement:** The appropriate statement from section 4.1.1.1 or from section 5.1.1 plus: "Promoting sustainable forest management www.aboutsf.org."
- 6.3.2 **Label meaning:** This product was produced by a manufacturing unit that qualifies as a *label user* and that has been certified to the *SFI Chain of Custody Standard* or *other credible chain of custody standard* that is based on averages of inventory control and accounting of wood flows, that demonstrates a percentage of its raw material in the product or production comes from forests independently certified to the SFI Standard, or *other acceptable standard*.
- 6.3.3 **Criteria for label use:** The manufacturing unit producing this product is in conformance with the SFI Label Use & Fiber Sourcing Requirements and the *SFI Chain of Custody Standard* or *other credible chain of custody standard* and intends to transfer its calculated percentage of raw material from lands certified to the SFI Standard, or *other acceptable standard*, to its product line according to the volume credit method.
- 6.3.4 **Percent Content:** *Label users* who intend to use the volume credit calculation method shall use the procedures set out in section 3.4.2 of Annex 2, the *SFI Chain of Custody Standard*, or equivalent method in any *other credible chain of custody standard*, together with Annex 1, the SFI Label Use & Fiber Sourcing Requirements.
- 6.3.5 **Evidence:** The *label user* shall submit to the *Office of Label Use & Licensing* written evidence from the *certification body* of successful completion of a chain of custody certification to the *SFI Chain of Custody Standard* or *other credible chain of custody standard* demonstrating that the manufacturing unit produces the products to be labeled under this section with labels only on the percent of the output equal to the percent content of the production batch from forests that have been independently certified to the SFI Standard, or *other acceptable standard*, together with any other information required under section 11.
- 6.3.6 **Label:** Upon approval of the written evidence by the *Office of Label Use & Licensing*, the *label user* shall include the label statement in section 6.4.1 in its approved label.

6.4 100 Percent Recovered Fiber Label

- 6.4.1 **Label statement:** The appropriate statement from section 4.1.1.1 or section 5.1.1 plus: "100 percent of the fiber used in this product is recovered fiber. www.aboutsf.org."
- 6.4.2 **Label meaning:** This product was produced by a manufacturing unit that qualifies as a *label user* and has been certified to the *SFI Chain of Custody Standard* or *other credible chain of custody standard* that demonstrates 100 percent *recovered wood fiber* content based on physical separation.
- 6.4.3 **Criteria for label use:** The manufacturing unit producing this product is in conformance with the SFI Label Use & Fiber Sourcing Requirements and the *SFI Chain of Custody Standard* or *other credible chain of custody standard*.
- 6.4.4 **Percent Content:** *Label users* who seek to include in their label a claim regarding 100 percent *recovered wood fiber* in a product line shall use procedures for physical separation set out in section 2 of Annex 2, *SFI Chain of Custody Standard* or *other credible chain of custody standard*, together with Annex 1, the SFI Label Use & Fiber Sourcing Requirements.
- 6.4.5 **Evidence:** The *label user* shall submit to the *Office of Label Use & Licensing* written evidence from the *certification body* of successful completion of a chain of custody certification to the *SFI Chain of Custody Standard* or *other credible chain of custody*

standard demonstrating that the manufacturing unit produces the products to be labeled under this section containing 100 percent *recovered wood fiber* together with any other information required under section 11.

6.4.6 **Label:** Upon approval of the written evidence by the *Office of Label Use & Licensing*, the *label user* shall include the label statement in section 6.3.1 in its approved label.

6.5 **X Percent Recovered Fiber Label**

6.5.1 **Label Statement:** The added statement: “This product line also includes “X” percent recovered fiber.”

6.5.2 **Label Meaning:** This product was produced by a manufacturing unit that qualifies as a *label user* and has been certified to the *SFI Chain of Custody Standard* or *other credible chain of custody standard* that demonstrates a percentage of its raw material in the product or production is *recovered fiber*.

6.5.3 **Criteria for label use:** The manufacturing unit producing this product is in conformance with the SFI Label Use & Fiber Sourcing Requirements and the *SFI Chain of Custody Standard* or *other credible chain of custody standard*.

6.5.4 **Percent Content:** *Label users* who seek to include in their label a claim regarding X percent *recovered wood fiber* shall use the method set out in section 3.4.1 of Annex 2, the *SFI Chain of Custody Standard* or equivalent methodology in *other credible chain of custody standards*, together with Annex 1, the SFI Label Use & Fiber Sourcing Requirements.

6.5.5 **Evidence:** The *label user* shall submit to the *Office of Label Use & Licensing* written evidence from the *certification body* of successful completion of a chain of custody certification to the *SFI Chain of Custody Standard* or *other credible chain of custody standard* demonstrating that the manufacturing unit produces the products to be labeled under this section containing the claimed percent *recovered fiber*, together with any other information required under section 11.

6.5.6 **Label:** Upon approval of the written evidence by the *Office of Label Use & Licensing*, the *label user* shall include the label statement in section 6.5.1 in its label approved under 4, 5, 6.1 or 6.3.

7 **Office of Label Use & Licensing**

7.1 The *Office of Label Use & Licensing* shall evaluate and approve applications for use of the SFI on-product label, shall establish label-use rules and procedures, and shall maintain oversight of use of the SFI on-product labels.

7.2 Approval for use of the SFI on-product label will become effective upon written authorization issued by the *Office of Label Use & Licensing*, and remains in effect for one year, unless terminated pursuant to the terms set out in the “Agreement for Use of the SFI Certification Mark” or unless renewed as provided in Section 11.4.

7.3 The *Office of Label Use & Licensing* may periodically announce additional rules and procedures to ensure ownership and use of the SFI on-product labels are adequately protected under applicable law and to ensure proper consumer understanding.

7.4 The *Office of Label Use & Licensing* has established a reasonable fee structure to license SFI on-product label use (for non-SFI *program participants*) as it is necessary to cover the cost of label approval, management, and SFI Program promotion.

- 7.5 Applicants are required to provide specific examples of proposed SFI on-product label use and related promotional literature to the *Office of Label Use & Licensing*, in keeping with SFI on-product label use rules and procedures as developed.
- 7.6 The *Office of Label Use & Licensing* will periodically announce and append to the SFI Label Use and Fiber Sourcing Requirements interpretations formally adopted in response to questions and issues raised by SFI on-product *label users* or *certification bodies*.

8 SFI Standard Certifications

- 8.1 SFI *program participants* initiating or completing an independent third-party certification must achieve successful certification across all appropriate aspects (forest lands and/or wood procurement systems) in full conformance with the then-current version of the SFI Standard in order to qualify for label use.
- 8.2 Any SFI *program participant* seeking re-certification must achieve successful certification across all appropriate aspects (forest lands and/or wood procurement systems) in full conformance with the then-current version of the SFI Standard in order to qualify for label use.

9 Challenges or Complaints

- 9.1 The *Office of Label Use & Licensing* will hear challenges or complaints regarding SFI on-product label use.
- 9.2 If an SFI on-product *label user* fails to comply with any aspects of the SFI Label Use & Fiber Sourcing Requirements as set forth, approval for SFI on-product label use may be withdrawn for those product(s) or manufacturing unit(s) that are not in conformance.
- 9.3 Refer to the *Office of Label Use & Licensing's* challenges or complaints guidelines in Appendix 2.

10 Rules of Use of SFI Program On-Product Labels

- 10.1 The rules governing placement of SFI program labels on products and in marketing materials are set out in Annex 3, Rules for Use of SFI Program Labels, in addition to the requirements of this Annex 1.
- 10.2 The SFI program website (www.aboutsfi.org) should be included in materials, as appropriate, to enable interested parties to obtain more information about the SFI program and Standard. Requirements for use of the website with the label are included in Annex 3.

11 Application Requirements

- 11.1 **Application requirements for primary producers.** The *Office of Label Use and Licensing* shall approve an application from a *primary producer* for label use, as provided in sections 4 and 7, upon receipt of the information specified in section 11.1.1 and 11.1.2 or 11.1.3.
- 11.1.1 Identification of the manufacturing unit(s), sources of raw material, and list of product(s) to be covered.
- 11.1.2 **Primary Producers in the U.S. or Canada**
- 11.1.2.1 Evidence of independent third-party certification to the SFI Standard for fee lands and procured materials as set forth in section 8, including a statement of the geographic scope and sources covered by the independent third-party certification.
- 11.1.2.2 Evidence of successful completion of the most recent surveillance audit.
- 11.1.2.3 If the *primary producer* has undergone a re-certification to the SFI Standard, evidence of the successful completion of that re-certification must be included.

11.1.3 **Primary Producers outside the U.S. and Canada**

11.1.3.1. Evidence of the successful completion of an independent third-party certification by a **certification body** to the SFI Label Use & Fiber Sourcing Requirements for the sources that support the manufacturing unit(s) or product(s) for which the SFI on-product label use approval is sought.

11.1.3.2. Payment of all appropriate licensing fees (for non SFI *program participants*).

11.2 **Application requirements for secondary producers.** The *Office of Label Use and Licensing* shall approve an application from a **secondary producer** for label use, as provided in sections 5 and 7, upon receipt of the information specified in section 11.2.1 to 11.2.3.

