



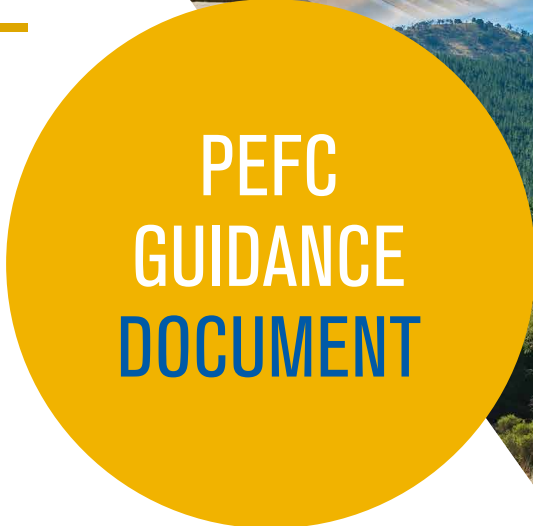
PEFC

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Chain of Custody of Forest and Tree Based Products and Related Standards – Guidance for Use

First edition



PEFC
GUIDANCE
DOCUMENT

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The official version of this document is in English. Translations of the document can be obtained from the PEFC Council or the PEFC National Governing Bodies. When there is doubt in regard to language interpretation, the English version is the reference.

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Foreword

PEFC, the Programme for the Endorsement of Forest Certification, is a worldwide organisation promoting sustainable forest management through forest certification and labelling of forest-based products.

PEFC certified sustainable forest management works through the PEFC endorsement of national and regional forest certification systems, which were independently assessed to be in compliance with PEFC's sustainability benchmarks for forest management certification standards. For further information on PEFC's sustainability benchmarks, please see the PEFC website at www.pefc.org.

PEFC Chain of Custody related standards deliver confidence that forest and tree based material in products with the PEFC claim or label originates in PEFC certified sustainably managed forests, recycled material and/or PEFC controlled sources.

Introduction

This guidance document provides explanation, clarification, and interpretation to PEFC ST 2002:2020, *Chain of Custody of Forest and Tree Based Products – Requirements* and related standards, PEFC ST 2001:2020 *PEFC Trademarks Rules – Requirements* and PEFC ST 2003:2020 *Requirements for Certification Bodies operating Certification against the PEFC International Chain of Custody Standard*. Clarifications and interpretations are issued following PEFC’s clarification and interpretation procedure. Interpretations are normative. They can be identified within the text through the use of the verb “shall” and blue colour.

Guidance on the specific standards is collected in specific chapters of this document. Inside the chapters dedicated to each standard, the numbering replicates the numbering of the different sections and requirements within each of the standards.

This guidance may be amended as new explanations, clarifications, and interpretations to any of the three standards mentioned above are given by the PEFC Chain of Custody Working Group. Issues that require explanation, clarification, and/or interpretation can be forwarded to the Technical Unit of the PEFC Council Secretariat.

Conformity assessment activities need to be carried out against PEFC ST 2001:2020; PEFC ST 2002:2020; PEFC ST 2003:2020 and interpretations. Clarifications should be considered during the audit.

This document replaces PEFC GD 2001:2014, except for *Annex 1: Guidance for the implementation of PEFC Chain of Custody for specified projects*, which remains valid until covered by a new official document.

1. Scope

This guidance document provides information for the implementation of the requirements of PEFC ST 2002:2020, *Chain of Custody* and related standards PEFC ST 2001:2020, *PEFC Trademarks Rules – Requirements* and PEFC ST 2003:2020, *Requirements for Certification Bodies operating Certification against the PEFC International Chain of Custody Standard*.

2. Normative references

PEFC ST 2002:2020, *Chain of Custody of Forest and Tree Based Products – Requirements*

PEFC ST 2001:2020, *PEFC Trademarks Rules – Requirements*

PEFC ST 2003:2020, *Requirements for Certification Bodies operating Certification against the PEFC International Chain of Custody Standard*.

3. Transition to the 2020 versions of the chain of custody related standards

The transition period to the 2020 version of the chain of custody related standards finished on the 14 August 2022. From that date onwards, certificate holders need to transfer their chain of custody systems to the 2020 requirements. Any audits conducted from that date onwards need to take place and be against the 2020 version of the standard. From 14 November 2023, certificates issued against the 2013 version will no longer be valid. If the certificate holder wants to transition its chain of custody to the 2020 version earlier, the certification body will assess in a case-by-case basis the implications of the transition in terms of compliance with the 2020 requirements into the organisation's chain of custody implementation and, in case it is necessary, conduct an additional audit. The transition to the new version does not impact the certification cycle, so it can happen during a surveillance audit. Certificate is to be adapted to comply with the new requirements, such as the certificate number (PEFC ST 2003:2020, 7.7.4).

Any existing stocks of products and printed material that was covered by a chain of custody certificate against the PEFC ST 2002:2013 version and already included the trademarks on the product according to the PEFC ST 2001:2008 version can still be sold once the company has transferred its chain of custody system to the 2020 version of the PEFC ST 2001 and 2002, until the stock is depleted.

4. General guidance for the use of PEFC ST 2002:2020, Chain of Custody of Forest and Tree Based Products – Requirements

3. Terms and definitions

Standard 2002:2020	Guidance
<p>3.1 Accredited certificate</p> <p>A certificate issued by a certification body within the scope of its accreditation which bears the accreditation body's symbol.</p>	
<p>3.2 PEFC authorised body</p> <p>An entity authorised by the PEFC Council to perform the administration of the PEFC scheme on behalf of the PEFC Council.</p> <p>Note: The authorised body is either the PEFC National Governing Body operating within its country or other entity that has been authorised by the PEFC Council to perform the administration of the PEFC scheme.</p>	
<p>3.3 Certified content</p> <p>Percentage of PEFC certified material in a product or product group.</p>	
<p>3.4 Claim period</p> <p>Time period for which the certified content of a product group is determined.</p> <p>Note: The claim period can also be specified as a single product, job order or production batch.</p>	
<p>3.5 Complaint</p> <p>Expression of dissatisfaction made to an organisation, related to its compliance with the requirements of this standard, or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected.</p>	

<p>3.6 Conflict timber</p> <p><i>“Timber that has been traded at some point in the chain of custody by armed groups, be they rebel factions or regular soldiers, or by a civilian administration involved in armed conflict or its representatives, either to perpetuate conflict or take advantage of conflict situations for personal gain. (...) Conflict timber is not necessarily illegal.” The exploitation of timber may itself be a direct cause of conflict.</i></p> <p>Note: Definition in quotations as used by UNEP.</p>	<ul style="list-style-type: none"> • “Conflict timber does not include legally harvested timber traded by legitimate governments to purchase arms for entirely legitimate self-defence against invasion or insurrection” (see page 3 of USAID Forests & Conflict - A Toolkit for Intervention). • Note: UNEP used this definition as part of Africa Environment Outlook 2: Our Environment, Our Wealth, page 397 (2006). • Further information can be found here: www.treee.es/conflict-timberFAQ
<p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <ol style="list-style-type: none"> a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti- corruption and the payment of applicable royalties and taxes. b) Activities where the capability of forests to produce a range of wood and non-wood forest products and services on a sustainable basis is not maintained or harvesting levels exceed a rate that can be sustained in the long term. c) Activities where forest management does not contribute to the maintenance, conservation or enhancement of biodiversity on landscape, ecosystem, species or genetic levels. d) Activities where ecologically important forest areas are not identified, protected, conserved or set aside. e) Activities where forest conversions occur, in other than justified circumstances where the conversion: <ol style="list-style-type: none"> i. is in compliance with national and regional policy and legislation applicable for land use and forest management, and ii. does not have negative impacts on ecologically important forest areas, culturally and socially significant areas, or other protected areas, and 	<ul style="list-style-type: none"> • On the basis of timber regulation, such as the European Union timber regulation, bullet 3.7.a) “Applicable local, national or international legislation on forest management” includes legislation, legal obligations, requirements, regulations, codes and binding international treaties, conventions and agreements codes covering and/or regulating: <p>Legal rights to harvest</p> <ul style="list-style-type: none"> - land tenure rights, including customary rights as well as management rights, obtained according to the legally prescribed procedure - anti-corruption legislation, including bribery & fraud - the issuing of rights and licences according to the legally prescribed procedure, specifying legally gazetted boundaries - legal business registration, obtained according to the legally prescribed procedure - concession licenses and ensuring that licences only cover legally gazetted areas, obtained according to the legally prescribed procedure - management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring, including approval by respective authorities - harvesting permits and/or licenses, or other legal documents required for specific harvesting operations, obtained according to the legally prescribed procedure prior to the implementation of forest harvesting activities

<ul style="list-style-type: none"> iii. does not destroy areas of significantly high carbon stock, and iv. makes a contribution to long-term conservation, economic, and/or social benefits. <ul style="list-style-type: none"> f) Activities where the spirit of the ILO Declaration on Fundamental Principles and Rights at Work (1998) is not met. g) Activities where the spirit of the United Nations Declaration on the Rights of Indigenous Peoples (2007) is not met. h) Conflict timber. i) Genetically modified trees. <p>Note 1 (on 3.7 b, d and e): Not considered “controversial sources” are such activities in short rotation forest plantations with harvesting cycles under 35 years, that are on agricultural land.</p> <p>Note 2 (on 3.7 i): The restriction on the usage of genetically modified trees has been adopted by the PEFC General Assembly based on the Precautionary Principle. Until enough scientific data on genetically modified trees indicates that impacts on human and animal health and the environment are equivalent to, or more positive than, those presented by trees genetically improved by traditional methods, no genetically modified trees will be used.</p>	<p>Taxes and fees</p> <ul style="list-style-type: none"> - forest harvesting specific fees such as royalties, payment of stumpage fees and other volume-based fees, as well as land area taxes or fees, based on correct classification of quantities, qualities, and species - VAT and other taxes (including income and profit tax) that apply to the material being sold, including selling material as growing forest (standing stock sales) <p>Timber harvesting activities</p> <ul style="list-style-type: none"> - harvesting techniques and technology including the timing of harvest, selective cutting, shelter wood regeneration, clear felling, transport of timber from felling sites and seasonal limitations - protected areas and protected, rare or endangered species and their habitats and potential habitats, including identification of protected areas - environmental impact assessment in connection with harvesting, acceptable levels of damage and disturbance of soil resources, the establishment of buffer zones (e.g., along watercourses, open areas, breeding sites), maintenance of retained trees on felling sites, seasonal limitations on harvesting, and environmental requirements for forest machinery <p>Workers’ rights and health and safety</p> <ul style="list-style-type: none"> - personal protection equipment for persons involved in forestry activities, use of safe felling and transport practice, establishment of protection zones around harvesting sites, and safety requirements to machinery used, and safety requirements in relation to chemical usage - employment of personnel involved in forestry activities, including contracts and working permits, obligatory insurances, certificates of competence and other training requirements, and payment of social and income taxes - minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labour, and discrimination and legislation allowing for freedom of association
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	<p>Third party rights</p> <ul style="list-style-type: none"> - customary and traditional rights relevant to forest harvesting activities, including sharing of benefits - rights of indigenous people as far as it's related to forestry activities - “free, prior and informed consent” in connection with transfer of forest management rights and customary rights to the organisation in charge of the harvesting operation <p>Trade and transport</p> <ul style="list-style-type: none"> - classification of harvested material is in terms of species, quantities, and qualities in connection with trade and transport - trading permits and transport documents that accompany the transport of wood from forest operations - offshore trading and transfer pricing - CITES permits - export/import licenses, and product classification related to customs (codes, quantities, qualities, and species) <p>Due diligence and/or due care</p> <ul style="list-style-type: none"> - due diligence and/or due care procedure, including e.g., due diligence/due care systems, declaration obligations <p>International conventions</p> <ul style="list-style-type: none"> - Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) - United Nations Convention against Transnational Organized Crime - United Nations Convention against Corruption - Convention on Biological Diversity (CBD) - Convention Concerning the Protection of the World Cultural and Natural Heritage
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- Corrupt practices include bribery of public officials; embezzlement, trading in influence, abuse of function, and illicit enrichment by public officials; and bribery and embezzlement in the private sector, as well as money-laundering and obstruction of justice (areas covered by the [United Nations Convention against Corruption](#))
- Sources of information about relevant international conventions and treaties ratified by countries include:
 - <https://treaties.un.org/>
 - <https://indicators.ohchr.org/>
 - <https://tbinternet.ohchr.org/>
 - <https://www.ilo.org/dyn/normlex/en/f?p=1000:12001::NO::>
 - <https://iea.uoregon.edu/>
 - <https://www.coe.int/en/web/conventions/>
- **Bullet 3.7.e) A forest conversion occurs in justified circumstances when all requirements in the bullet points from i to iv are fulfilled.**
- **Bullet 3.7.e) If conversion does not comply with applicable legislation as per 3.7.a, it is an illegal conversion and therefore controversial independently of complying with 3.7.e).**
- **Bullet 3.7.f) intrinsically requires that the spirit of the UN Declarations of Human Rights is also met. This is based on the recognition by the ILO that international labour conventions, in particular those relating to freedom of association, can only be effective if the civil and political rights enshrined in the Universal Declaration of Human Rights**
- **For more information on Bullet 3.7.g), please refer to [UNDRIP](#).**
- **Note 1 to bullet 3.7 b, d and e: Application of the definition of agricultural land requires consideration of the endorsed national PEFC standard (if exists), national forestry terminology, and legal requirements.**
- **Certificate holders are expected to conduct business fairly and ethically.**

<p>3.8 Credit method</p> <p>A chain of custody method where credits gained from certified material are transferred to PEFC controlled sources material within the same PEFC product group.</p>	
<p>3.9 Due Diligence System (DDS)</p> <p>A framework of procedures and measures, namely information gathering, risk assessment and risk mitigation, implemented by an organisation to reduce the risk that forest and tree-based material originates from controversial sources.</p> <p>Note: Organisations can cooperate with each other and use external services for implementing a DDS, but the responsibility to conform with the DDS requirements of this standard lies with the individual organisation.</p>	<ul style="list-style-type: none"> • The first step of the DDS implementation is named differently within the standard. It is referred as “access to information” and “gathering information”. Terms are equivalent and refer to the same step.
<p>3.10 Ecologically important forest areas</p> <p>Forest areas:</p> <ul style="list-style-type: none"> containing protected, rare, sensitive or representative forest ecosystems containing significant concentrations of endemic species and habitats of threatened species, as defined in recognised reference lists containing endangered or protected genetic in situ resources contributing to globally, regionally and nationally significant large landscapes with natural distribution and abundance of naturally occurring species 	
<p>3.11 Equivalent input material</p> <p>Forest and tree based material that can be substituted with each other without significantly changing the appearance, function, grade, type or value of the output product.</p>	<ul style="list-style-type: none"> • According to the “equivalent input material” definition, all the characteristics of the output product - appearance, function, grade, type, or value - remain consistent. • Example: <ul style="list-style-type: none"> - Legs from a table can be from spruce or equivalent material pine, if appearance, function, grade, type, or value of the output product do not change. - Different wood assortment such as OSB can be substituted by chipboard or particle board if appearance, function, grade, type, or value of the output product do not change.

	<ul style="list-style-type: none"> - Wooden flooring comprised of natural wood and fibreboard, where the natural wood may come from walnut tree, or equivalent natural wood such as American oak or cherry. - Mechanical wood pulp from resinous species such as fir or pine fibre. • “Significantly” is to be understood as “obviously” or “noticeably”. • “Appearance” is to be understood as all the visual characteristics of a product including shape, colour, size, and texture.
<p>3.12 Forest</p> <p>Minimum area of land of 0.05-1.0 hectares with tree crown cover (or equivalent stocking level) of more than 10-30 percent with trees, with the potential to reach a minimum height of 2-5 metres at maturity in situ. A forest may consist either of closed forest formations where trees of various storeys and undergrowth cover a high proportion of the ground or open forest. Young natural stands and all plantations that have yet to reach a crown density of 10-30 per cent or tree height of 2-5 metres are included under forest, as are areas normally forming part of the forest area that are temporarily unstocked as a result of human intervention such as harvesting or natural causes but that are expected to revert to forest (source: United Nations 2002).</p>	<ul style="list-style-type: none"> • The definition of forest can be different at national level. This definition must be applied by organisations located in countries where no national Forest Management standard recognized by PEFC is in place. For countries where a National Forest Management standard exists, the definition from it is relevant.
<p>3.13 Forest and tree based material</p> <p>Material originating in forests or from other sources recognised by the PEFC Council as eligible for PEFC certification, such as trees outside forests, including recycled material originally coming from those areas/sources as well as wood based and non-wood based material, such as cork, mushrooms, berries etc., generally referred to as non-wood forest products.</p>	
<p>3.14 Forest and tree based products</p> <p>Products from forest and tree based material, including measurable but non-tangible products, such as energy generated from forest and tree based material.</p>	

<p>3.15 Forest conversion</p> <p>Direct human-induced change of forest to non-forest land or forest plantation.</p> <p>Note: Regeneration by planting or direct seeding and/or the human-induced promotion of natural seed sources, to the same dominant species as was harvested or other species that were present in the historical species mix is not considered a conversion.</p>	
<p>3.16 Forest plantation</p> <p>Forest or other wooded land of introduced species, and in some cases native species, established through planting or seeding, mainly for production of wood or non-wood goods and services.</p> <p>Note 1: Includes all stands of introduced species established for production of wood or non-wood goods and services.</p> <p>Note 2: May include areas of native species characterised by few species, intensive land preparation (e.g. cultivation), straight tree lines and/or even-aged stands.</p> <p>Note 3: Application of the definition requires consideration of national forestry terminology and legal requirements.</p>	
<p>3.17 Genetically modified trees</p> <p>Trees in which the genetic material has been altered in a way that does not occur naturally by mating and/or natural recombination, taking into account applicable legislation providing a specific definition of genetically modified organisms.</p> <p>Note 1: The following techniques are considered as genetic modification resulting in genetically modified trees (EU Directive 2001/18/EC):</p> <ol style="list-style-type: none"> 1) Recombinant nucleic acid techniques involving the formation of new combinations of genetic material by the insertion of nucleic acid molecules produced by whatever means outside an organism, into any virus, bacterial plasmid or other vector system and their incorporation into a host organism in which they do not naturally occur, but in which they are capable of continued propagation. 2) Techniques involving the direct introduction into an organism of heritable material prepared outside the organism including micro-injection, macro-injection, and micro-encapsulation. 	

<p>3) Cell fusion (including protoplast fusion) or hybridisation techniques where live cells with new combinations of heritable genetic material are formed through the fusion of two or more cells by means of methods that do not occur naturally.</p> <p>Note 2: The following techniques are not considered as genetic modification resulting in genetically modified trees (EU Directive 2001/18/EC):</p> <ol style="list-style-type: none"> 1) in vitro fertilisation 2) natural processes such as: conjugation, transduction, transformation 3) polyploidy induction 	
<p>3.18 Material Category</p> <p>Material with certain characteristics, namely PEFC certified material, other material, neutral material and PEFC controlled sources.</p>	<ul style="list-style-type: none"> • See also guidance to definition 3.40, <i>Trees outside Forests</i>.
<p>3.19 Multi-site organisation</p> <p>Organisation with an identified central function (normally, and hereafter referred to as a “central office”) at which chain of custody related activities are planned, controlled and managed, and with one or more sites at which such activities are fully or partially carried out.</p>	<ul style="list-style-type: none"> • An individual certificate may include more than one site, if no chain of custody activities happen on the site where the certificate holder has registered its legal address. See PEFC ST 2003, note 1 to requirement 7.7.1.b. • Otherwise, if a certificate includes more than one site where chain of custody activities happen, independently of the distance between sites or any other factors, the certificate is considered a multi-site.
<p>3.20 Neutral material</p> <p>Material category for material other than forest and tree based material, such as metal or plastic, not taken into account in the calculation of certified content of a product group.</p>	
<p>3.21 Organisation</p> <p>Person or group of people that has its own functions with responsibilities, authorities and relationships to achieve its objectives.</p> <p>Note: In the context of this standard, an organisation is implementing the requirements of this standard while being covered by a PEFC recognised certificate.</p>	<ul style="list-style-type: none"> • The term “organisation” refers to an entity certified against the PEFC chain of custody standard that is making PEFC claims about the content of certified material or PEFC controlled sources to the PEFC customer (3.29) and which can clearly identify the PEFC supplier (3.38) and the PEFC customer.

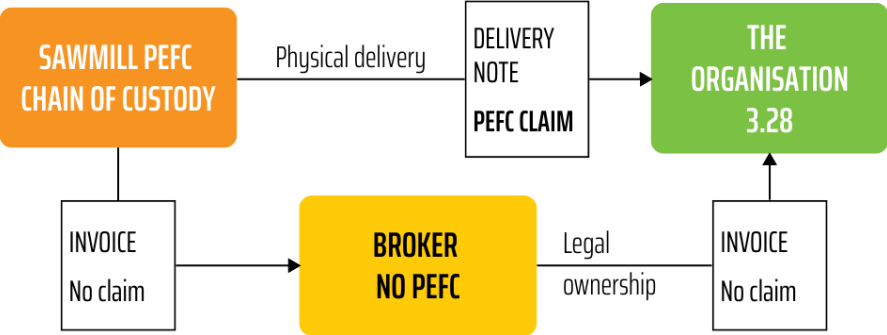
- Any organisation passing PEFC chain of custody claims to its customers should be PEFC chain of custody certified and hold a PEFC trademarks licence.
- The term “supplier” (3.21) refers to an entity that is directly supplying material/products to the organisation’s PEFC product groups together with the PEFC claim about the content of certified material or PEFC controlled sources. The supplier communicates the PEFC claims in the document associated to a delivery of material meeting the requirements of 5.1.1.
- The term “PEFC customer” (3.29) refers to an entity to which the organisation makes the PEFC claims about the content of certified material or PEFC controlled sources. The organisation communicates the PEFC claims to the PEFC customer in the document associated to the delivery of material, meeting the requirements of 5.2.1.
- The definitions of “PEFC supplier” and “PEFC customer” are based respectively on “who delivers the PEFC claims” and “to whom the PEFC claims are made”, regardless of the physical delivery or title of ownership of the supplied material/product.



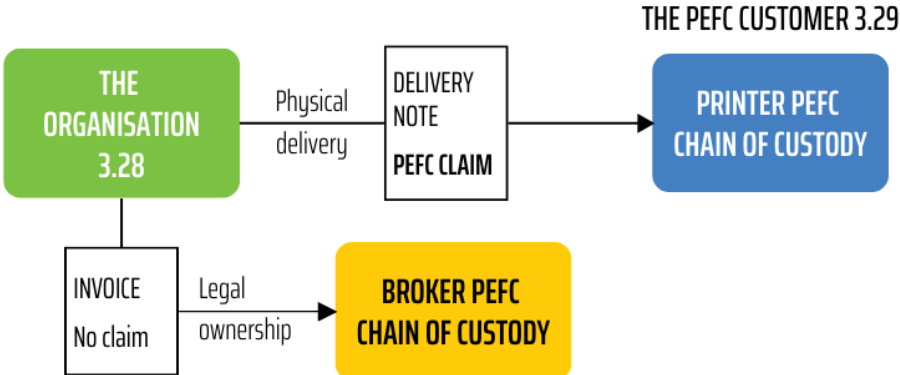
- It is important to note that, for the purpose of the implementation of the organisation’s chain of custody, a PEFC-certified supplier supplying PEFC-certified material may not be the legal owner of the supplied material. The supplier of the certified material may be a chain of custody certified company that is physically delivering the material to the organisation. In this case, the chain of custody claims flow does not consider legality, but physical possession of the material, provided that the chain of custody remains intact.

- **Example 1: an organisation sources sawn wood from a non-PEFC-certified broker. The invoice from the broker cannot state a PEFC claim. The sawn wood, however, is directly supplied from a PEFC-certified sawmill. The delivery note states the PEFC claim and identifies the sawmill as supplier and the organisation as customer. In this case, the organisation can appoint the PEFC-certified sawmill as “supplier” and accept the supply as PEFC certified, provided that the delivery note meets all requirements of 5.1.1.**

THE SUPPLIER (3.38)



- **Example 2: The organisation is selling the material to a PEFC-certified broker and shipping the material to a PEFC-certified printer. In this example, whenever possible, the organisation should select to which entity it issues the PEFC claim and will therefore be its PEFC customer. Since both companies (broker and printer) are PEFC chain of custody certified, it could choose either of them. To avoid double counting of credits, only one organisation can account the claimed material as part of their chain of custody.**

	<ul style="list-style-type: none"> In the flowchart below there is an example where the PEFC customer is the printer and only includes the PEFC claim in the delivery note.  <pre> graph TD Org[THE ORGANISATION 3.28] -- Physical delivery --> DN[DELIVERY NOTE PEFC CLAIM] DN --> Cust[THE PEFC CUSTOMER 3.29 PRINTER PEFC CHAIN OF CUSTODY] Org -- INVOICE No claim --> Inv[INVOICE No claim] Inv -- Legal ownership --> Broker[BROKER PEFC CHAIN OF CUSTODY] </pre>
<p>3.22 Other material</p> <p>Material category for forest and tree based material for which an organisation has not determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.</p>	<ul style="list-style-type: none"> The PEFC Due Diligence System (DDS) is applied for material classified as “other material” that will be included in a PEFC product group. After conducting DDS to the material, if the result is negligible risk to come from controversial sources, the material becomes PEFC controlled sources.
<p>3.23 Outsourcing</p> <p>Practice of activities relevant for an organisation’s PEFC chain of custody being performed by another legal entity, without continuous supervision or control from the organisation.</p> <p>Note: Generally not considered as outsourcing are transportation, (un-)loading and warehousing of materials/products, unless there is a risk that materials with different material categories or certified content are mixed with each other.</p>	

<p>3.24 PEFC certified material</p> <p>Material category for:</p> <p>a) Forest and tree based material delivered by a supplier covered by a PEFC recognised certificate, with the PEFC claim “x% PEFC certified”, or delivered by a supplier covered by a PEFC recognised certificate against a forest management standard that is endorsed by PEFC with another PEFC endorsed system claim.</p> <p>Note: PEFC endorsed system claims are published online on the PEFC website.</p> <p>b) Recycled material (not delivered with the PEFC claim “x% PEFC certified”).</p>	<ul style="list-style-type: none"> • Products delivered with a “100% PEFC Origin” claim are considered PEFC-certified material. • Scheme-specific claims of PEFC endorsed national standards can be used by the entities certified against a PEFC-endorsed sustainable forest management (SFM) standard to communicate the origin of products in an area covered by the standard to customers with a PEFC chain of custody. • SFM and chain of custody standards endorsed by PEFC can be found in the guidance provided to 3.27 of this document.
<p>3.25 PEFC certified product</p> <p>Product sold/transferred by an organisation with the PEFC claim “x% PEFC certified”.</p>	<ul style="list-style-type: none"> • Products sold/transferred with a “100% PEFC Origin” claim are considered PEFC-certified products.
<p>3.26 PEFC chain of custody</p> <p>Processes of an organisation for handling forest and tree based products and information related to their material category, and making accurate and verifiable PEFC claims.</p>	<ul style="list-style-type: none"> • PEFC ST 2002, Chain of Custody, is an international standard that includes the requirements that need to be met by an organisation in order to successfully implement a chain of custody for forest and tree-based products, and to make PEFC claims to customers on the origin of forest and tree based products in sustainably managed forests, recycled material, and PEFC controlled sources. It is ready to be used by certificate holders. In addition, PEFC Council also endorses system specific chain of custody standards (see list below). The requirements to develop and endorse system specific chain of custody standards are the same as for the development and endorsement of sustainable forest management standards. They are described in <i>PEFC ST 1001, Standard setting procedures</i>, and <i>PEFC GD 1007, Endorsement and mutual recognition</i>. • The following system-specific chain of custody standards have been endorsed by PEFC against PEFC ST 2002:2020 International Chain of Custody standard: SGEC Standard Document 4, chain of custody of Forest and Tree based products - Requirements and SFI 2022 Chain of Custody ST (Section 4) and CFCC Part Five, Chain of Custody Requirements.

- For guidance on how material from a PEFC-endorsed system-specific chain of custody standard can enter the PEFC chain of custody and how it is to be considered according to the PEFC material categories, see clarification to the definition 3.27 PEFC claim.
- When purchasing standing trees from a PEFC-certified forest, independently of when the first claim to the PEFC chain of custody certificate holder is passed on, the PEFC chain of custody certificate holder is expected to make sure that, at and during the time of the harvesting operations and time of delivery, the PEFC SFM certificate is valid. This also applies to other tree or forest-based material.
- When purchasing standing trees not covered under a PEFC certificate, the PEFC chain of custody certificate holder is expected to ensure that the trees do not come from controversial sources, not only at the moment of purchasing the trees, but also at the time of delivery. This also applies to other tree- or forest-based material.
- If standing trees are purchased from a PEFC-certified forest, the organisation is expected to ensure that those trees are still covered by a valid PEFC SFM certificate and consider if there are any substantiated concerns that the material may have become controversial sources at the time of delivery. If necessary, the DDS would need to be revised.
- In cases where an organisation (e.g., a logger) buys non-certified standing trees that are afterwards included in the scope of an SFM certificate, can be considered certified, provided that at the time of delivery:
 - The Forest Management Unit is under a valid SFM certificate.
 - Supplementary documentation is issued to the organisation including the PEFC claim, or another system specific claim recognised by PEFC.
 - Review of the DDS demonstrates that they are not controversial.

3.27 PEFC claim

Organisation's declaration on material/products, stated in sales and delivery documentation, namely the claims "x% PEFC certified" and "PEFC controlled sources".

Note 1: In order to highlight PEFC certified material that has never been mixed with PEFC controlled sources material, organisations implementing the physical separation method may use the wording "100% PEFC Origin" instead of "100% PEFC certified" for PEFC certified material that was delivered by a supplier that is a forest owner/manager covered by a PEFC recognised certificate issued against a PEFC endorsed forest management standard with the claim "100% PEFC certified" or with another PEFC endorsed system claim, and for PEFC certified material that was already delivered with the claim "100% PEFC Origin". Organisations receiving material with such a claim "100% PEFC Origin" and implementing the percentage method or credit method consider this as being the PEFC claim "100% PEFC certified".

Note 2: A list of PEFC accepted abbreviations and translations of PEFC claims is available on the [PEFC website](#).

