



SFI 2022 Certified Sourcing Standard
(Section 5)

May 1, 2020

Commented [SFI1]: The requirements for use of the “certified sourcing” label is currently located as an Appendix in the Fiber Sourcing Standard. These include requirements for both primary manufacturers as well as secondary manufacturers. A primary manufacturer needs to ensure their facility is certified to the Fiber Sourcing Standard, whereas a secondary manufacturer has a separate audit to ensure they meet the requirements. The Task Group recommends separating the requirements into their own section to better communicate what the “Certified Sourcing” label represents as well as assist with audit efficiencies.

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Preface

SFI Inc. is an independent, non profit, charitable organization dedicated to promoting sustainable forest management in North America and supporting responsible procurement globally. The *SFI* Board is a three chamber Board of Directors representing environmental, social and economic interests equally, and the *program* addresses local needs through its grassroots network of 34 *SFI Implementation Committees* across North America. *SFI Inc.* directs all elements of the *SFI program* including the *SFI* forest management, *fiber sourcing* and chain of custody standards, labeling and marketing.

Consumers in growing numbers want assurance that their buying decisions represent a sound environmental choice. They are asking for proof that wood, paper and packaging products are made with raw materials from *certified forest content* and *certified sourcing*. The Rules for Use of *SFI* On-Product Labels as well as the *SFI* Chain of Custody Standard deliver a reliable and credible mechanism so businesses can provide this assurance to their customers.

The *SFI program* meets guidelines on environmental claims in product advertising and communication issued by the U.S. Federal Trade Commission and guidelines on environmental labeling and advertising issued by the Competition Bureau of Canada.

Studies have shown that consumers appreciate the value of forest certification in helping them identify wood and paper products from legal, responsible sources.

The fact that the *SFI program* can deliver a steady supply of fiber from well managed forests is especially important at a time when there is increasing demand for green building and responsible paper purchasing, and only 10 percent of the world's forests are certified.

Commented [SFI 2]: The new Section 1 will serve as an intro.

Part 1: Scope and Purpose

1.1 Scope

This section describes the requirements for ~~Program Participants~~Certified Organizations, both *primary producers* and *secondary producers*, in the United States or Canada sourcing SFI Certified Sourcing inputs to make an SFI Certified Sourcing claim. seeking use of the SFI Certified Sourcing on product label. ~~Primary or secondary producers~~ with operations outside of the United States and Canada should refer to Part 4 of this Standard Appendix.

Certified Organizations with a valid SFI Chain of Custody certificate may use their chain of custody procedures to account for SFI Certified Sourcing content and apply the SFI Certified Sourcing label.

A secondary producer must meet all the requirements in the SFI Certified Sourcing Standard to use the SFI Certified Sourcing Label, provided they do not also hold a SFI Chain of Custody certificates. This includes Part 7. Due Diligence System to Avoid Controversial Sources and Part 8. Minimum Management System.

Commented [SFI 3]: This was an interpretation which is now incorporated into the Standard. (Interpretation #3, Part 2).

1.2 Purpose

The purpose of this section is to describe the requirements ~~Program Participants~~Certified Organizations and secondary producers must meet in order to manufacturer product with a SFI Certified Sourcing claim. use the SFI on product label.

Commented [SFI4]: Deleted because secondary producers are included in the definition of Certified Organizations.

1.3 Label

The following label applies to this section.



Part 2: Normative and Informative References

2.1 Normative

The following normative *SFI Standards* are referenced in this document and can be found on the *SFI Inc.* website at www.sfiprogram.org:

- i. ISO/IEC 17065:2012 - Conformity Assessment - Requirements for bodies certifying product, process and services

- ii. Sections 2 and 3 - ~~SFI 2022+5-2019~~ Standards and Rules
- iii. Section ~~65~~ - Rules for Use of ~~SFI~~ On-Product Labels and Off-Product Marks
- iv. Section ~~87~~ - ~~SFI~~ Policies
- v. Section ~~109~~ - Appendix 1: Audits of Multi-Site Organizations
- vi. Section ~~143~~ - ~~SFI~~ Definitions

2.2 Informative

The following informative documents are referenced in this section and can be found on the *SFI Inc.* website at www.sfiprogram.org:

- i. Section 4 - SFI ~~2022+5-2019~~ Chain of Custody Standard
- ii. Section ~~76~~ - Guidance to SFI ~~2022+5-2019~~-Standards
- iii. Section ~~109~~ - SFI ~~2022+5-2019~~ Audit Procedures and Auditor Qualifications and Accreditation
- iv. ISO 9001:20~~1508~~ Quality management systems – Requirements
- v. ISO 14001:20~~1504~~ Environmental Management Systems - Specification with guidance for use

Part 3: Creating a Certified Sourcing Label Claim

3.1 *Primary producers* are manufacturing units that produce forest products (wood, paper, pulp, or composite products) and source 50% or more (by weight) of their wood-based raw materials directly from *primary sources*. They must account for 100% of their *primary sources* as coming from *certified sourcing*.

