

FSC® (A000509) and PEFC FM and COC Certification System

1 CERTIFICATION BODY DNV GL

DNV GL is an accredited certification body. For PEFC DNV GL has several national accreditations. For FSC® DNV GL has accreditation for DNV GL Business Assurance Sweden AB (A000509).

All Local Units within DNV GL may sign an agreement with DNV GL Business Assurance Sweden AB (A000509), to be able to use these accreditations. For PEFC, any Local Unit within DNV GL may sign the same kind of agreement with an Accredited Unit to be able to use the accreditation. DNV GL has procedures in place to manage and monitor the use to an accreditation by another DNV GL Local Unit.

2 SCOPE

The scope of the **forest management** audit is:

- a) to determine the conformity of the forest owner's management of the forests with requirements of the nationally adopted forest management standard and its effective implementation; and
- b) to determine the conformity of the client organisation with the PEFC and/or FSC trademark usage rules and its effective implementation;

DNV GL Business Assurance Sweden AB has FSC FM accreditation for the geographical areas of Sweden and Finland.

The scope of the **chain of custody** audit is:

- a) to determine the conformity of the client organisation's chain of custody process with the requirements of the chain of custody standard and the relevant Appendix with the definition of the raw material origin and its effective implementation;
- b) to determine the conformity of the client organisation's management system with the requirements of the chain of custody standard and its effective implementation;
- c) to determine the conformity of the client organisation's chain of custody process with requirements for the avoidance of raw material from controversial sources where applicable (Appendix 2 to the chain of custody standard) and its effective implementation;
- d) to determine the conformity of the client organisation with the PEFC and/or FSC trademark usage rules and its effective implementation; and
- e) to identify areas for potential improvement of the client organisation's chain of custody.

The certification systems cover the certification of forest management and production processes including product groups made from fibre from certified forests.

The certification is a process certification that covers the management activities for forest certification, and the process and material from incoming raw material to end products as well as all sites where the raw material and products are stored and processed, for chain of custody certification. Raw material for certified product groups can be certified, recycled and/or controlled. The requirements are different for different raw material.

2.1 Chain of custody certification

For different product groups, three different systems for control during processing are possible. First option is transfer system (called segregation method in PEFC) where the certified material and products are kept separate from the point where the raw material enters the site to the point of delivery of the product from the site. The second option is percentage system (called average percentage method in PEFC) where the content of certified material in the product is calculated in percentage. The third option is the credit system (called volume credit method in PEFC) where part of the production is sold as certified and part is sold as non-certified. For these different systems for control there are different standard requirements that are described in the relevant Chain of Custody standard (PEFC ST 2002:2013 and FSC-STD-40-004). (It is actually two methods in PEFC, segregation and percentage based method. And the percentage based method is divided into average percentage and volume credit).

Different raw material origins (certified or non-certified parts of the product) are covered by different requirements in the standards.

2.2 Forest management and Chain of custody

The certification system consists of both a confirmation that a management system that covers all the requirements in the relevant standards is in place and is implemented and inspection in the activities, material and information flow. The inspection is concentrated to the critical control points in activities, material and information flow. The inspection is built on sampling of activities, products and verifying document and inspections in sites where the material is stored and processed.

3 STANDARDS FOR CERTIFICATION (REQUIREMENTS ON FOREST MANAGEMENT, TRACEABILITY PROCESSES AND MANAGEMENT SYSTEM)

The relevant standards used for certification of **Forest Management** are:

For FSC and PEFC Forest management a National Forest Management standard is used in each country

National **PEFC Forest management** standards are available in the local language

National **FSC Forest management** standards are:

FSC-STD-SWE-02-02-2010 EN

FSC-STD-FIN-(Ver1-1)-2006 EN

these standards are also available in the local language

The relevant standards used for certification of **Chain of Custody** are:

FSC COC: FSC-STD-40-004, FSC-STD-40-005, FSC-STD-40-003, FSC-STD-40-006, FSC-STD-40-007, FSC-POL-40-002

PEFC COC: PEFC 2002:2013, PEFC_ST_2001_2008_v2_PEFC_Logo_usage and guidance document PEFC GD 2001:2014

The standards can be found on www.fsc.org and pefc.org (or the national FSC and PEFC webpage).

4 ACTIVITIES TO EVALUATE CONFORMANCE WITH REQUIREMENTS

Forest Management and Chain of custody certification

The audit team shall confirm that there is a management system in place that is capable of ensuring that all the requirements of the applicable standards are implemented within relevant parts of the organisation and for all product groups/production batches within the scope of the certificate.