- The abbreviation X% PEFC is accepted for X% PEFC certified.
- The accepted translations of PEFC claims (3.27 Note 2) can be used when the organisation and the PEFC customer are based in the same country or they are based in countries where the same language is officially spoken (e.g., an organisation based in Germany and the PEFC customer based in Austria could use the PEFC claims in German). In other cases, the PEFC claim in English is used.
- PEFC claims and PEFC label messages are two different things. The PEFC claim is the declaration on materials/products conducted by PEFC chain of custody certificate holders to implement the traceability requirements of the PEFC Chain of Custody standard, using the PEFC claims. The text used as part of the PEFC labels, or any text used together with the PEFC trademarks according to the PEFC ST 2001, PEFC Trademarks ST, are called label messages. PEFC label message can be used in other languages according to PEFC ST 2001:2020 8.1.4.3
- Companies certified against a system-specific chain of custody standard (please see guidance to 3.26, PEFC chain of custody) endorsed by PEFC according to PEFC ST 2002:2020, when providing material to an organisation certified against PEFC ST 2002:2020, will need to make PEFC chain of custody claims. The equivalence of claims and claims flow between endorsed system-specific chain of custody standards and the PEFC International Chain of Custody standard can be found below.

Equivalent system specific claims

PEFC Claims ST 2002:2020	Equivalent system specific claims			
	SGEC CoC Claims	CFCC CoC Claims	SFI CoC Claims	Responsible Wood Claims
100% PEFC Origin	100% SGEC origin	100% CFCC Origin	SFI 100% from a Certified Forest	
X% PEFC certified	x% SGEC certified	% CFCC certified	SFI X% Certified Forest Content	x% RW certified
			SFI Credit or 100% as calculated under the credit method	
			SFI at Least X% Certified Forest Content	
			SFI 100% Certified Forest Content-Raw material from a forest certified to an acceptable forest management standard constitutes a claim of 100% certified forest content	
			SFI X% SFI Recycled Content	
			SFI X% Pre-Consumer Recycled	
			SFI % Post-Consumer Recycled	
PEFC controlled sources	SGEC controlled sources	CFCC controlled sources	SFI % Certified Sourcing or SFI Certified Sourcing	RW controlled sources

	<ul style="list-style-type: none"> • According to the PEFC ST 2002, entities certified against a system-specific chain of custody standard endorsed by PEFC (e.g., SFI Chain of Custody ST, SGEC Chain of Custody standard), must use the PEFC claims when passing on claims to entities certified against the PEFC ST 2002:2020 (e.g., when an SGEC chain of custody certified entity passes on a claim to a PEFC chain of custody certified entity, the SGEC-certified entity must use the PEFC claims. When an SGEC-certified company passes on a claim to a Responsible Wood chain of custody certified company, they must use the PEFC claims). Organisations have the option to use a dual claim, e.g.: 92% SGEC-certified/ 92% PEFC-certified, when such an equivalence exists (see also guidance to requirement 5.2.2) • List of PEFC accepted abbreviations and translations of PEFC claims is available from this link: https://treee.es/claimtranslations
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<p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.</p> <p>Note: “PEFC controlled sources” is also the PEFC claim that may be used for material from this material category.</p>	
<p>3.29 PEFC customer</p> <p>Entity receiving from an organisation a PEFC claim for products, of which it obtains legal ownership and/ or physical possession.</p> <p>Note 1: Where material/products are physically delivered to an entity other than the entity that has obtained legal ownership of the material, the organisation shall appoint a single PEFC customer for the purpose of this definition, i.e. either the entity that obtains legal ownership or the entity that obtains physical possession of the material.</p> <p>Note 2: The term PEFC customer can also refer to an internal customer within an organisation, if subsequent product groups have been established.</p>	<ul style="list-style-type: none"> • Note 1 - the word “shall” in this note is to be understood by a “should”. • See also guidance to definition 3.21, Organisation.
<p>3.30 PEFC product group</p> <p>Product or set of products with equivalent input material, defined by product name/type and category, type(s) of species, chain of custody method, material category, PEFC claim(s), for which an organisation applies its chain of custody.</p> <p>Note 1: The organisation can define individual products, product batches and job orders as PEFC product groups.</p> <p>Note 2: The organisation can establish one or more product groups for parallel or subsequent manufacturing or trading processes.</p> <p>Note 3: In case of multi-site organisations as defined in Appendix 2, 2.2 a) of this standard, PEFC product groups can cover several sites.</p>	<ul style="list-style-type: none"> • The list of PEFC product categories is available on the PEFC website. • Editorial mistake Note 3 - In case of multi-site organisations as defined in Appendix 2, 2.3 a) of this standard, PEFC product groups can cover several sites. • As per note 3, both the percentage and the credit systems can be used at the level of multi-sites, across more than one site.

<p>3.31 PEFC recognised certificate</p> <p>a) A valid accredited forest management certificate issued by a PEFC notified certification body against a forest management system/standard that is endorsed by PEFC.</p> <p>b) A valid accredited chain of custody certificate issued by a PEFC notified certification body against this standard or another chain of custody standard that is endorsed by PEFC.</p> <p>Note 1: PEFC endorsed forest certification systems and chain of custody standards are found at the PEFC website.</p> <p>Note 2: In case of a group or multi-site certificate where it is confirmed in a separate document, such as an appendix to the certificate or a sub-certificate, that a site or a group participant is covered by the certificate, the separate document and the certificate together are considered the site's/participant's PEFC recognised certificate.</p>	
<p>3.32 PEFC website</p> <p>This is the website at the address www.pefc.org.</p>	
<p>3.33 Percentage method</p> <p>A chain of custody method where the certified content of a PEFC product group is calculated for a specified claim period, based on the input material included in the PEFC product group.</p>	
<p>3.34 Physical separation method</p> <p>chain of custody method of controlling a PEFC claim for a specified PEFC product group based on clear identification and/or separation of different material categories throughout all the activities performed by the organisation.</p>	

3.35 Recycled material

Forest and tree based material that is:

- a) Recovered from waste during a manufacturing process. Excluded is reutilisation 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.
- b) Generated by households or by commercial, industrial and institutional facilities in their role as end- users of the product that can no longer be used for its intended purpose. This includes returns of material from the distribution chain.

Note 1: The term “capable of being reclaimed within the same process that generated it” means that the material generated in one process is continuously returned to the same process at the same site. An example is residue generated by a press line in a panel board production that continuously re-enters the same press line. This is not considered as recycled material.

Note 2: The definition is based on definitions of ISO 14021.

Note 3: Different examples of recycled material are provided in PEFC GD 2001.

- **If material is delivered under a recycled claim against another certification system or standard, the organisation needs to ensure that it meets PEFC’s definition for recycled material. If it does, it can be accepted as recycled material. PEFC-endorsed chain of custody standards have been assessed as meeting PEFC’s recycled material definition.**
- **Material can no longer be used for its intended purpose when it has completed its life cycle, as per ISO 14021:1999, definition 3.1.8**
- **Examples of documents and claims that could be accepted as a declaration of recycled material:**
 - **EN 643 classification**
 - **Product details**
 - **Producer claim**
 - **Legal statements**
 - **ISO 14021 claims**
 - **A Type iii Environmental Product Declaration, compliant with UNI EN 15804 and ISO 14025 (EPD)**

Examples of material classification as recycled/not recycled

Examples of material	Classification	Note
Wood waste from Construction and demolition and timber retrieved from dismantled buildings	Recycled	Material resulting from the alteration, construction, destruction, rehabilitation, or repair of any man-made physical structure including houses, buildings, industrial or commercial facilities.
Commercial transport packaging, such as pallets, crates, cases, cable drums, etc.	Recycled	Material generated by commercial, industrial, and institutional facilities which can no longer be used for the intended purpose.
Furniture off-cuts procured by panel board producer	Recycled	Diverted from the waste stream, the material is not used in the same process by which it was generated.

Examples of material	Classification	Note
By-products such as sawdust or chips	Not recycled	Neither pre-consumer, nor post-consumer. By-products are explicitly excluded by definition from pre-consumer recycled material. Cork dust or charcoal dust resulting from primary production, is considered a by-product and not recycled material.
Unsold magazines, newspapers and other printed material returned from the distribution	Recycled	Generated by industrial facilities in their role as the end-user, the product can no longer be used for its intended purpose.
Reclaimed defective furniture from the manufacture, used by panel board producer	Recycled	Generated by industrial facilities, the industrial facility is the end-user of the defective furniture; the product can no longer be used for its intended purpose.
Printer's off-cuts	Recycled	Diverted from the waste stream, the material is not used in the same process by which it was generated.
Reclaimed office or households scrap paper	Recycled	Generated by households.
Grades of recovered paper identified based on EN 643	Recycled	The grades defined by EN 643 meet the definition of recycled material.
Mill broke from paper or pulp production used in the same process as it was generated by	Not recycled	The mill broke is excluded from the definition of recycled material as it is "material generated in a process and being capable of being reclaimed within the same process that generated it".
Furniture made with old pallets	Recycled	
Charcoal dust	Not recycled	Charcoal dust is considered as a by-product and therefore not considered as recycled material.
Cork dust	Not recycled	Cork dust is considered as a by-product and therefore not considered as recycled material.

<p>3.36 Rolling percentage</p> <p>A chain of custody method where the certified content of a PEFC product group is calculated for a specified claim period, based on the input material included in the PEFC product group on average over a specified period preceding the claim period.</p>	
<p>3.37 Substantiated concern</p> <p>Information supported by proof or evidence, indicating that forest and tree based material originates in controversial sources.</p> <p>Note: Substantiated concerns can be concerns by third parties, as well as concerns of the organisation itself.</p>	
<p>3.38 Supplier</p> <p>Entity supplying material used as input for an organisation’s PEFC product group.</p> <p>Note 1: Where PEFC certified products are physically delivered by an entity other than that having the ownership title to the material, the entity that is covered by a PEFC recognised certificate and that has specified the organisation as PEFC customer is considered the supplier for the product/delivery in question.</p> <p>Note 2: The term supplier can also refer to an internal supplier within an organisation, where subsequent product groups have been established.</p>	<ul style="list-style-type: none"> • See guidance to definition 3.21, Organisation.
<p>3.39 Trademark use</p> <p>Usage of the PEFC trademarks on- or off-product.</p>	<ul style="list-style-type: none"> • Off-product usage means the use of the PEFC trademarks, other than on-product usage, that is not referring to a specific product or the origin of raw material in a PEFC-certified forest. Examples of off products use is the PEFC trademarks on a website to promote that the organisation holds a PEFC certificate, or at the top of an invoice to indicate the certified status of the certificate holder.

	<ul style="list-style-type: none"> • On-product usage means the use of the PEFC trademarks in reference to the PEFC-certified material of a product or that can be perceived or understood by buyers or the public as referring to PEFC-certified material. On-product usage can be direct (when the PEFC trademarks are placed on tangible products) or indirect (the trademarks refer to tangible products although they are not placed directly on the product).
<p>3.40 Trees outside Forests (TOF) Trees growing outside areas of nationally designated forest land.</p>	<ul style="list-style-type: none"> • Material from TOF may be delivered under a X% PEFC certified or PEFC controlled sources claim or as other material. • TOF material is no longer to be treated as neutral material. It is to be considered as other material. If it is delivered under a PEFC claim, it is to be classified according to the PEFC claim (either as PEFC controlled sources or X% PEFC certified). It needs to go through the DDS, as per the material category under which it is classified. • For TOF material to be PEFC certified, the country from where the TOF material comes needs to have in place PEFC-endorsed requirements for TOF (either as a dedicated TOF ST or as an Appendix to the SFM ST), in the same way it works for usual SFM material. The list of PEFC-endorsed standards by country are available on the PEFC website.

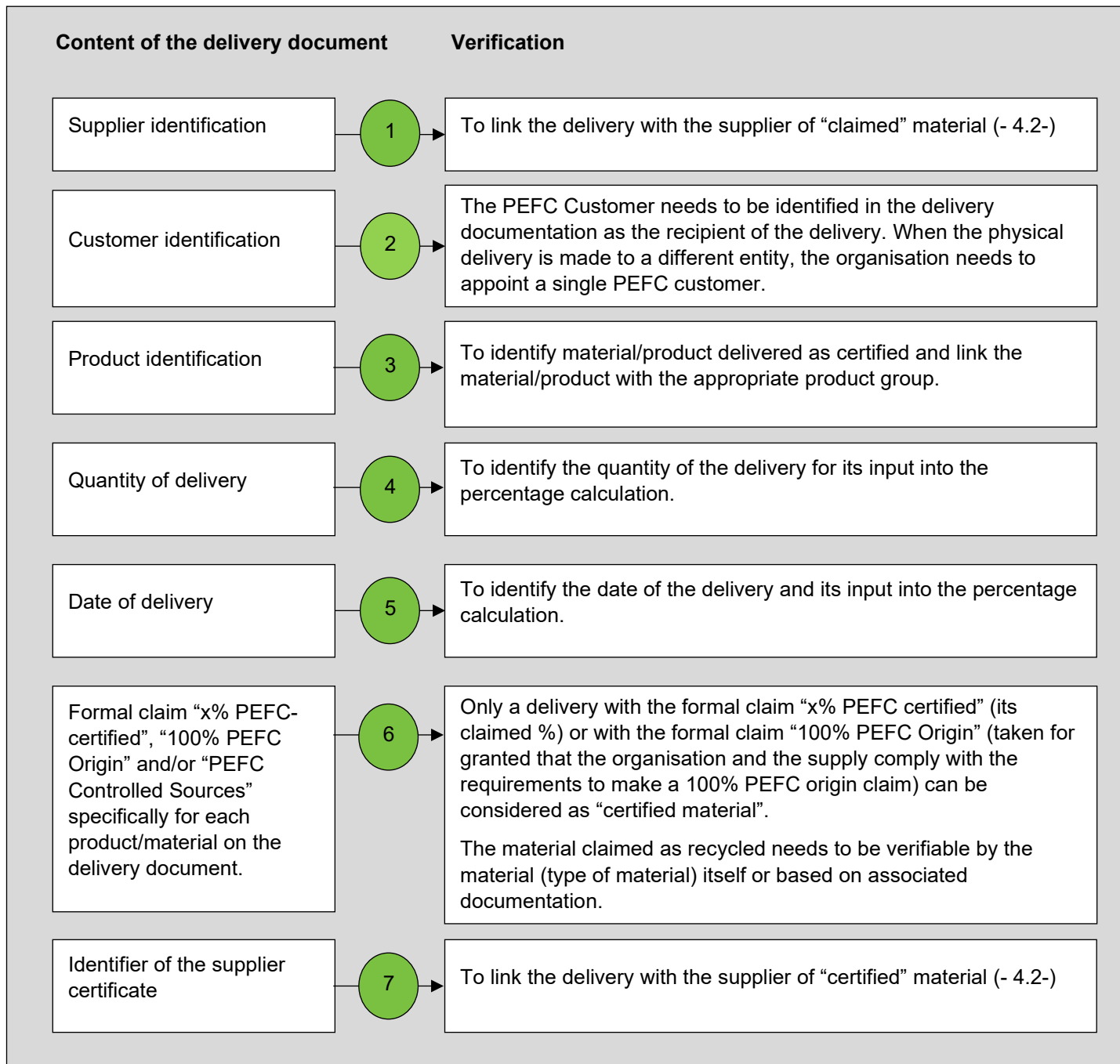
4. Management system requirements

<p>4.1 General requirements</p>	
<p>4.1.1 The organisation shall operate a management system in accordance with the requirements of this standard, to ensure correct implementation and maintenance of the PEFC chain of custody process(es). The management system shall be appropriate to the type, range and volume of work performed, and cover outsourced activities relevant for the organisation's chain of custody and all sites in case of multi-site organisations (see Appendix 2).</p>	
<p>4.1.2 The organisation shall define the scope of its PEFC chain of custody by specifying the PEFC product groups for which the requirements of the PEFC chain of custody are implemented.</p>	<ul style="list-style-type: none"> • As per clause 7.7.2.d of PEFC ST 2003:2020, the certification body needs to include the products covered by the chain of custody as part of the scope of certification, according to the PEFC product categories. Clause 7.7.2.d) PEFC ST 2003:2020. • The list of PEFC product categories is available on the PEFC website. • To sell a product with a PEFC claim, the relevant product category should be included in the scope of certification of the organisation, to the lowest level possible. • For producer groups (PEFC ST 2002:2020, Appendix 1, 2.3.b), the products covered under the scope of the certificate are expected to be specified for each individual participant.
<p>4.1.3 The organisation shall only make PEFC claims and PEFC related statements that are correct to the best of its knowledge and covered by its PEFC chain of custody.</p>	
<p>4.2 Documented procedures</p>	
<p>4.2.1 The organisation shall establish written documented procedures for its PEFC chain of custody. The documented procedures shall include at least the following elements:</p> <p>a) responsibilities and authorities relating to the PEFC chain of custody</p>	<ul style="list-style-type: none"> • a) Reference to job positions is considered sufficient.

<p>b) description of the raw material flow within the production/trading process(es), including definition of product groups</p> <p>c) procedures for PEFC chain of custody process(es) covering all requirements of this standard, including:</p> <ul style="list-style-type: none">i. identification of material categoriesii. physical separation of PEFC certified material, PEFC controlled sources material and other materialiii. definition of product groups, calculation of certified content, management of credit accounts, transfer to outputs (for organisations applying percentage or credit method)iv. sale/transfer of products and PEFC claims, including documentation in which PEFC claims are made, and other on- and off-product trademark usev. record keepingvi. internal audits and non-conformity controlvii. the Due Diligence Systemviii. complaints resolutionix. outsourcing	
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Identification of the material category at delivery level

JONSSONS TIMBER AB Anasvagen 40 - 41668 Goteborg • Sweden		Invoice Date: 13.03.2020 Number: 140177	ORIGINAL																					
Smith LTD MALDOV ROAD STANWAY COLCHESTER ESSEXCO3OSL ENGLAND VAT GB861447013	FINAL DESTINATION MALDON ROAD STANWAY COLCHESTER ESSEX CO3 OSL ENGLAND																							
Country of origin	SWEDEN	Terms of delivery	FBY COLCHESTER																					
Country of destination	ENGLAND	Terms of payment																						
From/via	GOTHENBURG, HARWICH	Vessel	MS GUSTAV A.																					
To	COLCHESTER	B/L date	12.03.2020																					
Buyer's reference	CK14011977	Seller's reference	5012013																					
<table border="1"> <thead> <tr> <th>Product</th> <th></th> <th>Unit price</th> <th>Amount</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>lot n. 234 3840 Sawn Spruce, Sawfalling, Special KO, KD 12% 63%PEFC certified / FSC Mixed63%</td> <td>11 pcks</td> <td>xxxxEURO</td> <td>40,457 m3</td> <td>xxxxEURO</td> </tr> <tr> <td>lot n. 235 3E40 Sawn Pine, Sawfalling, Special KO, KO 12%, PEFC Controlled Source / FSC Controlled Wood</td> <td>10 pcks</td> <td>xxxxEURO</td> <td>31,824 m3</td> <td>xxxxEURO</td> </tr> <tr> <td>TOTAL</td> <td>21 pcks</td> <td></td> <td>72,281 m3</td> <td>xxxxEURO</td> </tr> </tbody> </table>	Product		Unit price	Amount	Total	lot n. 234 3840 Sawn Spruce, Sawfalling, Special KO, KD 12% 63%PEFC certified / FSC Mixed63%	11 pcks	xxxxEURO	40,457 m3	xxxxEURO	lot n. 235 3E40 Sawn Pine, Sawfalling, Special KO, KO 12%, PEFC Controlled Source / FSC Controlled Wood	10 pcks	xxxxEURO	31,824 m3	xxxxEURO	TOTAL	21 pcks		72,281 m3	xxxxEURO				
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TOTAL	21 pcks		72,281 m3	xxxxEURO																				
These goods are softwood which has been kiln dried to below 20% moisture content.																								
JONSSONS TIMBER AB holds the PEFC Chain of Custody certificate No. 123465, issued by CERTIFICATION SERVICES INTERNATIONAL. JONSSONS TIMBER AB holds the FSC Chain of Custody certificate No. 123465, issued by CERTIFICATION SERVICES INTERNATIONAL.																								
Customs item number 4407093 Sawn wood (spruce, pine) 72,281 m ³																								
Jonssons Timber AB Anasvagen 40 41668 Goteborg Sweden	Tel.: +46 (0) 31- 84 33 10 Fax: +46 (0) 31- 84 33 13 Email: info@jonssons-timber.se VAT SW86655442																							



<p>4.3 Responsibilities and authorities</p>	
<p>4.3.1 General responsibilities</p>	
<p>4.3.1.1 The organisation’s management shall define and document its commitment to implement and maintain the chain of custody requirements in accordance with this standard. The organisation’s commitment shall be made available to the organisation’s personnel, suppliers, customers, and other interested parties.</p>	
<p>4.3.1.2 The organisation’s management shall appoint a member of the management who, irrespective of other responsibilities, shall have overall responsibility and authority for the organisation’s PEFC chain of custody.</p>	<ul style="list-style-type: none"> • Informative guidance for performing internal audits is given in ISO 19011.
<p>4.3.2 Responsibilities and authorities for chain of custody</p> <p>The organisation shall identify the personnel performing activities for the implementation and maintenance of its PEFC chain of custody and shall establish personnel responsibilities and authorities for the implementation of the procedures 4.2.1 c) i-viii.</p> <p>Note: The responsibilities and authorities for the PEFC chain of custody given above can be cumulative.</p>	<ul style="list-style-type: none"> • Editorial mistake. Correct: 4.2.1 c) i-ix.
<p>4.4 Record keeping</p>	
<p>4.4.1 To provide evidence of conformity with the requirements of this standard, the organisation shall establish and maintain at least the following records relating to the product groups covered by its PEFC chain of custody:</p> <p>a) Records of all suppliers of input material delivered with a PEFC claim, including evidence of the suppliers’ PEFC certified status.</p> <p>Note: Evidence can be a print-out from the PEFC website.</p> <p>b) Records of all input material, including PEFC claims and documents associated to the delivery of the input material, and for recycled input material, information demonstrating that the definition of recycled material is met.</p>	

<p>c) Records of calculation of the certified content, transfer of the percentage to output products and management of the credit account, as applicable.</p> <p>d) Records of all products sold/transferred, including PEFC claims and documents associated to the delivery of the output products.</p> <p>e) Records of the Due Diligence System, including records of risk assessments and significant risk supplies management, as applicable.</p> <p>f) Records of internal audits, periodic chain of custody review, non-conformities and corrective actions.</p> <p>g) Records on complaints and their resolution.</p>	
<p>4.4.2 The organisation shall maintain the records for a minimum period of five years.</p>	<ul style="list-style-type: none"> • For system-specific chain of custody standards endorsed by PEFC (see also guidance to 3.26, PEFC Chain of Custody), the retention period should be of a minimum of five years or within the legally defined retention period by jurisdiction in the country where the system-specific chain of custody standard is implemented.
<p>4.5 Resource management</p>	
<p>4.5.1 Human resources/personnel</p> <p>The organisation shall ensure and demonstrate that all personnel performing activities affecting the implementation and maintenance of its PEFC chain of custody are competent on the basis of appropriate training, education, skills and experience.</p>	
<p>4.5.2 Technical facilities</p> <p>The organisation shall identify, provide and maintain the infrastructure and technical facilities needed for effective implementation and maintenance of its PEFC chain of custody with the requirements of this standard.</p>	
<p>4.6 Inspection and control</p>	

<p>4.6.1 The organisation shall conduct internal audits at least annually, and prior to the initial certification audit, covering its compliance with all requirements of this standard applicable to the organisation, including activities covered by outsourcing, and establish corrective and preventive measures if required.</p> <p>Note: Informative guidance for performing internal audits is given in ISO 19011.</p>	<ul style="list-style-type: none"> • As per the note, ISO 19011 is a potential alternative of how to perform an internal audit, not a mandatory requirement.
<p>4.6.2 The organisation's management shall review the result of the internal audit and the organisation's PEFC chain of custody at least annually</p>	
<p>4.7 Complaints</p>	
<p>4.7.1 The organisation shall establish procedures for dealing with complaints from suppliers, customers and other parties relating to its chain of custody, reflecting the requirements of 4.7.2.</p>	<ul style="list-style-type: none"> • An example of good practice is the UN Guiding Principles on Business and Human Right (see page 33, Effectiveness criteria for non-judicial grievance).
<p>4.7.2 Upon receipt of a complaint in writing, the organisation shall:</p> <ol style="list-style-type: none"> formally acknowledge the complaint to the complainant within ten workdays gather and verify all necessary information to evaluate and validate the complaint and make a decision on the complaint formally communicate the decision on the complaint and of the complaint handling process to the complainant ensure that appropriate corrective and preventive actions are taken, if necessary 	
<p>4.8 Nonconformity and corrective action</p>	
<p>4.8.1 When a nonconformity with the requirements of this standard is identified through internal or external auditing, the organisation shall:</p> <ol style="list-style-type: none"> react to the nonconformity and, as applicable: <ol style="list-style-type: none"> take action to control and correct it address the consequences 	

<p>b) evaluate the need for action to eliminate the causes of the nonconformity, in order that it does not recur or occur elsewhere, by:</p> <ul style="list-style-type: none"> i. reviewing the nonconformity ii. determining the causes of the nonconformity iii. determining if similar nonconformities exist, or could potentially occur <p>c) implement any action needed</p> <p>d) review the effectiveness of any corrective action taken</p> <p>e) make changes to the management system, if necessary</p>	
<p>4.8.2 Corrective action shall be appropriate to the effects of the nonconformities encountered.</p>	
<p>4.8.3 The organisation shall retain documented information as evidence of:</p> <ul style="list-style-type: none"> a) the nature of the nonconformities and any subsequent actions taken b) the results of any corrective action 	
<p>4.9 Outsourcing</p>	<ul style="list-style-type: none"> • The outsourcing requirements defined in 4.9 of PEFC ST 2002:2020 do apply when an outsourced activity is covered under the production groups/scope of the organisation’s PEFC chain of custody. • Certified organisations who engage logging (harvesting) contractors should undertake an internal audit of any new contractors, and should have a mechanism to carry out and record an induction of existing contractors for individual harvesting sites. Such induction processes and records can then be reviewed during the annual internal audit.
<p>4.9.1 The organisation may outsource activities covered by its PEFC chain of custody to another entity.</p>	

4.9.2 Through all stages of outsourcing the organisation shall be responsible for ensuring that all outsourced activities meet the requirements of this standard, including management system requirements. The organisation shall have a written agreement with all entities to whom activities have been outsourced, ensuring that:

- a) The material/products covered by the organisation's PEFC chain of custody are physically separated from other material or products.
- b) The organisation has access to the entity's site(s) for internal and external auditing of outsourced activities for conformity with the requirements of this standard.

Note 1: A template for an outsourcing agreement can be obtained from the PEFC Council and PEFC authorised bodies.

Note 2: Internal audits of outsourced activities should be conducted at least annually and before the outsourced activity starts.

• **4.9.2 b) In case the outsourced entity is PEFC certified, and the outsourced activity is covered by and included under the scope of its certificate, the outsourced activity will be covered by its certification and therefore an internal audit by the organisation is not necessary.**

• **Note 1**

- **The template can be found on the PEFC website:
[Template: Outsourcing Agreement](#)**
- **The template should be adapted to the reality of each company, when applicable.**

• **Note 2**

- **Outsourcing activities are covered by the management system and by the annual internal audits. Note 2 aims at clarifying that to do so, they should be audited annually and before the outsourcing activities start.**
- **Outsourcing activities can be covered in the annual internal audit through sampling, as with the internal audits of the multi-site certificates.**
- **The internal audit of outsourced activities can be done remotely, in a similar way as multi-site internal audits (appendix 2, 3.2.2.1.a), where a remote verification of the implementation of chain of custody processes is feasible and allows to ensure proper implementation of the PEFC chain of custody requirements. This consideration is to be assessed by the certification body during the external audit.**
- **In producer groups, if a group member outsources an activity within their chain of custody implementation, the group entity is expected to reflect it in its management system, including how it will organise internal audits of outsourcing activities.**
- **Internal audits of outsourcing activities are normally carried out by the group entity central office, except in cases where distance or other factors make it more efficient for the group member to do so.**

	<ul style="list-style-type: none"> - As per 4.6, the annual internal audit needs to cover outsourced activities. When outsourced activities are conducted by multiple subcontractors, the internal audit can be conducted based on the sampling procedure for multi-sites, following a risk-based approach (that includes social issues). - The internal audit of outsourced activities covers the applicable requirements of the Chain of Custody standard.
<p>4.10 Social, health and safety requirements in chain of custody</p> <p>This clause includes requirements relating to health, safety and labour issues that are based on ILO Declaration on Fundamental Principles and Rights at Work (1998).</p>	<ul style="list-style-type: none"> • In line with guidance to bullet 3.7.f), the spirit of the UN Declarations of Human Rights should also be met. This is based on the recognition by the ILO that international labour Conventions, in particular those relating to freedom of association, can only be effective if the civil and political rights are enshrined in the Universal Declaration of Human Rights • Certificate holders are expected to conduct business fairly and ethically.
<p>4.10.1 The organisation shall demonstrate its commitment to comply with the social, health and safety requirements defined in this standard.</p>	<ul style="list-style-type: none"> • This demonstrating of commitment comes by presenting employment contracts, evidence of compliance with applicable legislation and having and implementing written policies that would enable the organisation to meet the requirements. One policy could address one or more of these requirements. It is not necessary to have separate policies for social, health and safety requirements.
<p>4.10.2 The organisation shall demonstrate that:</p> <ol style="list-style-type: none"> a) workers are not prevented from associating freely, choosing their representatives and bargaining collectively with their employer b) forced labour is not used c) workers, who are under the minimum legal age, the age of 15, or the compulsory school attendance age, whichever is higher, are not used d) workers are not denied equal employment opportunities and treatment e) working conditions do not endanger safety or health 	<ul style="list-style-type: none"> • These requirements also apply to contractors, migrant, seasonal and temporary workers. • This also means that workers are not subject to abusive practices or undue disciplinary procedures. The organisation should not interfere and remain neutral towards the workers. • If collective bargaining is going to take place, the employer is expected to engage and negotiate.

5. Identification of inputs and declaration of outputs

5.1 Identification of input material

Example of the material category identification in panel board production

1	2	3	4	5	6	7	8	9	10
Deliv.#	Date	Description	Before DDS	PEFC Claim After DDS	Volume		Material category		
					in procured Measurement Unit	in tonnes	Cert. (in tonnes)	Neutr. (in tonnes)	controlled sources (in tonnes)
537390	03/06/21	Round wood	Other material	PEFC controlled sources	31300 Kg	31.3	0	0	31.3
537391	03/06/21	Shavings	Other material	PEFC controlled Sources	8160 Kg	8.16	0	0	8.16
537392	03/06/21	Recycled chipped packaging wood	Recycled material	100% PEFC certified	17840 Kg	17.84	17.84	0	0
538399	16/06/21	Sawdust	75% PEFC certified	75% PEFC certified	83 m ³	28.38	21.29	0	7.09
538705	18/06/21	Round Wood	100% PEFC Origin	100% PEFC Origin	28140 kg	28.14	28.14	0	
538706	18/06/21	Recycled chipped pallets	100% PEFC certified	100% PEFC certified	14360 kg	14.36	14.36	0	0
Total						128.18	81.63	0	46.55

Note: Before entering this table, any material (except from recycled sources and material covered by CITIES) has gone through the DDS and remained PEFC certified or become PEFC controlled sources. Initially, the classification of the Round wood delivered as 5337390 and shaving was “Other material”). After conducting DDS, the input material into the PEFC chain of custody method is X% PEFC certified, 100% PEFC origin (that counts as 100% PEFC certified) and PEFC controlled sources.