If a *primary producer* sources from company-owned or company-controlled lands enrolled in the *SFI program*, those lands must be third-party certified to the ~~SFI 2022+5-2019~~ *Forest Management Standard*.

3.2 *Secondary producers* are manufacturing units that produce forest products and source 50% or more (by weight) of their wood-based raw materials from *secondary sources*. They must account for at least two-thirds ($\frac{2}{3}$) (by weight) of the wood or wood fiber in the product(s) or manufacturing unit as coming from *certified sourcing*. The other one-third ($\frac{1}{3}$) cannot come from *controversial sources*.

3.3 Calculation of percentage for use of the *Certified Sourcing* Label is as follows:

3.3.1 *Primary producers* shall demonstrate conformance with the requirements of 3.1 at all times, which means 100% *certified sourcing* for every *product group*.

a. If less than 5% (by weight) of a manufacturing unit's raw material supply comes from *secondary sources*, these sources are considered de minimis and no certification of this portion is required if all is from U.S. or Canadian sources.

b. A primary producer that sources more than 5% of their raw material from secondary sources (the remaining raw material is from primary sources that are certified to the SFI Fiber Sourcing Standard's requirements), is required to meet Part 3, Creating a Certified Sourcing Claim, Part 7. Due Diligence System to Avoid Controversial Sources and Part 8. Minimum Management System.

Commented [SFI 5]: This was an interpretation which is now incorporated into the Standard. (Interpretation #2, Part 3).

3.3.2 *Secondary producers* shall specify how they will meet the requirements of 3.2 to conform to the two-thirds rule. They may base the calculation on a *product group* or time period (which cannot exceed one quarter). The percentage may be calculated as:

- a. Rolling Average Percentage – The percentage calculated for wood fiber consumed during, for example, the previous four quarters or 12 months. The period over which the rolling average is calculated shall not exceed one year.
- b. Simple Percentage – The percentage calculated for wood fiber consumed in the specific *product group*.

3.3.3 In all cases, the organization must demonstrate that the requirements of 3.1 and/or 3.2 are met before the label can be used in relation to a specific *product group* or time period.

3.3.4 A *secondary producer* may use the *Certified Sourcing* Label on products from a single manufacturing unit as long as the specific supply for that product(s) or for that manufacturing unit meets all the content requirements set out in this document.

3.3.5 The sourcing requirement may be met either at the product line or manufacturing unit level.

3.4 *SFI Certified Sourcing Claim*: Fiber that conforms with Objectives 1-10~~3~~ of Section 3, and/or from *pre-consumer recycled content*, and/or from *post-consumer recycled content*, and/or from an *acceptable forest management standard*.

3.4.1 *Certified sourcing* claim verification can occur by a *primary producer's* Section 3 - *SFI Fiber Sourcing Standard* certificate or Section 4 - *SFI Chain of Custody Standard* certificate, a *secondary producer's SFI Chain of Custody Standard* certificate or *SFI Certified Sourcing Standard* certificate or, an invoice, bill of lading, shipping document, letter, or other forms of communications available to the customer.

Part 4: Organizations Outside the United States and Canada

- 4.1** A *primary producer* or *secondary producer* outside the United States and Canada must successfully complete an annual audit by an accredited *SFI certification body* against the requirements of ~~Appendix 1 of the SFI 2015-2019 Fiber Sourcing Standard~~the SFI Certified Sourcing Standard.
- 4.2** A *primary producer* outside the United States and Canada must account for 100 percent of its *primary sources* as coming from *certified sourcing*.
- 4.3** A *secondary producer* outside the United States and Canada must account for at least two-thirds ($\frac{2}{3}$) (by weight) of the wood or wood fiber in the product(s) or manufacturing unit as coming from *certified sourcing*. The other one-third ($\frac{1}{3}$) cannot come from *controversial sources*.
- 4.4** ~~A Certified Organization utilizing de minimis amounts of materials sourced from outside of the United States and Canada in their product(s) must conform to the requirements of the SFI Certified Sourcing Standard — Part 7 Due Diligence System to Avoid Controversial Sources.~~

Commented [SFI 6]: Moved from Guidance, paragraph 14.4.

