

Traceability Requirements for Responsible Sources

FINAL V2.2: June 21, 2016
Version 2.3: Revised July 2021

Purpose and Role of Traceability Requirements

This document outlines a generic traceability plan or draft standard intended for adoption by Oregon forest products industries to support claims for responsible sources consistent with ASTM D7612. The users of these traceability procedures would be audited against the traceability requirements by an accredited Certification Body (CB) before making a claim regarding their products as being from “Responsible Sources”.

Introduction

To address concerns about perceived environmental impacts associated with forest products, various independently-verified claims, labels, and/or certification schemes have been developed. As a “road map” to these various initiatives, the American Society of Testing and Materials (ASTM) has developed ASTM Standard D7612 Standard Practice for Categorizing Wood and Wood-Based Products According to Their Fiber Sources. “D7612 provides the minimum criteria and evaluation requirements to characterize products based on their underlying forest management practices and relationship to different forest certification schemes.” Source: *Independent Third-Party Assessment of the Oregon Forest Practices Act in Accordance with ASTM D7612*.

D7612 designates three levels of requirements for categorizing wood products. In increasing order of complexity, they are: legal, responsible and certified sources. This proposed traceability standard uses this definition from D7612: “6.1.2 Responsible Sources of Forest Products:

6.1.2.1 Products from responsible sources are produced with wood fiber acquired according to an independently certified procurement standard or are from a proprietary forestry standard or from jurisdictions with regulatory or quasi-regulatory programs to implement best management practices. These standards or programs are typically consensus-based proprietary certification standards or public legislative and regulatory processes. To qualify for this category, the applicable standard or forest governance in the applicable geography shall document a system designed to require compliance with best management practices to protect water quality and ensure all fiber comes from known and legal sources. From ASTM D7612, (page 54)

In a previous report (2014, see text box to the right) the requirements of the Oregon Forest Practices Act (OFPA) were assessed against the ASTM standard for “Responsible Sources” and were found to align with the definition. Later (2015) a formal “Independent Third-Party Assessment of the Oregon Forest Practices Act in Accordance with ASTM D7612” issued a finding that “The OFPA and associated compliance mechanisms are sufficiently robust to be recognized as producing “Responsible Sources” in accordance with ASTM D7612”.

In 2013 the Governor of Oregon issued an Executive Order calling for, among other things, an evaluation by ODF of the adequacy of leading green building certification systems to recognize the social, environmental, and economic values of Oregon-grown wood. The report, which ODF released in February 2014, included a detailed technical analysis by the Oregon State University College of Forestry. The report stated that “*Because of the presence of a clear regulatory framework and the Oregon Forest Practices Act (OFPA), uncertified fiber coming from forests of Oregon meets the requirements for classification as ‘responsibly sourced’ as described by ASTM International (2010)*”.

These two previous efforts established an objective basis for making claims regarding Oregon-sourced forest products. The next step was to develop a program to ensure that such claims can be credibly linked back through the supply chain to ensure that products with such claims are indeed linked to forests within the scope of the Independent Third-Party Assessment and the OSU analysis. This document has been developed as part of a pilot test to help develop this traceability protocol, which would be similar to the chain of custody programs linked to forest certification schemes such as SFI, PEFC, or FSC.

Ultimately if these requirements are adopted by either independent CBs or by a trade group, government, or other entity they could be widely employed to help assist “... *clients and consumers to differentiate products in the market place and make informed purchasing decisions*” (Source: ISO/IEC 17067:2003, Clause 6.4.1, page 8).

Normative References

The following referenced documents are indispensable for the application of this document. The latest edition of the referenced document (including any amendments) applies.

