

INDIAN FOREST AND WOOD CERTIFICATION SCHEME

GUIDELINES



Program for Recognition and Accreditation of Sustainable Management Practices for
Agroforestry and Natural Forestry Resources



Ministry of Environment, Forest and Climate Change
Government of India

Annexure – III

Chain of Custody (CoC) Certification Standard

1. INTRODUCTION

The objective of chain of custody (CoC) certification standard of the Indian Forest and Wood Certification Scheme is to allow organizations to provide reliable and verifiable information that forest and tree-based products are sourced from IFWCS certified sustainably managed forests and/or trees outside forests / plantations.

The IFWCS chain of custody certification allows organizations to demonstrate their strong commitment to the Indian Forest Management Standard as contained in NWPC 2023 and approved by the IFWCC on the recommendation of the Standard adoption committee and the Standard for Sustainable Management of Trees outside Forests. The aim of communicating the origin of forest and tree-based products is to encourage demand for and supply of those products originating from sustainably managed forests and/or originating from sustainably managed trees outside forests and hence motivating the

potential for market-driven continuous improvement of the management practices.

The IFWCS chain of custody (CoC) is the unbroken path taken by products (such as timber or NTFP) from the forest, or farmers' field in the case of plantation wood, to the point where the product is sold with an IFWCS claim and/or it is converted into a finished product (such as paper, furniture, handicraft, wood panels, herbal products) that are IFWCS labelled.

The CoC includes each stage of sourcing, processing, trading, and distribution where progress to the next stage of the value chain involves a change of product ownership. Any change of ownership in the value chain of IFWCS-certified products requires the establishment of effective CoC management systems at the level of the respective organization and their verification by an independent IFWCS -accredited Certification Body, if the organization wants to make an IFWCS claim about their products. IFWCS certification of such management systems is designed to provide a credible assurance

that products which are sold with an IFWCS claim originate from well managed forests/ or trees outside forests / plantations. IFWCS CoC certification thereby facilitates the transparent flow of goods made from such materials throughout the value chain.

2. SCOPE

The IFWCS chain of custody standard covers the requirements that must be met by an organization in order to successfully implement a chain of custody for forest and tree-based products, and to make IFWCS claims to customers on the origin of forest and tree-based products from IFWCS sustainably managed forests/ or trees outside forests / plantations. These chain of custody requirements describe a process of how to classify forest and tree-based products according to specified material categories to transfer information about the source of procured raw material to an organization's output products. This standard specifies three optional approaches for chain of custody, namely physical separation method, percentage method and credit method.

This standard also specifies management system requirements for the implementation and management of the chain of custody process. This Chain of Custody standard shall be used in compliance for the IFWCS claims. The usage of claims and relating labels, as a result of implementation of this Chain of Custody standard, is based on ISO 14020. The labelling of products is considered as an optional communication tool, which may be incorporated into an organizations' chain of custody processes. Where the organization applies the IFWCS trademarks for on-product or off-product labelling, the requirements for IFWCS trademark use becomes an integral part of the chain of custody requirements.

This standard shall be implemented for the purposes of third-party conformity assessment based on requirements defined by the IFWCC. The conformity assessment is considered as product certification and shall follow ISO 17065.

The term “shall” is used throughout this standard to indicate those provisions that are mandatory.

The term “**should**” is used to indicate those provisions that, although not mandatory, are expected to be adopted and implemented.

The term “**may**” used throughout this standard indicates permission expressed by this standard whereas “can” refers to the ability of a user of this standard or to a possibility open to the user.

3. TERMS AND DEFINITIONS

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

3.1 Certified content

Percentage of IFWCS certified material in a product or product group.

3.2 Forest and tree-based material from certified area

Forest and tree based material sourced from:

- a. Sustainably managed forests/plantations following the principles of sustainable management of forests as per the Indian Forest Management Standard contained in the National Working Plan Code 2023 and as prescribed in the Working Plan/scheme of the forest division/plantation area (as annexure I).
- b. Sustainably managed trees outside forests as per the Sustainable Management Standard for ToF as contained in the IFWCS document (as annexure II).

The following referenced documents are useful guiding documents for the application of this standard.

For both dated and undated references, the latest edition of the referenced document (including any amendment) applies.