Example of material category identification:

- [column 1] The column “Deliv. #” should allow identification of “the delivery documentation”
- [column 5] Includes the PEFC claim (percentage of PEFC certified material, PEFC controlled sources) as claimed by the supplier, or “recycled” status of the material.
- [column 6] Volume of procured material in measurement units as identified in the delivery documentation.
- [column 7] Volume of procured material in a single measurement unit (dry tonnes) allowing calculation of certification percentage. An organisation’s internal conversion ratio was used to transfer delivery “538399” from m³ to tonnes.
- [column 8, 9, 10] Procured material that enters the PEFC product group should be classified as “certified”, “neutral” or “controlled sources” material. Where the procured product includes only a proportion of PEFC certified material (see delivery “538399”), only the volume corresponding to the proportion should be classified as “certified” ($0.75 \times 28.38 = 21.29$). The remaining 7.09 should be classified as PEFC controlled sources.

5.1.1 For each delivery of material used as input for a PEFC product group the organisation shall obtain documentation with the following information from the supplier:

- supplier identification
- product identification
- quantity of products
- delivery identification based on date of delivery, delivery period, or accounting period

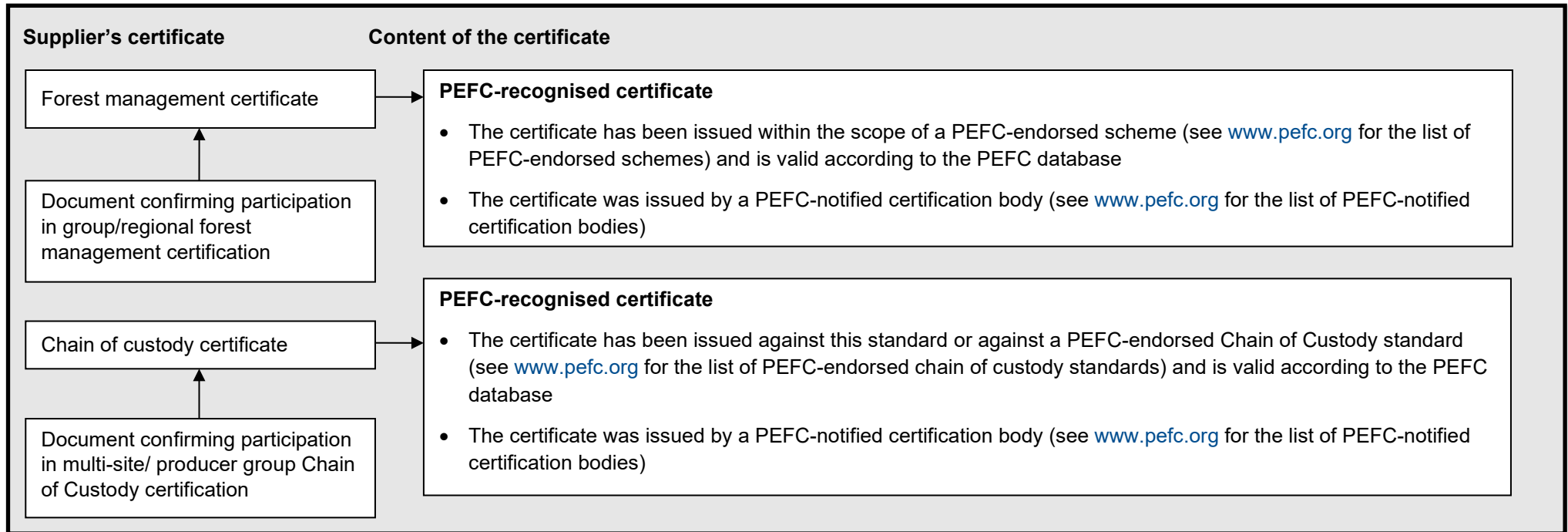
For inputs with a PEFC claim the document shall also include:

- the organisation’s name as the PEFC customer of the delivery
- the applicable PEFC claim specifically for each claimed product covered by the documentation
- the certificate number of the supplier’s PEFC recognised certificate

Note 1: The certificate number is a numerical or alpha-numerical combination, which is a unique identifier of the certificate.

Note 2: An example of delivery documentation is an invoice or delivery note providing the information required.

5.1.2 Identification at supplier level



5.1.2.1 For all inputs delivered with a PEFC claim the organisation shall verify that the supplier is covered by a PEFC recognised certificate on the PEFC website.

- **PEFC does not have a requirement that establishes a certain periodicity to verify the supplier status but requires verification that the supply is certified.**
- **The organisation should determine how it verifies, e.g., supply by supply or on a monthly, quarterly, or annual basis depending on the case, on the degree of confidence and risks**
- **For material supplied by a chain of custody certified organisation, the organisation verifies that the material is covered by the scope of the certificate according to the PEFC database**
- **For material delivered under a 100% PEFC Origin claim, the organisation additionally verifies that the supplier implemented physical separation on the delivered material.**

<p>5.1.2.2 For each delivery of material used as input for a PEFC product group the organisation shall classify the material category of the procured material.</p>	<ul style="list-style-type: none"> • Material delivered from a supplier certified either against the PEFC International Chain of Custody standard or a PEFC-endorsed chain of custody standard, can be accepted as certified only if it is delivered under a PEFC official claim or an accepted abbreviation and/or translation for certified material. • Material delivered with a claim other than a PEFC claim from a supplier certified against a PEFC-endorsed system-specific standard (see clarification to 3.26 for a list of system-specific chain of custody standards endorsed by PEFC) to an organisation certified against the PEFC ST 2002:2020, the material cannot be considered as certified, but as negligible risk as per Table 1 of the DDS. • Any certificate holders of schemes which are not endorsed by PEFC, would need to become certified against the PEFC International Chain of Custody standard to use the PEFC claims.
<p>5.2 Declaration of outputs</p>	
<p>5.2.1 For outputs from a PEFC product group for which the organisation makes a PEFC claim to a PEFC customer, it shall provide the customer with documentation providing the following information for each delivery:</p> <ol style="list-style-type: none"> a) PEFC customer identification b) the organisation's name as the supplier of the material c) product identification d) quantity of product(s) e) date of delivery / delivery period / accounting period f) the applicable PEFC claim specifically for each claimed product covered by the documentation g) the certificate number of the organisation's PEFC recognised certificate <p>Note: The certificate number is a numerical or alpha-numerical combination which is a unique identifier of the certificate.</p>	<ul style="list-style-type: none"> • An organisation can produce products either within the PEFC certification scope of their chain of custody or out of the scope. • The requirement 5.2.1 lists the information that is mandatory to include if the organisation wants to sell certified products or PEFC controlled sources. • For sales of non-certified products, the organisation does not need to include this information. • The organisation can sell PEFC-certified and PEFC controlled sources products to certified or non-certified companies. Although it is not recommended, the organisation can sell PEFC-certified products within the PEFC certification scope without declaration of output claims, if desired. In those cases, the material is uncertified.

5.2.2 The organisation shall specify the type of documentation in which PEFC claims on outputs are made.

- **The wording “shall specify” does not mean that the identification of the type(s) of document(s) is definite and cannot be changed at any point in time. This should be covered under the chain of custody management system.**
- **The organisation may choose one or multiple documents to be used for the communication of the claim to a single PEFC customer.**
- **For example:**
 - **the organisation chooses to use only the invoice to communicate the PEFC claims**
 - **the organisation uses both the invoice and delivery note to communicate the claims**
- **PEFC allows the use of dual claims. That means the PEFC claim can be combined with a claim of another forest certification scheme or an endorsed PEFC SFM or chain of custody standard for a specific delivery. The organisation receiving a dual claim ensures that the claim is counted only once and there is no double accountability. This is to be checked for conformance during the audit. An example of dual claim would be: SFI 100% Forest Content/100% PEFC certified; or 100% SGEC certified/100% PEFC certified. See also guidance to 3.27, PEFC claim.**

• Example of documentation associated with sold products (invoice):

JONSSONS TIMBER AB
 Anasvagen 40 - 41668 Goteborg • Sweden

Invoice
 Date: 13.03.2022
 Number: 140177

ORIGINAL

Smith LTD	<i>FINAL DESTINATION</i>
MALDOV ROAD STANWAY COLCHESTER ESSEXCO3 OSL ENGLAND	MALDON ROAD STANWAY COLCHESTER ESSEXCO3 OSL ENGLAND
VAT GB861447013	

Country of origin	SWEDEN	Terms of delivery	FBY COLCHESTER
Country of destination	ENGLAND	Terms of payment	
From/via	GOTHENBURG, HARWICH	Vessel	MS GUSTAV A.
To	COLCHESTER	B/L date	12.03.2022
Buyer's reference	CK14011977	Seller's reference	5012013

Product		Unit price	Amount	Total
lot n. 234 3E40 Sawn Spruce, Sawfalling, Special KO, KO 12%, 63%PEFC certified / FSC Mixed63%	11 pcks	xxxxEURO	40,457 m3	xxxxEURO
lot n. 235 3E40 Sawn Pine, Sawfalling, Special KO, KO 12%, PEFC Controlled Source / FSC Controlled Wood	10 pcks	xxxxEURO	31,824 m3	xxxxEURO
TOTAL	21 pcks		72281 m3	xxxxEURO

These goods are softwood which has been kiln dried to below 20% moisture content.

JONSSONS TIMBER AB holds the PEFC Chain of Custody certificate No. 123465, issued by CERTIFICATION SERVICES INTERNATIONAL
 JONSSONS TIMBER AB holds the FSC Chain of Custody certificate No. 123465, issued by CERTIFICATION SERVICES INTERNATIONAL

Customs item number
 4407093 Sawn wood (spruce, pine) 72,281 m³

Jonssons Timber AB Anasvagen 40 41668 Goteborg Sweden	Tel.: +46 (0) 31- 84 33 10 Fax: +46 (0) 31- 84 33 13 Email: info@jonssons-timber.se VAT SW86655442
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5.3 Trademark use

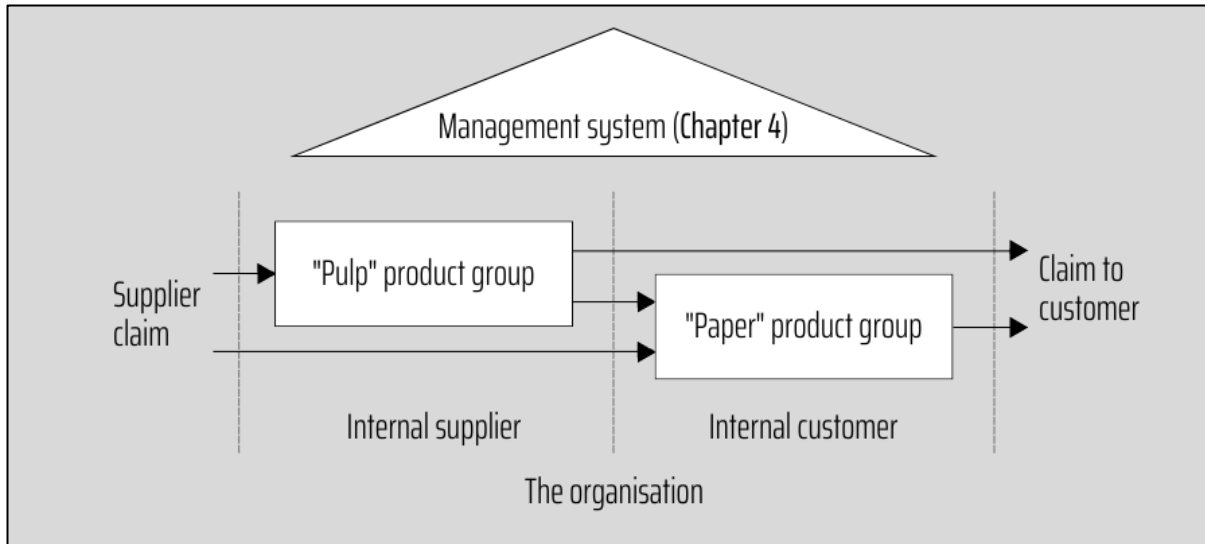
5.3.1 The use of the PEFC trademarks i.e. PEFC logo and labels, chain of custody claims on-product and PEFC initials, shall be in compliance with PEFC ST 2001, *PEFC Trademarks Rules – Requirements*.

<p>5.3.2 In order to enable the organisation to use the PEFC trademarks in accordance with the PEFC Trademarks Rules, the organisation shall obtain a valid trademark license from the PEFC Council or another PEFC authorised body.</p>	<ul style="list-style-type: none"> • PEFC Council and PEFC authorised body contact details for requesting a PEFC trademarks usage licence can be found here: https://labelgenerator.pefc.org/contact • The trademark usage licence request should be made to the PEFC authorised body from the country where the organisation has its legal address. Please check the PEFC authorised body and the respective countries that are being represented by them, at: https://labelgenerator.pefc.org/contact • If the country of the legal address of the organisation it is not in the list, the license request needs to contact the PEFC Council. For multi-site organisations, the PEFC contact is the office from the country where the headquarters of the multi-site certificate is based.
<p>5.4 Content of recycled material</p>	
<p>5.4.1 For products covered by the organisation’s PEFC chain of custody that include recycled material, the organisation shall calculate the content of recycled material based on ISO 14021 and inform about it upon request.</p>	

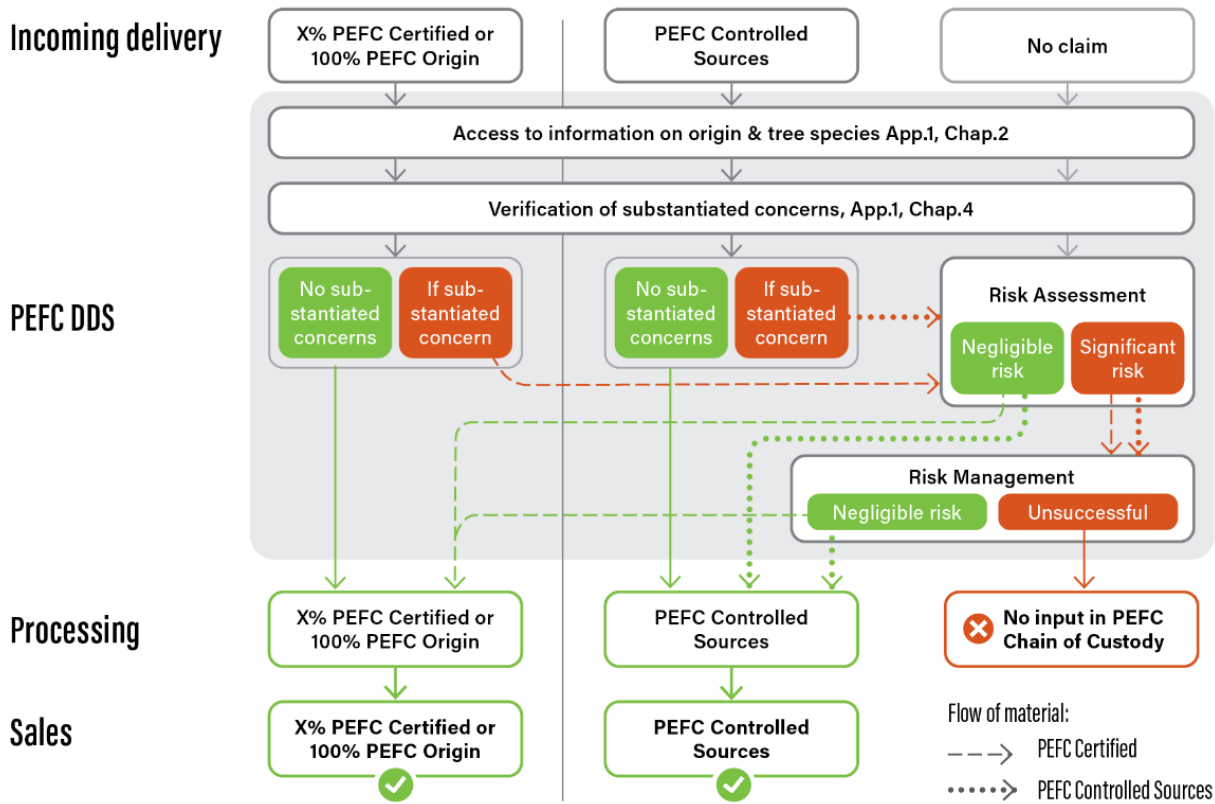
6. Chain of custody methods

<p>6.1 General</p>	<ul style="list-style-type: none"> • The PEFC Chain of Custody standard provides three methods that the organisation can implement based on its material flow, but also based on its communication and marketing needs or on a PEFC customer's specific demands. • During the audit, the balance between the material received and the material sold will be checked. See also guidance to requirement 7.4.4 under chapter 5 of this document, General guidance for the use of PEFC ST 2001:2020.
<p>6.1.1 There are three methods to implement the PEFC chain of custody, namely the physical separation method, the percentage method and the credit method. Depending on the nature of material flows and processes, the organisation shall choose the appropriate method.</p>	<ul style="list-style-type: none"> • Clause 6.1.1 states that the organisation needs to choose the traceability method(s) it wants to apply, and no limitation is included for this choice. • The chosen method is implemented for each specific product group (6.1.2).
<p>6.1.2 The organisation shall implement the chosen chain of custody method(s) of this standard for specific PEFC product groups.</p>	
<p>6.1.3 PEFC product groups shall be established for products with equivalent input material, with the same measurement unit or units that can be converted into a single measurement unit.</p>	
<p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p>	

Definition of product groups

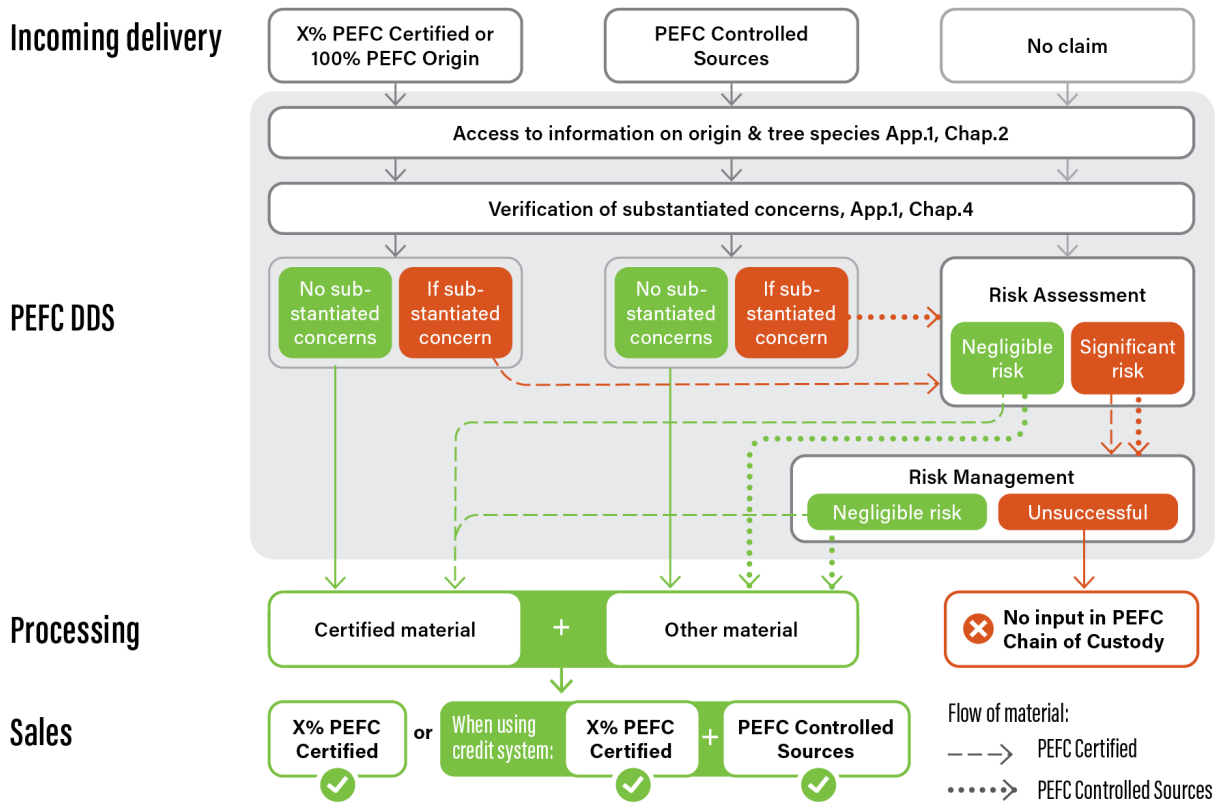


Physical separation



Guidance: The material delivered with the claim “100% PEFC Origin” can remain the same when the physical separation method is applied. The PEFC certified and PEFC controlled sources is to be kept separated or not used as the input of the same product group if the organisation wants to sell with different claims as demonstrated by the grey dash line.

Percentage and credit method

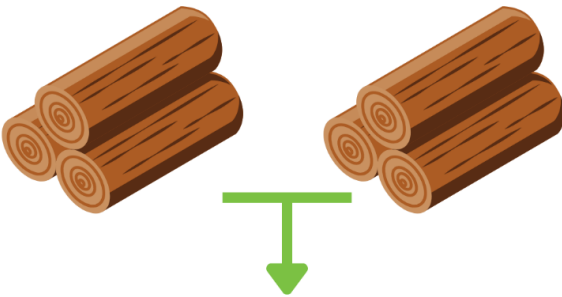


PEFC certified material is mixed with other material (PEFC controlled sources or material without PEFC claim).

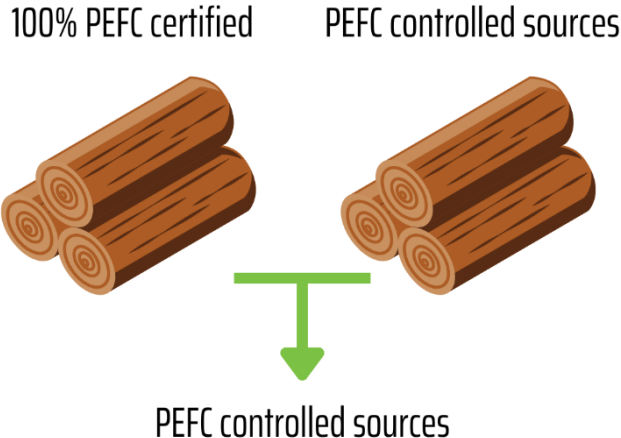
If the scope of the certificate is limited to the purchase and sales of the PEFC claimed materials, the DDS is limited to gathering (access to) information on the tree species and origin related to the supplies, provided that there are no “substantiated concerns”. Because PEFC claimed materials represents a “negligible risk” of the material originating from controversial sources, there is no need to perform the risk assessment and risk management. If there are any such substantiated concerns, the material with PEFC claim can still be considered as certified or PEFC controlled sources in the processing after a successful risk management as is indicated by the green dash lines.

For any other material received without a PEFC claim it is necessary to perform the risk assessment. In case of negligible risk these supplies can be processed in the organisation’s Chain of Custody together with the PEFC controlled sources supplies. They can be mixed with certified material into “X% PEFC certified” products and/or used to sell products with the “PEFC controlled sources” claim. Because supplies delivered with the “PEFC controlled sources” claim cannot be sold as PEFC Certified nor be counted towards the certified percentage.

At the point of sales, the “PEFC controlled sources” claim can be used depending on the applied percentage method. With the percentage method, all output products from the product group will be sold with the same “X% PEFC certified” claim and the “PEFC controlled sources” claim will normally not be used (the organisation could choose not to use the “X% PEFC certified” claim and use the “PEFC controlled sources” claim instead. For example, when selling a supply with a low certification percentage). With the volume credit method, only a part of the output products from the product group will be sold as “X% PEFC certified”. In this case, the remaining part cannot be sold as certified, but the organisation has the option to sell the products with the “PEFC controlled sources” claim.

<p>6.2 Physical separation method</p>	
<p>6.2.1 The organisation applying the physical separation method shall ensure that material with different material categories and different certified content are kept separate or clearly identifiable at all stages of the production or trading process.</p> <p>Note: 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 time.</p>	
<p>6.2.2 Where material with different certified content is used as input in the same PEFC product group, the organisation shall use the lowest certified content of the input as certified content of the output.</p> <p>Example: An organisation using material with 100%, 75% and 70% certified content as input in the same PEFC product group under the physical separation method can claim the output as 70% PEFC certified.</p>	<div style="text-align: center;"> <p>100% PEFC certified 80% PEFC certified</p>  <p>80% PEFC certified</p> </div>
<p>6.2.2.1 Where PEFC certified material and PEFC controlled sources material is used as input in the same PEFC product group under the physical separation method, the organisation shall claim the output as PEFC controlled sources.</p>	<ul style="list-style-type: none"> • Requirement 6.2.2.1 refers only to PEFC certified and PEFC controlled sources material, because prior to the implementation of the chain of custody method, a DDS should be implemented to any material classified as “Other material” according to the PEFC material categories. “Other material” resulted from the implementation of the DDS has been proof of having low likelihood coming from controversial sources and therefore it becomes PEFC controlled sources.

- Under the physical separation method, when PEFC controlled sources and X% PEFC certified materials are combined and used as input in the same PEFC product group, certified claims are not possible.



6.3 Percentage method

6.3.1 The percentage method may be implemented to calculate the certified content of PEFC product groups for which PEFC certified material and PEFC controlled sources material were used as input material.

- **Example: Printer producing a PEFC-certified book**
Group product: the specific book, with mix of cardboard non-PEFC certified (cover) and 100% PEFC certified paper (pages), percentage method, input material categories: PEFC certified and PEFC controlled sources
Input material:
Cover: Cardboard non-PEFC certified (80 grams) - so PEFC controlled sources (after going through DDS)
Pages: Paper 100% PEFC certified (400 grams)
Certified content: $400 / (400+80) \times 100 = 83\%$ PEFC certified
On-product label allowed

6.3.2 Calculation of certified content

$$\text{Certified content (Cc)} = \frac{\text{Volume of PEFC certified material (Vc)}}{\text{Volume of PEFC certified material (Vc)} + \text{Volume of PEFC controlled sources material (Vcm)}} \times 100$$

Neutral material (definition 3.20) is not considered in the calculation of the certified content.

The certified content is calculated based on a single measurement unit used for all material covered by the calculation.

Vc = quantity of certified content of the input material. The rest of the input material will be considered PEFC controlled sources material.

The certified content calculated for a PEFC product group is used as percentage in the PEFC claim "X% PEFC certified".

- Example:

Inputs: 1 ton "70% PEFC certified" + 1 ton "100% PEFC certified"

$$\text{Certified content (Cc)} = \frac{(700 + 1000)}{((700 + 1000) + 300)} \times 100$$

$$\text{Certified content (Cc)} = \frac{1700}{2000} \times 100 = 85\%$$

6.3.2.1 The organisation shall calculate the certified content separately for each PEFC product group and for a specific claim period according to the following formula:

$$C_c [\%] = (V_c / (V_c + V_{cm})) \times 100$$

(*C_c*: certified content; *V_c*: volume of PEFC certified material; *V_{cm}*: volume of PEFC controlled sources material)

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

Example of simple percentage calculation for a specific claim period:

1	2	3
Volume of certified raw material procured (tonnes)	Volume of PEFC controlled sources material (tonnes)	Simple percentage
V _c	V _{cm}	$C_c = V_c / (V_c + V_{cm}) \times 100$
39 984	16 640	70.61%

6.3.2.2 The organisation 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 organisation shall only use generally recognised conversion ratios and methods. If a suitable, generally recognised conversion ratio does not exist, the organisation shall define and use a reasonable and credible conversion ratio.

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

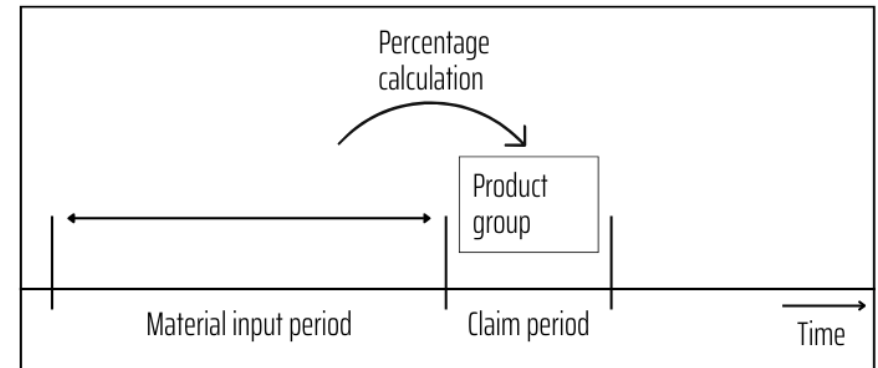
Example: 1t of material delivered with the PEFC claim “70% PEFC certified” and 1t of material delivered with the PEFC claim “100% PEFC certified” are used as input. Using the formula under 6.3.3.1 the certified content is $C_c[\%] = ((700\text{kg} + 1000\text{kg}) / ((700 + 1000) + 300)) \times 100 = (1700 / 2000) \times 100 = 2\text{t of } 85\% \text{ PEFC certified material.}$

6.3.3 The certified content calculated for a PEFC product group shall be used as percentage in the PEFC claim “X% PEFC certified”.

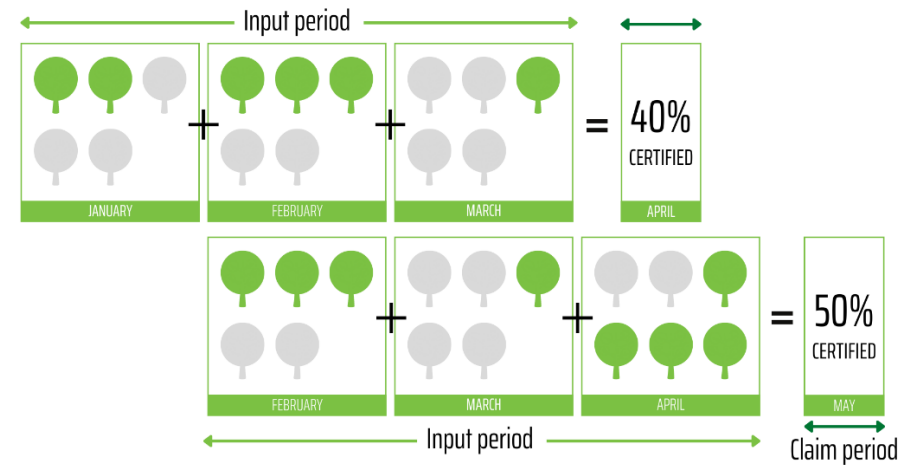
Example: If the certified content of a PEFC product group has been calculated as being 54% for a specific claim period, all products covered by the product group can, during this claim period, be sold/ transferred as PEFC certified products with the PEFC claim “54 % PEFC certified”.