11.2.1. Identification of the product(s) or manufacturing unit(s) and list of product(s) to be covered.

11.2.2. Evidence of the successful completion of an independent third-party certification by a **certification body** to the SFI Label Use & Fiber Sourcing Requirements for the sources that support the manufacturing unit(s) or product(s) for which the SFI on-product label use approval is sought.

11.2.3. Payment of all appropriate licensing fees (for non SFI *program participants*).

11.3 **Application requirements for certified content label users.** The *Office of Label Use and Licensing* shall approve an application for use of a certified content label, as provided in sections 6 and 7, upon receipt of the information specified in 11.3.1 to 11.3.4.

11.3.1. Identification of the product(s) or manufacturing units and list of product(s) to be covered.

11.3.2. Evidence required by 11.1.2 and 11.1.3 or by 11.2.2.

11.3.3. Evidence required by section 6.1.5, 6.2.5, or by section 6.3.5.

11.3.4. Payment of all appropriate licensing fees (for non SFI *program participants*).

11.4 **Renewal.** *Label users* must annually re-apply for each product(s) or manufacturing unit(s) for which continued SFI on-product label use is sought.

12 **Other Conditions Pertinent to Primary and Secondary Producers**

12.1. Conversion sources are roundwood and/or chips produced from conversion of forestland to other land uses, and although conversion sources are not acceptable in the calculation of the certified component, manufacturers are encouraged to make use of the wood produced from land conversion to avoid the wasting of these materials. Use will be tracked, but will not negatively affect SFI on-product label approval.

12.2. A **label user** may, without having all of its operations certified, use the label on products from a single manufacturing unit as long as the specific raw material or semi-finished product supply for that product(s) or for that manufacturing unit meets certified content requirements.

12.3. A **label user** may not use the SFI program label on any products from manufacturing unit(s) for which it has not obtained approval from the *Office of Label Use & Licensing*.

12.4. Use of the SFI on-product label is product(s) or manufacturing unit(s)-specific and must be certified and approved as such.

12.5. All **label users** shall comply with Annex 3, *Rules for Use of SFI Product Labels*.

Appendix 1:

Criteria for the evaluation of chain of custody certification standards for use in the SFI program

Objective

Determine if other systems have acceptable provisions for tracking fiber sources, without adding any new additional “forest management’ or other requirements, in order to qualify as “*other credible chain of custody programs* or procedures that may be approved for use” to qualify to use the SFI on product labels. The intent is to evaluate whether or not the systems have credible systems for tracking wood flows from SFI certified land bases. The intent is not to recognize or include other provisions on “controlled wood”, “good wood” or any other forest management provisions.

Criteria

1. The standard contains elements which address scope, references and definitions.
2. The standard defines minimum requirements for the management system, including:
 - management and personnel responsibilities
 - documentation of procedures for the chain of custody process covering all requirements of the standard
 - record keeping
 - internal auditing
3. The standard contains specific requirements for each COC method allowed under the standard (physical separation, percentage based, volume credit, batch in/batch out, procurement system), including but not limited to:
 - supplier identification/verification or origin of wood flows
 - inventory control & accounting of wood flows
 - separation of material (if necessary)
 - calculation of the certified percentage
4. The standard is consistent with the requirements of national and international standards and conformity assessment forums such as ISO (International Organization of Standardization) or the IAF (International Accreditation Forum).
5. The standard requires the use of **certification bodies** accredited by ANSI, Standards Council of Canada, or an equivalent body recognized by the International Accreditation Forum (IAF) to conduct Chain-of-Custody (CoC) Conformity Assessment based on ISO Guide 65.

Appendix 2:

Challenges or complaints procedures for the SFI program Office of Label Use & Licensing

Challenges or Complaints Guidelines

Disputes or Appeals between a Certification Body and a Program Participant or Label Licensee

Certification bodies shall have an internal dispute resolution process. Resolution of all disputes between a *certification body* and a *program participant* or *label licensee* shall be addressed via these mechanisms.

Disputes or Appeals Regarding a Single Instance or Claim of Nonconformance

Any party with information or claims about a *program participant's* or *label licensee's* individual practices that may be in nonconformance may seek to have those claims investigated.

The complainant shall present specific claims of non-conformance in writing and in sufficient detail to the *program participant* or *label licensee*. Within 45 days of receipt of the complaint, the *program participant* or *label licensee* shall respond to the complainant and forward a copy of the complaint and its response to the *program participant's* or *label licensee's certification body* for future review via surveillance or certification audits. The *certification body* shall investigate the validity of the complaint and the *program participant's* or *label licensee's* response and resolution of the claim at the time of the next scheduled surveillance audit.

A complainant who believes the issue has not been satisfactorily resolved may provide its original documentation and the response from the *program participant* or *label licensee* to the *SFI Office of Label Use and Licensing*, which shall investigate and respond to the allegations within 45 days of receipt of documentation. The *SFI Office of Label Use and Licensing* shall provide copies of its findings and any recommended actions to both the *program participant* or *label licensee* and the complainant.

Disputes or Appeals Questioning the Validity of a Certification

Any party with information or claims that question the validity of an entire certification may seek to have those claims investigated.

The complainant shall document the specific claims of non-conformance in writing and in sufficient detail to the *program participant* or *label licensee*. Within 45 days of receipt of the complaint, the *program participant* or *label licensee* shall respond to the complainant in writing and forward a copy of the complaint and its response to the *program participant's* or *label licensee's certification body* for future review via surveillance or certification audits.

A complainant who believes the issue has not been satisfactorily resolved may provide its original documentation and the response from the *program participant* or *label licensee* to the *SFI Office of Label Use and Licensing* for review and consideration. Upon reviewing the information, the *SFI Office of Label Use and Licensing* may

- a. seek more information from the complainant or the *program participant* or *label licensee* before making a final determination; or
- b. find that the complaint is without merit and no further action is required; or
- c. find that corrective actions are necessary; or
- d. if the *program participant* fails to take appropriate corrective measures or if no action would be sufficient to remedy the situation, suspend the label license.





ANNEX 2

SFI® CHAIN OF CUSTODY STANDARD

This document replicates many elements from the Program for the Endorsement of Forest Certification schemes (PEFC) Chain of Custody of Forest Based Products Requirements, Normative Document, Annex 4, dated June 17, 2005.



ANNEX 2

SFI® CHAIN OF CUSTODY STANDARD

Preface

SFI *program participants* shall obtain an independent third party certification by an accredited *certification body* to the requirements set out in this standard if they choose to utilize a SFI label with percent content per Section 6 of the *Sustainable Forestry Initiative® (SFI) Label Use & Fiber Sourcing Requirements* document. In addition, all other SFI label use requirements apply as per the *Sustainable Forestry Initiative® (SFI) Label Use & Fiber Sourcing Requirements*.

SFI *program participants* certified to the *SFI Chain of Custody Standard* may also qualify to use the *Program for the Endorsement of Forest Certification schemes (PEFC) on-product labels*. *Program participants* shall consult with the Sustainable Forestry Board (www.aboutsfb.org) on all matters related to the use of PEFC on product labels. Appendix 3 describes some of the additional issues that may need to be considered if a *program participant* wishes to complete a SFI chain of custody and a PEFC chain of custody concurrently to maximize auditing efficiencies.

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Foreword

This standard replicates much of the work done by the Chain of Custody and Labeling Working Group of the PEFC Council in an open and transparent process, which included public consultation and was officially adopted by the PEFC Council General Assembly on October 29th, 2004 and amended on June 17th, 2005.

The work done by the PEFC Council was subsequently modified and adopted by the SFI Program for applying chain of custody to the SFI on product labeling program

Introduction

The objective of the chain of custody is to create an information link between the raw material included in a forest-based product and the origin of that raw material.

Consumers in growing numbers are seeking evidence of environmentally sound business practices and demand reassurance and proof from forest-based industries that the wood they use comes from sustainably managed sources. Businesses therefore need a reliable and credible mechanism to provide their customers with information about the origin of the raw material. This chain of custody standard implemented together with certification to the SFI Standard and the SFI Label Use & Fiber Sourcing Requirements provides one such mechanism.

Section 1: General

1.1 Scope

This standard specifies requirements for chain of custody which the organization must meet if its declarations and or labels referring to the origin of raw material used in the products sold or transferred is to be recognized as credible and reliable.

In this standard the term organization is used to cover any body harvesting, transporting, handling or processing forest based products at any stage from a forest to a final consumer.

Chain of custody requirements describe the process of how to get from the information about the origin associated with the procured raw material to the information about the origin which is attached to the organization's products. This standard specifies two optional approaches for chain of custody, namely physical separation and percentage-based methods.

This standard also specifies the minimum management system requirements for the implementation and management of the chain of custody process. An organization's quality (ISO 9001:2000) or environmental management system (ISO 14001:2004) can be used to meet the minimum requirements for the management system defined in section 4 of this standard and to accommodate requirements for the certification process defined in section 2 or 3 of this standard.