Part 5: Certified Sourcing Definition

Certified sourcing is defined as raw material sourced from the following sources confirmed by a *certification body*:

- 5.1** Fiber that conforms with Objectives 1-1~~3~~ of Section 3 - ~~SFI 202215-2019 Fiber Sourcing Standard's~~ requirements.
- 5.2** *Pre-Consumer Recycled Content*: ~~Forest and tree-based material recovered from waste during a manufacturing process. Excluded is reutilization of materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process that generated it. Excluded are by-products resulting from primary production processes, such as sawmilling by-products (sawdust, chips, bark, etc.) or forestry residues (bark, chips from branches, roots, etc.) as they are not considered waste. Material diverted from the waste stream during a manufacturing process. It does not include materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process.~~

Commented [SFI 7]: Alignment with PEFC definition.

Any claims about *pre-consumer recycled content* by ~~Program Participants~~Certified Organizations or *label users* shall be accurate and consistent with applicable law. ~~Program Participants~~Certified Organizations and *label users* are encouraged to consult the U.S. Federal Trade Commission's guidelines on environmental claims in product advertising and communication and the guidelines on environmental labeling and advertising issued by the Fair Business Practices Branch of Industry Canada's

Competition Bureau, as appropriate, and to seek additional information and direction from national accreditation bodies, national standards bodies and national, state and provincial consumer protection and competition laws.

- 5.3** *Post-consumer recycled content:* ~~Forest and tree-based material generated by households or by commercial, industrial and institutional facilities in their role as end-users of the product which can no longer be used for its intended purpose. This includes returns of material from the distribution chain and material from salvage from demolition. Material generated by households or by commercial, industrial and institutional facilities in their role as end-users of the product, which can no longer be used for its intended purpose.~~

Commented [SFI 8]: Alignment with PEFC definition.

Any claims about *post-consumer recycled content* by ~~Program Participants~~*Certified Organizations* and *label users* shall be accurate and consistent with applicable law. ~~Program Participants~~*Certified Organizations* and *label users* are encouraged to consult the U.S. Federal Trade Commission's guidelines on environmental claims in product advertising and communication and the guidelines on environmental labeling and advertising issued by the Fair Business Practices Branch of Industry Canada's Competition Bureau, as appropriate, and to seek additional information and direction from national accreditation bodies, national standards bodies, and national, state and provincial consumer protection and competition laws.

- 5.4** *Certified forest content*, which includes content from specific forest tracts that are third-party certified to conform with ~~the SFI 2022:15-2019~~ *Forest Management Standard's* Objectives 1-165 requirements or other *acceptable forest management standards* (e.g., CAN/CSA-Z809 and ~~American Tree Farm System~~).
- 5.5** *Non-controversial sources*: The organization shall establish adequate measures to ensure that the labeled products do not come from *controversial sources*. See Part 76 on due diligence system to avoid *controversial sources*.

Part 6: Sale of Products

- 6.1** ~~If requested to provide a SFI certified sourcing claim, the Certified Organization can, at the point of sale or transfer of the certified products to the next entity in the supply chain, provide customers with written information confirming the supplier's certified status and an official SFI claim statement. This can be in the form of, but not limited to, an invoice, bill of lading, shipping document, letter, or other forms of communications available to the customer at the time of the sale of the product.~~
- 6.2** ~~When claims are communicated, the Certified Organization shall ensure that documentation of the certified products clearly states at least the following information:~~
- ~~Certified organization's identification and SFI Certified Sourcing Standard or SFI Chain of Custody Standard certificate number,~~
 - ~~manufacturing facility(s) supplying the product(s) covered by the claim,~~
 - ~~range of dates for manufacture of the product(s) covered by under the claim~~
 - ~~description of product(s) covered by the claim.~~

- e. an official *SFI* claim statement:
 - i. SFI X% Certified Sourcing *or* SFI Certified Sourcing

6.3 If the *Certified Organization* uses the logo, both on-product and off-product usage shall be carried out according to the terms and conditions of the *Office of Label Use and Licensing* and the Section 6 - Rules for Use of *SFI* On-Product Labels and Off-Product Marks, in the *SFI 2022 Standards and Rules document*.

