



PEFC Chain-of-Custody Certification

by

Arun K Bansal
Chairperson, PCA WG

Varun Grover
Assistant Director

Network for Certification and Conservation of Forests
Member of PEFC Alliance from India



**Forests contribute to all
17 SGDs**

**COVID-19 has shifted global
attention to sustainability**



After 20 years of dedication to forests, PEFC's global situation



325 million hectares of PEFC-certified forests (75% globally)

Over 1 million forest owners



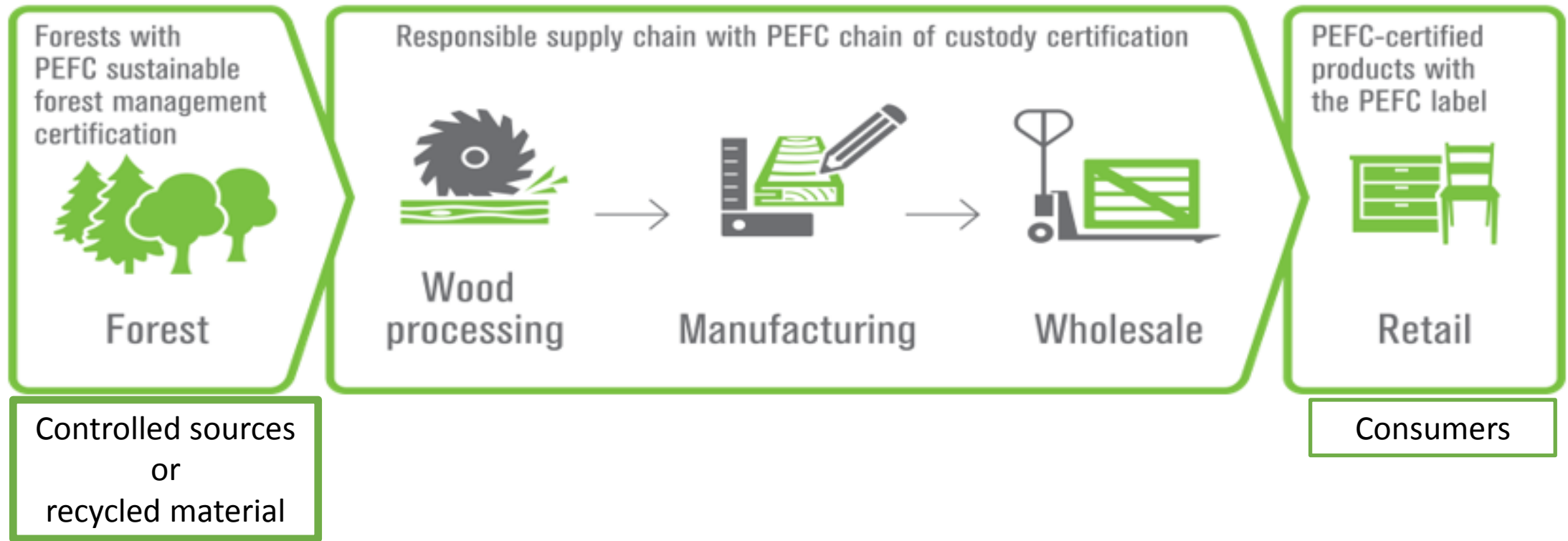
48 endorsed national forest certification systems

Over 20,000 certified companies



Certification is a demonstrative evidence of Sustainable management of Forest/ToF/NWF resources

CoC certification = credible assurance to all stakeholders from “source” to “consumer”



What does Chain of Custody certification assure?:

- ✓ **Legality:** product is 100% legal origin
- ✓ **Origin:** from well managed forests ensuring ecological, social and economic values
- ✓ **Traceability:** raw material supply chain is controlled and verified from the source up to the finished products

What is PEFC CoC Certification?



- ✓ PEFC CoC certification provides **independently verified assurance** that wood contained in a product originates from well-managed forests/ToF or other permitted sources (controlled/recycled) with Due Diligence.
- ✓ **PEFC DDS** is an integral part of CoC certification that minimizes risk that timber comes from illegal harvesting and enables companies to demonstrate alignment with regulatory requirements (e.g. CITES listed spp., e.g. Sissoo).
- ✓ **To get PEFC CoC certification**, companies must develop and implement procedures to account for purchasing of wood, tracking, manufacturing, sale and recordkeeping of certified products.
- ✓ **Who can get PEFC CoC certification** all companies that manufacture, process, trade or sell wood/wood-based products.