ISO/IEC Guide 2, Standardization and related activities – General vocabulary

ISO 9000 and related standards, Quality management systems – Fundamentals and vocabulary

ISO 14020:2022, Environmental labels and declarations – General principles

ISO 14021:2016/Amd1/2021, Environmental labels and declarations – Self-declared environmental claims (Type II environmental labelling)

ISO 19011:2018, Guidelines for auditing management systems

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

ISO 38200: 2018, Chain of custody of wood and wood-based products

4 CHAIN OF CUSTODY CERTIFICATION

4.1 Process documentation

The organization/agency/firm shall establish written documented procedures for its IFWCS chain of custody. The process documentation shall include all the elements from the extraction of forest product, storage, product flow including effective chain of custody. The forest product can be categorized as timber and non-timber forest produce or finished products thereof.

4.1.1 Wood from forest and plantations

The Indian Forest and Wood Certification Scheme (IFWCS) - Chain of Custody has two major sources for establishing traceability of timber/Non-timber products from 1) Forest areas/divisions /Plantations; and 2) /Trees outside Forests (ToF) including agroforestry.

4.1.1.1 Wood coming from certified forest/plantation and/or Trees outside Forests (ToF) including agroforestry ***area***

The certified wood must carry the logo along-with hammer mark for transportation from forest coupe to timber depot in case of wood sourced from forest. Quantity of certified wood should normally match with the Annual

Allowable Cut (AAC) from forest as envisaged in the Forest Working Plan/Scheme.

The stump-to-gate legally sourced logs should have hammer mark on both sides of the log. The mark contains tree number and log number so that it could be reconstructed sequentially into a tree. Such a log or logs could be extracted from stacked wood log and then could be reconstructed into a tree. Anyone in the process can trace the compartment and coupe number, species and its dimensions (volume, height, dbh etc.), number of logs and total volume. This verification should demonstrate the CoC/traceability for legally harvested timber.

Wood coming from the certified forest (FM certification) and /or Trees outside certified sources and non-certified area may be dealt separately. The lot with 100% wood from certified areas should be stacked distinctly whereas, the wood from non-certified area must be dealt conventionally as non-certified material. This can be executed by adopting **physical separation method**.

4.1.2 NTFP from certified forest area and other acceptable sources

In order to establish source of verification for the non-timber forest produce, a self-declaration first party record/proforma indicating the source of origin, name of species, collected part, collection date, collection place/compartment no./collection time/quantity collected (kg/No.), method of collection (destructive/non-destructive) must be observed as first stage of scrutiny for CoC forest certification. Since most of the NTFPs are being used as food or ingredients for medicines thus the records for safe and hygienic conditions at all stages i.e. collection, storage, transportation need to be ensured. This can be depicted by keeping images of the material at various stages.

Second stage record/proforma with backward linkages must include the registration no. of NTFP custodian/collectors, if any as per the provisions of Access and Benefit-sharing (ABS) of Biological Diversity Act, 2002. Moreover, the custodian of NTFP must indicate the status as intact NTFP or in changed form with clear indication of stage of procurement channel such fresh

collected material, primary processed, secondary processed or tertiary processed/finished product.

Forest product reaching to manufacturing/processing unit, while keeping the records of the flow of product may be ensured by appending all proforma of IFWCS CoC certification. A separate permission to use IFWCS logo on each stage of product form changes shall be required.

The **physical separation method** and the **percentage method** as described in international processes would be used for the **IFWCS chain of custody certification**. Depending on the nature of material (whether wood or non-wood), material flows and processes, the **organization/agency/firm** shall choose the appropriate method. Centralized database created under the provisions of the National Working Plan Code - 2023 may be used for establishing product traceability and quantity.

4.2 *Physical separation method*

The **organization/agency/firm** applying the **physical separation method** shall ensure that material with different **material categories** and different **certified content** are kept separately or clearly identifiable at all stages of the production or trading process.

Physical separation can be achieved by any means ensuring that **material category** and **certified content** can be identified, for example, through separate storage, marking, distinguishing product characteristics or production/collection time.

Where material with different **certified content** is used as input in the same **IFWCS product group**, the **organization/agency/firm** shall use the lowest **certified content** of the input as **certified content** of the output.

Example: An **organization/agency/firm** using material with 100%, 75% and 60% **certified content** as input in the same **IFWCS product group** under the **physical separation method** can claim the output as 60% IFWCS certified.

4.3 *Percentage method*

The **percentage method** may be implemented to calculate the **certified content** of **IFWCS product groups** for which **IFWCS certified material** were used as input material.

Calculation of **certified content**

The **organization/agency/firm** shall calculate the **certified content** separately for each **IFWCS product group** and for a specific **claim period** according to the following formula:

$$Cc [\%] = (Vc / (Vc + Vcm)) \times 100$$

(Cc: **certified content**; Vc: volume of **IFWCS certified material**; Vcm: volume of **IFWCS controlled sources material**)

Note: **Neutral material** is not considered in the calculation of the **certified content**.