Part 7: Due Diligence System to Avoid *Controversial Sources*

Commented [SFI9]: This sections aligns with the new DDS and controversial sources definition.

7.1 Definition of *controversial sources*:

- a. Forest activities which are not in compliance with applicable state, provincial, federal, or international laws.
- b. Forest activities which are contributing to regional declines in habitat *conservation* and species *protection* (including *biodiversity* and *special sites, threatened and endangered species*).
- c. *Conversion sources* originating from regions experiencing forest area decline.
- d. Forest activities where the spirit of the ILO Declaration on Fundamental Principles and Rights at work (1998) are not met.
- e. Forest activities where the spirit of the United Nations Declaration on the Rights of Indigenous Peoples (2007) are not met.
- f. *Fiber sourced from areas without effective social laws*
- g. *Illegal Logging* including trade in CITES (The Convention on International Trade in Endangered Species of Wild Fauna and Flora) listed species.
- h. Conflict Timber
- i. Genetically modified trees via *forest tree biotechnology*

~~6.1 Definition of *controversial sources*:~~

- a. ~~Forest based products that are not in compliance with applicable state, provincial or federal laws, particularly as they may relate~~
 - ~~*conversion sources*;~~
 - ~~legally required *protection of threatened and endangered species*;~~
 - ~~requirements of CITES (The Convention on International Trade in Endangered Species of Wild Fauna and Flora)~~
 - ~~legally required management of areas with designated high environmental and cultural values;~~
 - ~~labor regulations relating to forest workers;~~
 - ~~*Indigenous Peoples'* property, tenure and use rights~~
- b. ~~Forest based products from *illegal logging*~~
- c. ~~Forest based products from areas without effective social laws~~

Commented [SFI 10]: Old definition of Controversial Sources

7.2 Access to Information

7.2.1 The *Certified Organization* shall collect information on the source of the forest-based product, through a due diligence system to address the likelihood of sourcing from *controversial sources*. This includes:

- a. Identification of tree species, or list of tree species potentially included, by their common name and or their scientific name where applicable.
- b. Country or region of harvest of the material.

7.2.2 The Certified Organization can consider forest based products low risk and exempt from further due diligence when:

- a. Procured with a valid SFI Section 2 (SFI Forest Management Standard) certificate, or other acceptable forest management standards, that clearly indicates that the source is within the scope of the certification; or
- b. Procured with a valid SFI Section 3 (SFI Fiber Sourcing Standard) certificate that clearly indicates that the source is within the scope of the certification; or
- c. Procured with a valid SFI Section 4 (SFI Chain of Custody Standard), or other credible chain of custody standard certificate; or
- d. Procured with a valid SFI Section 5 (SFI Certified Sourcing Standard) certificate; or
- e. Sourced from recycled forest-based products.

6.2 Verification of Purchased Product(s)

To avoid controversial sources, the organization shall obtain and verify the scope of an SFI Section 2 (SFI 2015-2019 Forest Management Standard), Section 3 (SFI 2015-2019 Fiber Sourcing Standard), Section 4 (SFI 2015-2019 Chain of Custody Standard), or other credible chain of custody standard certificate. Verification shall ensure that the facility and the purchased product(s) are directly associated with the certification. This can be achieved through the following:

- a. On a valid SFI Section 2 (SFI 2015-2019 Forest Management Standard), Section 3 (SFI 2015-2019 Fiber Sourcing Standard), Section 4 (SFI 2015-2019 Chain of Custody Standard), or other credible chain of custody standard certificate or appendix to the certificate.
- b. On a publicly available product group listing, or
- c. By other means of verification.

Where inspection of the certificate and other supporting evidence can demonstrate that the facility and product groups are within scope of the certificate, then the organization purchasing that product group can credibly conclude that the products being sourced are low risk of coming from controversial sources.

7.3 Conducting a Risk Assessment

Commented [SFI 11]: Replaced with new 7.2 Access to Information

Commented [SFI12]: The revised requirements for Risk Assessment will address Interpretation #2, Part 3.

7.3.1 The Certified Organization shall develop and implement a Due Diligence System (DDS) to manage the risk of sourcing forest-based products from *controversial sources* in accordance with the requirements of this standard.