This standard shall be used together with the requirements specifying the origin, which is to be verified by the chain of custody. These requirements are detailed in the SFI Label Use & Fiber Sourcing Requirements, Annex 1. Usage of labels and declarations based on the implementation of this standard shall follow ISO 14020:2000.

The conformity assessment carried out by the third party (third party certification) is considered as product certification and shall follow ISO/IEC Guide 65 / 1996.

The term "shall" is used throughout this standard to indicate those provisions that are mandatory. The term "should" is used to indicate those provisions which, although not mandatory, are expected to be adopted and implemented.

1.2 References

This standard incorporates by dated or undated reference, provisions from other publications. These normative references are cited at the appropriate places in the text and the publications are listed hereafter. For dated and undated references the latest edition of the publication referred to applies.

ISO / IEC Guide 65:1996 General Requirements for bodies operating product certification systems

ISO / IEC Guide 2:1996 Standardization and related activities - General vocabulary

ISO 9000:2000 Quality management systems — Fundamentals and vocabulary

ISO 9001:2000 Quality management systems — Requirements

ISO 14001:2004 Environmental Management Systems — Specification with guidance for use

ISO 14020:2000 Environmental labels and declarations — General principles

Program for the Endorsement of Forest Certification schemes (PEFC) Chain of Custody of Forest Based Products Requirements, Normative Document, Annex 4, dated June 17, 2005

Sustainable Forestry Initiative 2005-2009 Standard

Sustainable Forestry Initiative 2005-2009 Audit Procedures and Qualifications

1.3 Definitions

For the purposes of this standard, the relevant definitions given in ISO/IEC Guide 2 and ISO 9000:2000 apply, together with the following definitions:

1.3.1 **Certified raw material:** Raw material whose **origin** is covered by the chain of custody declarations.

1.3.2 **Certified product:** Product which includes **certified raw material** verified by chain of custody.

Note: Qualification criteria for certified raw material are defined in the SFI Label Use & Fiber Sourcing Requirements, Annex 1.

1.3.3 **Chain of custody of forest based products:** 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.

1.3.4 **Controversial sources:** Illegal logging is the theft of timber or logs and cutting in parks, reserves, or other similar areas where otherwise precluded by law.

1.3.5 **Declaration / Label:** Claim which indicates certain aspects of a product.

1.3.6 **Forest-based product:** Product which includes raw material originating in forests.

1.3.7 **Neutral raw material:** Raw material whose **origin** is considered as neutral is not included in the calculation of the certification percentage for raw material from independently certified forests.

Note: Qualification criteria for neutral raw material are defined under neutral sources in the SFI Label Use & Fiber Sourcing Requirements.

1.3.8 **Labeling:** Usage of **labels** (on- or off-product).

1.3.9 **Origin:** Information associated with the raw material used in the product referring to the properties of the place that the raw material comes from (i.e. certified forests, recycled raw material, etc.).

Note 1: The definition of the origin (i.e. "properties of the place" or "specific place") is specified in the SFI Label Use & Fiber Sourcing Requirements.

1.3.10 **Other raw material:** Raw material other than certified and neutral raw material.

Note: Qualification criteria for other raw material are defined in the SFI Label Use & Fiber Sourcing Requirements

1.3.11 **Physical separation:** A procedure in which various raw material types of different origin are kept separate so that the origin of the raw material used in making a product is known.

Section 2: Requirements for chain of custody process — physical separation method

2.1 General requirements for physical separation

2.1.1 The organization applying the physical separation method shall ensure that the certified raw material is separated or clearly identifiable at all stages of the production or trading process.

- 2.1.2 The organization, whose certified raw material is not mixed with other raw material and/or where the certified raw material can be identified during the whole process, should use the physical separation as the preferred option.

2.2 Identification of the origin

2.2.1 Identification at delivery level

The organization shall identify and verify the category of the origin of all procured raw material. Documents associated with each delivery of raw material shall include at least:

- (a) supplier identification,
- (b) quantity of delivery,
- (c) date of delivery / delivery period / accounting period,
- (d) category of the origin (including percentage of certified raw material if the percentage method is used by the supplier).

Note 1: The categories of the origin of raw material are specified in the SFI Label Use & Fiber Sourcing Requirements

Note 2: The percentage of the certified raw material shall also be known (according to bullet d) to the organization applying the physical separation (e.g. trading) if the supplier is using the percentage based method.

2.2.2 Identification at supplier level

The organization shall require documentation from all suppliers of the certified raw material, which proves that the criteria set for the supplier of the certified raw material have been met.

2.3 Separation of the certified raw material

Certified raw material shall remain clearly identifiable throughout the whole production, trading and storage process. This shall be achieved by:

- (a) physical separation in terms of production and storage space or
- (b) physical separation in terms of time or
- (c) permanent identification of the certified raw material.

2.4 Sale of certified products

- 2.4.1 At the point of sale or transfer of the certified products to another entity, the organization shall provide the customer with a document verifying compliance with the chain of custody requirements.

- 2.4.2 The organization shall ensure that all delivery documentation of the certified products clearly states at least the following information:

- (a) organization's identification,
- (b) quantity of delivery,
- (c) date of delivery / delivery period / accounting period,
- (d) category of the origin (including percentage of certified raw material if the percentage method was used by the supplier of the certified raw material).

Note: The categories of the origin of raw material are specified in the SFI Label Use & Fiber Sourcing Requirements.

- 2.4.3 If the organization uses the logo or label, both on-product and off-product usage shall be carried out according to the terms and conditions of the contract for the logo usage entered into by the user and the *Office of Label Use and Licensing*.

Section 3: Requirements for chain of custody process — percentage based method

3.1 General requirements for percentage based methods

3.1.1 Application of percentage based method

The percentage based method of the chain of custody applies to organizations with facilities where certified raw material is mixed together with other raw material categories and the certified raw material cannot be clearly identified in the output products.

3.1.2 Definition of the production batch

3.1.2.1 The organization shall implement the requirements for the chain of custody process of this standard for the specific production batch.

3.1.2.2 The organization shall identify its production batch(es) based on the following criteria:

- (a) raw material included in the products covered by the production batch,
- (b) production site at which the products covered by the production batch has been produced,
- (c) the time period over which the products covered by the production batch has been produced or sold / transferred.

3.1.2.3 The production batch shall be associated with (i) a single product or (ii) a group of products, which consist of the same or similar input raw material according to, for example species, sort, etc.

3.1.2.4 The production batch shall be associated with products, which have been produced at one production site.

Note: This requirement is not applicable to organizations where the production site cannot be clearly identified, e.g. forest contractors, transportation, trade, etc.

3.1.2.5 The maximum time period for the definition of the production batch is three months.

3.1.2.6 The organization shall identify all products (included in the production batch, which is covered by the chain of custody) by a batch identifier through which it is possible to determine the production batch to which the products belong.

Note: Physical on-product identification of the production batch is not required if the certification percentage is applied to sold or transferred products as the production batch identification is evident from the sale or delivery documents.

3.2 Identification of the origin

3.2.1 Identification at delivery level

The organization shall identify and verify the category of the origin of all procured raw material. Associated documents with each delivery of raw material shall include at least:

- (a) supplier identification,
- (b) quantity of delivery,
- (c) date of delivery / delivery period / accounting period,
- (d) category of the origin including percentage of certified raw material included in the certified product.

Note: The categories of the origin of raw material are specified in the SFI Label Use & Fiber Sourcing Requirements.

3.2.2 Identification at supplier level

The organization shall require from all suppliers of the certified raw material documentation, which proves that the criteria set for the supplier of the certified raw material have been met.

3.3 Calculation of the certified percentage

3.3.1 The organization shall calculate the certification percentage separately for each production batch according to the following formula:

$$P_c [\%] = \frac{V_c}{V_c + V_o} \cdot 100$$

P_c	Certification percentage
V_c	Certified raw material
V_o	Other raw material

Note 1: The categories of the origin of raw material included in the calculation formula are specified in the SFI Label Use & Fiber Sourcing Requirements

Note 2: A forest certification and/or labeling scheme or the organization itself (see note 1) can define criteria for neutral raw material. Therefore, the total volume of the raw material is the sum of certified raw material, neutral raw material and other raw material. ($V_t = V_c + V_o + V_n$; where V_t is total raw material and V_n neutral raw material).

3.3.2 The organization shall calculate the certification percentage based on a single measurement unit used for all raw material covered by the calculation. In case of conversion to the single measurement unit used for the calculation purposes, the organization shall use only official conversion ratios and methods. If a suitable official conversion ratio does not exist, the organization shall define and use a reasonable and credible internal conversion ratio.

3.3.3 If the procured raw material includes only a proportion of certified raw material, then only the quantity corresponding to the actual certification percentage claimed by the supplier can enter the calculation formula as certified raw material. The rest of that raw material shall enter the calculation as other raw material.

3.3.4 The organization shall calculate the certification percentage either as:
(a) simple percentage or
(b) rolling average percentage.

3.3.5 The organization applying the simple certification percentage shall use in the calculation raw material included in the specific production batch for which the certification percentage is calculated. The maximum time for the calculation period in case of simple certification percentage is equivalent to the maximum time period defined for the production batch and shall not exceed three months.

