



Customers and suppliers are collaborating to track responsibility managed forest products through the supply chain.

Chain of Custody Certification: The Next Generation

By Bruce McIntyre

Customers and other stakeholders of forest and paper companies are demanding a new level of assurance and accountability to ensure that wood, paper and building products come from forests that are responsibly managed.

In collaboration with NorskeCanada and Office Depot, PricewaterhouseCoopers has developed an Independent Chain of Custody (CoC) standard to help ensure that organisations have the systems and controls in place to meet stated environmental objectives in a responsible, transparent, and accountable manner.

Until recently, organisations at the customer end of the forest products supply chain paid little attention to the connection between their businesses and the forests from which products originated. The few companies that did try to make the connection found that tracking backward through multiple stages of processing was a complex and expensive task, which usually produced unreliable results.

Today, partly as a result of shifting corporate values, as well as increased awareness of key social and environmental issues, customers are influencing the behaviour of suppliers through changes in purchasing practices. Increasing environmental awareness and a push for greater transparency are having an impact throughout the forest and paper products supply chain.

Whether a company manages timberlands, is a primary forest products manufacturer, or a retailer of finished goods, there is an ever-increasing expectation, and thus requirement, to demonstrate commitment to responsible forest management, environmental stewardship, and a consumer ethic that promotes prudent conservation of resources.

Forest certification has emerged as one of the key indicators of environmental performance. An important feature of certification programmes is independent verification of management practices. Certification ensures accountability of forest products suppliers and enables customers to make credible claims regarding the environmental attributes of their products.

Over the past decade, multiple certification programmes have evolved globally and most customers have several suppliers and obtain forest products certified under multiple certification systems. Single-purpose CoC systems that are tied to a single forest certification standard or label do not easily address the information and communication needs of many customers.

The Marketplace: Connecting the Dots

NorskeCanada, a leading producer of groundwood printing papers in North America, was looking for a new approach to CoC to address its performance tracking commitments. The company also needed a customer willing to support this new initiative.

Office Depot, one of the largest office supply retailers in the world, has specified a preference for recycled paper as well as paper certified as originating from responsibly managed sources. One of the challenges faced by Office Depot is the lack of widespread acceptance of CoC tracking systems in the Forest and Paper industry. Office Depot identified NorskeCanada as a key supplier with which to develop a collaborative solution to the CoC challenge.

Through relationships with these organisations at both ends of the supply chain, PwC facilitated the development of a unique, independent CoC framework, and ultimately a new CoC standard.

NorskeCanada implemented and certified its CoC system at the Port Alberni, British Columbia mill in mid-2004, followed by the Powell River, British Columbia mill a few months later. This marked the first Independent CoC certification in North America. Office Depot sources environmentally certified paper from both mills.

The Standard

The Independent Chain of Custody Certification standard developed and certified by PwC includes a third-party audit process designed to confirm that an organisation has the systems and controls in place to enable it to meet stated environmental objectives. Only a CoC which has been audited by an independent third party can be certified. CoC certification provides a link between the forest, the manufacturer, and the end-user. It also facilitates the communication of reliable information about the environmental attributes of wood and paper products between sellers and buyers.

To help meet the overall objective of producing environmentally responsible paper, the independent CoC certification standard is designed to accommodate the combination of recycled waste paper and certified wood fibre from multiple forest certification programmes. The standard can also be applied to solid wood, veneer, and composite wood products. Independent CoC certification is comparable to other leading CoC certification systems in terms of mechanics and transparency—with two fundamental differences: the certified product claims are not tied exclusively to the standard under which the forestry operations were certified and there is no label. The framework was initially designed for application in North America, but it can be applied in other regions as well.

As forest and paper customers expand the implementation of environmental purchasing programmes, they will demand that suppliers have CoC tracking tools in place to connect disparate elements of the supply chain, supported by a transparent transfer of information. “Certification offers a means to understand and promote forest stewardship,” said Stu Clugston, Vice President, Corporate Affairs, NorskeCanada. “Our independent chain of custody gives customers who share our belief in responsible forest management a tool to verify the fibre source and certification standards in the paper they purchase.”

Office Depot, a buyer of catalogue and insert paper from NorskeCanada, is clear about the value of the system. “The independent chain of custody tracking system increased the transparency of the supply chain,” says Tyler Elm, Office Depot’s Director of Environmental Affairs. “This enables Office Depot to track, measure, and report the specific amount and type of environmentally preferable fibre used in our catalogue and insert paper. We will soon be able to claim that Office Depot’s catalogue and insert paper was sourced from responsibly managed forests, certified in accordance with a recognised forest certification standard, and that no fibre from illegal logging entered the supply chain.”

*The complete PwC-ICOC:2005 standard can be downloaded from:
<http://www.pwc.com/forestry>*

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