7.3.2 The DDS risk assessment shall classify material into "low" and "high" risk categories

7.3.3 The risk assessment shall be carried out at the regional level unless risk is consistent at the national level.

7.3.4 The organization shall review, and if necessary, revise its risk ratings on at least an annual basis.

7.3.5 The organization shall conduct a risk assessment before the first time of delivery for each new region of supply.

6.3 ~~Conducting a Risk Assessment~~

~~The intent is to carry out the risk assessment of all *controversial sources* at the national level and where risk is not consistent, at the appropriate regional level. This includes both forest-based products from *illegal logging* (SFI Certified Sourcing Standard Appendix 1 – Part 6.3.2) and forest-based products from *areas without effective social laws* (SFI Certified Sourcing Appendix 1 – Part 6.3.3).~~

~~When forest-based products, excluding *recycled content*, are procured without a valid SFI Section 2 (SFI 2015-2019 Forest Management Standard), Section 3 (SFI 2015-2019 Fiber Sourcing Standard), Section 4 (SFI 2015-2019 Chain of Custody Standard), or other credible chain-of-custody standard certificate, the organization shall collect information on the source of the forest-based product, through a due diligence system to address the likelihood of sourcing from *controversial sources*.~~

~~The Organization's Due Diligence System shall:~~

6.3.1 ~~Conduct a risk assessment of sourcing forest-based products which are not in compliance with applicable state, provincial or federal laws, particularly as they may relate to:~~

- ~~• *conversion sources*;~~
- ~~• legally required *protection of threatened and endangered species*;~~
- ~~• requirements of CITES (The Convention on International Trade in Endangered Species of Wild Fauna and Flora);~~
- ~~• legally required management of areas with designated high environmental and cultural values;~~
- ~~• labor regulations relating to forest workers;~~
- ~~• *Indigenous Peoples'* property, tenure and legally established use rights.~~

Commented [SFI 13]: Formerly Interpretation #4, Part 2, Appendix 1 – no longer needed as the requirement for a full DDS has addressed this item.

The risk assessment shall be carried out at the national level and where risk is not consistent, at the appropriate regional level.

~~6.3.2~~ Conduct a risk assessment of sourcing forest-based products from *illegal logging*

~~6.3.3~~ Conduct a risk assessment of sourcing forest-based products from areas without effective social laws addressing the following:

- a. ~~workers' health and safety;~~
- b. ~~fair labor practices;~~
- c. ~~Indigenous Peoples' rights;~~
- d. ~~antidiscrimination and anti-harassment measures;~~
- e. ~~prevailing wages; and~~
- f. ~~workers' right to organize.~~

~~6.4~~ Implementing *Program* to Address Risk

Where the risk assessment conducted under 6.3 determines other than low risk, the organization shall implement a *program* to mitigate such risk and require a signed contract and/or self-declaration that the supplied forest-based product does not originate from *controversial sources*.

7.4 Substantiated Concerns Due to Organization's Risk Assessment

7.4.1 The *Certified Organization* shall have a *program* to assess any substantiated concern. A substantiated concern is information supported by proof or evidence, indicating that forest-based material originates in *controversial sources*. Substantiated concerns can be concerns by third parties, as well as concerns of the organization itself.

7.4.2 The *Certified Organization* shall update its risk assessment to reflect substantiated concerns associated with a region of origin identified through internal data or public data.

7.5 Management of "High" Risk Forest-Based Products

7.5.1 Where the risk assessment determines high risk, the *Certified Organization* shall implement a *program* to mitigate such risk and require a signed contract and/or self-declaration that the supplied forest-based product does not originate from *controversial sources*.

7.5.2 For each supply source where the risk is high, the risk assessment shall also identify the specific verifiable controls that the supplier has in place to substantially reduce the risk of sourcing forest-based products from *controversial sources*.

Commented [SFI 14]: Replaced with 7.3 Conducting a Risk Assessment.

7.5.3 Where a *Certified Organization* receives forest-based products, and then learns these forest-based products may be from *controversial sources*, these forest-based products must be segregated and prevented from entering the supply chain. If subsequent verification demonstrates that the risk of this fiber originating from *controversial sources* is low, these forest-based products can re-enter the supply chain.

7.5.4 The *Certified Organization* shall identify the verifiable measures it must implement across the full supply chain for each source of supply identified as high risk to ensure that the supply is not from *controversial sources* which will include:

- a. assessing the operating effectiveness of verifiable measures, through field-based verification.
- b. for direct sources, include field and document verification of *controversial sources* risk factors back to the forest units from which fiber is sourced.
- c. for indirect sources, include site and document verification of suppliers (such as lumber suppliers, chip suppliers and wood yards) to establish the absence of *controversial sources* risk factors in their inputs and sample-based field verification of their supply sources back to the forest units from which they source fiber.

