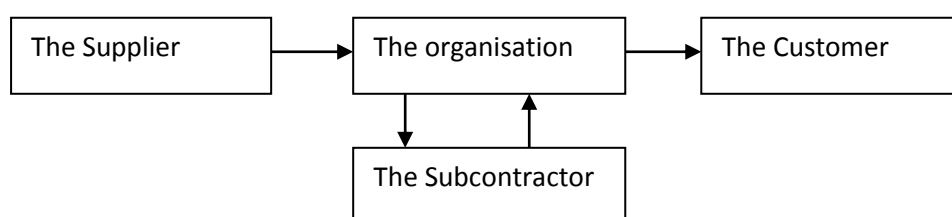


GUIDANCE NOTES FOR CERTIFIED TIMBER RECOGNITION IN A GREEN STAR BUILDING PROJECT

OVERVIEW

Chain of Custody: The standard defines chain of custody as a process of handling information on the origin of raw material which allows the chain of custody to make accurate and verifiable claims on the content of certified material. Any process is defined as an activity which transfers inputs into outputs. In chain of custody the input is the supplier's claim on the certified material content and the output is the organisation's claim provided to the customer on the certified material content.



Requirements

To verify that timber products have been sourced from sustainably managed forests a Chain of Custody certification scheme is in place to provide evidence that only certified timber is in the end product.

To ensure that this chain is not broken a Project Developer/Owner must be able to show that at all points of transformation of the timber have evidence of its' traceability.

A Project that wishes to have its' timber recognised as certified and utilise the Green Star Rating for the Timber Credit, needs to identify the responsible Project Developer/Owner at the end of the supply who collects all evidence, certification information associated to the timber used.

Identification and verification

The organisation shall, for every delivery of material, identify and verify the category of the origin (certified, neutral and other material) based on information and claim provided by the supplier in the documentation to the delivery.

The verification is based on the supplier's forest management or chain of custody certificate which copy the organisation shall receive from the supplier or the supplier shall provide the organisation with access to a copy of its certificate, for example through specific reference to its website. All the information can also be verified through the PEFC Council database of PEFC recognised certificates (www.pefc.org).

For virgin timber products to receive points within the Green Star 'Timber' credit for the use of PEFC or Responsible Wood certified timber, a full Chain of Custody (CoC) must exist through the supply chain to the project. That is, all PEFC or Responsible Wood certified wood materials sourced by, and used on, the project must come from suppliers that have a valid PEFC or Responsible Wood Chain of Custody certificate.

For example, if a board manufacturer who has PEFC or Responsible Wood certification sells the board to a contractor for installation on the building, full chain-of-custody exists to the project. However, if the board manufacturer provides product to the workstation manufacturer who does

not have PEFC or Responsible Wood certification, who then sells it to the project, then CoC is lost, and Green Star points can not be claimed.

Entities that have been contracted or subcontracted to purchase, transform and/or install PEFC or Responsible Wood certified wood specifically for the project do not need to be Chain of Custody holders themselves. Instead, these entities must prove (e.g. by providing invoices that include a current CoC code) that they have purchased the certified material directly from suppliers that have a valid Chain of Custody certificate.

The following table describes how these requirements affect various processors in the supply chain of virgin timber products:

Supplier	Certification required	Comments
Sawmill and Lumberyards	Yes	Must have a valid certificate for Chain of Custody certification – PEFC or Responsible Wood
Manufacturers and timber processors	Yes	Must have a valid certificate for Chain of Custody certification – PEFC or Responsible Wood
Timber brokers	Yes, if they transform the product No, if they do not transform the product, but must provide original delivery notice from their certified supplier with associated certified timber that includes a current CoC certificate number or ID.	If a Broker arranges the sale from a timber processor to the project and that product is delivered packaged with a delivery docket stating quantity and certification number then the Broker is not required to be certified.
Artisans and carpenters	YES, if they are not a registered contractor/subcontractor to the project NO, if they are a registered contractor/subcontractor to the project, but must provide original delivery notice from their certified supplier with associated certified timber that includes a current CoC certificate number or ID.	

Retailers	<p>No, when supplying material to registered project contractors and subcontractors.</p> <p>They must provide original delivery notice from their certified supplier with associated certified timber that includes a current CoC certificate number or ID.</p>	<p>Applicable only if the Retailer does not transform the product, including not breaking packaged product and it can be supplied with a corresponding certificate number directly to the Project or the projects registered contractors and subcontractors</p>
Building subcontractors and subcontractors	<p>NO, but must provide original delivery notice from their certified supplier with associated certified timber that includes a current CoC certificate number or ID.</p>	

The overview is only to be used as a quick understanding of the process the Guideline for implementation of CoC recognition for Projects must be followed as the comprehensive guide.