Note: This standard does not define a minimum threshold for the certified content that needs to be met in order to communicate the certified content of a PEFC certified product with the PEFC claim X% PEFC certified. However, minimum thresholds for the use of the PEFC trademarks on-product are defined in the PEFC Trademarks Rules, PEFC ST 2001.

6.3.4 The organisation may apply the percentage method as rolling percentage.



Example: Input period 3 months / claim period 1 month



6.3.5 The organisation applying rolling percentage shall calculate the certified content of a PEFC product group and claim period based on material procured during an input period preceding the claim period. The claim period, in the case of rolling percentage, shall not exceed 3 months and the input period shall not exceed 12 months.

Example: An organisation that has chosen a 3-month claim period and a 12-month input period calculates the certified content for the coming three months based on the input material procured in the previous 12 months.

- **The certification percentage for a one-month claim period is calculated from the volume of certified and other raw material procured during the last three months' input material period.**
- **Note: When the organisation starts the chain of custody and the time period used in the rolling percentage calculation is longer than the time period the chain of custody has been in place, the calculation of the rolling percentage is carried out from the volumes procured since the chain of custody was established. An example is given in Table 3: the first rolling percentage (month 1) is calculated only from volumes procured in month 1, the second rolling percentage (month 2) is calculated only from volumes procured in months 1 and 2.**

$$\text{Certified content (Cc)} = \frac{\text{Volume of PEFC certified material (Vc)}}{\text{Volume of PEFC certified material (Vc)} + \text{Volume of PEFC controlled sources material (Vcm)}} \times 100$$

Input period = 3 months	Vc (in tonnes)	Vcm (in tonnes)	Sum of volume Vc previous 3 months	Sum of volume Vcm previous 3 months	Cc (claim period = 1 month)
January	10	5	NA	NA	NA
February	5	5	10	5	66.7%
March	8	5	15	10	60.0%
April	10	5	23	15	60.5%
May	7	3	23	15	60.5%
June	5	1	25	15	65.8%

Example of 3-month rolling average percentage in panel board production

1	2	3	4	5	6
1-month claim period	Volume of certified material procured (tonnes)	Volume of PEFC controlled sources (tonnes)	Sum of volumes of certified material for previous 3 months (tonnes)	Sum of volumes of controlled sources for previous 3 months (tonnes)	3-month rolling average percentage
j=i	Vc	Vcm	Vc(3)	Vcm(3)	Cc(3)
			$Vc(3) = \sum_{j=i-1}^{j-3} Vc_j$	$Vcm(3) = \sum_{j=i-1}^{j-3} Vcm_j$	$Cc = \frac{Vc(3)}{Vc(3) + Vcm(3)}$
Jan. 09	13654	28654			
Feb. 09	15563	32654	13654	28654	32.27%
Mar. 09	19546	25987	29217	61308	32.28%
Apr. 09	5264	36214	48763	87295	35.84%
May. 09	12695	26154	40373	94855	29.86%
Jun. 09	26984	16 640	37505	88355	29.80%
Jul. 09	21564	15261	44943	79008	36.26%
Aug. 09	26897	14561	61243	58055	51.34%
Sep. 09	15265	22641	75445	46462	61.89%
Oct. 09	18564	26594	63726	52463	54.85%
Nov. 09	16235	25264	60726	63796	48.77%
Dec. 09	15462	24152	50064	74499	40.19%
Continues					

Note:

Example of calculation given in above:

- [column 1] Represents the identification of 1-month claim period for which the certification percentage is calculated.
- [column 2 and 3] The volume of “certified” and “PEFC controlled sources” material is a result of the identification of the material category
- [column 4] Volume is calculated as the sum of volumes of “certified” material procured in the previous 3 months.

Jun.09: $Vc(3) = Vc(\text{May.09}) + Vc(\text{Apr.09}) + Vc(\text{Mar.09})$; $Vc(3) = 19546 + 5264 + 12695 = \mathbf{37505}$ [tonnes]

- [column 5] Volume of “PEFC controlled sources” material is calculated as the sum of volumes of “PEFC controlled sources” material procured in the previous 3 months.

Jun.09: $V_{cm}(3) = V_{cm}(\text{May}.09) + V_{cm}(\text{Apr}.09) + V_{cm}(\text{Mar}.09)$; $V_{cm}(3) = 25987 + 36214 + 26154 = \mathbf{88355}$ [tones]

- [column 6] The rolling average percentage is calculated according to the formula in **6.3.3.1**: $C_c = V_c / [V_c + V_{cm}]$

Jun.09: $C_c(3) = 100 \times V_c(3) / [V_c(3) + V_{cm}(3)]$; $C_c(3) = 100 \times 37,505 / [37505 + 88355] = \mathbf{29.80\%}$

Application of percentage method in panel board production (continuation of above)

1	2	3	4
1-month claim period	3-month rolling average percentage	Total output volume of the product group during the claim period (m ³)	Volume of certified products in m ³ (with % of “PEFC certified” material)
j=i	C _c (3)	V _{cb}	V _{cc} (V _c %)
			V _{cc_i} = V _{cb_i} Claimed %=C _{c_i}
Jan. 09	0.00%	64589	0.00
Feb. 09	32.27%	73698	73698 (32.27%)
Mar. 09	32.28%	69568	69568 (32.28%)
Apr. 09	35.84%	65423	65423 (35.84%)
May. 09	29.86%	57894	57894 (29.86%)
Jun. 09	29.80%	66589	66589 (29.80%)
Jul. 09	36.26%	58789	58789 (36.26%)
Aug. 09	51.34%	62458	62458 (51.34%)
Sep. 09	61.89%	59658	59658 (61.89%)
Oct. 09	54.85%	70458	70458 (54.85%)
Nov. 09	48.77%	62458	62458 (48.77%)
Dec. 09	40.19%	60589	60589 (40.19%)
Continuation			

Note:

- [column 4] The volume of certified products using the average percentage method is equal to the total volume of products sold during the specific claim period (V_{cc} = V_{cb}). Percentage of the certified raw material claimed in the certified products is equal to the percentage calculated for the specific claim period [column 2].

Jun.09: V_{cc} = **66589** [m³], Claimed % = **29.80** [%]

<p>6.4 Credit method</p>	<ul style="list-style-type: none"> • In the case of multi-site certificates, as per Appendix 2, 2.3a), cross-site credit accounts can be established. In those cases, not all the sites need to contribute to the credit account to be able to use the credits. • During the audit, the balance between the material received and the material sold will be checked. See also guidance to requirement 7.4.4 under chapter 6 of this document, General guidance for the use of PEFC ST 2002:2020.
<p>6.4.1 The credit method may be implemented to transfer credits gained from the input of PEFC certified material to PEFC controlled sources material within the same PEFC product group.</p>	
<p>6.4.2 The organisation shall create and manage a credit account for credits gained from input of PEFC 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.</p>	
<p>6.4.3 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 organisation can demonstrate that the average production period of the product in question is longer than 24 months.</p> <p>Example: If the average production period of a product (including maturing, for example) is 36 months, the organisation can extend the 24-month maximum period for the accumulation of credits to 36 months.</p>	

<p>6.4.4 The organisation shall apply the credit method for a single claim. The organisation receiving a delivery of material with a PEFC 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.</p> <p>Example: An organisation receiving a delivery of material with two claims relating to two certification systems either establishes a credit account for the multiple claim (e.g. PEFC certified/[other system claim]) or decides, which single claim (either PEFC certified or [other system claim]) will be entered into the respective volume credit account.</p>	<ul style="list-style-type: none"> • A common credit account can be created for PEFC and other certification system/s for material that is delivered with a dual claim: a PEFC claim and a claim/s against other certification systems. The organisation needs to make sure that there is no double counting between the different systems, independently if the credit account was created as a common one gathering different certification systems, or if there are separate credit accounts, one for each scheme. The claims need to be correctly stated according to the rules of the corresponding standards. 						
<p>6.4.5 The organisation shall calculate the credits using either:</p> <p>a) certified content and volume of output products (clause 6.4.8) or</p> <p>b) input material and input-to-output ratio (clause 6.4.7)</p>	<ul style="list-style-type: none"> • To calculate the certified content associated with the credits, the organisation needs to define an input period and claim period and use the requirements described on the percentage method (6.3.2 and 6.3.4). • 6.4.5 a) Wrong reference, correct is 6.4.6. 						
<p>6.4.6 The organisation 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.</p> <p>Example: If the certified content for the product group of the specific claim period, which consists of 100 tonnes of output products, is 54%, the organisation achieves volume credits equal to 54 tonnes (100 x 0.54) of the output products.</p>	<ul style="list-style-type: none"> • Certified content and volume of output products of the relevant claim period. <p>Credits (single unit) = Output volume x certified content</p> <p>Example:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: right;">Output products:</td> <td style="text-align: right;">8 tons</td> </tr> <tr> <td style="text-align: right;">Certified Content (Cc):</td> <td style="text-align: right;">50%</td> </tr> <tr> <td style="text-align: right;">Credits: 8 x 50%</td> <td style="text-align: right;">= 4 tons</td> </tr> </table> <hr style="width: 50%; margin: 10px auto;"/> <div style="text-align: center;"> <p>Claim period</p> <p style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>CC</p> <p>Certified Content 50%</p> </div> <div style="text-align: center;"> <p>*</p> </div> <div style="text-align: center;"> <p>OUT</p> <p>8 tons of output products</p> </div> <div style="font-size: 2em; margin: 0 10px;">→</div> <div style="text-align: center;"> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">ACCOUNT</p> <p>4 tons credit</p> </div> </p></div>	Output products:	8 tons	Certified Content (Cc):	50%	Credits: 8 x 50%	= 4 tons
Output products:	8 tons						
Certified Content (Cc):	50%						
Credits: 8 x 50%	= 4 tons						

Example of volume credits calculation using certification percentage and volume of output products in panel board production (continued from table above)

1	2	3	4
1-month claim period	3-month rolling average percentage	Total output volume of the claim period (m ³) *	Volume credits in m ³ of output products
j=i	Cc(3)	Vcb	VC
	$C_c = \frac{V_c(3)}{V_c(3) + V_{cm}(3)}$		$VC = V_{cb_i} * C_{c_i}$
Jan. 09	0.00%	64589	0.00
Feb. 09	32.27%	73698	23782.34
Mar. 09	32.28%	69568	22456.55
Apr. 09	35.84%	65423	23447.60
May 09	29.86%	57894	17287.15
Jun. 09	29.80%	66589	19843.52
Jul. 09	36.26%	58789	21316.89
Aug. 09	51.34%	62458	32065.94
Sep. 09	61.89%	59658	36922.34
Oct. 09	54.85%	70458	38646.21
Nov. 09	48.77%	62458	30460.77
Dec. 09	40.19%	60589	24350.72
Continuation			

Note:

- [column 4] The volume credits are calculated from certification percentage for the specific claim period [column 2] and the volume of output products during the claim period [column 3] and

Jun.09: $V_{cc} = 29.80 \times 66589 = \mathbf{19843.52}$ [m³]

The organisation should establish a volume credit account for the product group covered by the chain of custody.

Example of volume credit management in panel board production (continued from table above)

1	2	3	4	5
Claim period	Credits entered	Credit account (eligible credits) in m ³	Maximum credit account in m ³	Used credits
	Credits volume (m ³)			Credits volume (m ³)
i	VC	= [3] _(i-1) - [5] _(i-1) + [2] _(i) condition: [3] ≤ [4]	$\sum_1^{i-1} [2]$	
Jan.09	0.00	0.00	0.00	0.00
Feb. 09	23782.34	23782.34	23782.34	0.00
Mar. 09	22456.55	46238.89	46238.89	0.00
Apr. 09	23447.6	69686.49	69686.49	0.00
May 09	17287.15	86973.64	86973.64	0.00
Jun. 09	19843.52	106817.16	106817.16	2546.56
Jul. 09	21316.89	125587.49	128134.05	958.23
Aug. 09	32065.94	156695.20	160199.99	562.45
Sep. 09	36922.34	193055.09	197122.33	0.00
Oct. 09	38646.21	231701.30	235768.54	1547.25
Nov. 09	30460.77	260614.82	266229.31	1547.15
Dec. 09	24350.72	283418.39	290580.03	0.00
Jan. 10	22564.15	305982.54	313144.18	256.15
Feb. 10	25654.25	315016.09	315016.09	958.26
Mar. 10	26789.15	319348.69	319348.69	123.15
Continuation				

Note:

Example of calculation given in Table 6 for the claim period “Mar.10” (last row):

- [column 2] Volume credits calculated for 1-month claim period (values for months Jan.09-Dec.09 are taken from Table 5).

- [column 3] Credit account (eligible credits) is calculated as a result of the credit account in the previous month [column 3, Feb.10] minus volume credits used in the previous month [column 5, month Feb.10] plus volume credits for the current month [column 2, month Mar.10].

Mar.10: $31,5016.09 - 958.26 + 26,789.15 = 340,846.98$ [m³]

Total quantity of volume credits accumulated in the credit account cannot exceed volume credits entered into the credit account during the previous twelve months [column 4 = 319,348.69]

$340,846.98 > 319,348.69$; therefore, credit account (eligible credits) is **319,348.69** [m³]

- [column 4] Maximum credit account is calculated as the sum of volume credits entered into the credit account during the last twelve months [column 2, month Apr.09-Mar.10].

6.4.7 The organisation that can demonstrate a verifiable ratio between the input material and output products, may calculate the credits directly from input of PEFC certified material by multiplying the volume of PEFC certified material input with the input-to-output ratio.

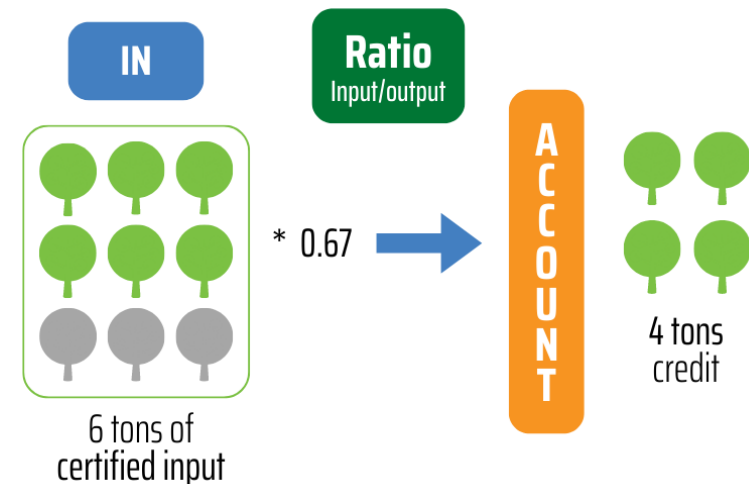
Example: If the volume of PEFC certified material input is 70 m³ (e.g. 100 m³ with the PEFC claim “70% PEFC certified”) and the input-to-output ratio is 0.60 (e.g. 1 m³ of roundwood results in 0.60 m³ of sawnwood), the organisation acquires volume credits equal to 42 m³ (i.e. 70 m³ x 0.60) of sawnwood.

- Certified input and input/output ratio (verifiable*)**

Credits (single unit) = Certified input x input/output ratio

Example:

Input of Certified material:	6 tons
input/output ratio:	0.67
Credits: 6 x 0.67	= 4 tons

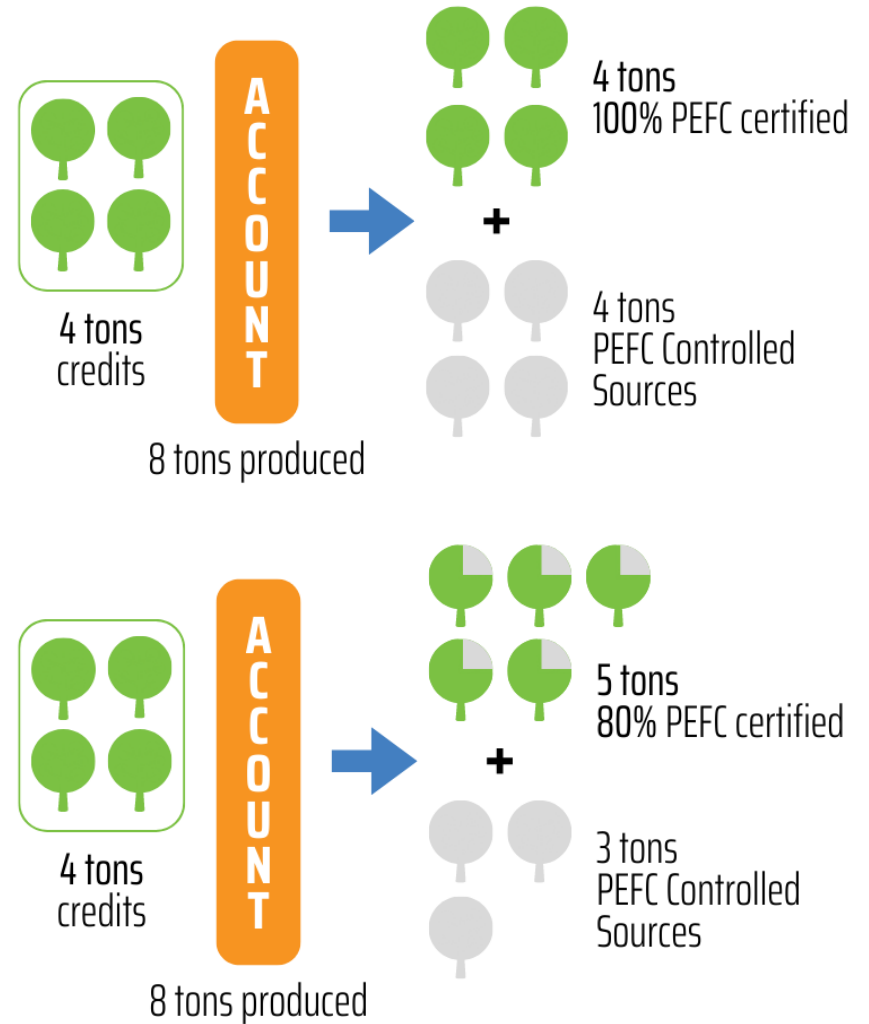


Example of volume credits calculation using the input volume and input/output (I/O) ratio

1	2	3	4	5	6	7
Delivery No.	Date	Description	Status	Volume (m ³)	Volume credits sawnwood (m ³) I/O ratio = 0.6	Volume credits chips & sawdust (t) I/O ratio = 0.18
0353	1.7.09	Roundwood	75% PEFC certified	45	20.25	6.08
0354	3.7.09	Roundwood	PEFC controlled sources	65		
0355	3.7.09	Roundwood		85		
0356	5.7.09	Roundwood	100% PEFC certified	65	39	11.7
0357	14.7.09	Roundwood		82		
0358	25.7.09	Roundwood	70% PEFC certified	65	27.3	8.2
Total for June 2009					50.55	25.98

6.4.8 The organisation 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 organisation'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 organisation can use 7 units of credits to sell 7 units as 100% PEFC certified, or to sell 10 units as 70% PEFC certified.



7. Due Diligence System (DDS) requirements

<p>7.1 General</p>	<ul style="list-style-type: none"> • See also guidance to 3.26, PEFC chain of custody
<p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p>	<ul style="list-style-type: none"> • Chain of custody certified organisations should include in their chain of custody policies that they commit not to supply from illegal sources (Appendix 1, 6.3).
<p>7.1.2 For PEFC product groups where only input material used was delivered with a PEFC claim by a supplier covered by a PEFC recognised certificate, an organisation may implement the PEFC DDS by meeting the following requirements:</p> <ol style="list-style-type: none"> a) In order to enable PEFC certified and uncertified entities further down the supply chain to implement a DDS, the organisation shall, upon request, provide the information specified in Appendix 1, 2.1 for material passed on with a PEFC claim. If the organisation does not possess the requested information, the request shall be passed on to relevant supplier(s) of the organisation (Appendix 1, 2.2). b) Where internal or external substantiated concerns on the origin of input material from controversial sources are raised, the organisation shall follow up on these concerns following Appendix 1, 4. c) The organisation shall define, document and implement a commitment and a procedure, also covering forest and tree based material/products not covered by the organisation’s PEFC chain of custody, ensuring that where it is known to the organisation, or where it has received substantiated concerns, that forest and tree based material/products originates in illegal sources (controversial sources, 3.7a), it shall not be placed on the market until the concern has been resolved in accordance with Appendix 1, 4. 	<ul style="list-style-type: none"> • Requirements 7.1.2 a) and b) are relevant for organisations only purchasing input material classified as PEFC certified or PEFC controlled sources (so organisations that do not use “Other material” as input material). As it is known that PEFC claimed material does not originate from controversial sources, these organisations do not need to conduct a risk assessment as specified in Appendix 1, 3. All other requirements of Appendix 1 still apply., provided that they are not controversial, as per clarification to 3.7.a) • As per 7.1.2.a), if an organisation receives a request for the information specified in Appendix 1, 2.1, independently whether the material is certified or not, the information needs to be provided to the PEFC customer. To ensure that the information can be collected, the organisation should have a procedure in place that ensures that certified and uncertified suppliers commit to provide such information. • During the audit process, the certification body should verify if the organisation has established a procedure to ensure access to the information. In addition, the certification body should verify whether the organisation has received requests from their customers and if they have, they have been able to provide the information.

- Requirement 7.1.2 c) is relevant for all organisations. 7.1.2.c) extends the requirement on legal compliance as per PEFC's definition for controversial sources, 3.7.a., to activities involving material not covered under the PEFC chain of custody scope. If material is known or suspected to come from illegal sources as per 3.7.a, it cannot be placed on the market.
- In case of substantiated concerns, certificate holders may need to provide to the certification body records of activity outside the scope of the certification.
- If the organisation receives substantiated concerns, it can follow the procedure described in the DDS to resolve the concern (Appendix 1, 4). In case the concern is solved, and the organisation can demonstrate that the material does not come from illegal sources, the material can be placed on the market.
- Where an organisation discovers, or is informed about, a substantiated concern, and the investigation as per Appendix 1, 4 shows that controversial sources have entered the production process, or have been sold with PEFC claims, then the organisation should invoke its nonconformity process and procedure (under PEFC ST 2002 2020 4.2.1 c) vi) and take the appropriate steps to prevent placement on the market, or manage the consequences.
- Only material within the scope of the certificate and to which the risk to originate in controversial sources has been assessed and resulted in negligible risk according to the PEFC DDS requirements can be claimed as PEFC controlled sources.

Appendix 1: PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources

1. General requirements

<p>1.1 In order to help ensure that activities conducted by the organisation under the scope of this standard conform to all applicable timber legality legislation, including trade and customs laws, and to minimise the risk that the procured material originates in controversial sources, the organisation shall operate a Due Diligence System (DDS), in accordance with the following elements of this standard.</p>	
<p>1.2 The PEFC DDS shall be implemented for all input forest and tree based material covered by the organisation’s PEFC chain of custody and PEFC product groups, with the exception of recycled material.</p> <p>Note: The DDS can be implemented by an organisation for forest and tree based products from forests under its own management.</p>	<ul style="list-style-type: none"> • See also guidance to 3.26, PEFC chain of custody.
<p>1.3 The organisation shall implement the PEFC DDS in three steps relating to:</p> <ul style="list-style-type: none"> ▪ gathering information ▪ risk assessment ▪ management of significant risk supplies 	<ul style="list-style-type: none"> • The terms “gathering information” and “access to information” are used through the standard to name the same step of the DDS.
<p>1.4 The organisation procuring raw material originating from species listed in Appendix I to III of CITES shall comply with applicable legislation relating to CITES.</p>	<ul style="list-style-type: none"> • Supplies including species that are listed in the CITES appendices 1, 2 or 3 should be accompanied by the applicable export permit(s) and/or licenses. For more information consult the CITES website. The CITES website also includes a searchable database including all species listed in the CITES website.

2. Access to information

2.1 In order to enable the organisation to implement the PEFC DDS, the organisation shall have access to the following information from its supplier(s):

- a) Identification of tree species included, or list of tree species potentially included, in the material/ product by their common name and/or their scientific name where applicable.
- b) Country of harvest of the material and where applicable sub-national region and/or concession of harvest.

Note 1: Access to the scientific name of species is required in cases where the usage of a common name could pose a risk of wrong identification of the species.

Note 2: Usage of a trade name of species is considered as equivalent to the common name in cases where all species covered by the trade name have an equivalent risk of originating in controversial sources.

Note 3: Access to the sub-national level of the material origin is required in cases where sub-national regions within one country do not represent an equivalent risk relating to the controversial sources.

Note 4: The term “concession of harvest” refers to a contract for harvest in a geographically defined forest area.

Note 5: The term “country/region” is further used throughout this clause to identify a country, a sub-national region or a concession of harvest of the material/product origin.

- **The organisation has established a procedure (e.g., a written agreement with the supplier’s commitment to provide the information), which ensures that the information required under Appendix 1, 2.1 is supplied, if requested.**
- **If an organisation receives a request for the information, the information needs to be provided to the PEFC customer, independently of whether the material is certified or not. If the organisation does not have the information, it needs to pass on the request to the relevant supplier(s), as per the procedure mentioned above.**
- **During the audit process, the certification body should verify if the organisation has established a procedure to ensure access to the information. In addition, the certification body should verify whether the organisation has received requests from their customers and if they have, they have been able to provide the information.**
- **Suppliers’ self-declarations are not a substitute for due diligence. A self-declaration from the suppliers can be a useful tool for an organisation to arrange the access to information and get the supplier’s commitment to provide supply chain information and to allow on-site inspections. A typical self-declaration may consist of all the following elements:**
 - (a) **A written statement that, to the best of the supplier’s knowledge, the supplied material does not originate from controversial sources.**
 - (b) **A written commitment to provide information on the tree species and geographical origin (country / region / concession) of the supplied raw material that is necessary information for the organisation’s risk assessment.**

- (c) A written commitment that, if the supplier's supplies are considered as significant risk, the supplier will provide the organisation with necessary information to identify the forest management unit(s) of the raw material and the whole supply chain relating to the significant risk supply.
- (d) A written commitment that, if the supplier's supplies are considered as significant risk, the supplier will enable the organisation to carry out a second-party or a third-party inspection of the supplier's operation as well as operations of the previous suppliers in the chain, and;
- (e) A written commitment that, if the supplier's supplies are considered as significant risk, the supplier will implement corrective measures as part of the organisation's verification programme.
- When sourcing from countries with a CPI/WJP index lower than the threshold, it is highly recommended to consult the tables 2 and 3 in advanced in order to collect any additional information that may be required for the risk assessment and risk management, such as forest area and whole supply chain related to the significant risk (as per PEFC ST 2002, Appendix 1, 5.1.1).
 - The information provided can include multiple tree species and multiple sources of origin. It is not necessary to specify the exact contents or shares of the different species and/or origins.
 - Where it is difficult to give the exact information on tree species and origin (e.g., in paper and panel production) the information can include all potential species and origins. This information should include the species that could normally be included in the product. It is not the purpose to include species that may have a risk of accidentally ending up in the product.
 - Example: a panel manufacturer normally purchases a mixture of Spruce, Pine, and Birch. However, in its production process it is not able to exactly specify the composition for each produced batch. The information he provides may include all three species even if a specific batch would only include two of those species.

	<ul style="list-style-type: none"> • Note 3: Information about sub-national level is particularly important when the country as a whole might indicate “significant risk” but the governance level differs at sub-national level between regions. Certain regions of the country may be known to be effective in preventing illegal harvesting. As such, material from one region may be accepted as having a negligible risk, but material from the other regions would still have a significant risk. In such cases, the condition to accept the material is to have the information on the region of origin.
<p>2.2 In order to enable PEFC certified and uncertified entities further down the supply chain to implement a DDS, the organisation shall, upon request, provide the information specified in 2.1 of this appendix for material passed on with a PEFC claim. If the organisation does not possess the requested information, the request shall be passed on to relevant supplier(s) of the organisation.</p>	

3. Risk assessment

<p>3.1 The organisation shall carry out a risk assessment, assessing the risk of procuring raw material from controversial sources for all input forest and tree based material covered by the organisation’s PEFC chain of custody, with the exception of material/products delivered with a PEFC claim by a supplier with a PEFC recognised certificate, as this material can be considered as having “negligible risk” of originating in controversial sources.</p>	<ul style="list-style-type: none"> • Risk assessment is the second step in the DDS, following information gathering (access to information). • Input material received under a PEFC certified claim or a PEFC controlled sources claim from a supplier with a valid PEFC chain of custody certificate is exempt from the risk assessment. Being exempt from the risk assessment does not mean that these materials are exempt from the PEFC DDS as a whole. All other requirements of Appendix 1 still apply, when relevant. • Further, the organisation that imports material with a PEFC claim from the country of harvest is expected to verify compliance with legislation on trade and customs of the country of harvest in so far as the forest sector is concerned.
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	<ul style="list-style-type: none"> • Whenever one of the characteristics of a supply by the same supplier changes, e.g., another country of origin, another tree species, another type of product, a crisis or war in the region from where the material is supplied, the supply should be considered as a ‘new’ supply by this supplier and the DDS should be revised. • When a supplier certified against a PEFC-endorsed system-specific chain of custody standard (see clarification to definition 3.26 PEFC chain of custody) is providing certified material to a client certified against the international PEFC ST 2002:2002 Chain of Custody standard, they should use either the PEFC ST 2002:2020 chain of custody claims, or both the PEFC ST 2002:2020 chain of custody claim combined with the equivalent claim of the PEFC-endorsed chain of custody system-specific standard (dual claim). See also clarification to requirements for 3.7 PEFC claims.
<p>3.2 The organisation’s risk assessment shall result in the classification of material into “negligible” or “significant” risk category.</p>	
<p>3.3 The organisation’s risk assessment shall be based on the indicators for risk at origin and supply chain level listed in tables 1- 3 below.</p>	
<p>3.4 Where the organisation’s risk assessment identifies indicators specified in table 1, the organisation may consider the material as having “negligible risk” to originate in controversial sources, and conclude the risk assessment without having to consider the indicators outlined in tables 2 and 3.</p>	
<p>3.5 Where the organisation’s risk assessment does not identify indicators specified in table 1, the risk assessment shall be continued against indicators outlined in tables 2 and 3; and where any of these indicators apply, the organisation shall consider the material as having “significant risk” to originate in controversial sources.</p>	<ul style="list-style-type: none"> • General approach for carrying out the risk assessment.

