



# PEFC PROJECT CHAIN OF CUSTODY CERTIFICATION

ONE PROJECT, ONE MESSAGE



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## ABOUT PEFC

PEFC, the Programme for the Endorsement of Forest Certification, is an international non-profit, non-governmental organization dedicated to promoting sustainable forest management through independent third-party certification. It works throughout the forest supply chain to promote good practice in the forest and to ensure that timber and non-timber forest products are sourced with respect for the highest ecological, social and ethical standards.

PEFC is an umbrella organization that endorses national forest certification systems developed collaboratively by all interested stakeholders and tailored to local priorities and conditions.

Each national forest certification system undergoes rigorous third party assessment against PEFC's unique Sustainability Benchmarks. These Benchmarks are based on broad consensus by society, expressed in globally respected international and intergovernmental processes and guidelines for the promotion of sustainable forest management.

The Benchmark requirements are regularly revised through multi-stakeholder processes to take account of new scientific knowledge, societal change, evolving expectations and to incorporate the latest best practices.

Today, PEFC has recognized certification systems in about 30 countries. Together these account for over 230 million hectares of certified forests, making PEFC the world's largest forest certification system. It is the certification system of choice for hundreds of thousands of small forest owners including family and community-owned forests.

PEFC certified materials are accepted by numerous public and private procurement policies worldwide.

# CONTENTS

INTRODUCTION	2
THE BASICS OF PROJECT CHAIN OF CUSTODY CERTIFICATION	3
SOURCING REQUIREMENTS	4
ACCOUNTING METHOD	7
MANAGEMENT SYSTEM	8
SOCIAL, HEALTH & SAFETY REQUIREMENTS	9
LOGO, LABELLING & CLAIMS	10
NEXT STEPS	12
WHAT MAKES PEFC UNIQUE?	13





## INTRODUCTION

Sustainable forest management, while crucial in maintaining the valuable services forests provide, does not in itself establish the link from the forest to the market. In order to give assurances that wood and wood-based products can be traced back to sustainably managed forests, PEFC promotes Chain of Custody certification.

PEFC Project Chain of Custody certification is a specific form of Chain of Custody certification. Chain of Custody certification is well suited for the on-going and continuous production of certified products such as paper, packaging, tissues products, furniture or wooden toys, to name a few examples. It is, however, not always the most efficient option in short-term contexts involving numerous uncertified contractors, such as in the construction or shipbuilding industries, or the one-off production of a specific product. Here, companies prefer to opt for PEFC Project Chain of Custody certification.

This publication is intended to help companies familiarize themselves with the most essential elements of PEFC Project Chain of Custody certification and requirements for using the PEFC logo and labels.

It offers those involved in the implementation of PEFC Project Chain of Custody processes within companies an introduction to the key concepts and explains the various items covered in *Chain of Custody of Forest-Based Products – Requirements (PEFC ST 2002:2010)*, the *Chain of Custody of Forest-Based Products – Guidance for Use (PEFC GD 2001:2011)*, the *PEFC Logo Usage Rules (PEFC ST 2001:2008 v2)*, and the *PEFC Logo Usage Toolkit, Second Edition*.

# THE BASICS OF PROJECT CHAIN OF CUSTODY CERTIFICATION

## Benefits for businesses

Companies have long recognized that sourcing and using PEFC certified timber does not only contribute to safeguarding the world's forests, but it also assists in improving one's sustainability credentials and the overall reputation of wood as an environmentally sound raw material.

It is therefore critical to demonstrate responsible sourcing practices, in example through Project Chain of Custody certification.

Examples for PEFC Project Chain of Custody include:

- New build commercial and office buildings
- Private and social housing projects
- Renovation and refurbishment schemes
- Airports and railway stations
- Schools, playgrounds, skate parks, and sports arenas
- Boats and harbours
- Event and trade show infrastructure (stages, seating, stands)
- Civil engineering projects including bridges and tunnels
- And many more...

PEFC Project Chain of Custody certification recognizes that not all parties involved in specific projects are certified, even though forest-based material used for the project is covered by Chain of Custody certification. Usually, the fact that non-certified parties handle certified material would break the chain, and this is where PEFC Project Chain of Custody comes into play.

When an organization obtains a PEFC Chain of Custody certificate for project certification and implements it as **Project Manager** for a specific project, contractors working on this project are covered as **Project Members** and are not required to obtain Chain of Custody certification themselves. The Project Manager is responsible for the overall management and control of the Project Chain of Custody and its correct implementation.

As with the regular Chain of Custody, meticulous records must be maintained on all aspects of the wood and wood-based products received on site, and employees involved in the project must be competent and receive sufficient training.