ISO/IEC 17000:2020, Conformity assessment — Vocabulary and general principles

ISO/IEC 17021:2015, Conformity assessment -- Requirements for bodies providing audit and certification of management systems

ISO/IEC 17065:2012, Conformity assessment — Requirements for bodies certifying products, processes and services

ISO/IEC 17067:2012, Conformity assessment — Fundamentals of product certification and guidelines for product certification schemes

ASTM D7612-21, Standard Practice to Categorize Wood- and Wood-based Products According to their Fiber Sources

Independent Third-Party Assessment of the Oregon Forest Practices Act in Accordance with ASTM D7612. Prepared for: Oregon Department of Forestry. PFS Corporation. Initial Certification: September 2015

The following draft of a potential set of **Traceability Requirements** for Oregon was developed as a Type 6 Product Certification Scheme as characterized in ISO/IEC 17067:2012. If adopted for ongoing use a scheme owner would need to be identified from among two options described in ISO/IEC 17067:2012:

- a) A Certification Body could “develop a proprietary product certification scheme for the sole use of their clients”; or
- b) An organization (NGO or regulatory agency) could “develop a product certification scheme in which one or more certification bodies participate”.

Definitions

Eligible Content Materials for making a claim of Responsible Sources relative to Oregon sources:

1. Forest products shown to be within the scope of the ODF's responsibilities to implement and enforce the Oregon Forest Practices act by:
 - a. Registration in the FERNS system, or
 - b. Other means to be approved by the Accredited Certification Body
2. Forest products received from a certified entity with a Responsible Sources claim, stamp, label, or certification clearly linked to the products as required under this standard
3. Forest products sourced under other programs meeting the requirements for "Responsible Sources" as provided in ASTM, D7612, Table 1 Summary of Criteria for Categorizing Products with Fiber Procurement Systems Conforming to Different Forest Certification or Management Standards".
4. Forest products received with a verifiable claim under programs meeting the requirements for "Certified Sources" as provided in ASTM, D7612, Table 1 Summary of Criteria for Categorizing Products with Fiber Procurement Systems Conforming to Different Forest Certification or Management Standards".

Notification of Operation and/or Application for a Permit to Use Fire or Operate Power Equipment (NOAP): Process used by ODF to track operations and/or applications subject to the Oregon Forest Practices Act. The process is driven by electronic applications.

The Oregon Forest Practices Act requires a notification to be filed before beginning any forest operation.

- Submit notifications to ODF at least 15 days before starting the operation
- Obtain a permit for any operation that uses fire or power driven machinery

E-Notification allows forest landowners, timber owners, and operators to submit a Notification of Operation or Permit to Use Fire or Power Driven Machinery online.

The system combines the following steps into one simple process:

- Notifying the State Forester about the forest operation
- Applying for a permit to operate power driven machinery or use fire
- Notifying the State Forester and Department of Revenue about the intent to harvest timber

Source: <http://www.oregon.gov/ODF/working/pages/ENotification.aspx>

Traceability Requirements for Responsible Sources

Outline of Traceability Requirements

1. Management System Requirements (SFI)
2. General Requirements
3. Separation Method
4. Percentage Method
5. Credit System (Mass Balance) Method
6. Sales Requirements
7. Outsourcing
8. Use of Label/Logo/Stamp

1. Management System Requirements

The organization will establish policies, systems, and procedures to ensure that it can accurately represent its products that are within the scope of its Traceability Program for Oregon and document its program in ways that support accurate and efficient third-party certification of the program.

1.1 Commitment

- 1.1.1 The organization shall document its commitment to maintain an effective program for traceability of forest products within the scope of its products and claims under this standard.
- 1.1.2 The organization shall demonstrate its commitment to maintain an effective program for traceability of forest products by allocating sufficient resources and maintaining appropriate infrastructure to ensure traceability of sources and accurate information to customers.
- 1.1.3 The organization shall be capable of assessing within the traceability program the risk of illegal sourcing associated with the species and country of harvest and be willing to exercise due care as required by law.

Note: For further information, see ANS LTDD 1.0 - American National Standard for Due Diligence in Procuring/Sourcing Legal Timber, published by the Decorative Hardwoods Association. This voluntary consensus National Standard serves to document a common understanding of suitable quality assurance programs for establishing confidence that illegal timber is excluded from the timber supply chain. Entities may choose to self-certify or to engage a third party, with or without ISO/IEC 17065 or ISO/IEC 17021 credentials, to perform an independent audit against the requirements of this Standard.