3.3.6 The organization applying rolling average percentage shall calculate the certification percentage for the specific production batch using the quantity of raw material procured in the specified previous time period. The total maximum time for the rolling average calculation shall not exceed 12 months.

Note: The organization which has chosen 12 months rolling average calculates the certification percentage from the quantity of raw material procured in the previous 12 months.

3.4 Transfer of the calculated percentage to the outputs

3.4.1 **Average percentage method**

The organization applying average percentage method shall use the certification percentage for all the products covered by the production batch for which the calculation has been carried out.

Note 1: No minimum threshold is set to use the average percentage method.

Note 2: If the certification percentage for the production batch is e.g. 54 % then all products covered by this production batch can be sold as certified products including 54 % of certified raw material.

3.4.2 **Volume credit method**

3.4.2.1 The organization applying volume credit method shall transfer the certification percentage into the volume credit in the single measurement unit of the output products of the production batch. The volume credit shall be distributed to the output products in a way that the certified products will be considered as including 100 % of certified raw material for any purchaser recognizing volume credit calculation.

Note: If the certification percentage for the production batch consisting of 100 tonnes of output products is e.g. 54 % then 54 tonnes of the output products can be sold as certified products including 100 % of certified raw material.

3.4.2.2 The organization, which is not able to define (i) a single measurement unit for all output products of the production batch or (ii) which included in the production batch products with different ratios between input raw material volume and output product volume, shall transfer the certification percentage into volume credit separately for the products with different measurement unit or the input/output ratio.

3.4.2.3 The organization can cumulate the volume credit by creating a credit account, which can be used for the next production batches. The credit account shall be established respecting chapter 3.4.2.2.

3.4.2.4 The total quantity of credits cumulated at the credit account cannot exceed the sum of credits entered into the credit account during the last twelve months.

3.5 **Sale of products**

3.5.1 When the organization sells or transfers the certified products, the organization shall provide customers requesting this information with a document verifying the compliance with the chain of custody requirements.

3.5.2 The organization shall ensure that documentation for each delivery of the certified products clearly states at least the following information:

- (a) organization's identification,
- (b) quantity of delivery,
- (c) date of delivery / delivery period / accounting period
- (d) category of the origin (including actual percentage, as calculated under 3.4.1 or 3.4.2 of certified raw material included in the certified product)

3.5.3 If the organization uses the logo, both on-product and off-product usage shall be carried out according to the terms and conditions of the contract for the logo usage entered into by the user and the *SFI Office of Label Use and Licensing*.

3.6 **Controversial sources**

- 3.6.1 The organization shall establish adequate measures to ensure that the certified products do not include raw material from controversial sources.
- 3.6.2 The organization shall require from all suppliers of the forest based raw material, which is not classified as certified raw material, at least a signed self-declaration that the supplied raw material does not originate from a controversial source. The organization, which has signed contracts with its suppliers, shall include such a declaration in the contracts.
- 3.6.3 The organization shall evaluate the potential risk of procuring raw material from controversial sources and establish a sampling based program of second or third party verification of the suppliers' self-declarations if a high risk exists that raw material originates from controversial sources.

Note: The potential risk evaluation carried out by the organization should be based on the regional / country level.

- 3.6.4 The organization procuring raw material originating from threatened and endangered species classified by CITES shall follow all the regulations defined by CITES and other international as well as national legislation.

Section 4: Minimum management system requirements

4.1 **General requirements**

The organization shall operate a management system in accordance with the following elements of this standard, which ensure correct implementation, and maintenance of the chain of custody process. The management system shall be appropriate to the type, range and volume of work performed.

Note: An organization's quality (ISO 9001:2000) or environmental (ISO 14001:2004) management system can be used to meet the minimum requirements for the management system defined in this standard.

4.2 **Responsibilities and authorities**

4.2.1 **Management responsibilities**

- 4.2.1.1 The organization's top management shall define and document its commitment to implement and maintain the chain of custody requirements in accordance with this standard. The organization's commitment shall be made available to the organization's personnel, suppliers, customers, and other interested parties.
- 4.2.1.2 The organization's top management shall appoint a member of the management who, irrespective of other responsibilities, shall have overall responsibility and authority for the chain of custody.
- 4.2.1.3 The organization's top management of the organization shall carry out a regular periodic review of the organization's chain of custody and its compliance with the requirements of this standard.

4.2.2 **Responsibilities and authorities for chain of custody**

The organization shall identify personnel performing work affecting the implementation and maintenance of chain of custody and establish and set responsibilities and authorities relating to chain of custody process:

- (a) raw material procurement and identification of the origin,
- (b) product processing covering physical separation or percentage calculation and transfer into output products,
- (c) product sale and labeling,
- (d) record keeping,
- (e) internal audits and non-conformity control.

Note: The responsibilities and authorities for the chain of custody given above can be cumulated.

4.3 **Documented procedures**

The organization's procedures for the chain of custody shall be documented. The chain of custody documentation shall include at least the following elements:

- (a) description of the raw material flow within the production process,
- (b) organization structure, responsibilities and authorities relating to chain of custody,
- (c) procedures for chain of custody process covering all requirements of this standard.

4.4 **Record keeping**

4.4.1 The organization shall establish and maintain records to provide evidence of conformity with the requirements and its effectiveness and efficiency. The organization shall keep at least the following records:

- (a) records of all suppliers of forest based raw material including information which confirms that the requirements at the supplier level are met,
- (b) records of all purchased forest based raw material including information on its origin,
- (c) records of all forest based products sold and their claimed origin,
- (d) records of internal audits, non-conformities which occurred and corrective actions taken.

4.4.2 The organization shall maintain the records for a minimum period of five years unless stated otherwise by law or the organization's policies.

4.5 **Resource management**

4.5.1 **Human resources / personnel**

The organization shall ensure that all personnel performing work affecting the implementation and maintenance of the chain of custody shall be competent on the basis of appropriate training, education, skills and experience.

4.5.2 **Technical facilities**

The organization shall identify, provide and maintain the infrastructure and technical facilities needed for effective implementation and maintenance of the organization's chain of custody with the requirements of this standard.

4.6 **Inspection and control**

4.6.1 The organization shall conduct internal audits at intervals of at least one year covering all requirements of this standard and establish corrective and preventive measures if required.

4.6.2 The report from the internal audit shall be reviewed by the organization's top management at least annually.

Appendix 1: Implementation of chain of custody within ISO 9001:2000

(Informative)

The organization can implement the chain of custody requirements specified in this standard within the organization's quality management system established according to ISO 9001:2000.

The integration of the chain of custody requirements of this standard into a quality management system defined by ISO 9001:2000 is shown in this table:

STANDARD REQUIREMENTS	ISO 9001:2000
Section 2: Requirements for chain of custody process — physical separation method	7
Section 3: Requirements for chain of custody process — percentage based method	7
Section 4: Minimum management system requirements	
4.2 Responsibilities and authorities	
4.2.1 Management responsibilities	5.5.2
4.2.2 Responsibilities and authorities	5.5.1
4.3 Documented procedures	4.2.1, 4.2.3
4.4 Record keeping	4.2.4
4.5 Resource management	
4.5.1 Human resources / personnel	6.2
4.5.2 Technical facilities	6.3
4.6 Inspection and control	8.2.2, 8.3, 8.5.2, 8.5.3

Appendix 2: Implementation of chain of custody within ISO 14001:2004

(Informative)

The organization can implement the chain of custody requirements specified in this standard within the organization's environmental management system established according to ISO 14001:2004.

The integration of the chain of custody requirements of this standard into the organization's environmental management system defined by ISO 14001:2004 is shown in this table:

STANDARD REQUIREMENTS	ISO 14001:2004
Section 2: Requirements for chain of custody process — physical separation method	4.4.6
Section 3: Requirements for chain of custody process — percentage based method	4.4.6
Section 4: Minimum management system requirements	
4.2 Responsibilities and authorities	
4.2.1 Management responsibilities	4.4.1
4.2.2 Responsibilities and authorities	4.4.1
4.3 Documented procedures	4.4.4, 4.4.5
4.4 Record keeping	4.5.4
4.5 Resource management	
4.5.1 Human resources / personnel	4.4.1, 4.4.2
4.5.2 Technical facilities	4.4.1
4.6 Inspection and control	4.5.3, 4.5.4, 4.5.5

Appendix 3: **Implementation of the chain of custody standard in multi-site organizations**

(Normative)

Introduction

The aim of this appendix is to establish guidance for the implementation of the chain of custody requirements in an organization with a network of sites, thus ensuring on the one hand, that the certification of the chain of custody is practical and feasible in economic and operative terms and on the other, that the assessment provides adequate confidence in the conformity of the chain of custody. A multi-site approach also allows implementation and certification of the chain of custody in a group of typically small independent companies.

This appendix includes only requirements applicable for the multi-site organization to implement the chain of custody requirements of this standard. Requirements and guidance for the certification bodies for the assessment and certification of a multi-site organization are described in the IAF Guidance on the Application of ISO / IEC Guide 62:1996 and IAF Guidance on the Application of ISO / IEC Guide 66:1996.