Table 1: List of indicators for negligible risk Indicators	<ul style="list-style-type: none"> If an indicator in Table 1 can be applied, the delivery can be classified as negligible risk, given that there are no substantiated concerns.
<p>a) Supplies declared as certified against a forest certification system (other than PEFC endorsed), addressing the activities covered by the term controversial sources, supported by a forest management, chain of custody or fibre sourcing certificate issued by a third-party certification body.</p>	<ul style="list-style-type: none"> The organisation should check the validity of the declaration/claim on the certified status made by the supplier against the requirements of the concerned scheme. Further, the organisation should be able to provide evidence that the certification scheme includes: <ul style="list-style-type: none"> - third party certification of forest management or chain of custody which covers activities defined by the term controversial sources. To do so, organisations should conduct a gap analysis between the PEFC definition for controversial sources and the third-party certification coverage of this term, according to its requirements; and, - a verification mechanism that non-certified raw material does not originate from controversial sources where percentage-based claims apply. Examples of PEFC non-endorsed forest certification schemes: Forest Stewardship Council, etc. The organisation accepting the material has the final responsibility to ensure that the accepted PEFC non-endorsed certification scheme meets the requirements for negligible risk. The certification body needs to consider the above as part of the audit. If the organisation receiving the material cannot formally justify that the material was certified against another third-party forest certification system, this indicator would not apply to consider the supply as negligible risk.

b) Supplies verified by governmental or non-governmental verification or licensing mechanisms other than forest certification systems, addressing the activities covered by the term controversial sources.

- **The organisation should be able to provide evidence on the scope of the verification or licensing mechanism. To do so, organisations should conduct a gap analysis between the PEFC definition for controversial sources and the governmental or non-governmental or licensing mechanism coverage of this term, according to its requirements**
- **The organisation should prove that the kind of verification is sufficient to prove compliance with the scope.**
- **The organisation accepting the material has the final responsibility to ensure that the accepted governmental or non-governmental or licensing mechanism meets the requirements for negligible risk. The certification body needs to consider the above as part of the audit.**
- **An example of verification and licensing mechanisms:**
 - **SFI 2022 Fiber Sourcing Standard**
 - **SFI 2022 Certified Sourcing Standard**
- **If the organisation receiving the material cannot formally justify that the material was by covered governmental or non-governmental or licensing mechanism, this indicator would not apply to consider the supply as negligible risk.**

<p>c) Supplies supported by verifiable documentation that clearly identifies:</p> <ul style="list-style-type: none"> i. country of harvest and/or sub-national region where the timber was harvested, where the latest Transparency International (TI) Corruption Perception Index (CPI) score is higher than 50, or where the latest World Justice Project (WJP) Rule of Law Index is higher than 0,5, and ii. trade name and type of product as well as the common name of tree species and, where applicable, its full scientific name, and iii. all suppliers within the supply chain, and iv. the forest area of the supply origin, and v. documents, including contractual agreements and self-declarations, or other reliable information indicating that products do not originate from controversial sources. 	<ul style="list-style-type: none"> • c) i. When the two indices are at odds, it is sufficient that one indicator needs to be met. • c) v. Examples of other reliable information: <ul style="list-style-type: none"> - Forest operations and harvesting, including biodiversity conservation and conversion of forest to other use; management of areas with designated high environmental and cultural values; protected and endangered species, including requirements of CITES <ul style="list-style-type: none"> ▪ documentation of ownership/rights to land use ▪ contract or concession agreements ▪ official audit reports ▪ environmental clearance certificates ▪ approved harvest plans ▪ coupe closure reports ▪ codes of conducts ▪ publicly available information demonstrating rigorous legislative supervision and timber tracking and control procedures ▪ official documents issued by competent authorities in a country of harvest ▪ environmental impact assessments ▪ environmental management plans ▪ environmental audit reports ▪ forest inventory reports ▪ policies or commitments from the organisation confirming that they do not trade with GMOs ▪ (CITES) export license ▪ To check protected areas, Protected Planet (UNEP-WCMC) can also be checked - Payment of taxes and royalties <ul style="list-style-type: none"> ▪ contracts ▪ bank notes ▪ VAT documentation ▪ official receipts
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	<ul style="list-style-type: none"> - Trade and customs, in so far as the forest sector is concerned <ul style="list-style-type: none"> ▪ contracts ▪ bank notes, trade notes ▪ import licenses, export licenses ▪ official receipts for export duties ▪ export ban lists ▪ export quota awards [TRAFFIC, WWF’s Global Forest & Trade Network Common Framework for Assessing Legality of Forestry Operations, Timber Processing and Trade Annex; European Commission, Guidance document for the EU Timber Regulation”, CITES, http://www.cites.org/eng/disc/how.php] - Health and labour issues relating to forest workers <ul style="list-style-type: none"> ▪ evidence of payment of salaries (payslips and benefits) in compliance with national official scale employment contracts ▪ regulations on working hours etc ▪ training records ▪ policies in place to prevent abusive practices or undue disciplinary procedures - Indigenous peoples’ and third parties’ property, tenure and use rights <ul style="list-style-type: none"> ▪ environmental impact assessments ▪ environmental management plans ▪ environmental audit reports ▪ social responsibility agreements ▪ specific reports on tenure and rights claims and conflicts ▪ Signed and/ or registered collective bargaining agreements ▪ International framework agreements ▪ Other certificates that recognise the ILO conventions
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Table 2: List of indicators for significant risk at origin level

Indicators

a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti- corruption and the payment of applicable royalties and taxes.

i. The latest Transparency International (TI) Corruption Perception Index (CPI) score of the country is lower than 50 or the latest World Justice Project (WJP) Rule of Law Index of the country is lower than 0,5.

- The rows a) - i) are elements of 3.7, controversial sources. The rows underneath each element, numbered with Roman numerals (i, ii, iii etc.) provide the indicators used for the risk assessment for this element. Where more than one indicator is listed per element, all indicators should be applied.
- Risk identification is conducted for each of the indicators. The indicators that are found as “significant risk” will need to be managed according to Section 5. Management of significant risk supplies.

- The TI CPI is presented at www.transparency.org
- World Justice Project (WJP) Rule of Law Index is presented at www.worldjusticeproject.org
- When CPI=50 the index can be considered over 50.
- When WJP=0,5 it can be consider over 0,5.
- Alternative index application: Several other indices delivering information about the level of governance, deviating in some details, exist. TI itself e.g., provides alternative information sources. Such an index accepted by TI could be an alternative to the TI CPI. Alternative indices should be priorly agreed with the PEFC Council (as per footnote 4, page 27 of the PEFC ST 2002:2020). PEFC certificate holders or PEFC National Governing Bodies can send a request to the PEFC International Secretariat at technical@pefc.org.
- When the two indices are at odds, it is sufficient that one indicator needs to be met.

<p>ii. The country/region is known as a country with low level of forest governance and law enforcement.</p>	<ul style="list-style-type: none"> • Some examples of information sources below: <ul style="list-style-type: none"> - The Governance of Forests Initiative (GFI) Indicator Framework - Environmental Investigation Agency - Global Witness - FLEGT country profiles - FLEGT Voluntary Partnership Agreement Library (CIFOR) - Anti-Corruption Knowledge Hub (Transparency International) - Forest Governance and Legality (Chatham House) - Eldis (Institute of Development Studies - IDS) - Bribery in international business (OECD) - Transparency International Anti Bribery Globe - Quality of Governance Data & Quality of Governance Maps (Quality of Government Institute) • In general, a lot of indexes and assessment tools specify governance on the country level. The organisation should in the first place base the risk assessment on the country level, unless it has other evidence that provides more details on a specific region and/concession. It is assumed that timber importers have some basic knowledge on regional differences e.g., about different Malaysian regions.
<p>iii. Tree species included in the material/product is known as species with prevalence of activities covered by the term controversial sources (a) or (b) in the country/region.</p>	<ul style="list-style-type: none"> • The IUCN Red List of Threatened Species CITES.org may be one of the references for this indicator.
<p>iv. The country is covered by UN, EU or national government sanctions restricting the export/import of such forest and tree based products.</p>	<ul style="list-style-type: none"> • The United Nations Security Council fact sheet publication on UN sanctions may be one of the references for this indicator. • Another two options are: EU Sanctions Map and Global Trade Alert.

<p>b) Activities where the capability of forests to produce a range of wood and non-wood forest products and services on a sustainable basis is not maintained or harvesting levels exceed a rate that can be sustained in the long term.</p>	
<p>i. According to publically available data, such as FAO Forest Resource Assessments, the amount of annual harvest of industrial roundwood exceeds the amount of annual increment of growing stock of the country/ region of origin.</p>	<ul style="list-style-type: none"> • FAO Forest Resource Assessment is just one example. Organisations could also use other reliable information publicly available. Other sources for some of the information required by this indicator may be: <ul style="list-style-type: none"> - STIX - UNECE - European Environment Agency - Forest Trends
<p>c) Activities where forest management does not contribute to the maintenance, conservation or enhancement of biodiversity on landscape, ecosystem, species or genetic levels.</p>	
<p>d) Activities where ecologically important forest areas are not identified, protected, conserved or set aside.</p>	
<p>i. The Environmental Performance Index (EPI) score for “Biodiversity & Habitat” of the country is lower than 50. Where no EPI index exists for a certain country, other indicators may be utilised, such as legislation addressing controversial sources elements c and d, combined with evidence of reliable enforcement of legislation (TI CPI score >50, or WJP Rule of Law score >0.5).</p>	<ul style="list-style-type: none"> • The scope for Biodiversity & Habitat of the EPI can be found here: https://epi.yale.edu/epi-results/2022/component/bdh • When EPI=50 the index can be considered over 50.

<p>e) Activities where forest conversions occur, in other than justified circumstances where the conversion:</p> <ol style="list-style-type: none"> i. is in compliance with national and regional policy and legislation applicable for land use and forest management; and ii. does not have negative impacts on ecologically important forest areas, culturally and socially significant areas, or other protected areas; and iii. does not destroy areas of significantly high carbon stock; and iv. makes a contribution to long-term conservation, economic, and/or social benefits. 	
<p>i. The country/region has been identified as having had a net loss of forest area >1% over the most recent ten years of available data, according to publicly available data or information, such as provided by the FAO.</p>	<ul style="list-style-type: none"> • Examples of resources: <ul style="list-style-type: none"> - FAO - FAOSTAT - World Resources Institute (WRI) - Global Forest Watch
<p>ii. In the country/ region the net area with conversions from forests to forest plantations exceeds the forest area increase of the country/region, according to publicly available data or information, such as provided by the FAO.</p>	
<p>f) Activities where the spirit of the ILO Declaration on Fundamental Principles and Rights at Work (1998) is not met.</p>	

<p>i. Substantiated studies demonstrate that the ILO Declaration on Fundamental Principles and Rights at Work (1998) is not respected in the country.</p>	<ul style="list-style-type: none"> • As source of information, organisations can check on the ILO website if the country has ratified all the fundamental ILO conventions related to work and related ILO reviews per country. • Additionally, the following websites are sources of information: <ul style="list-style-type: none"> - Building and Wood Worker's International (BWI) - ILOSTAT (ILO) - Amnesty International Annual Reports - Universal Human Rights Index (UHRI) - Human Rights Watch
<p>g) Activities where the spirit of the United Nations Declaration on the Rights of Indigenous Peoples (2007) is not met.</p>	
<p>i. 1) Substantiated studies demonstrate that the spirit of the United Nations Declaration on the Rights of Indigenous Peoples (2007) is not met in the country.</p>	<ul style="list-style-type: none"> • Here there are some examples of websites with information related to the UNDRIP: <ul style="list-style-type: none"> - IWGIA strategy - COICA - United Nations Declaration on the Rights of Indigenous Peoples - Amnesty International Annual Reports - International Work Group for Indigenous Affairs (IWGIA) - Legal Framework and Constitutional Recognition of Indigenous Peoples (FAO) - Special Rapporteur on the rights of indigenous peoples (UN)
<p>h) Conflict timber.</p>	<ul style="list-style-type: none"> • Organisations are strongly recommended to consider UN GA Special Emergency Session Resolutions. When such conflicts arise, organisations are expected to have a pro-active approach.

<p>i. The country / region has a prevalence of armed conflict according to publicly available data sources such as Fragile State List.</p>	<ul style="list-style-type: none"> • When looking for indications of fragile states, you can examine both sources: the Fragile State List (which is called the World Bank Fragile State List) and the Fragile States Index.
<p>i) Genetically modified trees.</p>	
<p>i. According to publicly available data genetically modified forest and tree based organisms are produced in the country/region and placed on the commercial market.</p>	

Table 3: List of indicators for significant risk at supply chain level

Indicators	
<p>a) Countries/regions where the products have been traded are unknown.</p>	
<p>b) Species in the product are unknown.</p>	<ul style="list-style-type: none"> • This can be covered with a list of potential species that could be included in the product.
<p>c) Evidence of illegal practices concerning controversial sources by any company in the supply chain.</p>	

<p>3.7 The risk assessment shall be carried out for the first delivery of every individual supplier, or for several suppliers, with the same characteristics listed in 2.1 of this appendix, and the same applicability of indicators according to tables 1-3 above.</p> <p>Note: Where deliveries from suppliers from the same region share the same characteristics listed in 2.1, and the same applicability of indicators according to tables 1-3, the risk assessment can be implemented as an assessment for a whole region.</p>	<ul style="list-style-type: none"> • When applying a DDS for several suppliers with the same characteristics, the scope of the DDS should be clearly defined. In addition to the tree species (as per Appendix 1, 2.1), an example of same characteristics would be same land tenure risk indicator, harvesting contractors, etc. • To avoid performing multiple identical risk assessments where the only variable is the name of the suppliers, the organisation can conduct the risk assessment for multiple deliveries from a specific geographical area. • The geographical area on which the risk assessment is based should be clearly defined. In principle, there is no limitation to the size of the area as long as all the area represents consistent risk. For example, the area could be a certain region within one country, a country as a whole, or a certain region across or spanning multiple countries.
<p>3.8 For all material that is subject to the organisation’s risk assessment, the organisation shall keep an updated list of characteristics listed in 2.1 of this appendix and indicators according to tables 1-3 for supplies of individual suppliers and suppliers that share the same characteristics.</p>	
<p>3.9 The risk assessment shall be reviewed annually and if necessary revised , and when changes regarding the characteristics listed in 2.1 of this appendix occur.</p>	<ul style="list-style-type: none"> • Whenever one of the characteristics of a supply by the same supplier changes, e.g., another country of origin, another tree species, another type of product, a crisis or war in the region from where the material is supplied, or the administration from a country gets involved in a war, the supply should be considered as a ‘new’ supply by this supplier and/or the risk assessment should be performed or revised, as applicable.

4. Substantiated concerns

<p>4.1 The organisation shall ensure that substantiated concerns about the potential origin of material covered by the organisation's DDS in controversial sources are promptly investigated, starting no later than ten workdays as of identification of the substantiated concern.</p>	<ul style="list-style-type: none"> • This clause applies to all materials within the scope of the PEFC DDS, including material delivered with PEFC claims and exempt from risk assessment. • As per the definition of “substantiated concern”, a substantiated concern is information supported by proof or evidence, indicating that forest and tree based material originates in controversial sources. Substantiated concerns can be communicated to the organisation either by third parties, or the organisation itself becomes aware of the concern. They are expected to be managed according to the requirements of the standard (chapter 4 of Appendix 1). The organisation is not obliged to pro-actively request comments on the existence or absence of substantiated concerns.
<p>4.2 If the concern cannot be resolved by the organisation's investigation, the risk of the relevant material being from controversial sources shall be determined as “significant” and managed in accordance with clause 5 of this appendix.</p>	

5. Management of significant risk supplies

<p>5.1 General</p>	
<p>5.1.1 For supplies identified as having “significant risk”, the organisation shall request the supplier to provide additional information and evidence that allows the organisation to classify the supply as having “negligible risk”. The organisation shall request the supplier to:</p> <ol style="list-style-type: none"> Provide the organisation with necessary information to identify the forest area(s) of the raw material and the whole supply chain relating to the “significant risk” supply. Enable the organisation to carry out a second party or a third party inspection of the supplier's operation as well as operations of the previous suppliers in the chain. 	<ul style="list-style-type: none"> • The management of significant risk supplies is necessary if the organisation wishes to accept supplies for which it determines a significant risk in the risk assessment. The purpose of this step is the mitigation of the significant risk to the level of negligible risk, based on additional information provided by the supplier. • The risk assessment will have revealed the specific areas of significant risk. The supplier needs to provide additional information to enable the organisation to revise the risk level from significant to negligible.

<p>Note: These procedures can be ensured e.g. by contractual agreements or a written self-declaration by the supplier.</p>	<ul style="list-style-type: none"> • The risk mitigation measures need to be applied specifically for the risks that have been identified as being significant as part of the risk assessment.
<p>5.1.2 The organisation shall establish a second or third party verification programme for supplies classified as “significant risk”. The verification programme shall cover:</p> <ol style="list-style-type: none"> a) identification of the whole supply chain and forest area(s) of the supply’s origin b) on-site inspection as appropriate c) corrective measures as required 	
<p>5.2 Identification of the supply chain</p>	
<p>5.2.1 The organisation shall require, from all suppliers of “significant risk” supplies, detailed information on the whole supply chain and forest area(s) of the supply’s origin.</p>	
<p>5.2.2 In cases where the supplies can be verified as “negligible risk” according to the indicators in table 1 at one step in the supply chain the organisation is not required to track the whole supply chain to the forest area, except in case of substantiated concerns, which shall be addressed as outlined in appendix 1, clause 4.</p>	
<p>5.2.3 The information submitted shall allow the organisation to plan and execute on-site inspections.</p>	
<p>5.3 On-site inspections</p>	
<p>5.3.1 The organisation’s verification programme shall include on-site inspections of suppliers delivering “significant risk” supplies. The on-site inspections can be carried out by the organisation itself (second party inspection) or by a third party on behalf of the organisation. The organisation may substitute the on-site inspection with documentation review where the documentation provides sufficient confidence in the material origin in non-controversial sources.</p>	<ul style="list-style-type: none"> • On-site inspection should focus on the associated risks that have been identified in previous steps. The purpose of the on-site inspection is to collect information and evidence that allows the organisation to classify the supply as having “negligible risk”. • On-site inspections also aim to verify if agreed corrective measures have been implemented effectively and the risks have been managed.

	<ul style="list-style-type: none"> • The on-site inspection program focuses on suppliers. From all significant risk supplies by one supplier the organisation should take a sample to be verified during the on-site inspection. <p>Hence:</p> <ul style="list-style-type: none"> - The sampling is based on all significant risk supplies by one supplier. <ul style="list-style-type: none"> • If the organisation has received significant risk supplies by multiple suppliers a sample is determined for every single supplier: - Identical shipments/supplies by the same supplier can be considered as one supply.
<p>5.3.2 The organisation shall demonstrate that personnel carrying out inspections has sufficient knowledge and competence in the local business, cultural and social customs, and applicable treaties, conventions legislation, governance and law enforcement, relevant to the origin of “significant risk” supplies and to the risk(s) identified.</p>	
<p>5.3.3 The organisation shall determine a sample of “significant risk” from the supplier to be verified by the verification programme. Identical deliveries by the same supplier shall be considered as a single supply. The size of the annual sample shall be at least the square root of the number of “significant” risk supplies per one year: ($y=\sqrt{x}$), rounded up to the nearest whole number. Where the previous on-site inspections proved to be effective in fulfilling the objective of this document, the size of the sample may be reduced to $y=0.8 \sqrt{x}$, rounded up to the next whole number.</p>	<p style="text-align: center;">On-site inspection sampling</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <p>Supplier A</p> </div> <div style="text-align: center;"> <p>Supplier B</p> </div> <div style="text-align: center;"> <p>Supplier C</p> </div> </div> <div style="margin-top: 20px;"> <p> ● N = negligible risk supply ● S = significant risk supply </p> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px solid green; border-radius: 15px; padding: 5px; text-align: center;"> $N = 1$ $\sqrt{1} = 1$ Sample = 1 </div> <div style="border: 1px solid green; border-radius: 15px; padding: 5px; text-align: center;"> $N = 5$ $\sqrt{5} = 2.24$ Sample = 2 </div> </div> </div>

<p>5.3.4 The on-site inspections shall cover:</p> <ul style="list-style-type: none"> a) The direct supplier and all previous suppliers in the supply chain in order to assess compliance with the supplier claims on the origin of the raw material. b) The forest owner / manager of the forest area of the supply origin, or any other party responsible for management activities on that forest area, in order to assess their compliance with legal requirements. 	
<p>5.4 Corrective measures</p>	
<p>5.4.1 The organisation shall define written procedures for implementing corrective measures for non- compliance for suppliers identified by the organisation's verification programme.</p>	
<p>5.4.2 The range of corrective measures shall be based on the scale and seriousness of the risk that forest and tree based product(s) may be from controversial sources and shall include at least one or more of the following:</p> <ul style="list-style-type: none"> a) Clear communication of the risk identified with a request for addressing the risk identified within a specific timeline so as to ensure that forest and tree based product(s) from controversial sources is not supplied to the organisation. b) Requiring suppliers to define risk mitigation measures relating to compliance with legal requirements in the forest area(s) or efficiency of the information flow in the supply chain. c) Cancellation or suspension of any contract or order for forest and tree based product(s) until the supplier can demonstrate that appropriate risk mitigation measures have been implemented. 	

6. No placement on the market

<p>6.1 Forest and tree based material/ products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	
<p>6.2 Where it is known to the organisation that forest and tree based materials/products not covered by the organisation's PEFC chain of custody originate in illegal sources (controversial sources, 3.7a), it shall not be placed on the market.</p>	<ul style="list-style-type: none"> • In order to maintain their chain of custody certificates, if an organisation becomes aware that they are sourcing from illegal sources, they cannot place the material on the market, until the substantiated concerns are resolved, regardless of whether the product is or is not within the scope until the chain of custody. This requirement goes beyond the material under the scope of the PEFC chain of custody.
<p>6.3 Where the organisation has received substantiated concerns that forest and tree based materials/products not covered by the organisation's PEFC chain of custody originate in illegal sources (controversial sources, 3.7a), it shall not be placed on the market until the concern has been resolved in accordance with clause 4 of this appendix.</p>	<ul style="list-style-type: none"> • As per 7.1.2.c, the organisation needs to define, document and implement a commitment and a procedure, also covering forest and tree based material/products not covered by the organisation's PEFC chain of custody, ensuring that where it is known to the organisation, or where it has received substantiated concerns, that forest and tree based material/products originates in illegal sources (controversial sources, 3.7a), the material is not be placed on the market until the concern has been resolved in accordance with Appendix 1, 4. • Where an organisation identifies, or is informed about, a substantiated concern, and the investigation as per Appendix 1, 4 shows that controversial sources have entered the production process, or have been sold with PEFC claims, then the organisation should invoke its nonconformity process and procedure (under PEFC ST 2002 2020 4.2.1 c) vi) and take the appropriate steps to prevent placement on the market, or manage the consequences in compliance with this ST.

Appendix 2: Implementation of the chain of custody standard by multi-site organisations

Normative Appendix

1. Introduction

The aim of this appendix is to establish guidance for the implementation of the PEFC chain of custody requirements in an organisation with a network of sites, thus ensuring on the one hand, that the assessment provides adequate confidence in the conformity of the chain of custody, and on the other, that the certification of the chain of custody is practical and feasible in economic and operative terms.

Certification of multi-site organisations also allows implementation and certification of the chain of custody in a group of typically small independent companies.

This appendix only includes requirements for implementation of the chain of custody requirements that are applicable to organisations with multiple production locations.

- See clarification to definition 3.19 Multi-site organisation.

2. Eligibility criteria for the multi-site organisation

2.1 The multi-site organisation is defined as an organisation having an identified central function (normally, and hereafter referred to as a “central office”) at which certain activities are planned, controlled and managed and a network of local offices or branches (sites) at which such activities are fully or partially carried out.

2.2 The multi-site organisation does not need to be a unique entity, but all sites shall have a legal or contractual link with the central office and be subject to a common chain of custody that is subject to continuous surveillance by the central office. This means that the central office has the right to implement corrective actions when needed at any site. Where applicable, this should be laid down in the contract between the central office and the sites.

2.3 The multi-site organisation may cover:

- a) Organisations operating with franchises or companies where the sites are linked through a common ownership, management or other organisational link.
- b) Groups of independent legal enterprises established and functioning for the purposes of the chain of custody certification (producer group).

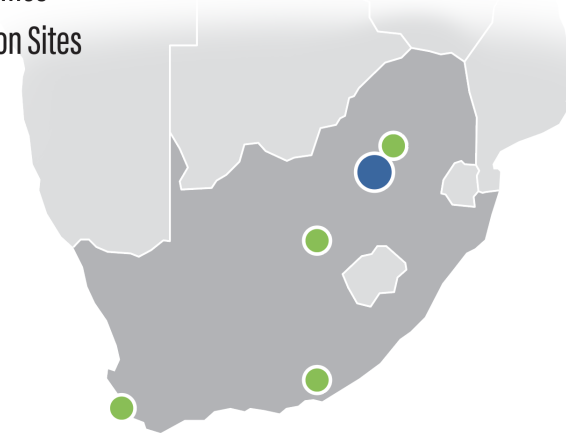
Note: Membership in an association is not covered by the term “management or other organisational link”.

- **The multi-site organisation may cover:**

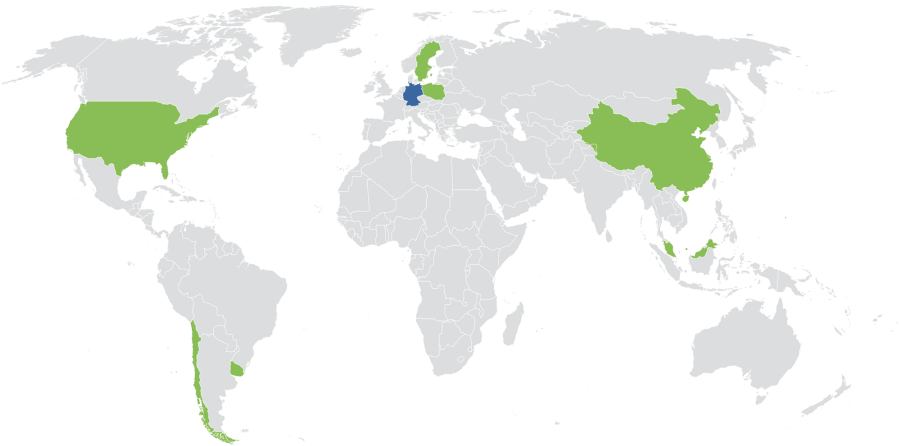
- **The sites are linked through a common ownership, management, or other organisational link. This includes examples like a trading company with several (inter)national sales outlets, or a group of printing houses that has a shared purchasing and order processing management.**
- **A group of independent legal enterprises established and functioning for the purpose of chain of custody certification (producer group). In practice, this type of multi-site is often referred to as “producer group certification”. The central office or group entity is usually, but not necessarily, an external consultant referred to as the “group manager”.**

- **examples of different types of multi-site organisations:**

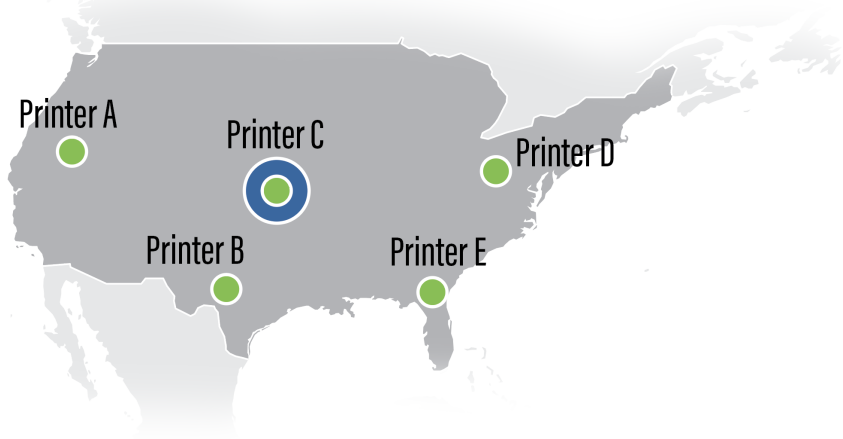
- Central Office
- Production Sites

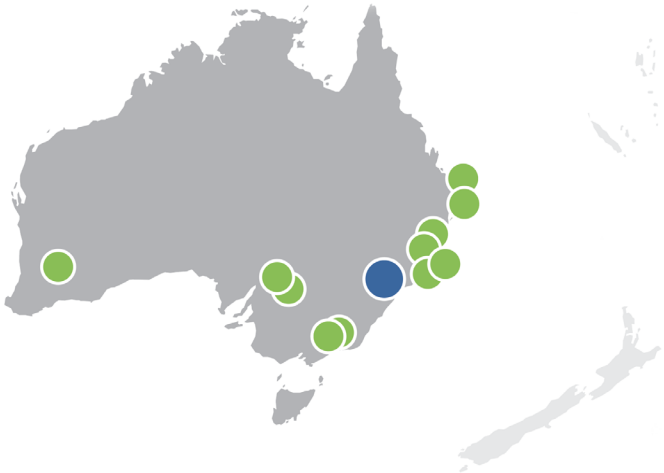


■ Central Office ■ Production Sites



● Central Office – Common management (e.g., purchasing, order management, sales)
● Production Sites



	<ul style="list-style-type: none"> • Producer group: <ul style="list-style-type: none"> ● Group Manager = Central Office = Association ● Group Members = Sites = Independent legal organisations <p>Same country</p> <p>Each group member: < 10,000,000 € < 50 employees</p> 
<p>2.4 A producer group is a network of typically small independent enterprises that have associated together for the purpose of obtaining and maintaining chain of custody certification. The central office may be an appropriate trade association, or any other properly experienced legal entity that is either nominated for the purpose by a group of intending members or offers a group service managed for the purposes of and consistently with this standard. The central office can also be administered by one member of the group.</p> <p>Note: The central office in the case of the producer group can be called the “group entity” and sites can be called “group members”.</p>	
<p>2.5 A site is a location at which activities relating to the organisation’s chain of custody are carried out.</p>	

<p>2.6 The producer group is limited to participation of sites that are domiciled in a single country and that:</p> <ul style="list-style-type: none"> a) have no more than 50 employees (full-time employees equivalent), b) have a turnover of maximum of 10,000,000 EUR, or equivalent 	<ul style="list-style-type: none"> • In case that a participant in a producer group exceeds the limit of 50 employees / 10,000,000 € turnover after joining the producer group, the participant needs to leave the producer group after the second audit in a row where at least one of the limits is exceeded. • Organisations with more than one physical site are eligible to join producer groups, provided that each of the site complies with the requirements. Each of the sites will be considered as a participant of the producer group.
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3. Requirements for multi-site organisations

<p>3.1 General</p>	
<p>3.1.1 The organisation's chain of custody shall be centrally administered and be subject to central review. All the relevant sites (including the central administration function) shall be subject to the organisation's internal audit programme and shall have been audited in accordance with that programme prior to the certification body starting its assessment.</p>	
<p>3.1.2 It shall be demonstrated that the central office of the organisation has established a chain of custody in accordance with this standard and that the whole organisation (including all the sites) meets the requirements of this standard.</p>	
<p>3.1.3 The organisation shall be able to demonstrate its ability to collect and analyse data from all sites, including the central office authority and its ability to initiate changes in the chain of custody operating in the sites if required.</p>	
<p>3.2 Function and responsibilities of the central office</p>	

3.2.1 The central office shall:

- a) Represent the multi-site organisation in the certification process, including communication and relationship with the certification body.
- b) Submit an application for the certification and its scope, including a list of participating sites.
- c) Ensure contractual relationship with the certification body.
- d) Submit to the certification body a request for extension or reduction of the certification scope, including coverage of participating sites.
- e) Provide a commitment on behalf of the whole organisation to establish and maintain a chain of custody in accordance with the requirements of this standard.
- f) Provide all the sites with information and guidance needed for effective implementation and maintenance of the chain of custody in accordance with this standard; The central office shall provide the sites with the following information or access to the following information:
 - A copy of this standard and any guidance relating to the implementation of the requirements of this standard.
 - PEFC Trademarks Rules and any guidance relating to their implementation.
 - The central office's procedures for the management of the multi-site organisation.
 - Conditions of the contract with the certification body relating to the rights of the certification body or accreditation body to access the sites' documentation and installations for the purposes of evaluation and surveillance, and disclosure of information about the sites to a third party.
 - Explanation of the principle of the mutual responsibility of sites in the multi-site certification.
 - Results of the internal audit programme and the certification body's evaluation and surveillance and relating corrective and preventive measures applicable to individual sites.
 - The multi-site certificate and any of its parts relating to the scope of the certification and coverage of sites.