Benefits of PEFC CoC Certification



It allows organizations to demonstrate their commitments on sustainability and environmental responsiveness through the entire supply chain and use of PEFC trademark

- ✓ “Sustainable” branding the products
- ✓ Business leadership on sustainability
- ✓ Compliance with legislation
- ✓ Proof of traceability
- ✓ Access to new markets

CoC Certification Types

Single-site Certification:



For companies that operate one facility



Multi-site Certification:

For companies that operate several facilities

Group Certification:



For small, independent businesses forming a “group” for the purpose of certification to reduce costs.




Project Certification:

For short-term projects involving different, uncertified contractors, such as in construction and building projects, or the one-off production of a specific product.

- ✓ Trademarks contract is required to obtain a license to use the PEFC Logo and initials
- ✓ All contractual companies have access to the PEFC Label Generator for self use



Do not have an account ?



Sign in the PEFC Label Generator

Remember me [Forgot your password ?](#)



PEFC trademarks usage requirements – Trademarks users

On product

- a) Direct on tangible products
- b) Indirect on media or marketing materials
- c) Direct or indirect material used in production process



Off product

- Any usage not covered by on product

- ✓ The brochure does not need to be certified
- ✓ The company promoting the certified products is responsible for this usage, not the printer of the brochure (unless they are the same company)