Definitions

A multi-site organization is defined as an organization having an identified central function (normally, and hereafter referred to as a "central office") at which certain activities are planned, controlled and managed and a network of local offices or branches (sites) at which such activities are fully or partially carried out.

Such an organization does not need to be a unique entity, but all sites shall have a legal or contractual link with the central office of the organization and be subject to a common chain of custody which is subject to continuous surveillance by the central office. This means that the central office has the right to implement corrective actions when needed at any site. Where applicable this should be laid down in the contract between the central office and the sites. Examples of possible multi-site organizations are:

- (a) organizations operating with franchises,
- (b) companies with multiple branches,
- (c) a group of legally independent companies.

Note: group of legally independent companies means a network of typically small independent enterprises associated together for the purpose of obtaining and maintaining chain of custody certification for the whole group. The central office may be an appropriate trade association, or any other properly experienced legal entity that is either nominated for the purpose by a group of intending members or offers a group service managed for the purposes of and consistently with this standard. The central office can also be administered by one member of the group.

Eligibility criteria for the multi-site organization

The organization's chain of custody shall be centrally administered and be subject to central review. All the relevant sites (including the central administration function) shall be subject to the organization's internal audit program and shall have been audited in accordance with that program prior to the certification / registration body starting its assessment.

It shall be demonstrated that the central office of the organization has established a chain of custody in accordance with this standard and that the whole organization (including all the sites) meets the requirements of the standard.

The organization shall be able to demonstrate its ability to collect and analyze data from all sites including the central office authority and ability to initiate change in the chain of custody operating in the sites if required.

Function and responsibilities of the central office

The central office of the multi-site organization shall:

- (a) provide a commitment on behalf of the whole multi-site organization to establish and maintain a chain of custody in accordance with the requirements of this standard,

- (b) provide all the sites with information and guidance needed for effective implementation and maintenance of the chain of custody in accordance with this standard,
- (c) provide organizational or contractual connection with all sites covered by the multi-site organization including commitments by the sites to implement and maintain the chain of custody in accordance with this standard. The contract shall also include the right of the central office to exclude any site from participation in the chain of custody of the multi-site organization in case of serious non-conformities with this standard,
- (d) keep a register of all the sites of the multi-site organization,
- (e) operate an internal audit program, and audit all the relevant sites (including its own central administration function) in accordance with that program, prior to the independent certification or registration body starting its assessment,
- (f) operate a review of the conformity of sites based on results of internal audits; establish corrective and preventive measures if required and evaluate the effectiveness of corrective actions taken.

Function and responsibilities of sites

Sites connected to a multi-site organization shall be responsible for:

- implementation and maintenance of the chain of custody requirements in accordance with this standard,
- responding effectively to all requests from the central office or *certification body* for relevant data, documentation or other information whether in connection with formal audits or reviews or otherwise,
- providing full co-operation and assistance in respect of the satisfactory completion of internal audits, reviews, relevant routine enquiries or corrective actions,
- implementation of relevant corrective and preventive actions established by the central office.

Scope of responsibilities for requirements of this standard implemented in multi-site organization

STANDARD REQUIREMENTS	CENTRAL OFFICE	SITE
Section 2: Requirements for chain of custody process — physical separation method		Yes
Section 3: Requirements for chain of custody process — percentage based method		Yes
Section 4: Minimum management system requirements		
4.2 Responsibilities and authorities	Yes	Yes
4.2.1 Management responsibilities	Yes	Yes
4.2.2 Responsibilities and authorities	No (except d and e)	Yes
4.3 Documented procedures	No (except b)	Yes
4.4 Record keeping	No (except d)	Yes
4.5 Resource management		
4.5.1 Human resources / personnel	Yes (only for activities provided)	Yes
4.5.2 Technical facilities		
4.6 Inspection and control	Yes	Yes

Appendix 4: Calculation of the certification percentage

(Informative)

Definition of the production batch

The organization shall identify production batch(es) for which the certification percentage is calculated. The production batch shall be identified for specific products or groups of products. The organization can include in one production batch only products which consist of the same raw material.

Table 1: Example of chain of custody production batch definition

Output products	Input raw material	Chain of custody production batch
Spruce sawnwood A Spruce sawnwood B Spruce sawnwood C Spruce chips	Spruce sawlogs	Spruce products
Pine sawnwood A Pine sawnwood B Pine sawnwood C Pine chips	Pine sawlogs	Pine products
Pine / Spruce sawdust Pine / Spruce bark	Spruce / Pine sawlogs	Spruce / Pine products

Calculation of the certification percentage

The company can use two methods for calculation of the certification percentage (simple percentage or rolling average percentage):

Simple percentage

The certification percentage for the specific production batch is calculated from the material included in the specific production batch. Therefore the organization applying this method shall calculate the certification percentage (i.e. to know the total volume of certified and other raw material) before any product of the production batch is sold or transferred.

Rolling average percentage

The rolling average percentage is obtained by using the quantity of raw material procured in the specified previous period. As a maximum, the rolling average can be applied over the last 12 months.

Example of a 3 months rolling average

The certification percentage for the production batch is calculated from volumes of certified and other raw material procured during the last 3 months period.

Note: When the organization starts the chain of custody and the time period used in rolling average calculation is longer than the time period the chain of custody has been in place, the calculation of the rolling average is carried out from the volumes procured since the chain of custody was established. An example is given in Table 2: The first rolling average (month 1) is calculated only from volumes procured in month 1, the second rolling average (month 2) is calculated only from volumes procured in months 1 and 2.

Table 2: Example of 3 months rolling average

1	2	3	4	5	6	7	8	9
No of the 1 month calcul. period	Volume of certified raw material procured (tonnes) *	Volume of other raw material (tonnes) *	Sum of volumes of certified raw material for previous 3 months (tonnes)	Sum of volumes of other raw material for previous 3 months (tonnes)	3-months rolling average percentage	Total output volume of the prod. batch (tonnes) *	Volume of certified products (% of certified raw material claimed in the certified product) (tonnes)	
							Average percentage method	Volume credit method
$j=i$	V_c	V_o	$V_c(3)$	$V_o(3)$	$P_c(3)$	V_{pb}	$V_{cp} (V_c\%)$	$V_{cp} (V_c\%)$
			$V_c(3) = \sum_{i=1}^{i-2} V_{c_i}$	$V_o(3) = \sum_{i=1}^{i-2} V_{o_i}$	$P_c = \frac{V_c(3)}{V_c(3)+V_o(3)}$		$V_{cp_i} = V_{pb_i}$ Claimed % = $P_{c_{i-1}}$	$V_{cp_i} = V_{pb_i} * P_{c_{i-1}}$ Claimed % = 100%
1	11	90	11	90	10.89%	70.7		
2	12	90	23	180	11.33%	71.4	71.4 (10.89%)	7.78 (100 %)
3	13	90	36	270	11.76%	72.1	72.1 (11.33%)	8.17 (100 %)
4	14	90	39	270	12.62%	72.8	72.8 (11.76%)	8.56 (100 %)
5	15	90	42	270	13.46%	73.5	73.5 (12.62%)	9.28 (100 %)
6	16	90	45	270	14.29%	74.2	74.2 (13.46%)	9.99 (100 %)
7	17	90	48	270	15.09%	74.9	74.9 (14.29%)	10.70 (100 %)
8	18	90	51	270	15.89%	75.6	75.6 (15.09%)	11.41 (100 %)
9	19	90	54	270	16.67%	76.3	76.3 (15.89%)	12.12 (100 %)
10	20	90	57	270	17.43%	77	77 (16.67%)	12.84 (100 %)
11	21	90	60	270	18.18%	77.7	77.7 (17.43%)	13.54 (100 %)

Continues

* The volume figures given in the table above are only examples

Example of calculation given in table 2:

— [column 4] Volume of certified raw material is calculated as sum of volumes of certified raw material procured in the previous 3 months.

$$V_c(3)_6 = V_{c6} + V_{c5} + V_{c4} ; V_c(3)_6 = 16 + 15 + 14 = \mathbf{45 \text{ [tonnes]}}$$

— [column 5] Volume of other raw material is calculated as sum of volumes of other raw material procured in the previous 3 months.

$$V_o(3)_6 = V_{o6} + V_{o5} + V_{o4} ; V_o(3)_6 = 90 + 90 + 90 = \mathbf{270 \text{ [tonnes]}}$$

— [column 6] The rolling average percentage is calculated according to the formula of chapter 3.3.1: $P_c = V_c / [V_c + V_o]$

$$P_{c6} = 100 * V_c(3)_6 / [V_c(3)_6 + V_o(3)_6] ; P_{c6} = 100 * 45 / [45 + 270] = \mathbf{14.29 \%}$$

— [column 8] The volume of certified products using the average percentage method for the production batch of the seventh month (7) is calculated from the volume produced / sold in the seventh month (7) and the last rolling average percentage (calculated in the sixth month). The total volume of the certified products is equal to total volume of the production batch ($V_{cp7} = V_{pb7}$). Percentage of the certified raw material claimed in the certified products is equal to the last calculated rolling average (Claimed % = P_{c6} [%])

$$V_{cp} = \mathbf{74.9 \text{ tonnes}}, \text{ Claimed \%} = \mathbf{14.29 \%}$$

The organization can sell 74.9 tonnes as certified products which include 14.29 % of certified raw material.