7.5.5 Where sampling is conducted as part of the verification program, the sampling program should be risk based to draw valid conclusions across all fiber inputs.

7.6 Avoidance of Controversial Sources

7.6.1 Where the verifiable measures are not considered to be effective in reducing the risk of receiving fiber from *controversial sources* to low, fiber from these sources shall be avoided.

Part 8: Minimum Management System Requirements

A primary producer certified to the *SFI 2022 Fiber Sourcing Standard* (Section 3, Objectives 1-11), meets the minimum management systems requirements specified in Part 8 of *SFI Certified Sourcing Standard*.

Commented [SFI 15]: Interpretation #1, Part 2, Appendix 1

8.1 General Requirements

The *organization* shall operate a management system in accordance with the following elements of this standard, which ensure correct implementation and maintenance of the *certified sourcing* process. The management system shall be appropriate to the type, range and volume of work performed.

Note: An organization's quality (ISO 9001:2015~~08~~) or environmental (ISO 14001:2015~~04~~) management system can be used to meet the minimum requirements for the management system defined in this standard.

8.2 Responsibilities and Authorities for *Certified Sourcing*

- 8.2.1** The ~~*Program Participant's Certified organization's top*~~ management shall define and document its commitment to implement and maintain the *certified sourcing* requirements, and make this available to its personnel, suppliers, customers, and other interested parties.
- 8.2.2** The ~~*Program Participant's Certified organization's top*~~ management shall appoint a member of the management who, irrespective of other responsibilities, shall have overall responsibility and authority for the *certified sourcing*.
- 8.2.3** The ~~*Program Participant's Certified organization's top*~~ management shall carry out a regular periodic review of the *certified sourcing* and its compliance with the requirements of this standard.
- 8.2.4** The *Certified Organization* shall demonstrate its commitment to comply with the social, health and safety requirements defined in this standard, including the spirit of ILO Declaration on Fundamental Principles and Rights at Work (1998).
- 8.2.5** The ~~*Certified Organization*~~~~*Program Participant*~~ shall identify personnel performing work affecting the implementation and maintenance of the *certified sourcing*, and establish and set responsibilities and authorities relating to the *certified sourcing* process:
- raw material procurement and identification of the *certified sourcing*;
 - product sale and labeling;
 - record keeping; and
 - internal audits and nonconformity control.

Note: The responsibilities and authorities for the *certified sourcing* given above can be cumulated.

8.3 Documented Procedures

The *organization's* procedures for the *certified sourcing* shall be documented, and include at least the following elements:

- description of the raw material flow within the production process;
- organization structure, responsibilities and authorities relating to chain of custody; and
- procedures for the *certified sourcing* process covering all requirements of this standard.

8.4 Record Keeping

- 8.4.1** The *organization* shall establish and maintain records to provide evidence it has conformed to the requirements of this standard and its *certified sourcing*

Commented [SFI 16]: Added to align with PEFC requirement 4.10

procedures are effective and efficient. The *organization* shall keep at least the following:

- a. records of all suppliers of *certified sourcing* material, including information to confirm requirements at the supplier level are met;
- b. records of all purchased *certified sourcing* raw material;
- c. records of all *certified sourcing* products sold;
- d. records of internal audits, nonconformities which occurred and corrective actions taken; and
- e. records of top management's periodic review of compliance with *certified sourcing* requirements.

8.4.2 The *organization* shall maintain the records for a minimum period of three years unless stated otherwise by law.

8.5 Resource Management

8.5.1 Human Resources/Personnel:

The *Certified Organization Program Participant* shall ensure that all personnel performing work affecting the implementation and maintenance of the *certified sourcing* shall be competent on the basis of appropriate training, education, skills and experience.

8.5.2 Technical Facilities:

The *Certified Organization Program Participant* shall identify, provide and maintain the infrastructure and technical facilities needed for effective implementation and maintenance of the organization's *certified sourcing* to meet the requirements of this standard.