### ADVANTAGES OF PROJECT CHAIN OF CUSTODY CERTIFICATION

As expectations grow for companies to source responsibly, business interest in Project Chain of Custody certification is increasing. PEFC Project Chain of Custody certification offers several important benefits:

- **Access to markets** – providing companies with competitive advantages for their PEFC certified projects in an increasingly environmentally-conscious world.
- **Inspire confidence** – allowing you and your project partners to make a bold statement of sustainability and sound ethical sourcing of timber and forest-based products.
- **Ease of implementation** – enabling Project Managers to take advantage of PEFC certification even if not all Project Members have obtained PEFC Chain of Custody certification.

- **Compliance with legislation** – PEFC's Due Diligence System (DDS) excludes wood from conversions, illegal and other controversial sources.
- **Availability and choice** – two-thirds of the world's certified forest area is PEFC certified. That is currently more than 230 million hectares, offering the widest supply of certified fibre and timber.
- **Business leadership on sustainability** – businesses acquire a competitive advantage over competitors.

### DEFINITIONS

#### Project

A project is a tangible product (e.g. house) or part of a product that forms a functional unit (e.g. the roof of a house) which is clearly specified in terms of location and time.

#### Project Manager

The Project Manager, or "controlling entity", is an organization that has overall control and management of a defined project (e.g. construction companies, general contractors, shipyards). The Project Manager holds a valid PEFC Chain of Custody certificate for project certification and may define multiple projects over the course of the validity of the certificate.

#### Project Member

Project Members are organizations involved in the building/manufacturing/production of the defined project.

# SOURCING REQUIREMENTS

## Procuring material for project certification

A key element in PEFC Project Chain of Custody certification is the control and recording of forest-based material arriving on-site.

The Project Manager is responsible for ensuring that all materials procured for the project, either directly or by other Project Members, are identified and verified as being either:

- **certified** (forest-based material delivered as "PEFC certified" by a PEFC Chain of Custody certificate holder and recycled forest-based material),
- **other** (forest-based material other than certified material), or
- **neutral** (non-forest-based material such as steel, concrete, plastic).

Project Members must provide the Project Manager with verifiable information concerning all forest-based material (certified and non-certified) used for the project covered by the PEFC Project Chain of Custody.

For each delivery of "PEFC certified" material, the documentation must include:

- 1) supplier identification
- 2) Project Manager identification
- 3) product identification
- 4) volume (or weight) of delivery
- 5) date of delivery
- 6) formal claim x% PEFC certified
- 7) proof of certification

The Project Manager can only recognize material as "PEFC certified" if this information is provided and is in conformity with certification requirements.

Claims made by suppliers concerning their PEFC certification status must be confirmed, for example through a copy of the Chain of Custody certificate. PEFC recommends consulting publicly available registers such as the official PEFC Information System (<http://info.pefc.org>) to verify claims about certification status.

*Reference: PEFC ST 2002:2010, Chapters 5.2., 5.5.1.; PEFC GD 2001:2011, Issue 1, Chapter 3.3.*

### PEFC DUE DILIGENCE SYSTEM

The Project Manager is responsible for implementing the PEFC Due Diligence System to avoid that non-certified material (categorized as **other**) originates from controversial sources. For this purpose, the Project Manager must obtain self-declarations from all suppliers (through Project Members as necessary).

It is the Project Manager's responsibility to carry out risk assessments for all the non-certified supplies delivered to site, or to the Project Member's facilities (if they are not already covered by the supplier's Due Diligence System). In case of supplies being high risk, the Project Manager or an approved third-party must carry out subsequent second or third-party verification audits to ensure that the material does not originate from controversial sources.