Note 1: The production batch period does not need to be equal to the calculation period as long as it does not exceed the length of the calculation period.

Note 2: The organization can label the certified products if the content (percentage) of included raw material exceeds a minimum threshold defined by the certification and/ or labeling scheme providing the label.

- [column 9] The volume of certified products using the volume credit method for the production batch of the seventh month (7) is calculated from the volume produced / sold in the seventh month (7) and the last rolling average percentage (calculated in the sixth month). The volume of the certified products of the production batch equals the total volume of the production batch by the last calculated rolling average ($V_{cp7} = V_{pb7} * P_{c6}$). The percentage of the certified raw material claimed in the certified products always equals 100 %.

$$V_{cp} = 74.9 * 0.1429 = \mathbf{10.70 \text{ tonnes}}, \text{ Claimed \%} = \mathbf{100 [\%]}$$

Transfer of the certification percentage to the outputs

The certification percentage shall be calculated for the production batch and also distributed to the products of the production batch. The production batch is defined by its content (products included) and also by the time period during which the products are produced or sold. The maximum time period for the production batch is three months.

The example of average percentage method and volume credit method for a one month production batch are shown in table 2, column 8 and 9.

Volume credit system

If the organization is using the volume credit system for a production batch consisting of more products and (i) is not able to define a single measurement unit for all the products included in the production batch or (ii) the products have different ratios between input raw material volume and output products volume then the transfer of the certification percentage into the volume credit shall be done separately for each product(s) of the production batch with different measurement units or input/output ratios.

Table 3 shows a situation where the organization included in the production batch, five types of products (pulp, paper A, paper B, paper C, paper D). Input / output volume ratios differ between pulp and paper A-D and therefore the transfer of the certification percentage into the volume credit shall be done separately for pulp product and paper products. Distribution of the volume credit amongst the different paper products is decided by the organization depending on customers' demands for certified products.

Table 3: Example of the distribution of certification percentage — volume credit

Content of the production batch (ratio input / output volume)	Certification percentage	Output volume of the production batch	Certified volume credit	Distribution of the volume credit within the production batch *1
Pulp (0.3)	55%	100 t	55 t	55 t
Paper A (0.25)		100 t	220 t	100 t
Paper B (0.25)		100 t		70 t
Paper C (0.25)		100 t		50 t
Paper D (0.25)		100 t		0 t

*1 Distribution of the certified raw material amongst the paper products A-D is decided by the organization itself.

Volume credit accumulation

The organization can establish a volume credit account for the product group covered by the specific production batch or for specific products of the production batch if 3.4.2.4 applies.

Table 4: Example of volume credit accumulation (in tonnes)

1	2	3	4	5
Number of 1 month's production batch	Credit volume for the production batch	Credit account	Maximum credit account	Used credits
I		$= [3]_{i-1} - [5]_{i-1} + [2]_i$ condition: $[3]_i \leq [4]_i$	$\sum_i^{i-1} [2]$	
1	0	0	0	0
2	7.78	7.78	7.78	0
3	8.17	15.95	15.95	0
4	8.56	24.51	24.51	0
5	9.28	33.79	33.79	0
6	9.99	43.78	43.78	0
7	10.70	54.48	54.48	0
8	11.41	65.89	65.89	0
9	12.12	78.01	78.01	0
10	12.83	90.84	90.84	0
11	13.54	104.39	104.39	0
12	14.25	118.64	118.64	0
13	14.96	133.61	133.61	0
14	15.68	141.50	141.50	5
15	16.38	149.72	149.72	50
16	17.09	156.81	158.25	50
17	17.80	124.62	166.78	50
18	18.51	93.13	175.30	100

Example of calculation given in Table 4 for the production batch of month 14:

- [column 2] Includes volume credit calculated for 1 month production batch. (Values for months 1-11 are taken from table 2).
- [column 3] Credit account is calculated as a result of the credit account in the previous month [column 3, month 14] minus volume credits used in the previous month [column 5, month 14] plus volume credit calculated for the current month [column 2, month 15].

$$[3]_{14} - [5]_{14} + [2]_{15} = 141.50 - 5 + 16.38 = 152.88 \text{ [tonnes]}$$

Total quantity accumulated in the credit account cannot exceed volume credits entered into the volume credit in the previous twelve months [column 4 = 149.72] (chapter 3.4.2.4)

$$152.88 > 149.72, \text{ therefore credit account is } \mathbf{149.72 \text{ [tonnes]}}$$

- [column 4] Maximum credit account is calculated as a sum of volume credits entered into the credit account during the last twelve months [column 2, month 4-15].

$$\begin{aligned} [4] &= [2]_4 + [2]_5 + [2]_6 + [2]_7 + [2]_8 + [2]_9 + [2]_{10} + [2]_{11} + [2]_{12} + [2]_{13} + [2]_{14} + [2]_{15} = \\ &= 8.56 + 9.28 + 9.99 + 10.70 + 11.41 + 12.12 + 12.83 + 13.54 + 14.25 + 14.96 + 15.68 + 16.38 = \\ &= 149.72 \text{ [tonnes]} \end{aligned}$$

Appendix 5: Implementation of chain of custody within SFIS 2005-2009

(Informative)

The organization can implement the chain of custody requirements specified in this standard within the organization's procurement system established according to SFIS 2005-2009.

The integration of the chain of custody requirements of this standard into the organization's procurement system defined by SFIS 2005-2009 is shown in this table:

STANDARD REQUIREMENTS	SFIS 2005-2009
Section 2: Requirements for chain of custody process — physical separation method	SFIS PM 12.6.1
Section 3: Requirements for chain of custody process — percentage based method	SFIS PM 12.6.1
Section 4: Minimum management system requirements	
4.2 Responsibilities and authorities	
4.2.1 Management responsibilities	SFIS Objective 13
4.2.2 Responsibilities and authorities	SFIS PM 10.1
4.3 Documented procedures	SFIS PM 12.6.1
4.4 Record keeping	SFIS PM 12.6
4.5 Resource management	
4.5.1 Human resources / personnel	SFIS PM 10.1
4.5.2 Technical facilities	SFIS PM 10.1
4.6 Inspection and control	SFI-APQ 6.0

For a SFIS 2005-2009 procurement system to be used as a chain of custody, the reporting requirements in the SFIS 2005-2009 will be expanded beyond the certified content originating from a participant's own SFI certified forests to the certified content procured from other sources within the SFI procurement system.

Appendix 6: SFI chain of custody certificate requirements

(Normative for an organization seeking a chain of custody certificate)

1. **Certificate Statement.** The X company or facility has been independently certified by Y, a *certification body* accredited to perform SFI program chain of custody audits, to have in place an inventory management system that conforms to the *SFI Chain of Custody Standard*.
2. **Certificate Meaning.** The certificate holder has been independently certified by a *certification body* accredited to perform SFI chain of custody audits to conform to Part 4, *Minimum Management System Requirements*, of Annex 2, *SFI Chain of Custody Standard*, of “The Sustainable Forestry Initiative® Program: Requirements for Fiber Sourcing, Chain of Custody, and Product Labels” and has received a license from the SFI Office of Label Use and Licensing authorizing use of the SFI service marks.
 - 2.1 **Certificate Content.** All SFI chain of custody certificates shall have the following information, at a minimum, on the certificate:
 - a. Chain of custody number. The numbering system will have a three letter abbreviation of the certification body’s name, followed by “COC”, followed by the audit number. (Example for *certification body* XYZ completing their 20th chain of custody audit: XYZ-COC-0020).
 - b. The SFI Service Mark (see below) must be placed in the lower right corner of the certificate.



3. **Eligible Entities.** Any company or facility that manufactures or distributes forest-based manufactured or printed products and desires to document that the material in the products was manufactured by a company certified to the Sustainable Forestry Initiative® Standard is eligible to obtain an SFI® Program Chain of Custody Certificate.
4. **Application.** Interested entities must submit an application for a certificate license to the SFI *Office of Label Use and Licensing*.
 - 4.1 **Notification.** The entity seeking a chain of custody certificate must notify the *Office of Label Use and Licensing* two weeks in advance of the audit.
 - 4.1.2. **Evidence.** The *certification body* will inform the *Office of Label Use and Licensing* of a successful completion along with a copy of the chain of custody certificate
5. **Qualification.** Upon written confirmation that the entity is eligible for a certificate under 3.1, the applicant must contract with a *certification body* accredited to perform SFI chain of custody audits to certify that it conforms to Part 4, *Minimum Management System Requirements*, of Annex 2, *SFI Chain of Custody Standard*, of “The Sustainable Forestry Initiative® Program: Requirements for Fiber Sourcing, Chain of Custody, and Product Labels.”
6. **Issuance of License and Certificate.**
 - 6.1. **Issuance of License.** The *Office of Label Use and Licensing* shall issue the license to use the SFI service marks to the applicant upon written confirmation of successful completion of the chain of custody audit.
 - 6.2. **Certificate.** The written documentation of successful completion of an audit, coupled with the license issued under section 6.1, constitute the *SFI® Program Chain of Custody Certificate*. A suitable document confirming the certificate may be provided by the *certification body*.
7. **Availability of On-Product Label.** Holders of *SFI Program Chain of Custody Certificates* may also qualify for use of an SFI on-product label with conformance to the *SFI Label Use and Fiber Sourcing Requirements*.