PEFC/FSC are equally accepted and recognized internationally



Japanese Clean Wood Act



South Korea's Act on the Sustainable Use of Timbers



U.S. Lacey Act



Australian Government

Australian Illegal Logging Prohibition Act



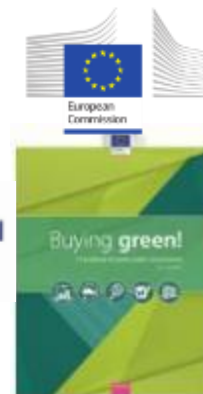
storaenso



Timber Procurement Assessment Committee



Metsä



MARKS & SPENCER LONDON



European Retail Round Table

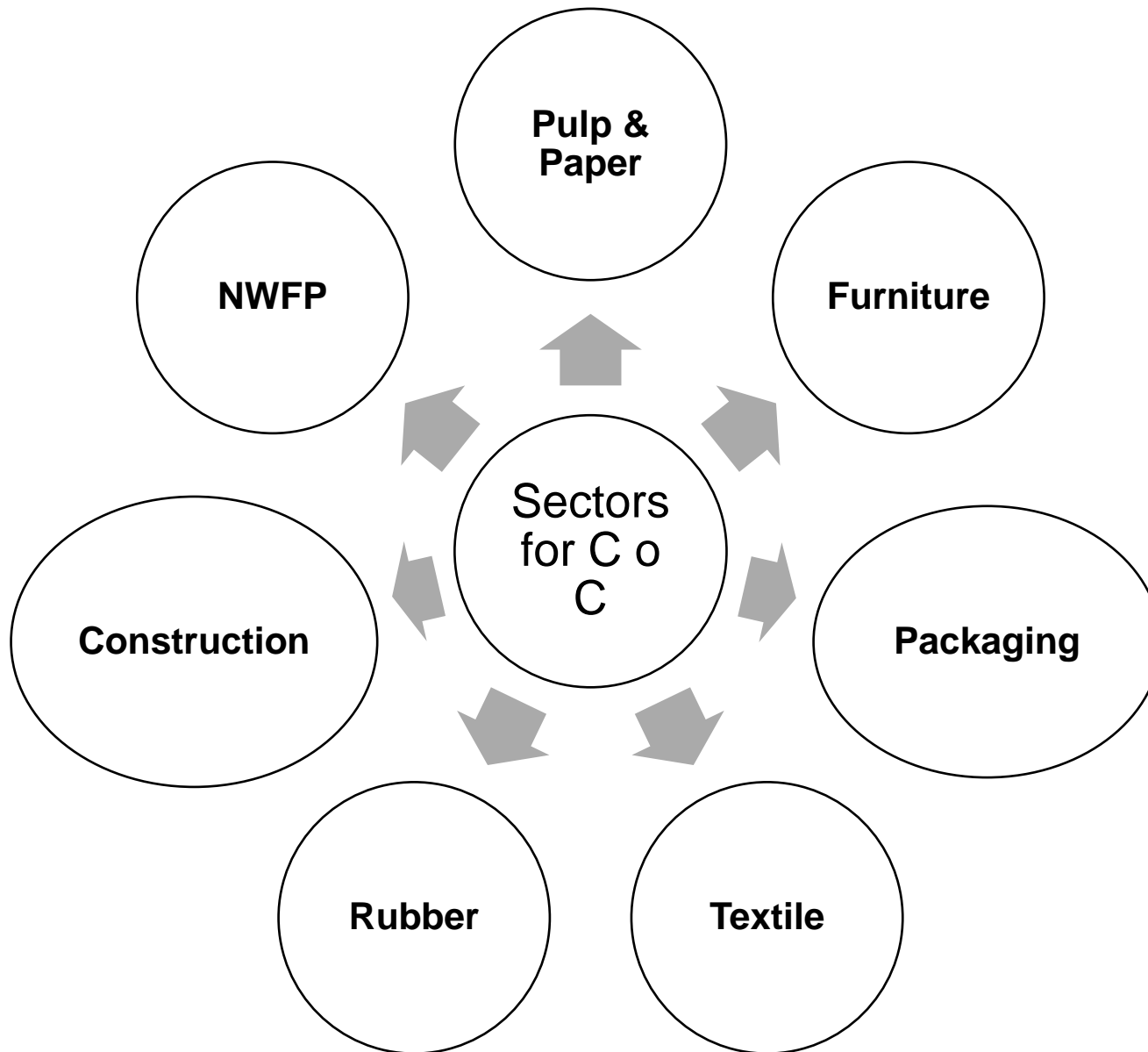


Business Prospects for Certification Bodies



1. CoC Certifications having an increasing trend
 - a) Dual Certification (FSC and PEFC)
 - b) Benefit of PEFC Mutual Recognition to clients
 - c) Increasing demand for certified forest and tree based products in multiple sectors
 - d) Prospects for Certification for construction projects
2. NCCF and CBs can carry out online discussion forums; digital marketing of certification; tie-ups with existing certified clientele in India, etc.
3. Advocacy, Marketing Campaigns, Projects

Sectors/Sub-Sectors for CoC Certifications



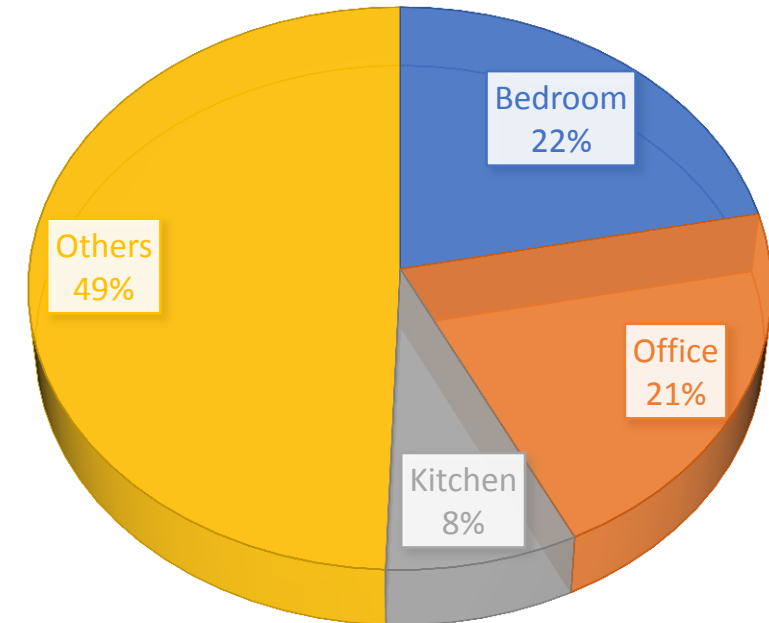
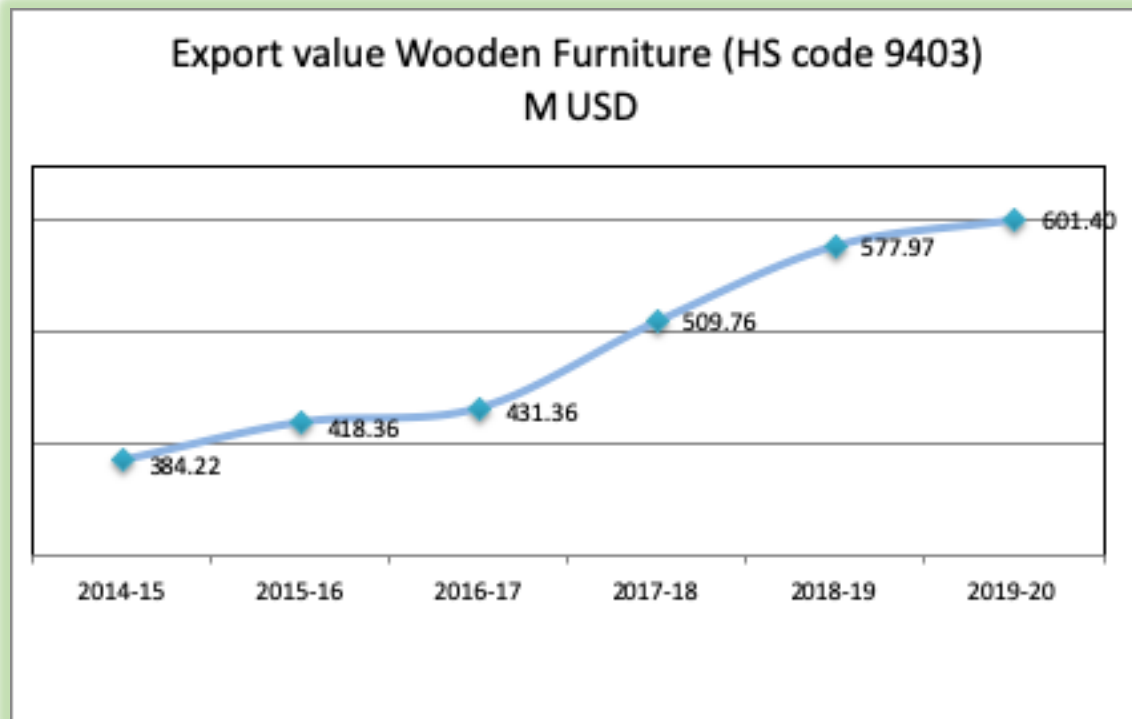
Sub-Sectors