8.56 Internal Audit and Management Review

8.56.1 The *certified organization* shall conduct internal audits at intervals of no more than 18-months covering all requirements of this standard and establish corrective and preventive measures if required provided they have discussed this approach with their certification body, and it agrees. The following requirements shall apply:

- a. for a single site or facility, the internal audit shall be completed prior to the next third-party audit.
- b. for a site or facility within the scope of a multi-site certificate, the internal audit shall be completed prior to the third-party audit of the central office including the results of the management review of the internal audit of the multi-site certificate.
- c. the internal audit shall address the requirements of 8.6.2 – 8.6.8.

8.56.2 The *Certified Organization Program Participant* shall conduct the internal audit in accordance with the following requirements:

Commented [SFI 17]: Interpretation March 2020. Interpretations for Part 2 - Section 3: Appendix 1, number 5. Builds in efficiency for certified organizations large multisite certificates.

- a. The internal audit shall be undertaken by personnel that have adequate knowledge of the *SFI 2022-15-2019 Fiber Sourcing Standard Certified Sourcing Standard*;
- b. Off-site interviews and desk audits are permissible; ~~appropriate to the scope and scale of the organization;~~
- c. If there have been no inputs or outputs for a site or manufacturing facility over the past year, internal audits are not required;
- d. If a site or manufacturing facility has had no sales of *SFI certified sourcing* products over that past year, internal audits are not required;
- e. Internal audits are to assess overall organizational conformance and internal audit documentation can consist of one consolidated internal audit checklist and/or report; and
- f. Where nonconformities are identified during the internal audit process, a corrective action plan shall be developed at the site and/or organizational level.

Commented [SFI18]: Alignment with SFI COC language edits.

8.56.3 Where the *Certified Organization Program Participant* has outsourced activities within the scope of its *certified sourcing the organization* shall develop procedures for the audit of these contractors ~~including a written agreement with all outsource contractors that states:~~

Commented [SFI 19]: From 2015-2019 CoC 6.1

- a. ~~the certified organization maintains legal ownership of all input material to be included in the outsourced processes;~~
- b. ~~the certified material from the certified organization is physically segregated from other non-certified material and outsource contractor returns the material back to the certified organization after the outsourced work is completed; and~~
- c. ~~the certified organization reserves the right for the SFI – accredited certification body to audit the outsourcing contractor or operation.~~

Commented [SFI 20]: From 2015-2019 CoC 6.1

Commented [SFI 21]: From 2015-2019 CoC 6.2.

Commented [SFI 22]: From 2015-2019 CoC 6.1.

8.56.4 The internal audit of outsource contractors may be conducted remotely.

8.56.5 Where there are sufficient outsource contractors the internal audit may use a sampling approach for these contractors.

8.6.6 The internal audit of outsource contractors shall:

- a. determine the level of risk associated with the outsourced activities.
- b. include within the scope of the internal audit those outsourced activities assessed as high risk.

8.6.7 The *Certified Organization Program Participant* shall have its rationale for remote audits and its sampling procedure audited by its third-party certifier.

8.6.8 The results of internal audits shall be reported to management for review during the annual management review.

Part 6 — Outsourcing Agreements

Commented [SFI 23]: As per CoC Task Group discussion – Current CoC Part 6 - Outsourcing section to be paired down to be more in alignment with PEFC requirements.

6.1 — Outsourcing Agreements

Chain-of-custody-certificate holders who outsource processing or manufacturing activities on a flexible basis to any one of a number of potential contractors may apply for inclusion of the outsourced process within the scope of their *SFI 2015-2019 Chain-of-Custody Standard* certificate.

Organizations that wish to include outsourcing within the scope of their *SFI 2015-2019 Chain-of-Custody Standard* certificate shall ensure the following:

- a. the organization has legal ownership of all input material to be included in outsourced processes;
- b. the organization does not relinquish legal ownership of the materials during outsourced processing;
- c. the organization has an agreement or contract covering the outsourced process with each contractor. This agreement or contract shall include a clause reserving the right of the *SFI*-accredited *certification body* to audit the outsourcing contractor or operation;
- d. the organization has a documented control system with explicit procedures for the outsourced process which are shared with the relevant contractor.

Commented [SFI 24]: Now in 8.6.3.

The organization shall issue the final claim statement and documentation for the processed or produced *SFI*-certified material following outsourcing. The documentation shall state the certificate holder's *SFI 2015-2019 Chain-of-Custody Standard* certificate number and formal claim statement.

6.2 — Assessing Risk for Outsource Contractors

As per the requirements of 5.6.6 outsourced activities shall be risk-ranked in accordance with the following criteria:

6.2.1 Low Risk: outsource contractor receives the certified material from the organization and material is physically segregated from other non-certified material and contractor returns the material back to the organization after the outsourced work is completed.