Appendix 7:

Implementation of dual chain of custody certifications to meet SFI and PEFC label use requirements.

(Informative)

The organization can implement and seek certification to the SFI chain of custody requirements (SFI Annex 2) as a necessary step to making SFI chain of custody claims and/or gaining access to the SFI percent content labels.

The SFI Annex 2 chain of custody requirements are based upon the PEFC Annex 4 chain of custody requirements, providing interested program participant and label licensees the option to implement a single chain of custody certification that conforms with both SFI and PEFC chain of custody requirements. This approach facilitates an organization's ability to achieve a dual certification to both the SFI chain of custody and PEFC chain of custody standards provided the certification is conducted by a certification body accredited by ANSI. ANSI is the US accreditation body that has developed a duo accreditation program for certification bodies to deliver both SFI CoC and PEFC CoC certifications simultaneously. A stand alone PEFC CoC certification can be conducted by any certification body that has been accredited by an International Accreditation Forum member using an ISO/IEC Guide 65-based accreditation program that demonstrates competency to conduct PEFC Annex 4 chain of custody certification audits. PEFC maintains a list of certification bodies operating chain of custody certification that meets their requirements.

Table 1 highlights the high level of alignment in the structure, methodology, requirements and processes between the SFI Annex 2 and PEFC Annex 4 but it also draws attention to the reality that SFI and PEFC do differ in terms of the definitions used.

A parallel text comparison of PEFC Annex 4 and SFI Annex 2 chain of custody requirements and key differences is available upon request.

It is a straight forward task to implement a dual purpose SFI and PEFC chain of custody system, as the general requirements and methodologies, processes, procedures and approaches are highly consistent across SFI Annex 2 and PEFC Annex 4. The key difference between the two sets of requirements, however, is that:

- SFI Annex 2 does not always use the same definitions as PEFC does. For example, SFI Annex 2 does not use PEFC terms such as *Pre-consumer by products*, *Post-consumer wood and fibers*, *Production batch*, *Recycled wood and fibres*, or *Wood Based Raw Material*.

The challenge is not the chain of custody tracking system, but rather ensuring that the program participant or label licensee understands and adheres to the appropriate set of definitions depending on the claims or labels they wish to make or use. For example, SFI definitions must be adhered to when making SFI CoC claims as per definitions set out in SFI Annex 2. In circumstances where an organization is applying for SFI Label Use, then definitions set out in SFI Annex 1, *SFI Label Use and Fiber Sourcing Requirements*, must also be followed.

Likewise, PEFC definitions must be adhered to when making PEFC CoC claims as per definitions set out in PEFC Annex 4, and in PEFC Annex 4, Appendix 1, *PEFC Council specification for the origin for the purposes of PEFC label and declarations*. In circumstances where an organization is applying for PEFC Logo Use rights, then definitions set out in PEFC Annex 5, *PEFC Logo Use Rules* must also be followed.

Given that PEFC Annex 4 CoC Requirements were developed generically so that any endorsed certification program could use them as a template for their own standard, sometimes a generic definition is given in PEFC Annex 4 and a PEFC-specific definition is given in PEFC Annex 4, Appendix 1, *PEFC Council specification for the origin for the purposes of PEFC label and declarations*. For example, in PEFC Annex 4, Definition 1.3.7., **Neutral raw material** is defined as "*Raw material whose **origin** is considered as neutral in the calculation of the certification percentage.* **Note: Qualification criteria for neutral raw material are defined by a specific forest certification or labeling scheme or by the organization itself for the purposes of the organization's own label and/or declarations.**"

However, in PEFC Annex 4, Appendix 1 **Neutral raw material** is defined as “Non-wood based raw material (e.g. agricultural fibre and rags), starch, pigments and wood harvested from housing areas (urban wood). Recycled wood and recycled fibres (post-consumers wood and fibres).”

Whereas in SFI Annex 2, Definition 1.3.7., **Neutral raw material** is defined as “Raw material whose origin is considered as neutral is not included in the calculation of the certification percentage. Note: Qualification criteria for neutral raw material are defined in the SFI Label Use & Fiber Sourcing Requirements. (SFI Annex 1)”

In SFI Annex 1, Definition 3.6, **Neutral Sources** is defined as “Recovered wood fiber and recovered paper and sawdust or dry shavings produced as a by-product of a primary or secondary manufacturing process.”

If one follows the definitions through the different documents, the key difference on this issue of neutral raw material is that PEFC considers **post-consumer** recycled fiber as neutral raw material, and PEFC considers pre-consumer fiber as “other” fiber (not neutral). Whereas, SFI considers pre and post consumer recycled fiber as neutral. What this means in practice is that:

- **PEFC treats pre-consumer** recovered fiber as “other” non-certified content and therefore pre-consumer fiber is used to calculate the % NOT certified in the product; Moreover, pre-consumer recovered fiber can not be used for PEFC calculations regarding PEFC recycled content labels or claims.
- **PEFC treats post-consumer** recovered fiber as neutral and it is therefore not included when calculating the % certified content, unless using the PEFC recycled content calculations for labeling in which case % post-consumer recovered fiber is calculated to determine the % recycled content for PEFC % recycled content labels and claims. These details are set out in PEFC Annex 4, Appendix 6, *Specification of the origin for the purposes of PEFC label and declarations covering recycled raw material* and in *PEFC Annex 5, PEFC Logo Use Rules*.
- **SFI treats pre-consumer and post-consumer** recovered fiber as “neutral” and therefore does not include it when calculating the % certified content, or the % uncertified content. SFI does include the % recovered fiber content in the recovered fiber labels and claims

Table 1. SFI and PEFC Chain of Custody Similarities

SFI Annex 2 Chain of Custody Requirements	PEFC Annex 4 Chain of Custody Requirements
<p>Section 1: General (Scope, References & Definitions) Note: SFI Annex 2, Section 1, mainly differs from PEFC Annex 4 in that it does not include PEFC definitions for <i>Pre-consumer by products</i>, <i>Post-consumer wood and fibers</i>, <i>Production batch</i>, <i>Recycled wood and fibres</i>, or <i>Wood Based Raw Material</i>. In addition, SFI uses its own terms and definitions related to the issue of <i>neutral sources</i>, <i>recovered paper</i> and <i>recycled fiber</i>, but these terms are found in SFI Annex 1.</p>	<p>Section 1: General (Scope, References & Definitions) PEFC mainly differs from SFI in that the PEFC Annex 4 defines Neutral raw material, Origin, and Other raw material, and controversial sources differently than SFI Annex 2.</p>
<p>Section 2: Requirements for chain of custody process — physical separation method Note: The separation of the certified raw material approach in SFI Section 2, Annex 2 is highly consistent with PEFC Section 2, Annex 4. The key difference is simply that PEFC Annex 4 is written generically and SFI Annex 2 refers the reader to SFI Label Use & Fiber Sourcing Requirements for more specifics.</p>	<p>Section 2: Requirements for chain of custody process — physical separation method</p>
<p>Section 3: Requirements for chain of custody process — percentage based method Note: SFI Annex 2 requirements are highly consistent with PEFC Annex 4. Note: Same as Section 2 above.</p>	<p>Section 3: Requirements for chain of custody process — percentage based method</p>
<p>Section 4: Minimum management system requirements</p>	<p>Section 4: Minimum management system requirements</p>

APPENDICES

<p>Appendix 1: Implementation of Chain of Custody within ISO 9001:2000</p>	<p>Appendix 1: PEFC Council specification for the origin for the purposes of PEFC label and declarations.</p>
<p>Appendix 2: Implementation of Chain of Custody within ISO 14001:2004</p>	<p>Appendix 2: Implementation of Chain of Custody within ISO 9001:2000</p>
<p>Appendix 3: Implementation of the chain of custody standard in multi-site organizations</p>	<p>Appendix 3: Implementation of Chain of Custody within ISO 14001:2004</p>
<p>Appendix 4: Calculation of the certification percentage</p>	<p>Appendix 4: Implementation of the chain of custody standard in multi-site organizations</p>
<p>Appendix 5: Implementation of chain of custody within SFIS 2005-2009</p>	<p>Appendix 5: Calculation of the certification percentage</p>
<p>Appendix 6: SFI chain of custody certificate requirements</p>	<p>Appendix 6: Specification of the origin for the purposes of PEFC label and declarations covering recycled raw material.</p>
<p>Appendix 7: Implementation of concurrent chain of custody certifications to meet SFI and PEFC label use requirements.</p>	





ANNEX 3

RULES FOR USE OF SFI® PRODUCT LABELS



ANNEX 3

RULES FOR USE OF SFI® PRODUCT LABELS

RULES FOR USE OF SFI® OWNED CERTIFICATION MARKS

The Sustainable Forestry Initiative (SFI) program is the owner of the following certification marks:

Tree/Leaf design with SFI CERTIFIED PARTICIPANT (“Certified Participant mark”)

Certification mark. A certified participant means a primary producer or forest landowner that is a *program participant* and that has been third party certified as specified in Annex 1, *SFI Label Use & Fiber Sourcing Requirements*. The mark is available to primary producers and certified landowners only. (There is also an X% recovered fiber content tagline available.)