GUIDANCE FOR THE IMPLEMENTATION OF PEFC AND RESPONSIBLE WOOD CHAIN OF CUSTODY FOR SPECIFIED PROJECTS

Informative

1 Introduction

This section provides guidance on the implementation of the requirements of this standard for any specifically defined project where certified material is used.

The implementation and certification of the PEFC and/or Responsible Wood chain of custody at the project level is specific in that it is only linked to and valid for a time and site specific project for which the claim(s) is made rather than on-going and continuous production or trade of certified products.

The information given here should be read in conjunction with the normative part of this standard which provides the definitive normative requirements.

2 Terms and definitions

The relevant definitions of PEFC ST 2002:2010 or AS 4707:2013 apply, together with the following definitions specific to this Guidance:

2.1

Controlling entity

A controlling entity is an organisation which has overall control and management of a specifically defined project.

2.2

Project

A project is a clearly defined tangible product; or its part which forming a functional unit, or group of related products forming a functional unit, manufactured and/or assembled at one particular site (exceptionally at an integrated series of sites, e.g. a ship built at one site and fitted out at another).

Note 1: The term “project” used in this guidance is equivalent to the term product group used in this standard.

Note 2: Examples of a project include: a ship, a new building such as a stadium or an office building, the refurbishment of such a ship or building, etc. An example of “a part of the product” includes roofing of an building. An example of “group of related products” is a building complex at one site.

2.3

Project member

A Project member is an organisation involved in procuring and installing raw material or products for a specifically defined project. The term does not include organisations involved in manufacturing or replacing of products at a location other than the project site or sites.

3 Basis for implementation of project chain of custody

3.1 Application of chain of custody methods

3.1.1 Any project will entail a range of different suppliers providing differing contents of certified materials. In such circumstances, physical separation is not applicable. The project chain of custody is therefore based on percentage based method where the claim percentage is based on the total input of certified material for the whole project enabling a single claim to be made based on for the proportion of certified material involved in the project.

3.2 Percentage based method

3.2.1 Project

3.2.1.1 This standard requires that the chain of custody requirements shall be implemented for a specific product group. In the case of the project chain of custody, the specific project is considered to be the product group to which the chain of custody process is applied. The chain of custody process entails the identification and quantification of (a) certified, (b) neutral and (c) other material utilised which is used in the calculation of the claim percentage.

3.2.1.2 The project is limited to:

- (a) the product, or part or group of products, covered by the chain of custody,
- (b) the single site at which the project was manufactured or assembled,
- (c) the time period over which the project was manufactured or assembled.

3.2.1.3 The project corresponds to the product, construction or part thereof for which the project chain of custody claim is made. Examples are given below:

The coverage of the project	Chain of custody claims
The whole building, e.g. the stadium, including supporting material	x % of the wood raw material used in the stadium construction, including supporting material, was PEFC certified or Responsible Wood Certified.
Roof element of the housing project "abc"	x % of the wood raw material used in the roof element of housing project "abc" was PEFC certified or Responsible Wood Certified.
Reconstruction of the ship "xyz"	x % of the wood raw material used in the reconstruction of ship "xyz" was PEFC certified or Responsible Wood Certified.

3.2.1.4 The project can cover several products (e.g. several buildings), however in such a case, all of them form a single functional unit.

3.2.1.5 The claim period corresponds to the time period during which the project was being manufactured or assembled.

3.3 Identification of origin

3.3.1 The controlling entity is responsible for ensuring that all materials procured for the project, either directly by that entity or by other project members, are identified and verified as being (a) certified, (b) neutral or (c) other as defined in this standard.

3.3.2 For each delivery, the identification covers supplier, date of delivery, volume (or weight) and a formal claim, including percentage of certified material.

3.3.3 For each supplier of certified material, the identification also includes verification of the supplier's compliance with the criteria for the supplier of certified material such as PEFC or Responsible Wood recognised forest management or chain of custody certificates.

3.3.4 The project members are responsible for providing the controlling entity with verifiable information on the receipt of all input material as a part of this overall identification of inputs to the projects.

3.4 Calculation of certified percentage

3.4.1 The claim percentage for the project is calculated as a simple percentage in compliance with this standard, i.e. from input material delivered to and used in the specific project.

3.4.2 The claim percentage calculation is based on a single common unit of measurement for all material covered by the calculation. Where a complex variety of products have been incorporated in the project, the determination of such a single measurement unit can be difficult. If the controlling entity is able to demonstrate that a common volume or weight measurement unit cannot be found, either based on an official or on an internally derived conversion ratio, then the calculation can be based on values in a single monetary currency.