The **organization** shall calculate the **certified content** based on a single measurement unit used for all material covered by the calculation. In case of conversion to a single measurement unit for calculation purposes, the **organization** shall only use generally recognized conversion ratios and methods. If a suitable, generally recognized conversion ratio does not exist, the **organization** shall define and use a reasonable and credible conversion ratio.

If input material/products include only a proportion of **IFWCS certified material**, then only the quantity corresponding to the **certified content** shall enter the calculation formula as **IFWCS certified material**. The rest of the material shall enter the calculation as **IFWCS controlled sources material**.

Example: 1 ton of material delivered with **IFWCS claim** “70% **IFWCS certified**” and 1 ton of material delivered with **IFWCS claim** “100% **IFWCS certified**” are used as input. Using the formula under 5.3 the **certified content** is $Cc [\%] =$

$(700\text{kg}+1000\text{kg})/((700+1000)+300))\times 100 = (1700/2000)\times 100 = 85\%$
IFWCS certified material.

4.4 *Credit method*

4.4.1 The credit **method** may be implemented to transfer credits gained from the input of **IFWCS certified material**.

4.4.2 The **organization** shall create and manage a credit account for credits gained from input of **IFWCS certified material**. The credits shall be calculated in a single measurement unit. It may be required to define conversion factor(s) for the conversion of the measurement unit(s) of the input components to the output products.

4.4.3 The total quantity of credits accumulated in the credit account shall not exceed the sum of credits entered into the credit account during the last 24 months. The 24-month maximum period may be extended, where the organization can demonstrate that the average production period of the product in question is longer than 24 months.

Example: If the average production period of a product (including maturing, for example) is 36 months, the **organization** can extend the 24-month maximum period for the accumulation of credits to 36 months.

4.4.4 The **organization** shall apply the **credit method** for a single claim. The **organization** receiving a delivery of material with a **IFWCS claim** and a claim against another certification system, shall either use it as a combined credit covering both claims or shall only use one of the received claims for calculating the volume credits.

Example: An **organization** receiving a delivery of material with two claims relating to two certification systems either establishes a credit account for the multiple claim (e.g. IFWCS certified [*other system claim*]) or decides, which single claim (either IFWCS certified or [*other system claim*]) will be entered into the respective volume credit account.

4.4.5 The **organization** shall calculate the credits using either:

- a. **Certified content** and volume of output products or
- b. Input material and input-to-output ratio

4.4.6 The **organization** applying the **credit method** shall calculate the credits by multiplying the volume of output products of the **claim period** with the **certified content** for the relevant **claim period**.

Example: If the **certified content** for the **product group** of the specific **claim period**, which consists of 100 tons of output products, is 54%, the **organization** achieves volume credits equal to 54 tons (100 x 0.54) of the output products.

4.4.7 The **organization** shall distribute the credits from the credit account to the output products covered by the credit account. The credits shall be distributed to the output products in a way that the certified products will be considered as either having 100% **certified content** or as having less than 100% **certified content** and meeting the organization's own threshold. The result of the volume of output products multiplied by the **certified content** of the output products shall be equal to the distributed credits withdrawn from the credit account.

Example: The **organization** can use 7 units of credits to sell 7 units as 100% IFWCS certified, or to sell 10 units as 70% IFWCS certified.

5. RECORD KEEPING

To provide evidence of conformity with the requirements of this standard, the **organization** shall establish and maintain at least the following records relating to the **forest products** covered by **IFWCS chain of custody**:

- a) Records of wood harvesting and collection of NTFPs.
- b) Records of first party/self-declaration
- c) Records of all **suppliers** of input material delivered with a **IFWCS claim**, including evidence of the suppliers' IFWCS certified status.
- d) Records of all input material, including **IFWCS claims** and documents associated to the delivery of the input material.

- e) Records of calculation of the **certified content**.
- f) Records of all products sold/transferred, including **IFWCS claims** and documents associated to the delivery of the output products.
- g) Records of the **Due Diligence System**, including records of risk assessments and significant risk supplies management, as applicable.
- h) Records of internal audits, periodic chain of custody review, non-conformities and corrective actions.
- i) Records on complaints and their resolution.
- j) The **organization** shall maintain the records for a minimum period of five years.

6. **INSPECTION AND CONTROL**

The organization/agency/firms shall conduct internal audits at least once in a year, and prior to the initial certification audit, covering its compliance with all requirements of this standard applicable to the organization, including activities covered by outsourcing, and establish corrective and preventive measures if required.