Commented [SFI 25]: Now in 8.6.3.

6.2.2 High Risk: one or more of the following would indicate high risk scenarios

- The outsourced contractor lacks the procedures to prevent the mixing of the organization's certified material with that of other companies' materials that are unrelated to the outsourced process.
- The outsource contractor receives certified material purchased by the organization for the process directly from the supplier on the organization's behalf and ships finished product to the end customer on the organizations behalf.

The outsource contractor applies the organization's *SFI* label to the finished product and ships the product direct to the customer.

Part 9: Application Requirements

- 9.1** Primary producers must annually submit to the Office of Label Use and Licensing:
- ~~8.1.1~~ A copy of their certificate for Section 2 – *SFI 2015-2019 Forest Management Standard* if a primary producer sources from company owned or company controlled lands enrolled in the *SFI program* and/or a copy of their Section 3 – *SFI 2015-2019 Fiber Sourcing Standard* listing the manufacturing units covered under the scope of the certificate;
 - 9.1.1** A copy of their annual *SFI 2022-15-2019 Forest Management Standard* and/or *SFI 2022-15-2019 Fiber Sourcing Standard* public audit summary report issued by an *SFI certification body*.

Commented [SFI26]: Removed as this is outdated and does not reflect actual workflow. New requirement at 9.1.1

- ~~8.2~~ Secondary producers must annually submit to the Office of Label Use and Licensing:
- ~~8.2.1~~ A copy of their *Certified Sourcing* certificate issued to secondary producers certified to Section 3 – Appendix 1 – Rules for Use of *SFI Certified Sourcing* Label issued by an accredited *SFI certification body*;
- ~~8.2.2~~ A list of the manufacturing unit(s) and product(s) for which the *SFI Certified Sourcing* Label use approval is sought;

Commented [SFI27]: Removed as this is not standard practice. The Certification Body reports the certificate and the certified organization applies for label approval via the SFI Database.

- 9.2** Primary or secondary producers outside the United States and Canada must annually submit to the Office of Label Use and Licensing:
- ~~9.2.1~~ Specific examples of proposed *SFI* on-product label use and related promotional literature to the Office of Label Use and Licensing, in keeping with the SFI Section 6 - Rules For Use of *SFI* On-Product Labels and Off-Product Marks; ~~9.3.1~~ A copy of their *Certified Sourcing* certificate to Appendix 1 of the *SFI 2015-2019 Fiber Sourcing Standard* issued by an accredited *SFI certification body*;
 - ~~8.3.2~~ A list of the manufacturing unit(s) and product(s) for which the *SFI Certified Sourcing* Label use approval is sought;

Commented [SFI28]: Removed. Not standard practice

Part 9. Office of Label Use and Licensing

- ~~9.1~~ The Office of Label Use and Licensing shall evaluate and approve applications for use of all *SFI* on-product labels, shall establish label use rules and procedures set out in the Rules for Use of *SFI* On-Product Labels and Off-Product Marks a (Section 5 in the *SFI* Standards and Rules document), and shall maintain oversight of use of all *SFI* on-product labels;
- ~~9.2~~ A label user may not use the *SFI program* label on any products from manufacturing unit(s) for which it has not obtained approval from the Office of Label Use and Licensing;
- ~~9.3~~ Approval for use of any *SFI* on-product labels will become effective upon authorization issued by the Office of Label Use and Licensing, and remains in effect for one year, unless terminated pursuant to the terms set out in the *SFI* Label Agreement;

9.4 — The *Office of Label Use and Licensing* may periodically announce additional rules and procedures to ensure ownership and use of the *SFI* on product labels are adequately protected under applicable law, and to ensure proper consumer understanding.

9.5 — Applicants must provide specific examples of proposed *SFI* on product label use and related promotional literature to the *Office of Label Use and Licensing*, in keeping with the *Rules For Use of SFI On Product Labels and Off-Product Marks* (Section 5 in the *SFI Standards and Rules* document).

9.6 — In response to questions and issues raised by *SFI* on product label users or certification bodies, the *Office of Label Use and Licensing* will periodically announce and formally adopt interpretations to *Section 5—Rules For Use Of SFI On Product labels and Off-Product Marks*. All interpretations will be posted at www.sfiprogram.org.

Commented [SFI29]: Moved to the Label Use section.