



TRACEABILITY

Where do the products come from?

Excerpts from the report: *Sustainable Procurement of Wood and Paper-based Products: Guide and Resource Kit*

Traceability is the ability to track sources of wood in finished products through the supply chain to their origins. A clear sense of all the links in the products' supply chain will be useful for the procurement manager to assess:

- Whether the sources of wood can be accurately identified.
- Whether the products have the properties they claim (for instance, was the wood harvested and processed in compliance with relevant laws, and does it come from sustainably managed forests?)

Tracing the origin of wood and paper-based products is not always straightforward. Supply chains can link many wood producers and dealers across several countries, and procurement portfolios can be complex, with multiple supply chains (see figure below).

Understanding the position of a company in the supply chain can help identify priorities and key areas of influence.

Requesting documentation from suppliers is a common method of tracing the origin of raw materials, including sales contracts.

In addition, other documents for tracing the origin of raw materials include:

- Licensing permit(s) from the relevant authorities giving permission to harvest
- Certificate of a sustainable forest management standard
- Certificate of origin
- Chain-of-custody (CoC) certificate¹
- Harvesting/management plans
- Bill of lading²
- Transportation certificates

Several technological approaches are emerging to help trace and verify the origin of the raw materials in products. There are also new technological applications that seek to increase the overall transparency of the supply chains regarding the origin of the raw materials.



Areas of high and low risk of encountering unacceptable practices

Areas with higher risk of encountering unacceptable practices require more due diligence and more detailed information than areas with lower risk.

High-risk source areas may include:

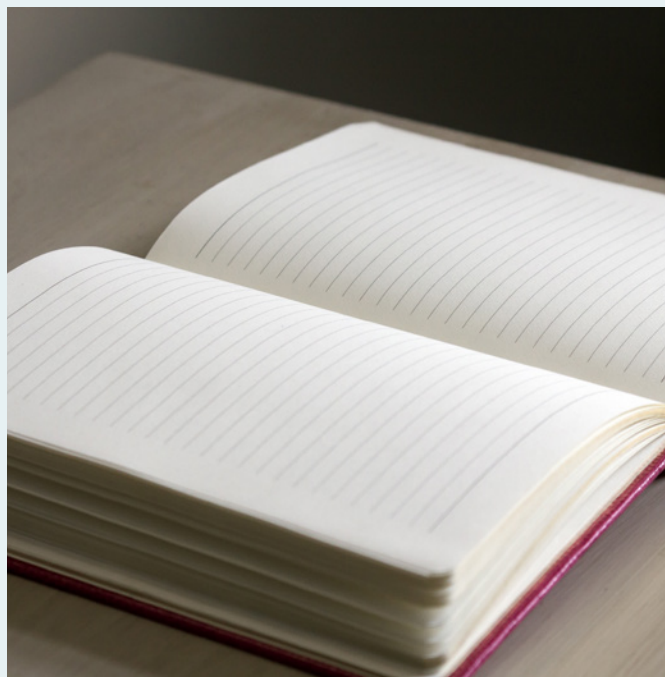
- Areas that have unique ecological and socio-cultural features (special forests).
- Areas of political and social conflict.
- Areas where avoidance and violations of workers and/or indigenous rights are known to be high.
- Areas where the incidence of forestry-related illegal activity is known to be high.

Factors to Consider Regarding Traceability

- Purchase contracts can be useful to trace the origin of the wood.
- Tracing wood through the supply chain back to the regions of origin is becoming common in many parts of the world, and new technologies are emerging to aid this practice. Forest certification schemes are often able to track certified and recycled content as well as uncertified content in the product line. For the uncertified content certification schemes are increasingly placing requirements and safeguards to avoid supply from unwanted/controversial sources.
- Different levels of detail may be needed depending on the risk of encountering unacceptable practices. More information and verification is typically needed for high-risk areas than for low-risk areas.

Low-risk source areas may include:

- Sites where there are no ownership disputes or clear processes to resolve them fairly, and where illegal activity in the forestry sector does not typically occur.
- Areas known to have low corruption and where law enforcement exists.
- Sites that have been certified to appropriate credible standards, though not all certification labels are perceived by all stakeholders to offer the same level of protection against risk.



1. Chain-of-custody (CoC) certificate documents and systematically verifies the flow of the materials from their origin in the forest to their end-use.
2. Bill of Lading is a receipt for cargo and contract of transportation between a shipper and a carrier that describes the goods being transported and is issued when the shipment is received in good order.

For more information on these issues and to download a copy of the guide, Sustainable Procurement of Wood and Paper-based Products: Guide and Resource Kit, visit www.sustainableforestproducts.org.

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