1.2 Responsibilities and Authorities including Procedures

- 1.2.1 The organization shall designate a person having overall responsibility for the organization's compliance with the requirements of this standard. This person or their designee shall represent the organization with the Certification Body.
- 1.2.2 The organization shall maintain documented procedures for this standard which are linked to each applicable requirement and shall also include:
 - a. A description of the scope of the program and the product groups involved;
 - b. A description of product flows for material within the scope of the program; and
 - c. Organizational structure and responsibilities for the traceability program
- 1.2.3 The organization shall have clear processes and links to responsible personnel for the following key tasks/processes:
 - 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 labelling,
- d. record keeping,
- e. internal audits and non-conformity control,
- f. due diligence system

1.3 Training

- 1.3.1 The organization shall ensure that all employees and contractors with roles within the traceability program are properly qualified and trained
- 1.3.2 The organization have a training plan including provisions for
 - a. Periodic refresher training,
 - b. Training for new personnel or those with additional duties,
 - c. Training related to changes in this standard or related laws and regulations, and
 - d. Training in revised procedures including those related to program improvements or responses to internal or external audit findings.
- 1.3.3 The organization shall maintain training records in sufficient detail to document the implementation of an effective training program.

1.4 Records

- 1.4.1 The organization shall establish and maintain records to provide evidence it has conformed to the requirements of this standard and its chain-of-custody procedures are effective and efficient. The organization shall keep at least the following:
 - a. records of all suppliers of forest-based raw material;
 - b. records of all purchased forest-based raw material, including information on its origin;
 - c. records that demonstrate how the certification claims for each product group are calculated;
 - d. records of all forest-based products sold and their claimed origin, including, as applicable, records of movements in volume credit accounts;
 - e. records of internal audits, nonconformities which occurred and corrective actions taken; and
 - f. records of top management's periodic review of compliance with chain-of-custody requirements.
- 1.4.2 The organization shall maintain records related to this program for at least five (5) years.

1.5 Internal Audit

- 1.5.1 The organization shall annually conduct an internal audit to confirm its conformance with all aspects of this standard.
- 1.5.2 Internal audit findings shall be documented, provided to management, and a plan shall be developed and implemented to resolve such findings in a timely manner.
- 1.5.3 A report on the findings of the internal audit and on progress in addressing these will be prepared and provided to senior management prior to the management review; and
- 1.5.4 The internal audit report will provide the CB prior to or during the initial certification audit and subsequent annual surveillance audits, upgrade audits, or recertification audits.

1.6 Management Review

- 1.6.1 The organization shall conduct an annual management review of all aspects of its traceability program to include:
 - a. Review of the internal audit report;
 - b. Review of progress in addressing findings from internal or third-party audits;
 - c. Review of complaints received and their resolution; and
 - c. Review of recurring issues and efforts towards continuous program improvement.

1.7 Complaints

- 1.7.1 The organization shall establish and maintain a program to record and address substantiated complaints regarding the traceability program.

2. General Requirements

2.1 Scope of Program

- 2.1.1 The organization will establish the intended scope of its traceability program regarding sites, products and processes involved to ensure that all forest-based inputs within the scope of its traceability program are identified and accounted for in ways consistent with this standard.
- 2.1.2 Product packaging, stickers, and associated shipping materials which are not normally kept with the final product shall not be considered part of the product group and shall not be included in any calculations of eligible content.

2.2 Product Groups

- 2.2.1 The organization shall implement its traceability program using defined product groups, and shall identify its product group(s) based on the following criteria:
 - a. raw material included in the products covered by the product group,
 - b. production site at which the products covered by the product group have been produced,
 - c. time period over which the products covered by the product group have been produced or sold/transferred.
- 2.2.2 The product group shall be associated with (i) a single product or (ii) a group of products, which consist of the same or similar input raw material based on, for example, species, sort or substitutability within products.
- 2.2.3 The organization shall identify an entity within the organization for which each product group is defined and only products produced or controlled by that entity shall be included within each product group
- 2.2.4 For credibility purposes, the maximum claim period is three months.
- 2.2.5 The organization shall identify all products included in the product group covered by the chain-of-custody claim period so it is possible to determine the product group to which the products belong. The identifier can be a unique number or a name that all products within the product group belong to.
- 2.2.6 The organization shall identify all incoming materials included in the product group covered by the SFI Fiber Sourcing certificate to include with the chain of custody material to establish a combined Responsible Source claim.