This is done by document review of the management system before the main evaluation. Before the main evaluation the organisation has to send the management handbook / procedures and instructions for how to keep the system of control in place, to the lead auditor. The handbook / the procedures shall cover all applicable requirements in the standard, even though the amount of procedures and how detailed they need to be, depends of the size and complexity of the organisation. The document review can also be done on-site in the company site, in case that is a more practical solution. All requirements in the applicable standard, regarding quality management system, shall be checked.

During the on-site audit for **Forest Management** the audit team audits the total process of forest activities from planning to final harvest and re-generation, as well as nature conservation and special care needed. During surveillance audit only parts of the standard is covered.

During on-site audit for **Chain of Custody**, both main evaluation and surveillance evaluation, the audit team audits the total process of the information flow and the total process of handling of material/products within the scope of the certificate, from the point of taking ownership to the point of leaving the ownership to the customer. This audit of the whole information and material process is done for a sample of the information and material/products present at the applicants' site. This means that samples of incoming material, samples of material in storage, samples of products in production process, samples of products in storage and sample of outgoing products are checked for information about the right FSC claim/ PEFC category of origin. A minimum sample is one sample from each of 3 different months for each critical control point, for information flow and for material flow. In high risk situations the sample needs to be increased. Examples of high risk are: high level of manual work and not so much IT-based handling of information, documents are not up to date and not complete, documents are not accessible etc. The need of additional sampling is decided by the Lead auditor on a case-by-case basis.

The different methods/systems for control have partly different Critical Control Points which also influences what needs to be audited. For segregation/transfer more audit in the production process is needed compared to percentage/credit method/system.

For percentage and credit system/percentage based method, the non-certified material which is mixed with the certified material has to be checked against separate requirements. The origin of the non-certified material is important, because the conditions in the forestry are different in different regions. Some regions have a higher risk of, i.e. illegal logging and other un-acceptable actions. For this un-certified raw material there is an additional inspection of information and material, if needed all the way back to the forest of origin, on site in the forest management unit. The auditor needs to check both the method to get the information about origin of raw material as well as samples of information on the origin. For controlled material/controlled wood there are separate requirements in the relevant standards. FSC has only one method of risk assessment and PEFC has two different methods. One of the methods for PEFC Controlled sources, the area based risk assessment, is similar to the method of risk assessment for FSC Controlled wood. The risk assessment and any needed risk mitigations is checked by the auditor during the on-site audit. Samples of proof of raw material origin are taken if needed according to the standard. If it is needed, at least one sample per country shall be taken.

Gathering of evidence of conformance is done according to ISO/IEC 17021 chapter 9.1.9.5.

4.1 Forest Management and Chain of Custody

After the document review and on-site audit are finished, the lead auditor writes an audit report. The findings at the audit can be as Major non-conformities, Minor non-conformities or Observations. These will be presented to the organisation at the audit, and after the report is written the organisation has the possibility to explain and clarify the circumstances if it does not agree on the conclusions. When the report is finalized the organisation always has the possibility to complain and appeal to DNV GL and later also to FSC. Our complaints and appeal procedures are found at the DNV GL webpage, www.dnvgl.com.

All Major NCs have to be corrected by the organisation, and closed by DNV GL before a FSC certificate can be issued.

All NCs have to be corrected by the organisation, and closed by DNV GL before a PEFC certificate can be issued.

Surveillance audits are done annually, to decide if the organisation is still in compliance with the relevant standards. A surveillance audit is done in the same way as an initial audit, with the exception that only changes in the quality management system are included in the audit. A certificate is valid for 5 years.

5 MULTISITE AND GROUP CERTIFICATION

For multisite and group certificates the audit team shall, in addition to the activities described above, confirm that there is a management system in place that is capable of ensuring that all the requirements of the applicable standards are implemented within all member organisations of the multisite/group certificate for all forest activities, chain of custody operations and product groups within the scope of the certificate. The management system is audited during document review before the audit. The management system is also audited during the on-site audit by looking at verifying documents, that show that the procedures are followed and by interviews with responsible persons and employees and by visits in different parts of the organisation, to group members and in the production site, storages etc.

The requirements on the management system are documented in the respective standards for PEFC and FSC. All required procedures shall be described and implemented in the organisation. Documented procedures shall be in relation to the size and complexity of the organisation. This means that small organisations with a simple operation do not need to have all procedures documented, which is needed for a large and complex organisation.