Tree/Leaf design with SFI CERTIFIED SOURCING (“Secondary Producer mark”)

Certification mark. Certified Sourcing means that a secondary producer, or primary producer outside the United States and Canada, has been certified as specified in Annex 1, *SFI Label Use & Fiber Sourcing Requirements*. (There is also an X% recovered fiber content tagline available.)



The SFI program owns all right, title and interest in the foregoing marks and exercises legitimate control over the use of these marks.

Upon receiving written authorization from the SFI program, qualified primary producers and landowners and qualified secondary producers (“Label User”) may use the above-listed marks provided the following conditions and limitations are strictly adhered to:

1. The Certified Participant mark is registered with both the U.S. Patent and Trademark Office and the Canadian Intellectual Property Office and each mark must be individually accompanied by an ® to indicate that the mark is associated with the SFI program. The Certified Sourcing mark must be individually accompanied by an SM to indicate that the mark is associated with the SFI program.
2. The marks may not be combined with any other mark or image in such a way as to create a third mark or marks, except that the X% recovered fiber tagline may be used with a mark consistent with Appendix 1, the Art Rules, when authorized under Annex 1, *SFI Label Use & Fiber Sourcing Requirements*.
3. The tree/leaf design may not be displayed by itself, but must always be accompanied with either “SFI CERTIFIED PARTICIPANT” or “SFI CERTIFIED SOURCING”.
4. The Art Rules in Appendix 1 must be followed.
5. The marks shall not be displayed on generic business signs (e.g. office buildings and mill sites), on clothing and protective gear (such as uniforms, shirts and hard hats), on business cards or letterhead, or on company generic promotional material.
6. The marks may only be used:
 - a) on products, including shrink wrap and other product packaging, that have been produced by a primary or secondary producing facility, a publisher, a retailer, or a printer that has qualified for use of the appropriate mark pursuant to the criteria set out in Annex 1, *SFI Label Use & Fiber Sourcing Requirements*.
 - b) in product/brochures or advertising for products that qualify to use one of the on-product marks subject to the following rules:
 - i. when discussing products produced by a qualified facility, the usage is restricted to either, 1) the statement, “Look for this mark on (specified product)” or, 2) in a picture of a product with the mark on the product.
 - ii. when promoting the sale of trees/logs grown on qualifying land by landowners who have third-party certified the land to the SFI Standard, the usage is restricted to “Our [trees/logs] qualify to carry this label

 .”
 - iii. when referencing company’s products that bear the certification mark, if not all the mills that produce this product qualify to bear the certification mark, it must be so acknowledged (e.g. “only some of the mills producing “x” product have qualified to bear the certification mark.”)
 - iv. SFI certified program participants must use the following statement: “[COMPANY]’s use of [SFI LABEL] indicates that it is a participant in the SFI® program in good standing and that [COMPANY]’s operations have been certified to be in compliance with the SFI Standard (SFIS) and guidelines by an independent auditor. For more detailed information on the SFI program and the standards and guidelines, please visit, www.aboutsfi.org.
 - v. Label Users that are not SFI certified program participants must use the following statement: “[COMPANY]’s use of [SFI LABEL] indicates that the facility that produced the product bearing the mark has been certified under the Sustainable Forestry Initiative® Program’s Label Use & Fiber Sourcing Requirements Document. For more detailed information on the SFI® program and the standards and guidelines, please visit, www.aboutsfi.org.

7. Label Users should consult with their legal counsel during the preparation of product advertising that includes an SFI certification mark or any other reference to the SFI program. In general, Label Users, particularly those using the certification mark in point of purchase (POP) materials should comply with the following:
 - a) Avoid usage of environmental claims that can be tied to the product. Instead, the POP material should explain the SFI program participant's voluntary participation in a program for sustainable forest management. Avoid references or suggestions that the SFI program preserves forests, but rather that it focuses on managing forests. Label Users who are not SFI program participants should refer to the SFI program in a similar manner.
 - b) Avoid touting or promoting any specific attributes of the product(s) bearing the mark when discussing participation in the SFI program.
 - c) If discussing participation in the SFI program, draw examples from the core indicators applicable to management of fee, leased, and crown land, to outreach to landowners and wood suppliers, to other core indicators, and to the label guidelines applicable to your company's supply chain.
8. An SFI certified program participant may refer to the fact that its conformance to the SFI Standard has been independently, third party certified in company promotional advertising, annual reports or other documents generally describing the company and its operations. However, if all company facilities and/or acreage have not been certified, then the reference must be accurate as to the number of facilities and/or acreage that have been certified.
9. Label Users that are not SFI certified program participants may refer to the fact that they have one or more facilities "certified under the Sustainable Forestry Initiative® Program's Label Use & Fiber Sourcing Requirements Document" in promotional advertising, annual reports or other documents generally describing the company and its operations. However, if not all company facilities have not been certified, then the reference must be accurate as to the number of facilities.
10. All advertising material must be sent to the SFI Program's Office of Label Use & Licensing for review and approval. Staff in the Office of Label Use & Licensing are available to answer questions about the use of the marks and these rules.
11. The Office of Label Use & Licensing reserves the right to request samples of all uses of the Certification Marks from time to time.
12. If the Office of Label Use & Licensing determines that a Label User is not using the marks as provided in these rules, which may be amended from time to time, or no longer meets the criteria set out in Annex 1, *SFI Label Use & Fiber Sourcing Requirements*, the Office of Label Use & Licensing will furnish the Label User with written notice specifying the inappropriate use(s) and allowing the Label User thirty (30) days in which to make a correction. Failure of the Label User to make the correction will result in revocation of the right to use the marks.
13. In the event a Label User should observe misuse of any of these marks, Label User shall immediately report such improper use to the *Office of Label Use & Licensing*.

Appendix 1:
SFI® Program Certification Mark (On-Product) — Art Rules.

(Only the fiber sourcing labels are depicted below for illustration purposes)

Certified Participant Mark

1" minimum width for mark



4-color Mark (CMYK)

Certified Sourcing Mark

1" minimum width for mark



4-color Mark

Use CMYK color palette specs whenever four-color printing is available.

2-color Mark

Use PMS 348 CVC and black when PMS color is available.



2-color Mark (PMS 348)



1-color Mark

Use B&W version of the marks when printing in black and white.



1-color Mark (B&W)



Web-Safe Mark

Use jpeg or tiff for all website applications and PowerPoint presentations.



Web-Safe Mark (jpg & tiff)



Reverse Mark

Use reverse version of the marks when applying them to dark backgrounds or over dark photographic images.



Reverse Mark



Pixel/Ink Jet Mark

Use when applying mark via ink jetting. (Use ink jet version of marks only as a last resort.)



Pixel/Ink Jet Msrk



Recovered Fiber Tagline

The “X” percent recovered fiber tagline must be centered in the box under the logo and text. The tagline is black except on reverse.



Color Palette

The primary color palette consists of PMS 348 CVC and Black.

Always match print jobs to color swatches to maintain consistency.

Use Web-safe specs for PowerPoint presentations and website graphics.



SFI Black
100% black
Web-Safe
R0 G0 B0



CMYK
C 94.12%
M 22.74%
Y 80.78%
K 8.63%



PMS
348 CVC



Web-Safe
R12 G68 B3E

Area of Isolation

To maintain clean, uncluttered layouts and to maximize the impact and recognition of the marks, always maintain an area of isolation all around the marks as shown.

Note: marks may appear within a photographic image or illustration given that an area of isolation is maintained as noted.



Mark Violations

- Do not combine mark with any other logo or image as to create a third logo or mark.
- To maintain consistency, do not modify or alter marks.
- Do not violate area of isolation with text or other graphics.
- Do not create a pattern with mark graphics.
- Do not alter the positioning of mark graphics or re-position, recrop, break apart or otherwise alter marks in any way. The mark may not be recreated using any fonts or styles other than the Vag Rounded Light. The font size remains in the same proportions as the mark provided in the camera-ready or electronic file form.
- The leaf/tree design may not be displayed by itself, but must always be accompanied with “SFI Certified Participant”, or “SFI Certified Sourcing” and by the appropriate claim.



Please read and follow the SFI Legal Guidelines for use of the certification marks (on-product label) entitled “Rules for Use of SFI Owned SFI® Certification Marks” before using these marks. Please consult with legal counsel, as well as the SFI Office of Label Use & Licensing, during preparation of all materials that include these marks. All uses of the marks should be sent to SFI for review prior to using. In the event a Label User should observe misuse of any of these marks, Label User shall immediately report such improper use.





www.aboutsfi.org

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