

CHAIN OF CUSTODY MANAGEMENT SYSTEMS IN A WHOLESALE/MERCHANT BUSINESS

EWPAА ANNUAL CONFERENCE

Simon Dorries

10th November 2008

EWPAА

Engineered Wood Products Association of Australasia

Training

What is driving demand for “Green Certification”?

- State and Federal Govt. Policy (QBuild)
- Green Building Council Australia
- Green washing by large corporations
- Specifiers- Architects, Building designers
- Market expectations that products produce minimal impact on the environment

Note: There is now so much critical mass- This issue is not going away

What is Chain of Custody?

It is quite simply a management system which ensures that:

1. An unbroken link exists from the certified forest to your customer.
2. Ensures that products from certified forests can be identified
3. No illegal wood enters your distribution chain
4. Documentation identifying the origin of materials is verifiable.

The Two Competing Systems



Supported By:

- Green groups
- GBCA
- Specifiers



Supported By:

- Industry- Forest growers/manufacturers
- State and Federal Government
- Some specifiers
- Exporters



FSC

Forest



Manufacturer



Distributor



Merchant



Cabinet Maker



Builder

AFS

Forest



Manufacturer



Last point of reprocessing



Two basic Methods to Manage Certified Materials

The Separation and Marking System

- Where certified materials can be identified and separated from non-certified materials.
- Can be physical i.e stored in different locations
- Can be by branding or labelling
- Can be electronic- certified product lines in database
- Systems are in place to ensure that certified and non-certified materials are mixed.

The Inventory Control System

- Typically used where input materials cannot be readily separated e.g. paper manufacture, MDF, veneers
- Allows the certification of a specific proportion of production.
- 100% of volume can be claimed as certified when certified proportion exceeds 70%.
- Could potentially used in a distribution business where product is repackaged

Requirements of a Chain of Custody Management System

1. Training

Staff with key responsibility have undergone training specific to their responsibilities and can demonstrate sufficient understanding of CoC as it relates to their role.

Records are maintained

Requirements of a Chain of Custody Management System

2. Verification of Origin

- Systems are in place to recognise incoming certified and non-certified materials
- Claims of certification by suppliers can be verified e.g certificates
- If necessary products are identified or databases for monitoring certified volumes updated
- Records are kept

Requirements of a Chain of Custody Management System

3. Illegal Operations and Sources

(The most time consuming and difficult-70% of effort)

The business must ensure that no illegal wood from any source enters anywhere within the supply chain.

Not only must all supply be legal it must be demonstrated

What is the process?

Requirements of a Chain of Custody Management System

3(a) Risk Assessments

All suppliers must undergo an assessment which identifies the level of risk that that wood from illegal/controversial sources is supplied.

- The risk is zero for certified suppliers
- For non-certified suppliers risk is based upon the country of origin and risk in the supply chain

Requirements of a Chain of Custody Management System

For low risk countries - all that is needed is a declaration from the supplier that the product is from legal origin

For high risk countries – legality in the supply must be verified.

- Documentation from regional forestry departments
- Local and National governments

If this cannot be provided audits on the supplier are required

Requirements of a Chain of Custody Management System

4. Set up the system

The separation and marking system or,

Inventory control



Requirements of a Chain of Custody Management System

5. Procedures and methods for Chain of Custody Certificates

- Can be a formal certificate
- Can be the AFS endorsed invoice
- Need to be able to provide details on certified proportions etc.

Requirements of a Chain of Custody Management System

6. Quality Management Systems Requirements

- Internal Audits
- Management Review
- Final Inspections
- Identification of training needs
- Document Control
- Handling of Complaints
- Preventative and Corrective Action
- Records

Requirements of a Chain of Custody Management System

7. Chain of Custody Manual and Documentation

A detailed CoC manual and documentation is required to meet requirements for certification.

The EWPAА can provide a pro-forma and all that is required is to update the company details and specific CoC systems used.