6 SAMPLING OF COC GROUPS AND MULTISITE ORGANISATIONS SHALL BE DONE ACCORDING TO:

For main evaluations, surveillance evaluations and re-evaluations:

$Y = R \text{ SQRTX}$, where:

Y = Number of Participating Sites to be audited by the certification body (rounded to the upper whole number)

R = Index.

For FSC the index is determined through adding different risk factors.

For PEFC R= 1 for initial audit, 0,8 for Re-certification and 0,6 for periodical audits.

X = Total number of Sites. Stratification of sites should be done, i.e. if the sites have a more complex COC operation. FSC have definitions for high risk sites and normal risk sites, which shall be sampled in different sampling groups.

Definitions of high risk and normal risk participating sites for FSC:

High Risk Participating Sites: Participating Sites operating a CW verification program according to FSC-STD-40-005, supplier audit program for reclaimed materials according to FSC-STD-40-007 and/or high risk outsourcing to non-FSC certified contractors.

Normal Risk Participating Sites: Participating Sites not conducting any of the activities considered “high risk” as above.

Table A. Matrix for determination of R (Risk Index)

Note: The R (Risk Index) is obtained by summing-up the scores given to the Group or Multi-site certificate under evaluation.

RISK FACTORS

	Score	Score Given
Ownership	All Participating Sites have common ownership	0.1
	Participating Sites do not have common ownership	0.2
Certificate Size	0 – 20 Participating Sites	0.2
	21 – 100 Participating Sites	0.3
	101 - 250 Participating Sites	0.4
	251 - 400 Participating Sites	0.5
	> 400 Participating Sites	0.6
Central Office’s Performance	No CAR issued to the Central Office in the previous evaluation	0.1
	Not applicable (there was no previous evaluation)	0.1
	Only minor Corrective Action Requests in the previous evaluation	0.2
	1-2 Major Corrective Action Requests in the previous evaluation	0.3
	3 or more Major Corrective Action Requests in the previous evaluation	0.4
Audit Type	Annual surveillance evaluation	0.1
	Re-evaluation	0.2
	Main evaluation	0.3
	Audit for inclusion of new Participating Sites in the certificate	0.3
	TOTAL (R = sum of the scores given)	

Sampling for confirming a management system in place and for inspection of forest estates is done according to the tables below.

Sampling for confirming a management system in place and for inspection of the whole information and material process is done in the same way as described for Chain of Custody above.

7 SAMPLING FOR FM GROUP CERTIFICATION

Generic requirements

Depending on risk factors, stakeholder complaints or nonconformities the number of estates to be evaluated shall be increased in relation to the calculated minimum.

The estates shall be divided into different size groups, according to the size classed below. These size classes are sampled separately.

Sampling shall always result in forest estates from all regions represented in the group certificate: nemoral, boreal and alpine regions.

7.1 Sampling process for large and medium size forest estates

Table 1 Number of FMUs to be evaluated (x) within each set of 'like' FMUs

Size class	Main evaluation	Surveillance eval.	Re-evaluation
> 10,000 ha	$X = y$	$X = 0.8 * y$	$X = 0.8 * y$
> 1,000 – 10,000 ha	$X = 0.3 * y$	$X = 0.2 * y$	$X = 0.2 * y$

NOTE: the number of units calculated (x) has to be rounded to the *upper* whole number to determine the number of units to be sampled

All different size groups of estates shall be visited in the main evaluation, surveillance and re-evaluation.

For each size groups of estates to be sampled, the lead auditor shall select a minimum number of estates for evaluation (x) by applying the applicable formula in Table 1 (y= total number of estates within that size group).

Each estate within the group shall have been visited on-site by the certification body at least once in a 5 years certificate cycle.

7.2 Sampling process for small size forest estates

Table 2

Size class	Main evaluation	Surveillance eval.	Re-evaluation
100 – 1000 ha	$X = 0.6 * \sqrt{y}$	$X = 0.3 * \sqrt{y}$	$X = 0.3 * \sqrt{y}$
< 100 ha	$X = 0.6 * \sqrt{y}$	$X = 0.3 * \sqrt{y}$	$X = 0.3 * \sqrt{y}$

NOTE: the number of units calculated (x) has to be rounded to the *upper* whole number to determine the number of units to be sampled.