<p>Note: The term “mutual responsibility” means that nonconformities found in one site or the central office may result in corrective actions to be performed at all sites; an increase in internal audits or withdrawal of the multi-site certificate.</p> <p>g) Provide organisational or contractual connection with all the sites, which shall include commitments by the sites to implement and maintain the chain of custody in accordance with this standard. The central office shall have a written contract or other written agreement with all the sites which covers the right of the central office to implement and enforce any corrective or preventive measures and to initiate the exclusion of any site from the scope of certification in case of nonconformities with this standard.</p> <p>h) Establish written procedures for the management of the multi-site organisation.</p> <p>i) Keep records relating to the central office and sites compliance with the requirements of this standard.</p> <p>j) Operate an internal audit programme as outlined in 3.2.2.</p> <p>k) Operate a review of the central office and sites conformity, including review of results of the internal audits programme and certification body’s evaluations and surveillance; shall establish corrective and preventive measures if required; and shall evaluate the effectiveness of corrective actions taken.</p>	
<p>3.2.2 Internal audit programme</p>	
<p>3.2.2.1 The internal audit programme shall provide for:</p> <p>a) Audit of all the sites (including its own central administration function), on site or remotely, where a remote verification of the implementation of chain of custody processes is feasible, prior to the certification body starting its evaluation.</p> <p>b) Audit of any new site prior to the certification body starting the process of the certification scope extension.</p>	<ul style="list-style-type: none"> • 3.2.2.1 b) editorial mistake – Audit of any new site prior to the certification body starting the process of the certification scope extension.

3.3 Function and responsibilities of sites

Sites connected to the multi-site organisation shall be responsible for:

- a) Implementation and maintenance of the chain of custody requirements in accordance with this standard.
- b) Entering into a contractual relationship with the central office, including commitment on the compliance with the chain of custody requirements and other applicable certification requirements.
- c) Responding effectively to all requests from the central office or certification body for relevant data, documentation or other information whether in connection with formal audits or reviews or otherwise.
- d) Providing full co-operation and assistance in respect of the satisfactory completion of internal audits performed by the central office and audits performed by the certification body, including access to the sites installations.
- e) Implementation of relevant corrective and preventive actions established by the central office.

Table 4: Scope of responsibilities for requirements of this standard implemented in the multi-site organisation

Standard requirements	Central office	Site
Requirements for chain of custody process – physical separation method		Yes
Requirements for chain of custody process – percentage method	Yes (if percentage account at multi-site level)	Yes
Requirements for chain of custody process – credit method	Yes (if credit account at multi-site level)	Yes
Management system requirements		
Responsibilities and authorities	Yes	Yes
General responsibilities	Yes	Yes
Responsibilities and authorities for chain of custody	Yes (for d and e)	Yes
Documented procedures	Yes (for a, e, and f)	Yes
Record keeping	Yes (for f and g)	Yes
Resource management		
Human resources / personnel	Yes (only for activities provided)	Yes
Technical facilities		
Inspection and control	Yes	Yes
Complaints	Yes	Yes


5. General guidance for the use of PEFC ST 2001:2020, PEFC Trademarks Rules – Requirements

3. Terms and definitions

For the purposes of this document, the terms and definitions given in PEFC ST 2002, Chain of Custody of Forest and Tree Based Products – Requirements apply.

ST 2001:2020	Guidance
<p>3.1 Finished product</p> <p>The product obtained at the end of a manufacturing process, ready to be sold or distributed to consumers (but not yet sold or distributed).</p>	
<p>3.2 Forest and tree based material</p>	<ul style="list-style-type: none"> • Section 1 of PEFC ST 2002 definition apply.
<p>3.3 Forest and tree based products</p>	<ul style="list-style-type: none"> • Section 1 of PEFC ST 2002 definition apply.
<p>3.4 Off-product usage</p> <p>The use of the PEFC trademarks, other than on-product usage, that is not referring to a specific product or the origin of raw material in a PEFC certified forest. See also chapter 5, <i>Scope of the PEFC trademarks</i>.</p>	
<p>3.5 On-product usage</p> <p>The use of the PEFC trademarks in reference to the PEFC certified material of a product or that can be perceived or understood by buyers or the public as referring to PEFC certified material. On-product usage can be direct (when the PEFC trademarks are placed on tangible products) or indirect (the trademarks refer to tangible products although they are not placed directly on the product). See also chapter 5, <i>Scope of the PEFC trademarks</i></p>	

<p>3.6 PEFC authorised body</p> <p>The authorised body is an entity that has permission from the PEFC Council to issue PEFC trademarks licences and to notify certification bodies on behalf of the PEFC Council. Usually the authorised bodies are the PEFC National Governing Bodies.</p>	<ul style="list-style-type: none"> • PEFC Council and PEFC authorised body contact details for requesting a PEFC trademarks usage licence can be found here: https://labelgenerator.pefc.org/contact
<p>3.7 PEFC certified material</p>	<ul style="list-style-type: none"> • Section 1 of PEFC ST 2002 definition apply.
<p>3.8 PEFC certified product</p>	<ul style="list-style-type: none"> • Section 1 of PEFC ST 2002 definition apply.
<p>3.9 PEFC chain of custody</p>	<ul style="list-style-type: none"> • Section 1 of PEFC ST 2002 definition apply.
<p>3.10 PEFC controlled sources</p>	<ul style="list-style-type: none"> • Section 1 of PEFC ST 2002 definition apply.
<p>3.11 PEFC labels</p> <p>The PEFC labels comprise the PEFC logo plus additional elements such as the label name, the message, the website and the frame. The additional elements complement the logo providing information about what the PEFC logo stands for. The PEFC logo shall be always used within the PEFC labels. Under certain circumstances described in this document, some elements of the PEFC labels may be omitted in such a way that the final design of the label is the PEFC logo itself, with no additional elements.</p>	
<p>3.12 PEFC National Governing Bodies (PEFC NGBs)</p> <p>The PEFC National Governing Bodies (PEFC NGB) are independent, national organisations established to develop and implement a PEFC system within their country. A list of the PEFC NGBs and their contact details can be found at the PEFC website. PEFC NGBs are often also the “PEFC authorised body”.</p> <p>See 3.6.</p>	
<p>3.13 PEFC recognised certificate</p>	<ul style="list-style-type: none"> • Section 1 of PEFC ST 2002 definition apply.

<p>3.14 PEFC trademarks</p> <p>The PEFC trademarks are symbols that represent the visual identity of PEFC. They are registered and belong to the PEFC Council. There are two PEFC trademarks:</p> <p>The initials “PEFC”; and</p> <p>The PEFC logo. It consists of two trees surrounded by an arrow. The “PEFC” initials stand underneath it. The PEFC logo shall always be used within the PEFC labels (see also 3.11, definition of PEFC labels).</p> 	<ul style="list-style-type: none"> • The “PEFC” initials are used in declarations, and this makes a trademark contract mandatory for chain of custody certificate holders, whether the labels are used or not.
<p>3.15 Recycled material</p>	<ul style="list-style-type: none"> • Section 1 of PEFC ST 2002 definition apply.
<p>3.16 Retailer</p> <p>Entity procuring PEFC certified finished products from PEFC certified companies and selling them to consumers.</p>	<ul style="list-style-type: none"> • “Retailer” is to be understood in an extended way, as any organisation procuring and selling PEFC-certified finished products, and which do not manipulate the products in any way, because it is not under their scope, such as brand owners.
<p>3.17 Trees outside Forests (TOF)</p>	<ul style="list-style-type: none"> • Section 1 of PEFC ST 2002 definition apply.

4. Ownership of the PEFC trademarks

<p>4.1 Ownership</p>	
<p>4.1.1 The PEFC logo and the PEFC initials are copyrighted material and are internationally registered trademarks owned by the PEFC Council. Unauthorised use of this copyrighted material is prohibited and may lead to legal action.</p>	
<p>4.1.2 The PEFC logo and the PEFC initials shall not be used accompanied by any symbols to indicate that they are registered trademarks, such as the TM or the R.</p>	<ul style="list-style-type: none"> • PEFC trademarks users need to use the PEFC Label Generator to create PEFC logos and labels always.

5. Scope of the PEFC trademarks

<p>5.1 General scope of the PEFC trademarks</p>	
<p>5.1.1 The PEFC trademarks and related claims indicate that the forest and tree based material contained in labelled and/or claimed products comes from sustainably managed forest, recycled and/or controlled sources.</p>	
<p>5.1.2 The PEFC trademarks also show that the company that produces a product labelled or claimed as certified, is managed in compliance with a set of social requirements and has a management system in place.</p>	
<p>5.1.3 In addition, the PEFC trademarks communicate an organisation's affiliation with PEFC or PEFC certification status.</p>	
<p>5.2 Scope of the on-product usage of the PEFC trademarks</p>	
<p>5.2.1 The scope of the on-product usage of the PEFC trademarks covers:</p> <ul style="list-style-type: none"> a) Direct on-product usage of the trademarks referring to the PEFC certified material on tangible products or on their packaging. b) Indirect on-product usage through any reference that can be interpreted or understood as if the product itself is certified or contains PEFC certified material, such as on media or marketing materials to communicate that the product is PEFC certified. <p>Example 1: Use of the PEFC trademarks in advertisements, on brochures, websites, or packing lists referring to actual products to indicate that they are PEFC certified.</p> <p>Example 2: Reference to the certified status of the supplier or producer of a product as certified, such as: “This magazine was printed by a PEFC certified printer”, or “this journal was printed on PEFC certified paper”.</p> <ul style="list-style-type: none"> c) Direct or indirect on-product usage in reference to the PEFC certified material used as part of the production process of a product. See also 7.1.1.3. <p>Example: “This brandy was matured in oak barrels from sustainably managed forests, recycled and controlled sources” or “this plant was grown from seeds from sustainably managed forests and controlled sources”.</p>	<ul style="list-style-type: none"> • 5.2.1 c) Another example: “This Mozzarella cheese was smoked using wood from sustainably managed forests, recycled and controlled sources”

<p>5.2.2 The PEFC trademarks cover the complete forest and tree based product labelled or claimed and not only one of its parts. The packaging is not considered as part of the product. The packaging of a PEFC certified product may also include forest or tree based material and may also be eligible itself to carry the PEFC trademark. If both the product and the packaging are PEFC certified, the packaging may include two PEFC labels. See also 7.1.1.1.</p>	
<p>5.3 Scope of the off-product usage of the PEFC trademarks</p>	
<p>5.3.1 The scope of the off-product usage of the PEFC trademarks covers any usage of the PEFC trademarks that is not covered under the scope of on-product usage, such as:</p> <ul style="list-style-type: none"> a) communication on the PEFC endorsement of forest certification systems b) communication on certified status (this usage refers to PEFC trademarks under Groups B and C, according to the description of user groups under bullet 6.3 of this standard) c) communication on PEFC recognition of certificates (certification bodies) d) communication on PEFC accreditation activities (accreditation bodies) e) communication on procurement of PEFC certified products or commitment to procurement of PEFC certified products (end users of PEFC certified products) f) communication on membership in, or partnership with, PEFC (members and partners of PEFC Council and/or PEFC National Governing Bodies) g) communication on projects and initiatives focused on development and promotion of PEFC systems and certifications h) other educational and promotional usage of the PEFC trademarks (PEFC Council and national governing bodies, certified entities, certification bodies, accreditation bodies, non-certified organisations selling PEFC certified, etc.) i) communication in general on the availability of PEFC certified products in store and/or online, without referring to a concrete product or the PEFC certified material included in a product 	

6. PEFC trademarks usage requirements

<p>6.1 General</p>	
<p>6.1.1 The PEFC trademarks shall be used with correct reference to the PEFC Council, PEFC members and their systems.</p>	<ul style="list-style-type: none"> • PEFC endorsed systems are available on the PEFC website.
<p>6.1.2 The PEFC logo and labels shall be obtained from the PEFC Label Generator.</p>	
<p>6.1.3 The PEFC trademarks or any of its elements shall not be used as part of, or integrated into, other trademarks or labels or in combination with other images, words or symbols in a way that could create another mark or that could mislead the public as to what the PEFC trademarks stand for.</p>	
<p>6.1.4 The PEFC trademarks shall not be used in a manner that could be misinterpreted or generate confusion with regard to PEFC systems, or that implies that PEFC participates in, supports, or is responsible for an activity by a certified entity outside the scope of its certification. The PEFC trademarks shall not be used in a manner that could result in erroneous interpretation or understanding of the entities operations with respect to its PEFC certificate, or diminished credibility of PEFC.</p>	
<p>6.1.5 The PEFC trademarks shall not be used within product brand names, company names or website domain names, unless explicitly authorised by the PEFC Council.</p>	
<p>6.1.6 The PEFC trademarks shall not be used together with other claims, messages or labels that can be misunderstood or misleading with regard to the qualities, characteristics, content, production process, etc. of the product they are accompanying, PEFC certification or PEFC in general.</p>	
<p>6.1.7 If other messages, claims or labels are used on the same product as the PEFC trademarks, it shall be clearly identified which characteristics of the product the PEFC trademarks refer to.</p>	

<p>6.1.8 The PEFC trademarks shall be used only with the messages provided by the PEFC Council. Any usage of the trademarks not foreseen in the PEFC Council documentation shall be approved by the PEFC Council.</p>	
<p>6.1.9 Any usage of the PEFC trademarks shall be accurate and consistent with applicable legal requirements and law. Organisations are responsible for compliance with the applicable legislation when using the PEFC trademarks.</p>	
<p>6.1.10 PEFC Council reserves the right to refuse the use of any PEFC trademarks that does not align with PEFC's strategic vision and mission.</p>	
<p>6.2 PEFC trademarks usage licence</p>	
<p>6.2.1 The PEFC trademarks shall be used under the authority of a PEFC trademarks usage licence that is issued by the PEFC Council or a PEFC authorised body. The PEFC trademarks usage licence includes the issuance of a unique licence number.</p>	
<p>6.2.2 The licence shall be obtained through the signature of a licencing agreement (trademarks usage contract) between the organisation applying for trademarks usage and the PEFC Council or a PEFC authorised body.</p>	
<p>6.2.3 The licence number of the organisation using the PEFC trademarks shall accompany the PEFC trademarks whenever they are used, except for certified organisations when passing on claims for the implementation of the PEFC chain of custody.</p> <p>Example: We procure PEFC certified material (PEFC/XX-XX-XX)".</p> <p>Note 1: When using the PEFC initials for promotional purposes within a text where PEFC initials are used more than one time, the PEFC licence number may appear only the first time the PEFC initials are used. In cases where a PEFC label with the licence number is used next to the text or in the same page as the text in such a way that the organisation using the initials is clearly identifiable, the initials may be used without the licence number.</p> <p>Note 2: When using the PEFC trademarks in press articles or for scientific research articles it is not necessary to use and/or hold a PEFC licence number.</p>	

<p>6.2.4 For the purposes of off-product PEFC trademarks usage, the PEFC Council or the corresponding PEFC authorised body may issue permission for one-off trademarks usage. This licence shall be limited to one use. The disclaimer: “Reproduced with the permission of [authorised body]” shall be visibly placed together with the PEFC trademarks.</p>	
<p>6.2.5 The PEFC labels may be used exceptionally without the licence number, with prior approval by the PEFC authorised body that issued the licence, under the following circumstances:</p> <ol style="list-style-type: none"> a) where the size of the PEFC label would result in the licence number being illegible b) the applied technology would not allow the licence number to be used together with the PEFC label c) in addition to that, for on-product usage, where: <ul style="list-style-type: none"> • the PEFC trademarks with the licence number is used on other parts of the product (e.g. packaging, larger boxes, a leaflet or manual on the product) • the user of the PEFC trademarks can be clearly and unambiguously identified from other on-product information 	<ul style="list-style-type: none"> • The requirements on the minimum size of the PEFC logo (8.2.4) still apply when this exception is used.
<p>6.3 PEFC trademarks users classification</p>	
<p>6.3.1 Group A: National Governing Bodies and PEFC authorised bodies</p>	
<p>6.3.1.1 The PEFC National Governing Bodies or other PEFC authorised bodies are authorised to use the PEFC trademarks only for off-product purposes.</p>	
<p>6.3.2 Group B: Entities certified against a PEFC endorsed sustainable forest management (SFM) standard</p>	
<p>6.3.2.1 Any entity eligible for SFM certification shall hold a valid forest management certificate in order to obtain a PEFC trademarks licence.</p>	
<p>6.3.2.2 Group B entities with a PEFC recognised certificate are authorised to use the PEFC trademarks only for off-product purposes, unless they are also certified against the PEFC Chain of Custody standard.</p>	

<p>6.3.2.3 If the certification is suspended, withdrawn or terminated, the PEFC trademarks licence will be automatically suspended (until the suspension is lifted) or terminated.</p>	
<p>6.3.3 Group C: Entities certified against the PEFC International Chain of Custody standard or a chain of custody standard endorsed by PEFC</p>	
<p>6.3.3.1 Any entity eligible for PEFC chain of custody certification shall hold a PEFC recognised certificate for chain of custody (see definition of PEFC recognised certificate: 3.13) that is valid, in order to obtain a PEFC trademarks licence.</p>	
<p>6.3.3.2 Group C trademarks users are authorised to use the PEFC trademarks for off and on-product purposes.</p>	
<p>6.3.3.3 If the certification is suspended, withdrawn or terminated, the PEFC trademarks licence will be automatically suspended (until the suspension is lifted) or terminated.</p>	
<p>6.3.4 Group D: Other users</p>	
<p>6.3.4.1 Organisations and other entities not classified under PEFC trademarks Groups A, B and C.</p>	
<p>6.3.4.2 Group D covers organisations such as trade and industry associations, retailers, research and educational institutions, certification bodies, accreditation bodies, governmental organisations, NGOs, etc. Group D also covers organisations within the forest and tree based products chain, where the chain of custody certification does not apply as they are end users of forest and tree based products or are selling the products with claims and/or labels placed on the product by their suppliers.</p>	<ul style="list-style-type: none"> • Group D also covers hotels, schools, or public offices.
<p>6.3.4.3 Group D trademarks users are authorised to use the PEFC trademarks only for off-product purposes.</p>	

6.3.4.4 Retailers under trademarks user Group D that procure PEFC certified finished products and sell the finished products directly to consumers without manipulating the product in any way, changing the wrapping or mixing the products with non-certified products, may exceptionally use the PEFC trademarks indirectly on-product (see requirement 5.2.1.b) to promote PEFC certified products according to the following requirements:

- a) Hold a PEFC trademarks licence for trademarks user Group D.
- b) The PEFC promotional label shall be used at least once with the label message: “The products marked with the PEFC trademarks can be provided as PEFC certified”. It shall be placed in a visible place in order for the public to clearly understand and identify what the PEFC trademarks stand for within the catalogue, brochure or price list.
- c) The PEFC trademarks may be used without the organisation’s licence number throughout the catalogue, brochure or product list next to those products that can be provided as PEFC certified.
- d) The products shall include physically the PEFC trademarks on-product along with the licence number of the PEFC certified supplier.
- e) This first usage shall be approved by the PEFC Council or the PEFC authorised body, and afterwards PEFC Council or the PEFC authorised body shall approve it in an annual basis or issue a new approval whenever the design changes in any way.
- f) The PEFC trademarks shall be always used according to this standard and any other PEFC related documentation.

Note: As the PEFC trademarks will always appear at least once in the catalogue, brochure or product list, requirement 6.2.5 does not apply to this case.

- **PEFC’s definition for retailers is to be understood as also covering brand owners and market placers and allow them to apply 6.3.4.4, whenever they procure PEFC-certified finished products and sell the finished products directly to consumers without manipulating the product in any way, changing the wrapping, or mixing the products with non-certified products.**
- **If several organisations fulfil the definition of “retailer” and the requirements under 6.3.4.4 in a row for the same product, they are eligible for 6.3.4.4 for this product.**
- **Bullet d) by supplier, it means the PEFC-certified product in question.**
- **PEFC’s definition for retailers is to be understood as also covering online platform owners and allow them to apply 6.3.4.4, whenever they centralize information of PEFC-certified finished products, that can be viewed or sold directly to consumers without manipulating the product in any way, changing the wrapping, or mixing the products with non-certified products.**

Table 1: Overview of the usage

PEFC trademarks user	On-product usage	Off-product usage
Group A: National Governing Bodies	No	Yes
Group B: Sustainable forest management (SFM) certified entities	No	Yes
Group C: chain of custody certified entities	Yes	Yes
Group D: Other users	No	Yes


Note 1: Group B certificate holders that also hold a PEFC chain of custody certificate and therefore belong also to Group C, can use the PEFC trademarks on-product.

Note 2: Additional off-product messages to be used, for instance, as forest signs, are suggested in Appendix A to be used by trademarks user Group B.

Note 3: For retailers under trademarks user Group D, see also requirement 6.3.4.4.

7. PEFC trademarks technical requirements

<p>7.1 Technical requirements for the usage of the PEFC trademarks on-product</p>	
<p>7.1.1 General requirements</p>	
<p>7.1.1.1 The product the PEFC trademarks refer to shall be clearly identified. If the product cannot be clearly identified, the label message or at least the name of the product (see 8.3.3) shall clarify the link between trademarks and product.</p> <p><i>Example:</i> If PEFC certified pencils are wrapped in packaging made from forest based material not PEFC certified, the PEFC label message that accompanies the logo in the packaging clarifies which product the label refers to, replacing “this product” by “these pencils” in the label message.</p>	<ul style="list-style-type: none"> • It is possible for one PEFC on-product label to cover two or more certified items. This could be the packaging and the product, if the same company manufactures both. For example, “this toy and packaging are from sustainably managed forests and controlled sources”. • It should be clear what the PEFC on-product label refers to (e.g., by adding the products names in the label message). For example, a non-PEFC certified wooden toy in a PEFC-certified paper-based packaging. As the logo may refer to the wooden toy or the packaging, the PEFC logo needs to indicate that it refers to the packaging and not to the toy. • A supplier can produce label with the buyer’s PEFC trademarks licence number. To do so, they need to have an agreement in place where the certified supplier allows the non-certified (or certified) organisation to use the PEFC trademarks on product with the supplier’s licence number, limited to PEFC-certified products supplied by the supplier to the non-certified (or certified) organisation, and in compliance with any applicable requirements of the PEFC standards.
<p>7.1.1.2 To determine the percentage of certified material contained in a product to be eligible to carry the PEFC trademarks, the complete product shall be considered. See also 5.2.2.</p> <p><i>Example:</i> A book may carry the PEFC trademarks whenever the complete book (the pages plus the covers) contains at least 70% of certified material.</p>	

<p>7.1.1.3 Indirect on-product usage in reference to the PEFC certified material used as part of the production process of a product (as described in 5.2.1, c) shall be approved by the PEFC Council.</p> <p>Note: To obtain PEFC Council's approval, organisations can go through the PEFC authorised body that issued their licence.</p>	
<p>7.1.2 The PEFC on-product labels</p>	
<p>7.1.2.1 The PEFC certified label</p>	
<p>7.1.2.1.1 The PEFC certified label is the generic label to be used on-product:</p>  <p>The image shows a green-bordered rectangular label template. On the left is the PEFC logo, which consists of a stylized tree and a circular arrow. To the right of the logo, the text reads: 'PEFC Certified', 'This product is from sustainably managed forests, recycled and controlled sources', 'PEFC', and 'PEFC/01-XX-XXX'. At the bottom right, the website 'www.pefc.org' is listed.</p>	
<p>7.1.2.1.2 The PEFC certified label may be used whenever at least 70% of the forest and tree based material included in the product is PEFC certified material and the content of recycled material is lower than 100%.</p> <p>Note: Recycled content is included in forest and tree based products material categories. See definition 3.7.</p>	<ul style="list-style-type: none"> • Only certified material is eligible for labelling. • The standard does not require certified products to be labelled. The standard considers the labelling of certified products as an optional tool by which the organisation communicates the certified product status.
<p>7.1.2.1.3 The label message that shall accompany the PEFC certified label is: “[This product] is from sustainably managed forests, recycled and controlled sources”. The wording [this product] may be replaced by the name of the certified product or the certified material included in the product to which the label refers, using the PEFC Label Generator. See also 7.1.1.1. and 8.3.</p>	

7.1.2.1.4 Where the product does not include PEFC certified material from recycled sources, the label message may be used without the word “recycled”.



7.1.2.1.5 Where the product includes only material from PEFC certified forests, i.e. material delivered with the claim “100% PEFC Origin”, the label message may be used with the wording: “[This product] is from sustainably managed forests”.



7.1.2.1.6 For PEFC certified projects, the wording “this product” shall be replaced by “the forest and tree based material used in this project is”. The word “project” may be replaced by the type of project (pavilion, tower, etc.).

7.1.2.2 The PEFC recycled label

7.1.2.2.1 The PEFC recycled label shall be used when the product includes only recycled material (see 3.15, definition for recycled material). The label name is “PEFC Recycled” and the label message: “[This product] is from recycled sources”. The wording [this product] may be replaced by the name of the certified product or the certified material included in the product to which the label refers, using the PEFC Label Generator.




Table 2: Overview of the options of usage of the PEFC on-product labels

Label name	PEFC Certified	PEFC Recycled
Requirements of usage	Minimum 70% PEFC certified material content and less than 100% recycled material content	100% recycled material content
Generic label messages	<p>“[This product] is from sustainably managed forests, recycled and controlled sources”</p> <p>“This product” should be replaced by the name of the certified product or certified material when it is not clear to what the label refers</p> <p>Where the product does not include recycled material, the label message may be used without the word “recycled”</p> <p>Where the product only includes material from PEFC certified forests, the label message may be used without “recycled and controlled sources”</p>	<p>“[This product] is from recycled sources”.</p> <p>“This product” should be replaced by the name of the certified product or certified material when it is not clear to what the label refers</p>




<p>7.1.3 The PEFC initials</p>	
<p>7.1.3.1 The PEFC initials may be used directly on a product whenever the product contains a minimum of 70% PEFC certified material.</p> <p><i>Example 1:</i> This product was made with PEFC certified wood (PEFC/XX-XX-XXX)</p> <p><i>Example 2:</i> This journal was printed on PEFC certified paper (PEFC/XX-XX-XXX)</p>	
<p>7.1.3.2 The PEFC trademarks licence number of the organisation shall always be used with the PEFC initials whenever the product does not carry a PEFC label with the licence number in the same product.</p>	
<p>7.1.3.3 The certified product or the certified material included in the product to which the PEFC initials refer shall be clearly identified. When it is not clear what product the PEFC initials refer to, the product shall be specified. See requirement 7.1.1.1.</p>	
<p>7.1.3.4 Any usage of the PEFC initials on-product different from that mentioned above shall be approved by the PEFC Council.</p> <p>Note: To obtain PEFC Council's approval, organisations can go through the PEFC authorised body that issued their licence.</p>	<ul style="list-style-type: none"> • Inappropriate usage of the PEFC initials is, for instance, to use the PEFC trademarks on a product with messages different than the messages provided in the PEFC trademarks standard. Examples: <ul style="list-style-type: none"> - This PEFC certified product is sustainably sourced from happy forests - PEFC ensures that this product is green
<p>7.1.3.5 The requirements outlined in this section are not applicable for the usage of the PEFC initials with the purpose of passing on chain of custody claims by certified organisations as described in and in compliance with the <i>PEFC Chain of Custody Standard</i>, PEFC ST 2002.</p>	
<p>7.2 Technical requirements for the usage of the PEFC trademarks off-product</p>	

<p>7.2.1 The PEFC off-product label</p>	
<p>7.2.1.1 The PEFC promotional label is:</p>  <p>The image shows a green-bordered rectangular box containing the PEFC logo (a stylized tree and leaf), the text 'Promoting Sustainable Forest Management', the acronym 'PEFC', a license number 'PEFC/01-XX-XXX', and the website 'www.pefc.org'.</p>	
<p>7.2.1.2 The generic label message that shall accompany the PEFC promotional label is: “Promoting Sustainable Forest Management”.</p>	
<p>7.2.1.3 Additional label messages for promotional purposes can be found on the Appendix A to this standard.</p>	
<p>7.2.1.4 The PEFC off-product label messages may be used for promotional purposes without the PEFC label under the same requirements as the label. In those cases, and whenever the PEFC label is not used close to the message, the PEFC trademarks licence number shall be placed next to the message.</p>	<ul style="list-style-type: none"> • The PEFC initials can be used for promotional purposes accompanied by messages provided in the standard. If an organisation wants to use the PEFC initials as part of a message that’s different to the ones provided in the standard (Appendix 1), they need to request authorisation from PEFC. To do so, they need to login in their Label Generator account and apply for an exceptional usage under the “Your products” section.
<p>7.2.1.5 Organisations holding a PEFC forest management or PEFC chain of custody recognised certificate (PEFC trademarks user Groups B and C) may use the PEFC promotional label on:</p> <ol style="list-style-type: none"> a) Letterheads, catalogues or any other promotional material, as long as there is no ambiguity as to what is certified. See also 7.2.1.6. b) Invoices or delivery documents. The products that are delivered with a PEFC claim shall be clearly identified. 	