Note: The certification body reviews the justification for a decision by the controlling entity to use monetary values and requires evidence to demonstrate that a common unit in volume, weight or other appropriate terms could not be found.

3.5 Transfer of the calculated percentage to output

3.5.1 The claim percentage is transferred, in compliance with this standard, to the output product ("the defined project") using the average percentage method. This means that the calculated claim percentage refers and is communicated to the whole project and cannot be distributed to its constituent parts

3.6 Sale of products (including communication of claims)

3.6.1 The final calculation of the simple percentage of certified material by the controlling entity can only be done after the completion of the project when all materials have been procured, delivered and identified as (a) certified, (b) neutral or (c) other material.

3.6.2 The controlling entity can, however, obtain a chain of custody certificate to indicate the expected certified percentage before the completion of the project if they are able to demonstrate the expected certified percentage based on commitments, specifications and contractual relationship with its suppliers entered into during the planning stage of the project. The compliance between the planning stage claims and the final calculation based on delivered material is verified by the controlling entity as a part of the internal audit and subsequently by a certification body during the third party audits.

3.6.3 The controlling entity can only use the label / logo based on valid authorisation / licence from the label/logo owner.

Note 1: Where the PEFC or Responsible Wood Logo is used, the controlling entity is required to have valid PEFC or Responsible Wood Logo licence issued by the PEFC Council or the PEFC National Governing Body on its behalf (Responsible Wood).

Note 2: Any usage of the PEFC or Responsible Wood Logo with reference to the specific project is considered as an 'on-product usage' and can only be applied when the content, or expected content (see above), of PEFC or Responsible Wood certified material exceeds 70 %.

3.6.4 Both the communication of the percentage content of certified material and the usage of the logo / label of the project should include a claim on the “expected” percentage content calculated during the planning stage.

3.7 Controversial sources

3.7.1 The controlling entity is responsible for due diligence system to ensure that other than certified products supplied to the project through the controlling entity or through a project member does not originate from controversial sources.

3.7.2 The controlling entity and project members are responsible for obtaining from their suppliers self-declarations for other than certified products that they do not originate from controversial sources. The project members provide any such self-declarations to the controlling entity.

3.7.3 The controlling entity is responsible for carrying out a risk assessment for the all supplies of other than certified products delivered directly to the controlling entity or to the project members. The controlling entity also carries out a subsequent second or third party verification programme where the risk has been classified as high. The controlling entity should enter into a contractual, or other agreed relationship, with project members whereby it can implement such second or third party verification programmes for the supplies delivered through the project members.

4 Management responsibilities

4.1 The controlling entity is required to establish a management system in accordance with this standard to ensure correct implementation and maintenance of the project chain of custody process. The management system also covers activities performed by project members.

Scope of responsibilities for the requirements of this standard

Figure 15: Scope of responsibilities for the requirements of this standard

Responsibilities		Controlling entity	Project member
5	Chain of custody process - percentage based method		
5.1.2	Definition of the Project	Yes	No
5.2	Identification of the origin of supplied raw material	Yes	Yes (for its own supplies)
5.3	Calculation of the certification percentage	Yes	No
5.4	Transfer of the certification percentage	Yes	No
5.5	Sale and communication (including PEFC or Responsible Wood Logo usage)	Yes	No
5.6	Controversial sources	Yes	Yes
	Self declaration	Yes	Yes
	Risk assessment	Yes	No
	2 nd and 3 rd party verification	Yes	No
6	Management system requirements		
6.2	Management responsibilities	Yes	No
6.3	Documented procedures	Yes	No

6.4	Record keeping	Yes	No (provides records on supplied material to the controlling entity)
6.5	Resource management	Yes	No
6.6	Inspection and control	Yes	No
6.7	Complaints	Yes	No

Reference:

- I. PEFC International Chain of Custody Standard PEFC ST 2002:2013
(<http://www.pefc.org>)
- II. AS 4707:2013 – Australian Forestry Standard - Chain of Custody of Forest Based Products
(<http://www.forestrystandard.org.au>)
- III. GREEN STAR 'TIMBER' CREDIT' – Green Building Council of Australia
(<http://www.gbca.org.au/green-star/materials-category/revise-timber-credit/2693.htm>)

Database and Register of PEFC and Responsible Wood Certified organisations

- I. PEFC Global Database, includes all Schemes endorsed by PEFC
(<http://www.pefc.org/certification-services/find-certified>)
- II. Responsible Wood, registered certified organisations in Australia
(<http://www.responsiblewood.org.au>)