Sampling within a group where the umbrella organisation take care of the total management of the forest estates in the group, shall be conducted so that for main- and re-evaluation a sufficient variety and number of sites within the group are visited to be able to verify conformity with all the indicators in the standard.

7.3 Mega groups of small size forest estates $\leq 1,000$ ha

For mega groups (i.e. more than 5,000 members per group) the lead auditor may divide the group of small size forest estates according to the level of risk in relation to presence of high conservation value forests, land tenure or land use disputes, and long harvesting cycles.

In the demonstrated absence of:

- high conservation value attributes, and
- land use or tenure disputes, and
- short (< 30 years) rotation cycles,

the certification body may reduce the sampling size as specified in Table 2 for estates by a maximum of 50% (but not less than 55 units in total).

8 GRANTING, MAINTAINING, EXTENSION, SUSPENSION AND WITHDRAWAL OF CERTIFICATES

The steps in the certification process are:

- Signed application form is sent to DNV GL to become an applicant for certification
- Pre-evaluation visit mandatory for some forest owners (see above) or optional
- Stakeholder consultation (forest management certification)
- Document review of management system / management plan
- Main assessment described above
- Rules for sampling during assessment is described above
- Findings during assessment shall be taken care of by the applicant. Major non-conformities have to be closed for FSC certification and all non-conformities have to be closed for PEFC certification. A follow-up assessment may be necessary to be able to do that.
- For FSC FM assessments, the report is sent to peer review, which is an independent forestry expert who make a quality check of the audit report, see above.
- When non-conformities are taken care of, the assessment is reviewed by the DNV GL internal technical review. This is done by competent personnel that have not been involved in the assessment. This is to check that the certification assessment is done according to the requirement of the scheme owner and that no issues are unsolved.
- When the certification documentation has passed the technical review, the certificate will be issued and, for FM certification the public report is made publically available.
- To maintain the certificate, annual audits have to be done. And before the certificate expires, a re-certification audit is done. The process to issue a new certificate follows the same procedure as for certification assessment with the exception of the peer review for forest management, which is only done after the first assessment for FSC FM.
- Extension of the validity of the certificate may only be done if, for reason beyond the control of the certificate holder and/or the certification body, a re-certification audit and the following process to issue the certificate is not possible to do before the certificate expires. In such circumstances the re-certification assessment has to be done as soon as possible.
- Suspension of a certificate, which is a temporary withdrawal, may be done if the certificate holder is not in compliance and no correction is done within the given timeframes, or for other reason mentioned in the Contract or Special Terms and Conditions.
- Withdrawal of a certificate may be done as a result of in-sufficient corrective actions after suspension of a certificate, or as a result of serious non-compliance or breakage of issues stated in the Contract or Special Terms and conditions.

9 NON-CONFORMITIES

Major non-conformities

- Something that has resulted in, or is likely to result in a fundamental failure to achieve the objective of the relevant requirement.

Non-compliance(s) which: continue over a long period of time, or are repeated or systematic, or affect a wide range of the production or are not corrected or adequately responded to by the responsible managers once they have been identified.

- For in-balance in volume account (sales of certified products exceeds purchase of raw material) shall result in a Major NC.
- Substantial in-balance (sales of certified products substantially exceeds purchase of raw material) shall result in immediate suspension.

Minor non-conformities

- It is a temporary lapse, or unusual/non-systematic, or the impacts are limited in their temporal an organisational scale and it does not result in a fundamental failure to achieve the objective of the relevant requirement (how it affects the integrity of the affected supply chains for FSC- and PEFC-certified products and the credibility of the FSC- and PEFC trademarks)

10 FEES, RIGHTS AND DUTIES FOR CERTIFICATE HOLDERS

Fees to PEFC are managed by the National PEFC organisations and may vary from Country to Country. Please contact the national PEFC office or PEFC International for more information.

Fees to FSC are described in the document FSC-POL-20-005, which can be found on the webpage www.fsc.org.

In addition to the above described fees there will be a cost for each audit. This fee is calculated based on the time needed for the audit and write the report. Please contact your Local DNV GL office for more information.

There is no extra certification fee or fee to get approval for the use of FSC Trademarks.

Rights and duties for certificate holders are described in Special Terms and Conditions which is signed as a part of the certification contract.

FSC trademark use

All use by the certificate holder of the certification body name and logo, and the FSC Trademarks, should be pre-approved by the certification body and in compliance with FSC and DNV GL guidelines.

For more information, you can also contact

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