<p>7.2.1.6 The PEFC label may be used for promotional purposes on non-commercial products. It shall be clear what the PEFC label refers to on the non-commercial products. The promotional label message shall be included.</p> <p>Note: For the usage of the PEFC label on catalogues, brochures or products lists by non-certified retailers, see 6.3.4.4.</p>	
<p>7.2.2 The PEFC initials</p>	
<p>7.2.2.1 The usage of the PEFC initials off-product is allowed under the same conditions and requirements as the PEFC promotional label. It shall always be accurate and refer to PEFC in the correct terms.</p>	

8. Graphic requirements of the PEFC labels

<p>8.1 Elements of the PEFC label</p> 	
<p>8.1.1 PEFC logo (A)</p>	
<p>8.1.1.1 PEFC logo consists of two trees surrounded by an arrow and the “PEFC” initials placed underneath it.</p>	
<p>8.1.2 PEFC trademarks licence number (B)</p>	
<p>8.1.2.1 In order to identify the organisation using the PEFC trademarks, the PEFC logo shall be used together with the organisation’s PEFC licence number. See requirement 6.2.1.</p>	

8.1.3 Label name (C)	
8.1.3.1 The label name communicates the meaning of the logo.	
8.1.3.2 The official PEFC label names are in English. Translations shall be obtained from the PEFC Label Generator.	
8.1.3.3 The PEFC label may include the label name in more than one language. Different options are provided in the PEFC Label Generator.	
8.1.4 Label message (D)	
8.1.4.1 The label message communicates the meaning of the logo.	
8.1.4.2 The official PEFC label messages are in English. Translations of the official label messages into other languages shall be obtained from the PEFC Label Generator.	
8.1.4.3 The PEFC label may include the label message in more than one language. Different options are provided in the PEFC Label Generator.	
8.1.5 PEFC website (E)	
8.1.5.1 The PEFC Council website www.pefc.org may be replaced with the website of a PEFC authorised body.	
8.1.6 PEFC label frame (F)	
8.1.6.1 When using the frame, the frame shall always respect the proportions and dimensions within the different elements of the label.	

8.2 Graphic specifications

- When an organisation would like to use the PEFC trademarks (either the logo or the PEFC initials) in a different way than the standard way (e.g., in a different colour than green, black, or white, in a different size, or as part of a label message that is not mentioned on Appendix 1 of PEFC ST 2001), they can request an exceptional usage from PEFC. Requests are to be made through their PEFC Label Generator account, in the labels section of the "Your products" page.

8.2.1 Colours



8.2.1.1 The PEFC labels may be used in three colours: green, black and white and always with a single and contrasting colour background.

8.2.1.2 The PEFC label in green shall have the frame in the same green colour, with the PEFC label name, message and PEFC website in black. For the colours black and white, all the elements of the PEFC label shall appear in the same colour. The PEFC label name for the three labels must be in bold.

Note: For the purposes of describing the graphic specifications, the framed landscape green PEFC certified label is used. The same principles apply to all the other labels.



- Green is to be understood as Pantone 368 or RGB 128, 186, 39
- In exceptional cases where the colours don't match a print job, exceptional approvals can be granted. When an organisation would like to use the PEFC trademarks (either the logo or the PEFC initials) in a different way that the standard way (e.g., in a different colour than green, black, or white, a different size, or as part of a label message that is not mentioned on Appendix 1 of PEFC ST 2001), they can request an exceptional usage from PEFC. Requests are to be made through their PEFC Label Generator account, in the labels section of the "Your products" page.

<p>8.2.2 Label orientation</p>	
<p>8.2.2.1 The PEFC label may be used in portrait or landscape orientation.</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div data-bbox="129 288 383 820" style="border: 2px solid green; padding: 10px; text-align: center;">  <p>PEFC PEFC/01-XX-XXX</p> <p>PEFC Certified</p> <p>This product is from sustainably managed forests, recycled and controlled sources</p> <p>www.pefc.org</p> </div> <div data-bbox="443 533 880 820" style="border: 2px solid green; padding: 10px; text-align: center;">  <p>PEFC PEFC/01-XX-XXX</p> <p>PEFC Certified</p> <p>This product is from sustainably managed forests, recycled and controlled sources</p> <p>www.pefc.org</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <p>Portrait</p> <p>Landscape</p> </div>	
<p>8.2.3 Dimensions</p>	
<p>8.2.3.1 The ratio between height and width shall always be maintained. The proportions between the different elements of the PEFC label shall also be respected.</p>	

8.2.4 Minimum size

8.2.4.1 The minimum size of the PEFC label shall be:





8.2.5 Placement

8.2.5.1 Clear space shall surround the PEFC label in order to ensure that it remains uncluttered and is easily recognisable. The minimum amount of clear space shall be equivalent to the height of the letter “P” of the PEFC logo used in the label.



8.3 Optional usage of the label			
8.3.1 The following elements may optionally be omitted from the PEFC labels:			
Table 3: Optional elements of the PEFC labels			
	PEFC certified label	PEFC recycled label	PEFC off-product label
PEFC logo	No	No	No
Label name	Yes	No	N/A
Label message	Yes *	Yes*	Yes*
PEFC website	Yes	Yes	Yes
Frame	Yes	Yes	Yes
* The usage shall always comply with the requirement 7.1.1.1. See also requirements 8.3.2 and 8.3.3.			
8.3.2 When using the PEFC labels without the message, the label may include the name of the product, as in the example below.			
8.3.3 When it is not clear what the PEFC label refers to (see requirement 7.1.1), the label message may be replaced by the name of the product.			
8.3.4 The PEFC label can be used without the label message for promotional purposes whenever it is clear from the context in which the label appears what PEFC stands for.			
8.3.5 Where the design does not allow the usage of the normal PEFC label designs, the PEFC label may be optionally used as follows, with prior approval by the PEFC authorised body that issued the licence. When used for on-product purposes, the product or material the PEFC label refers to shall be clear. When used for promotional purposes, it shall be clear what PEFC stands for.			

<p>a) With the PEFC logo split into the two trees surrounded by an arrow and the trademarks licence number and placed beside each other. The minimum size of this format of the PEFC label shall ensure that the licence number is readable.</p>  <p>b) With the PEFC logo split into the two trees surrounded by an arrow and the PEFC initials, and the trademarks licence number underneath the PEFC initials. The minimum size of this format of the PEFC label shall ensure that the PEFC initials and licence number are readable.</p> 	
<p>8.4 Modifications</p>	<ul style="list-style-type: none"> • PEFC does not require prior approval of trademarks usage, whenever they are used according to the standard and as obtained from the Label Generator.
<p>8.4.1 The PEFC labels obtained from the PEFC Label Generator shall not be altered or re-created.</p>	
<p>8.4.2 Using the PEFC label in non-standard colours or any other adjustments requires prior approval by the PEFC Council.</p> <p>Note: To obtain PEFC Council's approval, organisations can go through the PEFC authorised body that issued their licence.</p>	

Appendix 1 (normative): Alternative promotional label messages

Table 4: Alternative promotional label messages

Trademarks user group	Message	Guidance
Group B	<ul style="list-style-type: none"> Promoting Sustainable Forest Management [Company name] has a PEFC sustainable forest management certificate [Company name] manages this forest according to PEFC certification requirements Our forest management is PEFC certified 	
Group C	<ul style="list-style-type: none"> Promoting Sustainable Forest Management [Company name] has a PEFC certified chain of custody [Company name] offers PEFC certified products By sourcing PEFC, [we/company name] are supporting sustainably managed forests globally By sourcing PEFC [wood/paper/packaging], [we/company name] are supporting sustainably managed forests globally The PEFC logo on our products ensures that our [wood/paper/ packaging] comes from sustainably managed forests, recycled and controlled sources. Every purchase of a PEFC-labelled product makes a difference for forests and forest communities across the world. 	
Group D: certification bodies	<ul style="list-style-type: none"> Promoting Sustainable Forest Management [Certification body] is accredited for PEFC forest management certification [Certification body] is accredited for PEFC chain of custody certification [Certification body] is accredited for PEFC forest management and chain of custody certification 	
Group D: accreditation bodies	<ul style="list-style-type: none"> Promoting Sustainable Forest Management [Accreditation Body name] provides PEFC forest management accreditation [Accreditation Body name] provides PEFC chain of custody accreditation [Accreditation Body name] provides PEFC forest management and chain of custody accreditation 	

<p>Group D: non-certified organisations procuring PEFC certified finished products</p>	<ul style="list-style-type: none"> • Promoting Sustainable Forest Management • [Company name] offers PEFC certified products • By sourcing PEFC, [we/company name] are supporting sustainably managed forests globally • By sourcing PEFC [wood/paper/packaging], [we/company name] are supporting sustainably managed forests globally • The PEFC logo on our products ensures that our [wood/paper/packaging] comes from sustainably managed forests, recycled and controlled sources. Every purchase of a PEFC-labelled product makes a difference for forests and forest communities across the world. 	
<p>Group D: PEFC International stakeholder members</p>	<ul style="list-style-type: none"> • Promoting Sustainable Forest Management • [Company name] is a PEFC Stakeholder member • By sourcing PEFC, [we/company name] are supporting sustainably managed forests globally • By sourcing PEFC [wood/paper/packaging], [we/company name] are supporting sustainably managed forests globally • The PEFC logo on our products ensures that our [wood/paper/packaging] comes from sustainably managed forests, recycled and controlled sources. Every purchase of a PEFC-labelled product makes a difference for forests and forest communities across the world. 	
<p>Group D: any other organisations belonging to Group D that are not mentioned above</p>	<ul style="list-style-type: none"> • Promoting Sustainable Forest Management 	

Note 1: Organisations belonging to more than one group may use the label messages for any of the user group they belong (for instance, international stakeholder members that are also certified companies can use either the label messages described for Group D: stakeholder members, or Group C: certified companies).

Note 2: The wording between [] is to be replaced by the corresponding option. For example, if an organisation procures PEFC certified wood, the label will say: “The PEFC logo on our products ensures that our wood comes from sustainably managed forests, recycled and controlled sources”.

6. General guidance for the use of PEFC ST 2003:2020, Requirements for Certification Bodies operating Certification against the PEFC International Chain of Custody Standard

3. Terms and definitions

For the purposes of this standard, the relevant definitions given in ISO/IEC 17000, ISO/IEC 17065, ISO 19011, ISO/IEC Guide 2 and PEFC ST 2002 apply, together with the following definitions:

ST 2003:2020	Guidance
<p>3.1 Audit</p> <p>Systematic, independent and documented process for obtaining objective evidence and evaluating it objectively to determine the extent to which the audit criteria are fulfilled.</p> <p><i>Note:</i> The term “audit” used in this document is equivalent to the term “evaluation” used in ISO/IEC 17065.</p>	
<p>3.2 Certification decision maker</p> <p>A person or a group of persons (e.g. a committee) that has not been involved in the audit process and is assigned by the certification body to make the certification decision.</p>	
<p>3.3 Chain of Custody standard</p> <p>PEFC ST 2002, Chain of Custody of Forest and Tree Based Products – Requirements.</p>	
<p>3.4 Client organisation</p> <p>Organisation, including a multi-site organisation, that is applying for chain of custody, or whose chain of custody has been certified.</p> <p><i>Note:</i> The term “client organisation” used in this document is equivalent to the term “supplier” used in ISO/ IEC 17065.</p>	

<p>3.5 Major nonconformity</p> <p>The absence of, or failure to implement and maintain, one or more requirements of the Chain of Custody standard, that may result in a systemic risk to the function and effectiveness of the chain of custody and/or affect confidence in the client organisation's claims on certified raw material.</p> <p>Note: A major nonconformity may be an individual nonconformity, or a number of minor but related nonconformities that when considered in total are judged to constitute a major nonconformity.</p>	
<p>3.6 Minor nonconformity</p> <p>A single failure to fulfil the requirements of the Chain of Custody standard that may result in no systemic risk to the function and effectiveness of the chain of custody and/or affect confidence in the supplier's claims on certified raw material.</p>	
<p>3.7 Observation</p> <p>An audit finding that does not indicate nonconformity. It may be identified by the audit team as an opportunity for improvement.</p>	
<p>3.8 PEFC authorised body</p> <p>The PEFC authorised body is an entity that has permission from the PEFC Council to issue PEFC trademarks licences and to notify certification bodies on behalf of the PEFC Council. Usually the authorised bodies are the PEFC National Governing Bodies.</p>	
<p>3.9 PEFC National Governing Bodies (PEFC NGBs)</p> <p>The PEFC National Governing Bodies (PEFC NGBs) are independent, national organisations established to develop and implement a PEFC system within their country. A list of the PEFC NGBs and their contact details can be found at the PEFC website. PEFC NGBs are often also the PEFC authorised body. See 3.8.</p>	

<p>3.10 Reviewer</p> <p>A person or a group of persons (e.g. a committee) that has not been involved in the audit process and is assigned by the certification body to review all the information and results related to the audit.</p>	
<p>3.11 Technical expert</p> <p>Person who provides specific knowledge or expertise to the audit team. The technical expert is not considered an auditor.</p>	

4. General requirements

The criteria against which the client organisation’s chain of custody is evaluated are those outlined in the latest version of the Chain of Custody standard and of the PEFC Trademarks standard.

Note: The latest version of the Chain of Custody standard and the PEFC Trademarks standard, their amendments and corresponding transition periods, are available from the PEFC website www.pefc.org.

<p>4.1 Legal and contractual matters</p> <p>All the requirements given in clause 4.1 of ISO/IEC 17065:2012(E) apply.</p>	
<p>4.1.1 Where the certification body makes use of the PEFC logo on the certification document, or for any other purposes linked to the PEFC certification scheme, the use shall only be carried out based on a valid licence issued by the PEFC Council or another entity authorised by the PEFC Council, and in accordance with the PEFC Trademarks standard.</p>	
<p>4.1.2 The certification body shall make clear to the client organisation that the PEFC logo on the issued certificate only refers to the client organisation’s compliance with the PEFC certification scheme and does not provide the client organisation with the right to use the PEFC trademarks.</p> <p>Note: The client organisation with a valid PEFC chain of custody certificate can only use the PEFC trademarks with a unique PEFC trademarks licence number for “on-product” as well as “off-product” purposes, based on a PEFC trademarks usage licence contract issued by the PEFC Council or another entity authorised by the PEFC Council and in accordance with the PEFC Trademarks standard.</p>	

<p>4.2 Management of impartiality</p> <p>All the requirements given in clause 4.2 of ISO/IEC 17065:2012(E) apply.</p>	<ul style="list-style-type: none"> • It is assumed that certification bodies do not to engage in corrupt practices.
<p>4.3 Liability and financing</p> <p>All the requirements given in clause 4.3 of ISO/IEC 17065:2012(E) apply.</p>	
<p>4.4 Non-discriminatory conditions</p> <p>All the requirements given in clause 4.4 of ISO/IEC 17065:2012(E) apply.</p>	
<p>4.5 Confidentiality</p> <p>All the requirements given in clause 4.5 of ISO/IEC 17065:2012(E) apply.</p> <p>The certification body shall inform the client organisation that it is obliged to provide information to the PEFC Council and/or a PEFC National Governing Body, and the range and usage of information to be provided. The certification body shall have the written consent of the client organisation for the information disclosed to the PEFC Council and/or the PEFC National Governing Body. This written agreement shall be in compliance with any data protection legislation applicable in the countries in which the client organisation and the certification body are based.</p>	<ul style="list-style-type: none"> • In the case where the certification body and the certified company are based in different countries then both legislations are applicable. • The requirement aims at considering any applicable legislation. <ul style="list-style-type: none"> - e.g., GDPR applies whenever an organisation is collecting personal information of European citizens, independently on where the organisation is based. If the accreditation body and the certification body are based in two different and non-EU countries, but are collecting information about EU citizens, GDPR also applies.
<p>4.6 Publicly available information</p> <p>All the requirements given in clause 4.6 of ISO/IEC 17065:2012(E) apply.</p>	

5. Structural requirements

<p>All the requirements given in clause 5 of ISO/IEC 17065:2012(E) apply.</p>	
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6. Resource requirements

6.1 Certification body personnel	
6.1.1 General All the requirements given in clause 6.1.1 of ISO/IEC 17065:2012(E) apply.	
6.1.1.1 Personnel involved in the certification activities	
6.1.1.1.1 The certification body shall ensure that all personnel carrying out the key activities, such as contract review, auditing, granting of certification, monitoring of auditors, etc. have the relevant and appropriate knowledge and competencies corresponding to these activities.	
6.1.1.1.2 Gender equality should be promoted.	<ul style="list-style-type: none"> • There are different ways to promote gender equality. Each certification body should document how they are going to do it. An index can be an option to measure progress.
6.1.1.2 Auditors The certification body shall have a documented process to ensure that auditors have personal attributes, knowledge and skills in accordance with clauses 7.1, 7.2.1, 7.2.2, 7.2.3.1, 7.2.3.2 and 7.2.3.4 of ISO 19011:2018.	
6.1.1.2.1 Education	
6.1.1.2.1.1 The certification body shall ensure that auditors have the knowledge corresponding to at least a secondary education that includes or is supplemented with courses related to forest and/or tree based and related industries where the auditor(s) conducts chain of custody audits. <i>Note:</i> Secondary education is the part of the national education system that comes after the primary or elementary stage, but that is completed prior to entrance to tertiary education, e.g. university or similar educational institution.	

<p>6.1.1.2.1.2 The specific education relating to forest and/or tree based and related industries can be substituted by working experience in these sectors if the certification body can demonstrate it is equivalent to the required education.</p> <p>Note: Forest and/or tree based and related industries include, for example, activities relating to manufacturing, research, education, standards development, forest industry/product associations, forest law and regulation, transport, distribution and recycling or transport and storage of forest and/or tree based products.</p>	
<p>6.1.1.2.2 Working experience</p>	
<p>6.1.1.2.2.1 For a first qualification of an auditor, the certification body shall ensure that the auditor has a minimum of three years of full-time related working experience in the forest and/or tree based and related industries.</p> <p>Note: Forest and/or tree based and related industries include, for example, activities relating to manufacturing, research, education, standards development, forest industry/product associations, forest law and regulation, transport, distribution and recycling or transport and storage of forest and tree based products.</p>	
<p>6.1.1.2.2.2 The number of years of total work experience may be reduced by one year, if the auditor has completed a tertiary education appropriate and relevant to forest and/or tree based and related industries.</p> <p>Note: Tertiary education, also referred to as third stage, third level, and post-secondary education, is the educational level following the completion of a school providing a secondary education.</p>	<ul style="list-style-type: none"> • Tertiary education, is any level of education pursued beyond high school, e.g., university, college
<p>6.1.1.2.2.3 The number of years of total work experience may be reduced by one year if the auditor has performed, as auditor-in-training, four chain of custody audits under the leadership of a qualified auditor, in addition to the chain of custody audits required as audit experience under 6.1.1.2.5.1.</p>	

<p>6.1.1.2.3 PEFC chain of custody training</p> <p>The certification body shall ensure that new auditors have received initial training on the PEFC system and the Chain of Custody standard, that is recognised by the PEFC Council.</p> <p>Note: The PEFC website www.pefc.org provides further information on training options.</p>	<ul style="list-style-type: none"> • A recognised Chain of Custody training entails: completing the full initial training provided by a recognized trainer, passing the knowledge test (80% pass mark) and receiving a certificate from PEFC International/Council.
<p>6.1.1.2.4 Audit training</p> <p>The certification body shall ensure that auditors have successfully completed training in audit techniques based on ISO 19011.</p>	
<p>6.1.1.2.5 Audit experience</p>	
<p>6.1.1.2.5.1 For a first qualification of an auditor, the certification body shall ensure that the auditor within the last three years has performed, as auditor-in-training, chain of custody audits for at least four organisations under the leadership of a qualified auditor, including at least two PEFC chain of custody audits. The number of chain of custody audits-in-training can be reduced to two PEFC chain of custody audits for auditors that are qualified for chain of custody standards, ISO 9001 or ISO 14001 in forest and/or tree related sectors.</p>	<ul style="list-style-type: none"> • Status (freelance/employee) of the qualified auditor tasked to observe the auditor-in-training is not relevant.
<p>6.1.1.2.6 Competencies</p>	
<p>6.1.1.2.6.1 The certification body shall ensure that auditors demonstrate ability to apply knowledge and skills in the following areas:</p> <ol style="list-style-type: none"> The objectives and core processes of the PEFC system including the requirements from the PEFC Sustainable Forest Management standard (PEFC ST 1003) covered in the PEFC chain of custody definition of controversial sources, (PEFC ST 2002, clause 3.6 paragraphs b, c, d and e). Audit principles, procedures and techniques (see 7.2.3.2.a of ISO 19011:2018): to enable the auditor to apply those appropriate to different audits and ensure that audits are conducted in a consistent and systematic manner. Organisation situations (see 7.2.3.2.c of ISO 19011:2018), including organisational size, structure, functions and relationships, general business processes and related 	

<p>terminology, and cultural and social customs such as knowledge of the client organisation working language, or language that the certification body and client can agree on: to enable the auditor to comprehend the organisation’s operational context.</p> <p>d. Applicable international legislation and country specific forest governance and law enforcement system relevant to forest and tree based raw material procurement and avoidance of raw material from controversial sources: to enable the auditor to comprehend the client organisation’s contractual relationships with suppliers and evaluate the client organisation’s procedures for avoidance of raw material from controversial sources. Knowledge and understanding of this area shall cover:</p> <ul style="list-style-type: none"> i. contracts and agreements, including labour contracts and or collective bargaining agreements ii. forest governance and law enforcement system of countries of the uncertified raw material origin, including those covering social, health and safety issues of workers iii. international conventions relating to worker rights (ILO core conventions) iv. international treaties and conventions relating to the trade of forest and tree based products 	
<p>6.1.1.2.6.2 The certification body shall ensure that auditors demonstrate ability to apply terminology, knowledge, understanding and skills in the following areas of the PEFC chain of custody:</p> <ul style="list-style-type: none"> a. principles and requirements of the Chain of Custody standard (PEFC ST 2002) b. products (including non-wood forest products and products from recycled material), processes and practices in the specific sector, applied raw material flow, measurements and control measures c. the application of management systems to forest and tree based and related industries and interaction between their components d. information systems and technology for authorisation, security, distribution and control of documents, data and records e. application of PEFC trademarks and other product labels and claims 	

<p>f. application of the measures to avoid procurement of raw material from controversial sources, including the relevant risk assessment methodology and indicators</p> <p>g. social, health and safety requirements</p>	
<p>6.1.1.2.6.3 The certification body shall maintain evidence of annual monitoring of chain of custody auditors, applying methods such as reviewing audit reports or client organisations' feedback, etc. based on the frequency of their usage and the level of risk linked to their activities, and periodic witness audits.</p> <p>In particular, the certification body shall review the competence of its personnel in the light of their performance in order to identify training needs.</p>	
<p>6.1.1.3 Audit team</p> <p>The audit team shall comprise auditor(s) fulfilling the requirements defined in 6.1.1.2 and gender balance should be considered.</p>	
<p>6.1.1.3.1 Technical experts</p> <p>In some cases, technical experts may be required to support the required auditor competency in a particular technical area by providing appropriate technical expertise. Technical experts shall be independent from the auditee, and their names and affiliations shall be included in the audit report.</p>	
<p>6.1.1.4 Reviewer and certification decision maker</p> <p>The certification body shall ensure that the reviewer and the certification decision maker meet the following requirements. If the reviewer and/or the certification decision maker are composed by a group of people, at least one of the members meets the following requirements.</p> <p>Note: The reviewer and the certification decision maker can be the same person. See note to clause 7.6.2 of ISO/IEC 17065:2012(E).</p>	
<p>6.1.1.4.1 Education</p>	

<p>6.1.1.4.1.1 The certification body shall ensure that the reviewer and certification decision maker have the knowledge corresponding to at least a secondary education that includes or is supplemented with courses related to forest and/or tree based and related industries.</p> <p>Note: Secondary education is the part of the national education system that comes after the primary or elementary stage, but that is completed prior to entrance to tertiary education, e.g. university or similar educational institution.</p>	<ul style="list-style-type: none"> • Secondary education is the second stage traditionally found in formal education, beginning about age 11 to 13 and ending usually at age 15 to 18 e.g., high school.
<p>6.1.1.4.1.2 The specific education relating to forest and/or tree based and related industries can be substituted by working experience in these sectors if the certification body can demonstrate it is equivalent to the required education.</p> <p>Note: Forest and/or tree based and related industries include, for example, activities relating to manufacturing, research, education, standards development, forest industry/product associations, forest law and regulation, transport, distribution and recycling or transport and storage of forest and tree based products.</p>	
<p>6.1.1.4.2 Working experience</p>	
<p>6.1.1.4.2.1 To qualify as a reviewer or certification decision maker, the certification body shall ensure a minimum of three years full-time related working experience in conformity assessment.</p>	
<p>6.1.1.4.2.2 The number of years of total work experience may be reduced by one year, if the reviewer or certification decision maker has completed a tertiary education appropriate and relevant to forest and/or tree based and related industries.</p> <p>Note: Tertiary education, also referred to as third stage, third level, and post-secondary education, is the educational level following the completion of a school providing a secondary education.</p>	
<p>6.1.1.4.2.3 A qualified PEFC chain of custody auditor shall be considered as already meeting the minimum working experience required.</p>	

<p>6.1.1.4.3 PEFC chain of custody training</p> <p>The certification body shall ensure that the reviewer and certification decision maker have received initial training on the PEFC system and the Chain of Custody standard, that is recognised by the PEFC Council.</p> <p>Note: The PEFC website www.pefc.org provides further information on training options.</p>	
<p>6.1.1.4.4 Audit training</p> <p>The certification body shall ensure that the reviewer and certification decision maker have successfully completed training in audit techniques based on ISO 19011.</p>	
<p>6.1.1.4.5 Audit experience</p>	
<p>6.1.1.4.5.1 For a first qualification of a reviewer or a certification decision maker, the certification body shall ensure that the reviewer or certification decision maker, within the last three years, have observed at least one PEFC chain of custody audit.</p>	
<p>6.1.1.4.6 Competencies</p>	
<p>6.1.1.4.6.1 The certification body shall ensure that the reviewer and certification decision maker demonstrate ability to apply knowledge and skills in the following areas:</p> <ul style="list-style-type: none"> a. The objectives and core processes of the PEFC system including the requirements from the PEFC Sustainable Forest Management standard (PEFC ST 1003) covered in the PEFC chain of custody definition of controversial sources, (PEFC ST 2002, clause 3.6 paragraphs b, c, d and e). b. Audit principles, procedures and techniques (see 7.2.3.2.a of ISO 19011:2018). c. Organisation situations (see 7.2.3.2.c of ISO 19011:2018), including organisational size, structure, functions and relationships, general business processes and related terminology, and cultural and social customs. d. Applicable international legislation and country specific forest governance and law enforcement system relevant to forest and tree based raw material procurement and avoidance of raw material from controversial sources. Knowledge and understanding of this area shall cover: 	

<ul style="list-style-type: none"> i. contracts and agreements, including labour contracts and or collective bargaining agreements ii. forest governance and law enforcement system of countries of the uncertified raw material origin, including those covering social, health and safety issues of workers iii. international conventions relating to worker rights (ILO core conventions) iv. international treaties and conventions relating to the trade of forest and tree based products 	
<p>6.1.2 Management of competence for personnel involved in the certification process</p> <p>All the requirements given in clause 6.1.2 of ISO/IEC 17065:2012(E) apply.</p>	
<p>6.1.2.1 The certification body shall ensure that qualified reviewers, certification decision makers and auditors, every two calendar years, have participated in a refresher training in chain of custody of forest and tree based products that is recognised by the PEFC Council.</p> <p>Note: The PEFC website www.pefc.org provides further information on training options.</p>	<ul style="list-style-type: none"> • Participating means completing the full refresher training provided by a recognized trainer, passing the knowledge test (80% pass mark), and receiving a certificate from PEFC International. Information on the different training programmes can be found on the PEFC website.
<p>6.1.2.2 When there is a new issuance of the Chain of Custody standard or/and the PEFC Trademarks standard, the certification body shall ensure that qualified reviewers, certification decision makers and auditors have participated in refresher training recognised by the PEFC Council that covers the new version of the standards, before starting operating against them.</p> <p>Note: The PEFC website www.pefc.org provides further information on training options.</p>	
<p>6.1.2.3 For maintaining the qualification of the auditor, the certification body shall ensure that the auditor has performed a minimum of five external audits in chain of custody standards, ISO 9001 or ISO 14001 in forest and/or tree based and related sectors per year, where the sum of these audits should cover at least seven days of audit work, including at least two PEFC chain of custody audits.</p> <p>Note: The seven days of audit work may include reporting time.</p>	<ul style="list-style-type: none"> • The two PEFC chain of custody audits can be audits against a system-specific chain of custody standard endorsed by PEFC against PEFC ST 2002:2020. The list of standards endorsed by PEFC against this version can be found in this document, as part of the guidance provided to definition 3.26, PEFC Chain of Custody.