Example: A company receives 50% of all materials from suppliers who have SFI Fiber Sourcing certificates. An additional 30% is available through chain of custody and 20% is not eligible for a Responsible Source claim. The combined claim is 80% Responsible, 100% Legal.

3. Separation Method Requirements

The organization will establish a process to ensure that all inputs within the scope of its traceability program are identified and accounted for in ways consistent with this standard.

3.1 General Requirements for Physical Separation

- 3.1.1 The organization applying the physical separation method shall ensure that the eligible forest content is separated or controlled to ensure it is not mixed with or replaced by ineligible content.
- 3.1.2 The organization whose eligible forest content is not mixed with other raw material should use physical separation as the preferred option.

3.2 Identification and Confirmation of Inputs

- 3.2.1 The organization shall identify and verify the category of origin of all procured raw material that is received. Documents associated with delivery and receipt of raw material shall include at least:
 - a. supplier identification,
 - b. quantity of delivery,
 - c. date of delivery / delivery period / claim accounting period,
 - d. Eligibility category
 - 1) Forest Activity Electronic Notification and Reporting System (FERNs) number, if raw material procured directly by the organization, or
 - 2) Suppliers' Claim Statement, if sourced through an intermediary,
 - 3) Certified Forest Certificate Number, and
 - e. the supplier's chain-of-custody number, if applicable.

This information can be documented in the form of, but not limited to, an invoice, bill of lading, shipping document, letter, or other forms of communications between the organization and the customer.

- 3.2.2 Identification at Supplier Level: The organization shall obtain or access confirmation documentation for those suppliers of the eligible forest content necessary to demonstrate eligibility for the designated category.

3.3 Separation of the Eligible Content

- 3.3.1 Eligible content shall remain clearly identifiable throughout the entire sourcing production, trading and sales 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 eligible content.
- 3.3.2 Verification that eligible content is controlled during the production, trading, and sales process to ensure it is not replaced by ineligible material.

4. Percentage Method Requirements

The percentage system may be employed when eligible material cannot be separated from other material provided all material is documented as coming from non-controversial (legal) sources as defined by ASTM D7612.

4.1 Identification and Confirmation of Inputs

- 4.1.1 The organization shall identify and verify the category of origin of all procured raw material that is received. Documents associated with delivery and receipt of raw material shall include at least:
 - a. supplier identification,
 - b. quantity of delivery,
 - c. date of delivery / delivery period / claim accounting period,
 - d. Eligibility category
 - 1) Forest Activity Electronic Notification and Reporting System (FERNs) number, if raw material procured directly by the organization, or
 - 2) Suppliers' Claim Statement, if sourced through an intermediary,
 - 3) Certified Forest Certificate Number, and
 - e. the supplier's chain-of-custody number or SFI Fiber Sourcing certificate, if applicable.This information can be documented in the form of, but not limited to, an invoice, bill of lading, shipping document, letter, or other forms of communications between the organization and the customer.
- 4.1.2 Identification at Supplier Level: The organization shall obtain or access confirmation documentation for all suppliers of the eligible forest content, which proves that the designated eligibility category can be demonstrated.

4.1 Calculation of the Certified Percentage

- 4.1.1 The organization shall calculate the responsible sources percentage separately for each claim period based on the amount of verified Oregon-sourced material plus other Eligible Content Materials divided by the total amount of material in the batch.
- 4.1.2 The organization shall calculate the responsible sources percentage based on a single measurement unit used for all raw material covered by the calculation.
- 4.1.3 When needed, the organization shall use either official conversion ratios or a reasonable and credible internal conversion ratio supported by credible, auditable data.
- 4.1.4 The organization shall calculate the responsible sources percentage as either a simple or rolling average percentage and shall make claims regarding the production batch only after the percentage is known. A maximum of three months is allowed for a production batch.

5. Credit System (Mass Balance) Method

The credit system may be employed when eligible material cannot be separated from other material provided all material is documented as coming from non-controversial (legal) sources as defined by ASTM D7612.

5.1 General

- 5.1.1 The organization shall recognize volume credits for eligible material in a single measurement unit and shall enter the volume credits into the credit account. The credit account may be established for individual product types of the product group or for the whole product group.

