

Ruling

Rulings to chain of custody Standard for certified wood and wood products

Ruling 2: Output batch in the %in/%out system (Ruling to AS 4707—2006)

Enquiry No. 102/06: Appendix A defines ‘percentage input/output method’ in Paragraphs A6 and A7 and ‘volume credit method’ in Paragraph A8.

The difference between the two methods is not clear. Both of them are to be compared with volume credit method as defined in The Programme for the Endorsement of Forest Certification (PEFC) scheme’s, Annex 4, *Chain of Custody of Forest Based Products—Requirements*.

Rules for ‘volume credit method’ defined in Paragraph A8 of Appendix A (AS 4707) are compatible with Clause 3.4.2 of Annex 4 of PEFC publication.

Rules for ‘percentage input/output method’ (Paragraphs A6 and A7 in Appendix A of AS 4707) are not compatible with Clause 3.4.2 of PEFC publication, as it is not using definition of the production batch (output batch in AS 4707 does not apply to this method); the calculation of the certification percentage is not defined and there are no limits to the distribution of the volume credit amongst different products of the production batch (Clause 3.4.2.2 of PEFC publication).

Ruling: Paragraphs A6 and A7 in Appendix A, **Inventory Control and Accounting of Raw Material Flow**, are to be interpreted so that the definition of output batch in **Clause 1.5**, contrary to the clarification in the parentheses of the definition, does apply to the percentage input/output system. The term in the parentheses must be interpreted as applying to the percentage systems, i.e., percentage input/output and rolling average percentage.

Paragraph A6 in Appendix A is to be interpreted so that when an organisation is not able to define—

- (a) a single measurement unit for all output products of the output batch; or
- (b) input batch products with different ratios between input raw material volume and output product volume,

the organisation must be able to transfer the certification percentage separately for the products with different measurement units or the input/output ratio.

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