<p>6.1.2.4 In exceptional circumstances, such as statutory leave or long term illness, auditors unable to comply with 6.1.2.3 shall perform at least two PEFC chain of custody audits under the leadership of a qualified auditor.</p>	
<p>6.1.2.5 Reviewers and certification decision makers shall observe at least one PEFC chain of custody audit per calendar year.</p>	
<p>6.1.3 Contract with the personnel All the requirements given in clause 6.1.2 of ISO/IEC 17065:2012(E) apply.</p>	
<p>6.2 Resources for evaluation All the requirements given in clause 6.2 of ISO/IEC 17065:2012(E) apply.</p>	

7. Process requirements

<p>7.1 General</p> <p>All the requirements given in clause 7.1 of ISO/IEC 17065:2012(E) apply.</p>	<ul style="list-style-type: none"> • Certification bodies should have feedback mechanisms available for stakeholders relevant for the certified organisation as part of the certification process.
<p>7.1.1 Additionally to ISO/IEC 17065:2012(E) clause 7.1.3, the certification body may provide publicly available documents, such as guidance, clarifications, and interpretations published by the PEFC Council or a PEFC National Governing Body.</p>	
<p>7.2 Application</p> <p>All the requirements given in clause 7.2 of ISO/IEC 17065:2012(E) apply.</p>	
<p>7.2.1 The certification body shall obtain from the client organisation, as a minimum, the following information and documentation as a part of the application for certification:</p> <ol style="list-style-type: none"> corporate entity, name, address and legal status documented procedures of the client organisation as defined in the Chain of Custody standard descriptive identification of the products covered by the PEFC chain of custody sufficient to identify product groups sites covered by the PEFC chain of custody in the case of multi-site certification (as defined in the Chain of Custody standard) <p>Note: The information does not have to be obtained at the moment of first contact with the client organisation, but at least before activities under clauses 7.3 and 7.4 are carried out.</p>	<ul style="list-style-type: none"> • The certification body should have in place mechanisms to identify companies (including the client organisation) sanctioned for engagement in corrupt practices relevant to the forest sector.
<p>7.2.2 The certification body shall obtain from the client organisation, as a minimum, for products covered by the PEFC chain of custody, the following information relating to the application of the optional requirements of the Chain of Custody standard, for each site and/or product group as applicable:</p> <ol style="list-style-type: none"> chain of custody method 	

<p>b) intended application of the PEFC trademarks</p> <p>Note: The information does not have to be obtained at the moment of first contact with the client organisation, but at least before activities under clauses 7.3 and 7.4 are carried out.</p>	
<p>7.2.3 The certification body shall obtain from the client organisation sufficient information to assess if the application is to be treated as a transfer of certification instead of a new application. See also requirement 7.4.10.</p>	
<p>7.3 Application review</p> <p>All the requirements given in clause 7.3 of ISO/IEC 17065:2012(E) apply.</p>	
<p>7.3.1 The certification body shall carry out a review of the client organisation's documentation (see 7.2.1 b) prior to the audit, to determine the conformity of the documentation with the certification criteria.</p>	<ul style="list-style-type: none"> • The certification body should have in place mechanisms to identify companies (including the client organisation) sanctioned for engagement in corrupt practices relevant to the forest sector.
<p>7.4 Audit</p> <p>All the requirements given in clause 7.4 of ISO/IEC 17065:2012(E) apply.</p>	
<p>7.4.1 The certification body shall have documented procedures to ensure that an audit plan is established for each audit, to provide a basis for agreement regarding the conduct and scheduling of the audit activities. The audit plan shall be communicated and the dates of the audit shall be agreed upon in advance with the client organisation.</p> <p>Note: Guidance for preparing the audit plan is provided by ISO 19011:2018, clause 6.3.2.</p>	
<p>7.4.2 In the case of multi-site certification, the audit plan shall list the sites to be visited as part of the sample. The certification body shall refer to the normative Appendix 3.</p>	
<p>7.4.3 The certification body shall have documented procedures for selecting and appointing the audit team, including the audit team leader.</p>	

<p>Note: Guidance for selecting the audit team and audit team leader is provided by ISO 19011:2018, clauses 5.5.4.</p>	
<p>7.4.4 The purpose of the audit is to:</p> <p>a) Determine the conformity of the client organisation's:</p> <ol style="list-style-type: none"> i. chain of custody process with the requirements of the Chain of Custody standard and its effective implementation ii. management system with the requirements of the Chain of Custody standard and its effective implementation iii. chain of custody process with requirements for the avoidance of procuring raw material from controversial sources where applicable (PEFC DDS requirements) and its effective implementation iv. usage of the PEFC trademarks with the PEFC Trademarks standard and its effective implementation and that the trademarks licence contract, which shall be signed between the client organisation and the PEFC Council or a PEFC authorised body in order for the client organisation to be allowed to use the PEFC trademarks, is valid <p>Note: The usage of the PEFC trademarks and PEFC claims is to be evaluated at the time of the surveillance and recertification audits. At initial audits, any proposed or intended use of the PEFC trademarks and PEFC claims is to be evaluated.</p> <p>b) Collect data as required by the PEFC notification contract.</p>	<ul style="list-style-type: none"> • During the audit, it is to be understood that the auditor checks the balance between the material received and the material sold. See also guidance to 6, Chain of custody method, under chapter 4 of this guidance. • Example of data that is required to be collected: <ul style="list-style-type: none"> - company name - contact point - email address - company turnover - Chain of custody method - products covered by the certificate, according to PEFC product categories - when the species defined the product, also the species or potential species that the product may include - if more than one site, address, and contact point for each site, and chain of custody methods and product groups specified by site
<p>7.4.5 The certification body shall conduct the audit following the relevant guidance provided in ISO 19011:2018, clause 6.4. In general, audits (initial, surveillance and recertification) shall be conducted on-site, except in those cases where requirements 7.4.6 or 7.9.2 of this standard apply, where certification bodies may decide to conduct remote audits.</p>	<ul style="list-style-type: none"> • The certification body should also consider stakeholder consultation to collect information relevant to the audit objectives, scope and criteria as required by ISO 19011:2018, clause 6.4.6

<p>7.4.6 For client organisations that operate without physical possession, audits may be conducted remotely with the use of ICT tools in accordance with IAF MD 4. The certification body shall demonstrate that the full scope of the audit can be covered using ICT tools.</p> <p>Note 1: Client organisations that operate with physical possession but have not sold any physical product with a PEFC claim since the previous audit, are not eligible to be audited remotely according to this requirement.</p> <p>Note 2: For cases where client organisations have not procured raw material and have not sold any product with a PEFC claim since the last audit, requirement 7.9.2 of this standard may apply.</p>	<ul style="list-style-type: none"> • When conducting audits against more than one certification system in one go, the minimum four-hour audit for PEFC purposes remains in place, increasing those four hours accordingly to cover the additional systems. • Note 1: Regardless of whether the organisation sold any material under claims, there are other aspects that still need to be audited.
<p>7.4.7 The certification body shall have documented procedures for determining audit time, and for each client organisation the certification body shall determine, with input from the audit team, the time needed to plan and accomplish a complete and effective audit of the client organisation’s PEFC chain of custody. The audit time determined by the certification body, and the justification for the determination, shall be recorded. The minimum time for the on-site audit is four hours, this shall not include reporting activities, unless under specific conditions where it can be justified and documented.</p>	
<p>7.4.8 The certification body shall have documented procedures for sampling within the audit in accordance with the guidance provided in ISO 19011:2018, A.6.</p>	
<p>7.4.9 In determining the audit time and sampling within the audit, the certification body shall as a minimum, consider the following aspects:</p> <ol style="list-style-type: none"> a) the requirements of the Chain of Custody standard b) size and complexity of the client organisation’s operations within the scope of the PEFC chain of custody c) extent of supplies that could create a significant risk of procuring raw material from controversial sources d) extent of PEFC trademarks usage activities 	

<p>e) any outsourcing of any activities included in the scope of the organisation's chain of custody</p> <p>f) the results of any prior audits, including those of client organisation's management systems</p> <p>g) number of sites and multi-site considerations</p>	
<p>7.4.10 In the case of transfer of certification, the certification body shall operate according to ISO/IEC 17065 clause 7.4.5 and IAF MD2:2017.</p>	
<p>7.4.11 The audit report shall include at least the information specified in Annex 4.</p>	<ul style="list-style-type: none"> • Editorial mistake “Annex 4” replace with “Appendix 4”
<p>7.4.12 On request, the certification body shall send a copy of the audit report and other necessary audit records requested by PEFC, in English language, to the PEFC Council and/or a PEFC National Governing Body, in accordance with 4.5.</p>	
<p>7.5 Review</p> <p>All the requirements given in clause 7.5 of ISO/IEC 17065:2012(E) apply.</p>	
<p>7.6 Certification decision</p> <p>All the requirements given in clause 7.6 of ISO/IEC 17065:2012(E) apply.</p>	
<p>7.6.1 Audit findings shall be classified as major nonconformities, minor nonconformities and observations.</p>	<ul style="list-style-type: none"> • Nonconformities that relate to an infringement of legislation should be classified as a major nonconformity.
<p>7.6.2 Before granting initial certification, as a minimum, major and minor nonconformities shall be corrected and the corrective action(s) verified by the certification body.</p>	
<p>7.6.3 Before granting recertification, as a minimum, major nonconformities shall be corrected and the corrective action(s) verified by the certification body.</p>	

<p>7.6.4 Major and minor nonconformities identified in the audits shall result in corrective action(s) by the client organisation resolving the nonconformities. The corrective action plan, including a timeframe, shall be reviewed and accepted by the certification body. The time period for completion of the corrective action(s) for major nonconformities identified in surveillance audits and their verification by the certification body shall follow the rules of the certification body but not exceed three months. Corrective action(s) for minor nonconformities identified during recertification and surveillance audits shall be verified no later than during the next audit.</p>	
<p>7.7 Certification documentation</p> <p>All the requirements given in clause 7.7 of ISO/IEC 17065:2012(E) apply.</p>	
<p>7.7.1 The certification document shall include at least the following information:</p> <ol style="list-style-type: none"> a) identification of the certification body b) name and address of the client organisation, and where applicable its sites/legal entities, whose chain of custody is subject to certification <p>Note 1: The name and address of the client organisation may be the name and address of a legal entity where no PEFC chain of custody activities are taking place (e.g. a mailbox address). The name and address of the client organisation whose chain of custody is subject to certification shall be included on the certification document as well.</p> <p>Note 2: In the case of PEFC chain of custody certification for specified projects, or 'project certification' (refer to PEFC GD 2001, Annex 1), "name and address" refers to the name and address of the controlling entity. The name of the project can be included in the scope of the project certificate.</p> <ol style="list-style-type: none"> c) type of certificate (individual, multi-site or producer group) d) scope of the certification granted (see 7.7.2) e) the PEFC logo with the certification body's PEFC trademarks licence number f) accreditation mark of the accreditation body (including accreditation number where applicable) 	<ul style="list-style-type: none"> • The updated list of products covered under the scope of certain certificate is published on the PEFC website.

<p>g) the date of granting, extending or renewing certification and the expiry date or recertification due date (see 7.7.6). The effective date on a certification document shall not be before the date of the certification decision</p>	
<p>7.7.2 The scope of certification shall include the following information:</p> <p>a) reference to PEFC ST 2002, Chain of Custody of Forest and Tree Based Products – Requirements, and where relevant the national identification of this standard as adopted by a PEFC endorsed national forest certification system</p> <p>Note: The identification of the Chain of Custody standard shall refer to the version of the Chain of Custody standard against which the audit was carried out and that was valid at the time when the certification was granted.</p> <p>b) reference to PEFC ST 2001, PEFC Trademarks Rules – Requirements, and where relevant the national identification of this standard as adopted by a PEFC endorsed national forest certification system</p> <p>Note: The identification of the PEFC Trademarks standard shall refer to the version of the PEFC Trademarks standard against which the audit was carried out and that was valid at the time when the certification was granted.</p> <p>c) applied chain of custody method</p> <p>d) products covered by the chain of custody, according to the PEFC product categories</p> <p>Note: In the case of PEFC chain of custody certification for specified projects, or ‘project certification’ (refer to PEFC GD 2001, Annex 1), the name of the project can be included in the scope of the project certificate.</p>	<ul style="list-style-type: none"> • For producer group certificates, it is mandatory to indicate the scope per participant, and date when the participants start to be certified. • When the species determined the product, e.g., if the scope of the certificate is oak furniture, pine furniture would not be under the scope, species should also be reported to PEFC and listed as part of the certificate.
<p>7.7.3 Where the scope of the certification is included in an appendix to the certificate, the certificate shall include a reference to the appendix, and the appendix shall be considered as part of the certificate and be provided whenever the certificate is requested.</p>	

7.7.4 The number of the certificate shall be comprised, in this order, by: the abbreviation of the certification body name (the same abbreviation shall be used for any PEFC certificates issued), followed by a dash (-), the abbreviation of the Chain of Custody standard: PEFC-COC, followed by another dash (-), and the corresponding number given by the certification body to the certificate.

Note: Two certification bodies cannot have the same abbreviation.

- **According to requirement 7.7.4 of PEFC ST 2003:2020, the PEFC certificate number contains four pieces of information: AAAAACC-PEFC-COC-#####(-#):**
 1. **AAAAACC:** The abbreviation of the certification body. "AAAAA" is a variable length upper-case abbreviation of the certification body that issued the certificate. It only contains upper case English alphabet characters (A-Z) without any spacing. "CC" is the ISO 3166 Alpha 2 country code (<https://www.iso.org/obp/ui/#search>) used to differentiate national certification body offices from their central office. PEFC International will contact certification bodies to provide them with an abbreviation and a timeframe to come back to the Secretariat in case of any challenges. The current abbreviations can be found on the PEFC website in the [certification body search engine](#), under the certification body corresponding section.
 2. **PEFC-COC**
 3. **#####:** The numeric identification of the certified entity.
 4. **(-#)** Optionally, the numeric identification of the site for multi-site and producer group certificates. The brackets () should not be included in the certificate number, they are for indication only. For example: XXXX-PEFC-COC-1111-01
- **Regarding the numeric identification of the certified entity and of the site (points 3 and 4 above) the participants of the WG agreed that:**
 - It is up to the certification body to decide on the numeric identification, in terms of length and digits, of the certified entity and also of the optional numeric identification of the site for multi-site and producer group certificates.
- **For producer groups it is highly recommended to issue sub-certificate numbers for each participant.**

7.7.5 The certification body shall issue the certification document in English, any other language as appropriate and agreed upon working languages.

7.7.6 The certification shall be granted for a maximum of five years.	
7.7.7 Certification bodies shall immediately inform the relevant PEFC National Governing Body, or the PEFC Council where the PEFC National Governing Body does not exist, when certification is granted, suspended, terminated, withdrawn, its scope is changed or any other changes affecting the certification or the information that certification bodies shall report to PEFC.	
<p>7.8 Directory of certified products</p> <p>All the requirements given in clause 7.8 of ISO/IEC 17065:2012(E) apply.</p>	
<p>7.9 Surveillance</p> <p>All the requirements given in clause 7.9 of ISO/IEC 17065:2012(E) apply.</p>	
<p>7.9.1 The surveillance audits shall be carried out annually. The certification body shall carry out at least four surveillance audits before the expiry date of the certificate.</p> <p>Note 1: Annually means once every twelve months, plus or minus three months.</p> <p>Note 2: If the certificate is valid for less than five years, the number of surveillance audits can be reduced accordingly.</p> <p>7.9.2 The on-site surveillance audit may be replaced by other audit techniques, such as documentation and records review, and the period between on-site surveillance audits shall not exceed two years (plus three months) where:</p> <ul style="list-style-type: none"> a) the certification body can justify that the audit techniques used deliver sufficient confidence in the certified entity's compliance with the certification criteria; and b) no nonconformity was raised during the previous initial, surveillance or recertification audit; and c) the client organisation procurement does not include significant risk supplies; and 	

<p>d) the client organisation provides the certification body with all the records required to be kept by the Chain of Custody standard or a list of all the records that allow the certification body to establish an independent sampling; or</p> <p>e) the submitted records provide sufficient evidence that the client organisation or client organisation's site has not procured raw material and has not sold any product with a PEFC claim since the last audit.</p>	
<p>7.10 Changes affecting certification</p> <p>All the requirements given in clause 7.10 of ISO/IEC 17065:2012(E) apply.</p>	
<p>7.11 Termination, reduction, suspension or withdrawal of certification</p> <p>All the requirements given in clause 7.11 of ISO/IEC 17065:2012(E) apply.</p>	
<p>7.11.1 If certification is terminated, suspended or withdrawn, the certification body shall inform the client organisation that any further use of PEFC trademarks and claims is not allowed. In case of suspension, the certification body shall monitor whether the client is in compliance.</p>	
<p>7.12 Records</p> <p>All the requirements given in clause 7.12 of ISO/IEC 17065:2012(E) apply.</p>	
<p>7.13 Complaints and appeals</p> <p>All the requirements given in clause 7.13 of ISO/IEC 17065:2012(E) apply.</p>	<ul style="list-style-type: none"> • In addition to surveillance audits, the certification body may conduct additional short-notice audits in cases of substantiated concerns. • Definitions for complaints and appeals can be found on ISO/IEC 17000
<p>7.13.1 The certification body shall notify the PEFC Council, within 30 days, of any substantiated claims of noncompliance with certification requirements by client organisations, or complaints against client organisations it receives or about which it becomes aware.</p>	<ul style="list-style-type: none"> • As part of this notification, the certification body should provide information about the actions that it intends to undertake, timeline, and any other relevant information.

<p>7.13.2 The certification body shall provide the PEFC Council and the corresponding PEFC National Governing Body with summary reports for resolved complaints and appeals against the PEFC certified client organisations received by the certification body, including at minimum:</p> <ul style="list-style-type: none"> a) identification of the appellant/ complainant (subject to disclosure) b) identification of the client organisation c) subject of the complaint d) summary of the complaint handling process e) outcome/resolution of the complaint 	<ul style="list-style-type: none"> • This report should be provided on an annual basis.
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8. Management system requirements

<p>8.1 Internal audits of the certification body</p>	
<p>8.1.1 On request, the results of annual internal audits, limited to the performance of PEFC chain of custody certification activities, shall be provided to the PEFC Council or PEFC National Governing Body.</p>	

Appendix 1 (normative): PEFC notification of certification bodies

The certification body operating the PEFC recognised chain of custody certification shall be notified by the PEFC Council or other PEFC authorised body for the specific country in which it operates.

The PEFC notification requires that the certification body shall have a valid accreditation recognised by the PEFC Council (see Annex 2 of this document). The certification body shall provide the PEFC Council, or the relevant PEFC authorised body, with information on granted certifications as specified by the PEFC Council or the relevant PEFC authorised body.

Note: The information on granted certifications includes (but it is not limited to) identification of the

client organisation, scope of the granted certifications and the client organisation's turnover where used for determination of the PEFC notification fee.

The PEFC notification may require the certification body to pay a PEFC notification fee as specified by the PEFC Council or the relevant PEFC authorised body.

Appendix 2 (normative): Accreditations accepted by the PEFC Council for PEFC notification

The PEFC Council requires that chain of custody certification shall be carried out by certification bodies who are accredited by accreditation bodies that are signatories of the Multilateral Recognition Arrangement (MLA) for product certification of IAF or IAF's Regional Accreditation Groups such as European co-operation for Accreditation (EA), Inter American Accreditation Cooperation (IAAC), Asia Pacific Accreditation Cooperation Incorporated (APAC), Southern African Development Community Cooperation in Accreditation (SADCA), African Accreditation Cooperation (AFRAC) and ARAB Accreditation Cooperation (ARAC).

The scope of the accreditation shall explicitly cover PEFC ST 2002, Chain of Custody of Forest and Tree Based Products – Requirements and PEFC ST 2001, PEFC Trademarks Rules – Requirements in its valid version as presented at the PEFC website www.pefc.org.

The scope of accreditation shall also explicitly state ISO/IEC 17065, PEFC ST 2003 and other requirements against which the certification body has been assessed.

The accreditation certificate shall be available in English and any other language, as necessary.

Appendix 3 (normative): Multi-site chain of custody certification

<p>1. Introduction</p>	
<p>1.1 This appendix is for the audit and certification of PEFC chain of custody in client organisations with a network of sites, to ensure that the audit provides adequate confidence in the conformity of the client organisation’s chain of custody with the Chain of Custody standard across all sites listed in the scope of the certificate and that the audit is practical and feasible in both economic and operative terms.</p>	
<p>2. Eligibility criteria for the multi-site client organisation</p>	
<p>2.1 Eligibility criteria for the multi-site client organisation, including definitions, are included in Appendix 2 to the Chain of Custody standard.</p>	
<p>2.2 In addition to requirements of Appendix 2 to the Chain of Custody standard, the multi-site client organisation shall demonstrate its ability to collect and analyse data (including but not limited to items below) from all sites including the central office and its authority over all sites and its authority to initiate change if required:</p> <ul style="list-style-type: none"> a) chain of custody documentation and chain of custody changes b) management review c) complaints d) evaluation of corrective actions e) internal audit planning and evaluation of the results f) different legal requirements in relation to the avoidance of raw material from controversial sources 	
<p>2.3 With reference to Appendix 2 of the Chain of Custody standard, a multi-site client organisation, which is established as a group of independent legal entities only for the purpose of obtaining and maintaining chain of custody certification, shall only consist of typically small enterprises.</p>	

3. Eligibility criteria for the certification body	
3.1 General	
3.1.1 The certification body shall provide information to the client organisation about the eligibility criteria laid down herein and in Appendix 2 to the Chain of Custody standard before starting the audit process, and should not proceed with the audit if any of the eligibility criteria for the multi-site organisation are not met. Before starting the audit process, the certification body should inform the client organisation that the certificate will not be issued if, during the audit, nonconformities in relation to these eligibility criteria are found.	
3.2 Contract review	
3.2.1 The certification body's procedures shall ensure that the initial contract review identifies the complexity and scale of the activities covered by the chain of custody subject to certification and any differences between sites as the basis for determining the level of sampling.	
3.2.2 The certification body shall identify the central function of the client organisation that is its contractual partner for the performance of the certification. The agreement shall allow the certification body to carry out the certification activities at all sites of the multi-site client organisation.	
3.2.3 The certification body shall analyse, in each individual case, to what extent sites of an organisation have similar raw material flow that enables the chain of custody to be applied in a similar manner. The similarity of the sites included in the multi-site client organisation shall be taken into consideration when applying the sampling procedures.	
3.2.4 The certification body shall retain a record to demonstrate that the required activities in 3.2.1, 3.2.2 and 3.2.3 have been implemented.	

3.3 Audit	
3.3.1 The certification body shall have documented procedures to deal with audits under its multi-site procedure. Such audit procedures, including documentation and records review, on-site audits, etc., shall establish the way the certification body satisfies itself, inter alia, that the chain of custody requirements are actually applied to all the sites and that all the criteria in the Chain of Custody standard, including its Appendix 2, are met.	
3.3.2 If more than one audit team is involved in the audit of the network, the certification body shall designate a unique audit leader whose responsibility is to consolidate the findings from all the audit teams and to produce a synthesis report.	
3.4 Nonconformities	
3.4.1 When nonconformities are found at any individual site, either through the client organisation's internal auditing or from auditing by the certification body, an investigation shall take place to determine whether the other sites may be affected. Therefore, the certification body shall require the client organisation to review the nonconformities to determine whether they indicate an overall chain of custody deficiency applicable to all sites or not. If they are found to do so, corrective action should be performed both at the central office and at the individual sites. If they are found not to do so, the client organisation shall be able to demonstrate to the certification body the justification for limiting its follow-up action to the individual sites.	
3.4.2 The certification body shall require evidence of these actions and may increase its sampling frequency until it is satisfied that control is re-established.	
3.4.3 For initial and recertification audits, at the time of the decision making process, if any site has a nonconformity, certification shall be denied to the whole multi-site client organisation pending satisfactory corrective action.	

<p>3.4.4 It shall not be admissible that, in order to overcome the obstacle raised by the existence of a nonconformity raised by the certification body at a single site, the client organisation seeks to exclude from the scope the “problematic” site during the certification process.</p>	
<p>3.5 Certificates</p>	
<p>3.5.1 One single certificate shall be issued with the name and address of the central office of the client organisation. A list of all the sites that the certificate relates to shall be issued, either on the certificate itself or in an appendix or as otherwise referred to in the certificate. The scope or other reference on the certificate shall make clear that the certified activities are performed by the network of sites in the list. The appendix or other reference is an integral part of the certificate and shall not be separated from the certificate.</p>	
<p>3.5.2 If the individual sites are applying different chain of custody methods, the application of the Chain of Custody standard shall be clearly stated in the certificate and any appendix for the individual sites.</p>	
<p>3.5.3 A sub-certificate may be issued to the client organisation for each site covered by the certification, on condition that it contains the same scope, or a sub-scope of that scope, and includes a clear reference to the main certificate. The sub-certificate shall include a statement saying “the validity of this certificate depends on the validity of the main certificate”. In cases where the sub-certificate includes also a sub-certificate number, it shall be linked to the certificate number and be included in the certificate as per 3.5.1.</p>	<ul style="list-style-type: none"> • For producer groups it is highly recommended to issue sub-certificate numbers for each participant.
<p>3.5.4 The certificate will be withdrawn in its entirety, if the central office or any of the sites does not/do not fulfil the necessary criteria for the maintaining of the certificate (see 3.2 above).</p>	

3.5.6 Additional sites may be added by the certification body to an existing certificate between audits provided it is within the scope of the certificate. The number of sites that may be added between audits is limited to 100% of the existing sites at the previous audit. The following requirements shall be met:

- a) The certification body shall be informed by the client organisation in advance of the client organisation's desire to add new sites between audits to be covered by the chain of custody certificate and shall be provided with the number of sites.
- b) The certification body shall obtain from the client organisation the chain of custody procedures covering the additional sites, including the applied chain of custody method and the products covered by the chain of custody.
- c) The certification body shall obtain the internal audit report for the site(s) being considered for inclusion in the certificate.
- d) The certification body shall review results of the internal audit and determine if additional information is needed while considering the request of the client organisation.
- e) Based on the result of the review in (d), the certification body shall determine if an on-site audit of the additional site(s) is required or if the review as per (b), (c) and (d) shows sufficient evidence that the sites can be added.
- f) If an on-site audit is not required before adding the additional site(s) to the chain of custody certificate, these new site(s) shall be subject to on-site visit no later than the next scheduled audit. The certification body may determine whether a sample of the new sites is required based on chapter 4.

Note: For those cases where the standard allows remote audits (see requirement 7.4.6), the on-site audit can be replaced by a remote audit.

<p>4. Sampling for on-site audits</p>	
<p>4.1 Methodology</p>	
<p>4.1.1 The certification body can apply sampling of sites for on-site audits where the site sampling is appropriate to gain sufficient confidence in the compliance of the multi-site client organisation with the chain of custody requirements. The certification body shall be able to demonstrate its justification for the selection of sites for the on-site audits to ensure that all differences across the sites and implementation of chain of custody have been assessed.</p>	
<p>4.1.2 The sample shall be representative concerning differences in site processes and activities that are subject to the chain of custody certification. The sample shall be determined separately for sites using different chain of custody methods (physical separation, percentage or credit methods).</p> <p>Note: “Determined separately” means that the sample is determined after the sites are separated.</p>	
<p>4.1.3 The sample shall be determined separately if sites were added between audits and no on-site audit was required (as per Appendix 3, subclause 3.5.6, paragraph e).</p> <p>Note 1: “Determined separately” means that the sample is determined after the sites are separated.</p> <p>Note 2: Subclause 4.1.2 also applies to 4.1.3.</p>	
<p>4.1.4 The sample should be partly selective based on the factors set out below and partly non selective, and should result in a range of different sites being selected, without excluding the random element of sampling.</p>	
<p>4.1.5 At least 25% of the sample should be selected at random.</p> <p>Note: In the context of risk based auditing, the selection of sites should avoid visiting sites from the previous sample, unless it is justified by the identified risk. This may lead to sampling where less than 25% of the sample could be selected at random.</p>	

<p>4.1.6 Taking into account the criteria mentioned hereafter, the remainder of the sample should be selected so that the differences among the sites selected over the period of validity of the certificate is as large as possible.</p>	
<p>4.1.7 The site selection criteria shall include among others the following aspects:</p> <ul style="list-style-type: none"> a) results of internal audits or previous certification audits b) records of complaints and other relevant aspects of corrective and preventive action c) significant variations in the size of the sites and in production processes of the sites d) variations in the applied chain of custody methods e) modifications since the last certification audit f) geographical dispersion g) sites added since the last external audit 	
<p>4.1.8 This selection does not have to be done at the start of the audit process. It can also be done once the audit at the central office has been completed. In any case, the central office shall be informed of the sites to be part of the sample. This can be on relatively short notice, but should allow adequate time for preparation for the audit.</p>	
<p>4.1.9 The central office shall be audited during every initial, surveillance and recertification audit as a part of the sample.</p>	
<p>4.2 Size of sample</p>	
<p>4.2.1 The certification body shall have documented procedures for determining the sample to be taken when auditing sites as part of the audit and certification of a multi-site client organisation. This should take into account all the factors described in this appendix.</p>	

<p>4.2.2 In the event that application of the certification body's procedure results in a smaller sample than would result from the application of the guidance set out below, the certification body shall record the reasons justifying this and demonstrate that it is operating in accordance with its approved procedure.</p>	
<p>4.2.3 The minimum number of sites to be visited per audit shall be for:</p> <ul style="list-style-type: none"> - Initial audits and sites added since the last audit where no on-site audit was required (as per subclause 3.4.5, paragraph e): the square root of the total number of sites, rounded up to the next whole number: $y = \sqrt{x}$ <p>y = number of sites to be visited x = total number of sites</p> <ul style="list-style-type: none"> - Surveillance audits: the square root of the total number of current sites reduced by a factor 0.6, rounded up to the next whole number: $y = 0.6 \sqrt{x}$ <p>y = number of sites to be visited x = total number of sites</p> <ul style="list-style-type: none"> - Recertification audits: the square root of the number of current sites, rounded up to the next whole number: $y = \sqrt{x}$ <p>Where the central office did not receive any major nonconformities over the certification cycle, the size of the sample could be reduced by a factor 0.8, rounded to the upper whole number:</p> $y = 0.8 \sqrt{x}$ <p>y = number of sites to be visited x = total number of sites</p> <p>Note: For sites added since the last audit where no on-site audit was required (as per subclause 3.4.5, paragraph e), the reduction factors shall not be used.</p>	<ul style="list-style-type: none"> • Editorial mistake: <ul style="list-style-type: none"> - a) Initial audits and sites added since the last audit where no on-site audit was required (as per subclause 3.5.6, paragraph e):... - Note: For sites added since the last audit where no on-site audit was required (as per subclause 3.5.6, paragraph e), the reduction factors cannot be used.

<p>4.2.4 The size of sample shall be increased where the certification body's risk analysis of the activities covered by the multi-site client organisation subject to certification indicates increased risk due to factors like:</p> <ul style="list-style-type: none"> a) size of the sites and number of employees b) complexity and variations of raw material flow and chain of custody methods c) variations in the application of chain of custody methods and definitions of the raw material origin d) level of risk of procurement of raw material from controversial sources e) records of complaints and other relevant aspects of corrective and preventive action f) any multinational aspects g) results of internal and external audits h) the type of multi-site (multi-site or producer group) 	
<p>4.3 Audit times</p>	
<p>4.3.1 The certification body shall be able to demonstrate its justification for the time spent on multi-site audits in terms of its overall policy for allocation of audit time.</p>	
<p>4.3.2 The minimum audit time to spend for each individual site as a part of the initial, surveillance and recertification audits is the same as for the audit defined in clause 7.4.7. Reductions can be applied to take into account the clauses of the Chain of Custody standard that are not relevant to sites and are only examined at the central office.</p>	
<p>4.3.3 No reduction is permitted for the central office.</p>	

Appendix 4 (normative): Minimum content of audit reports

<p>1. Front page</p>	
<p>2. Description of client organisation</p>	
<p>3. Description of client organisation’s PEFC chain of custody, including:</p> <ul style="list-style-type: none"> c) management system d) parts of the organisation and/or sites e) processes/activities including outsourcing f) product groups and their products covered by the PEFC chain of custody, including for each site and/or product group as applicable: <ul style="list-style-type: none"> i. chain of custody method ii. intended application of the PEFC trademarks 	
<p>4. Scope of the audit</p> <ul style="list-style-type: none"> a) applied certification criteria from ST 2002 and ST 2001, including for each product group and/or site as applicable: <ul style="list-style-type: none"> i. chain of custody method ii. the PEFC trademarks rules iii. PEFC Due Diligence System requirements b) sites visited c) for remote audits: <ul style="list-style-type: none"> i. justification for conducting audit remotely ii. applied techniques and their justification d) for multi-site audits: <ul style="list-style-type: none"> i. calculation of the sample size according to clause Appendix 3, 3.2.3 ii. justification of the sampling iii. audited sites 	

<p>5. Audit findings</p> <ul style="list-style-type: none">a) presentation of findings demonstrating conformity or nonconformity to all the applicable clauses of the certification requirementsb) issued corrective actions and time frames for reporting of corrective actions and close-outc) evaluation of previously issued corrective actionsd) recommended certification decision	<ul style="list-style-type: none">• The certification body is not obliged to include a “checklist” with all applicable requirements in the audit report, but the requirements where nonconformities were issued need to be identified. It is up to certification body how to comply with this normative appendix.
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