5.2 Calculating Credits

- 5.2.1 The organization shall calculate the volume credits using either:
 - a. Eligible Content Materials percentage and volume of output products sold with claims,
or
 - b. input material and input/output ratio.
- 5.2.2 With the responsible sources percentage the volume credits are calculated by multiplying the volume of output products of the product group sold with claims by the Eligible Content Materials percentage.
- 5.2.3 The volume credits may be calculated directly from the input Eligible Content Material by multiplying the volume of the input Eligible Content Material by the input/output ratio and accounting for manufacturing losses. A verifiable ratio between the input material and output products must be documented.

5.3 Deducting Credits

- 5.3.1 Volume credits must be tracked and deducted when sold.
- 5.3.2 Volume credits may not be accumulated for more than 12 months.

6. Sales Requirements

6.1 General

- 6.1.1 At the point of sale or transfer of the certified products to another entity, the organization shall provide the next entity in the chain with written information confirming the claim of “Responsible Sourced – ASTM D7612” with the appropriate percentage or statement “100% per volume credit method”. This can be in the form of, but is not limited to, an invoice, bill of lading, shipping document, letter or other forms of communications available to the customer at the time of the sale of the product.
- 6.1.2 The organization shall ensure that documentation of the certified products clearly states the following information:
 - a. organization’s identification;
 - b. quantity of delivery;
 - c. date of delivery/delivery period/accounting period;
 - d. the claim: “Responsible Sourced – ASTM D7612” with the appropriate percentage or statement “100% per the volume credit method”, accredited third party agency that certifies the traceability requirements and
 - e. the organization’s chain-of-custody number issued by the accredited third party agency.

7. Outsourcing

The organization will establish a process to ensure that all inputs within the scope of its traceability program are identified and accounted for in ways consistent with this standard.

7.1 Identification of Outsourcing Activities and/or Entities

7.1.1 The organization shall identify outsourcing (contracted) activities that involve the transportation or handling of eligible inputs, inputs/products being manufactured, processed, or converted, or responsibly-sourced outputs intended for responsibly sourced claims.

7.2 Control of Outsourced Activities and/or Entities

7.2.1 All outsourcing activities shall be within the scope of the organization's traceability program, including a description of the activities and potential risks, documented procedures for implementing the responsible sources program, internal audits where applicable, and management review.

7.2.2 The organization shall conduct a review of outsourced activities to ensure that the risk of mixing eligible and non-eligible material is low. High risk of mixing is to be determined for:

- a. The outsourced contractor who lacks the procedures to prevent the mixing of the organization's certified material with that of other companies' materials that are unrelated to the outsourced process; or
- b. The outsource contractor who receives certified material purchased by the organization for the process directly from the supplier on the organization's behalf and ships finished product to the end customer on the organizations' behalf; or
- c. The outsource contractor who applies the "Responsible Sources" label, mark, or stamp to the finished product and ships the product direct to the customer; or
- d. Other circumstances determined by the organization or by the organization's CB.

7.2.3 For any outsourcing activities where high risk is found the organization shall:

- a. Have written agreements with the outsourcer that include provisions for minimizing the risk of mixing and for audits of the relevant activities by the organization and/or by a third-party auditor;
- b. Conduct regular inspections or audits of the activities sufficient to ensure that the risk is minimized and that the procedures are effective and implemented.

8. Use of a Label/Logo/Stamp

8.1 General

8.1.1 The organization will only use a stamp, label or logo making claims about Responsible Sources if it has a certified tracking system under this standard.

8.1.2 The use of any such stamp, label (packaging), and/or logo (off-product) will be subject to provisions of a contract between the organization and the stamp, label, or logo owner.

8.2 Tracking

8.2.1 The organization will maintain control of any relevant stamp at all times and will use it only within the scope of its tracking program.

8.2.2 Auditable Records of stamped/labeled/claimed wood products will be maintained.

Document Control:

Version	Date	Changes
2.2	6/21/2016	Original Document
2.3	7/6/2021	Update Standard Dates in Normative References. Update Association name in Section 1.1.3.
2.3	7/6/2021	Add Section 2.3.6 and revise Section 4.1.1 to add SFI Fiber Sourcing as a Responsible Source