- ✓ *pharmaceutical packaging*
- ✓ *Food/beverage packaging*
- ✓ *fashion packaging (bags and boxes)*
- ✓ *e-commerce packaging*
- ✓ *tissue products*
- ✓ ***flooring***
- ✓ ***carpentry & joinery***
- ✓ ***garden furniture***
- ✓ ***MDF, PB, OSB***
- ✓ ***plywood and veneer sheets***
- ✓ *yarn & textile producers*
- ✓ ***office paper***
- ✓ ***magazines***
- ✓ ***brochures***
- ✓ ***wrapping papers***
- ✓ *gift items*
- ✓ ***automobile tyre***
- ✓ ***rubber gloves***
- ✓etc.

Sector Insights: Furniture

- ✓ India is a timber importing country but is net exporter of furniture to **niche markets in developed countries**
- ✓ Employment potential: more than 11.29 million employees by 2022*

Indian Furniture Industry Is Growing at 3.5% CAGR



Sectors Insights: Paper and paper products

Global situation

- ✓ Worldwide consumption of paper has risen by 400% in last 40 years
- ✓ In the last 20 years, the usage of paper products has increased 126%

Source: <https://www.greenamerica.org/sites/default/files/inline-files/Paper%20Facts%202017.pdf>

Indian situation

- ✓ Indian paper industry has over 800 mills with turnover ~ Rs. 70,000 Cr
- ✓ Per capita consumption - India 14 Kg. (world average 56 Kg)
- ✓ Employment Generation: Direct 5 Lacs; Indirect 15 Lacs
- ✓ In India, about 90% of domestic industrial wood comes from farm forestry done by Paper Industry and balance 10% from other sources
- ✓ Paper and pulp industry accounts for 36% of industrial wood consumption

Source: IPMA

PEFC Chain of Custody for Viscose



Opportunities

- ✓ Increase use of sustainable materials
- ✓ Organizations developing sustainability strategy and responsible sourcing policies
- ✓ Mitigate footprint to the environment

Challenges

- ✓ Meeting emerging legislations
- ✓ Consumer pressure
- ✓ Manage supply chain complexity
- ✓ Implement transparency & traceability

Key end users demanding/using certified material



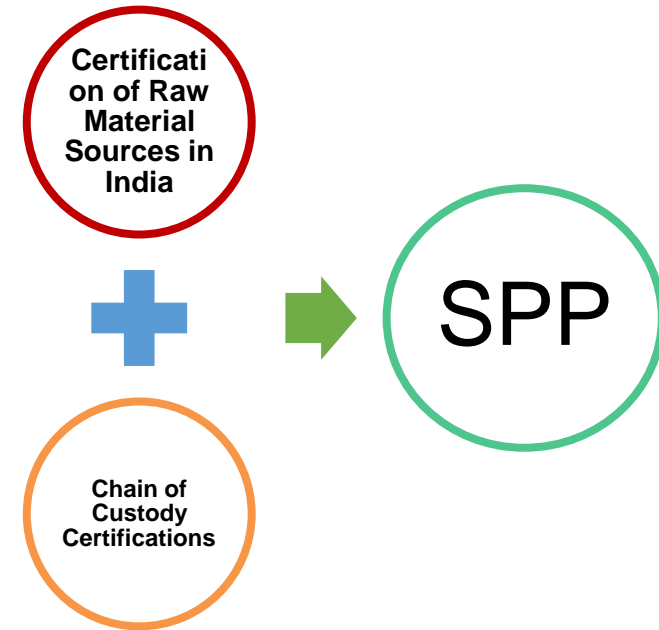
Company	Industry
Tetra Pak	Packaging
Pepsico	Beverages
Unilever	FMCG
P&G	FMCG
Nestle	FMCG
McDonalds	Quick Service Restaurant
KFC	Quick Service Restaurant
Burger King	Quick Service Restaurant
Starbucks	Quick Service Restaurant
Henkel	Beauty care & home
Kellogg's	Food
Mondelez (Cadbury)	Food
Apple	Consumer Electronics

but most of their supplies are from import sources & not domestically manufactured

and many more....

Sustainable Public Procurement in India

- Public Procurement is an important contributor to GDP
- Ministry of Finance is engaged with UNEP on prioritization of product categories for implementation of sustainable public procurement (SPP) in India
- SDG 12: Responsible consumption and production
 - ✓ Target 12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities



Some examples from GoI

- ✓ Ministry of Finance guidelines emphasize use of National Regulations, Standards or Building Codes for public procurement.
- ✓ CPWD has lifted 25 years old ban on use of wood/ in construction. This should further promote use of certified wood.
- ✓ Government of Uttar Pradesh's notification of 2019 provides for consideration of any scheme, where NABCB provides accreditation or endorsement, to be eligible for assistance for MSMEs

Requirements for CoC Auditors

- ✓ Based on: ***Requirements for CBs operating Certification against the PEFC International Chain of Custody Standard (PEFC ST 2003)***



Accreditations for CoC

Accreditations accepted by the PEFC Council

Accreditation Bodies signatories of Multilateral Recognition Arrangement (MLA) for product certification of IAF or IAF's Regional Accreditation Groups such as European co-operation for Accreditation (EA), Interamerican Accreditation Cooperation (IAAC), Pacific Accreditation Cooperation (PAC) and Southern African Development Community in Accreditation (SADCA). Like NABCB in India

The scope of the accreditation shall explicitly cover the PEFC Chain of Custody Standard (PEFC ST 2002, Chain of Custody of Forest & Tree Based Products – Requirements) official website www.pefc.org.

The scope of accreditation shall also explicitly state ISO/IEC 17065, this document and other requirements against which the certification body has been assessed.

Notification and Fee for Certification Bodies



- ✓ NCCF notifies CBs for performing FM/CoC Certification audits
- ✓ NCCF notification requires CBs to Notification Fee (to be collected from Certificate holder)
- ✓ Procedure on notification to certification bodies and fee policy available on NCCF website.
- ✓ In order to ensure the independence of certification bodies, NCCF notification conditions decided by the NCCF cover:
 - administrative conditions (e.g. communication of the CB with the NCCF Council, transfer of information, etc.)
 - financial conditions (fees imposed on certified entities)
 - compliance with requirements for certification bodies verified through accreditation as described in this standard.

Tariffs of Notification Fee of NCCF: CoC



Class	Turnover of PEFC Certified Organization (INR)	Fee for Manufacturer (INR)	Fee for Trader (INR)
1	Under 50 lakh,	Nil	Nil
2	50 lakh 1 Cr	7,000	4,000
3	1-5 Cr	17,000	7,500
4	5-10 Cr	28,000	10,500
5	10-25 Cr	42,000	16,000
6	25-50 Cr	57,000	21,000
7	50-100 Cr	80,000	42,000
8	100-250 Cr	1,00,000	60,000
9	250-500 Cr	1,20,000	80,000
10	500-1000 Cr	2,40,000	1,40,000
11	Above 1000 Cr	3,60,000	2,80,000

PEFC CoC trainings

- ✓ PEFC CoC Auditor Training in August 2020
 - ✓ First training on new PEFC 2020 Standards
 - ✓ National & International Participation
 - ✓ 31 auditors participated
- ✓ With COVID-19, remote auditing is allowed for CoC certifications

Upcoming:

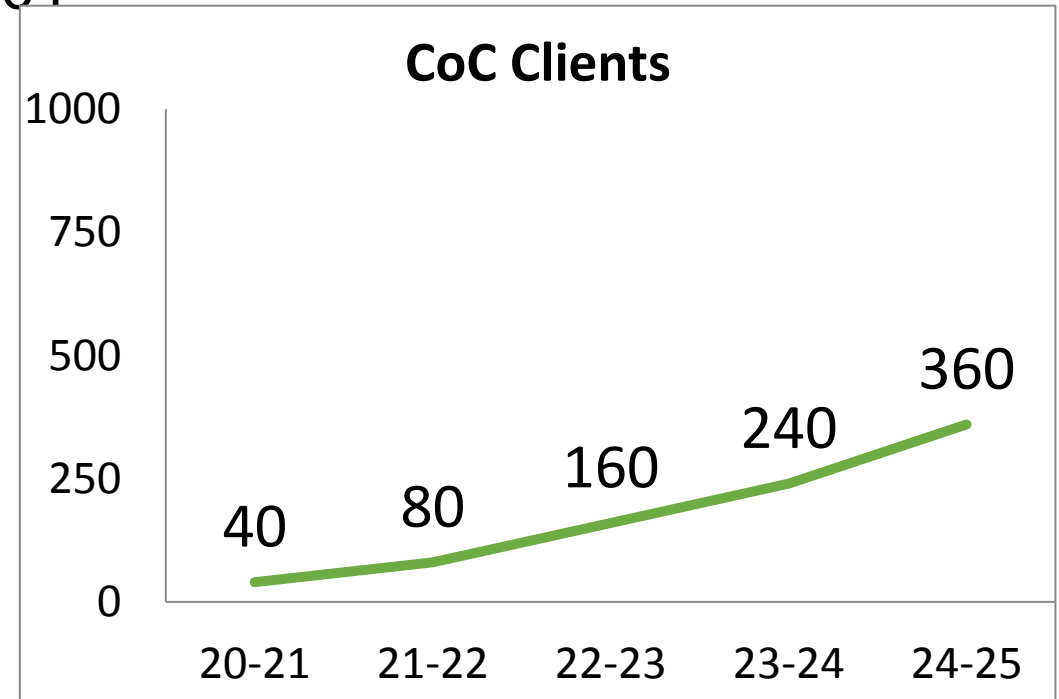
- ✓ PEFC CoC Auditor Training in May (last week) /June (first week) 2021
- ✓ Duration: 2 days (8 hrs per day)
- ✓ Mode: Online

Current Status of PEFC CoC in India



- ✓ PEFC CoC initiation in India: 2015
- ✓ Valid CoC Certificates: 40
- ✓ Notified CBs: 09; Active CBs: 05
 - *SCS, SGS, Control Union, TUV-NORD, TUV-SUD, Alko Cert, Soil Association, Preferred by Nature (NEPCon), GICIA India Pvt Ltd.*
- ✓ CBs in pipeline for PEFC CoC notification: 01

Projected Increase CoC Certifications



Benefits to CBs of Association with NCCF



- ✓ NCCF member of PEFC Alliance looks after PEFC administration in India.
- ✓ Business prospects through certification against NCCF-PEFC Schemes
- ✓ CBs can take NCCF's membership
 - Regular updates about PEFC developments & updates
 - Participate in NCCF Standard Development Activities as auditors in Pilots
 - Participate in NCCF and PEFC Standard Revisions; present India's perspectives
 - Partner with NCCF in
 - Promotion, sensitization and capacity building workshops
 - Liaison with government departments on policy matters
 - Promoting sustainability in India and SE Asia
 - Trainings & Workshops

Thank You!!

Network for Certification and Conservation of Forests

Contact:

Mr AK Bansal

Chairperson Promotions, Communication and Advocacy Working Group

Email: pca.mail@nccf.in; bansalka@yahoo.in

Closing Remarks

1. CoC - a tool for tracking and traceability – to cover complete supply chain - wood products are made from sustainably managed resource and is a demonstrable evidence for the stakeholders
2. Certification is a credible (independent third party) evidence of Sustainable management of Forest/ToF/NWF resources
3. Global focus on “sustainability” of forests renewed due Covid 19 pandemic
4. Need to make “sustainability” a MANTRA of consumers