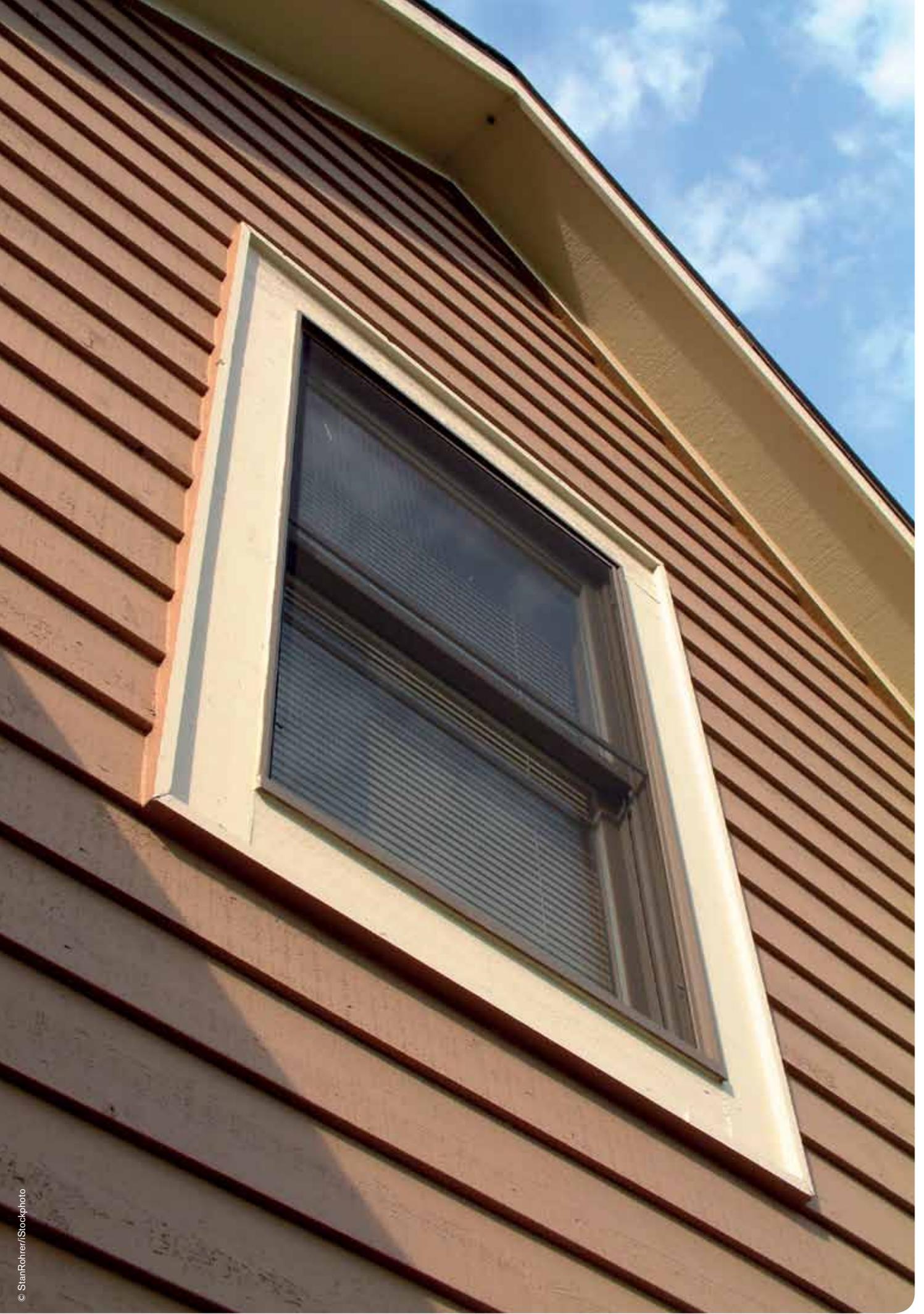
### Controversial Sources

Includes non-certified forests in which management activities:

- do not comply with local, national or international legislation, in particular in the following areas:
  - forestry operations and harvesting, including **conversion of forests to other uses**
  - management of areas with designated **high environmental and cultural values**
  - protected and endangered species, including those included on the **CITES** lists
  - **health and labour conditions** of forest workers
  - **indigenous peoples'** property, tenure and use rights
  - payment of taxes and royalties
- utilize **genetically modified organisms**
- **convert forests to other vegetation type**, including conversion of primary forests to forest plantations

*Reference: PEFC ST 2002:2010, Chapter 3.7 for a definition of Controversial Sources, PEFC ST 2002:2010, Appendix 2: PEFC DDS for avoidance of raw material from CS, and PEFC GD 2001:2011, Issue 1, Chapter 3.7.*





# ACCOUNTING METHOD

## Tracking certified material for project certification



*Simple percentage method*

Any project will engage a range of different suppliers, all of whom will provide products with differing contents of certified material. To make things simple and easy to understand for everyone involved, PEFC Project Chain of Custody certification utilizes the simple **percentage-based** method to account for PEFC certified material used for the project.

It essentially reflects the percentage of certified material in the forest-based material actually used for the project as a whole.

The main challenge is to identify a single common unit of measurement, such as volume or weight, for the various forest-based products. In cases where such a common unit can demonstrably not be found, the calculation can be based on monetary value.

### BIDDING ON PROJECTS

Contracts and tenders may already require a project to be certified. PEFC Project Chain of Custody allows the Project Manager to calculate the expected percentage of certified material based on specifications, commitments, and contractual relationships.

The validity of the expected percentage must be confirmed by the Project Manager as part of the internal audit and subsequent certification body audit after the completion of the project.



# MANAGEMENT SYSTEM

## Aligning internal procedures

Management system requirements relate to companies' internal procedures and are designed to ensure correct implementation and maintenance of Chain of Custody process(es). For PEFC Project Chain of Custody, the Project Manager's management system must also cover the activities of the Project Members.

The Project Manager is required to:

- appoint a member of management with overall responsibility for the Chain of Custody
- ensure that all people involved in the implementation and maintenance of the Chain of Custody are competent and have received training and education as necessary
- keep documented procedures for all stages in the Chain of Custody
- maintain records of their Chains of Custody to provide evidence of conformity
- conduct internal audits of their Chains of Custody at least once a year and implement corrective and preventive measures if required
- establish complaints procedures

*Reference: PEFC ST 2002:2010, Chapter 6; PEFC GD 2001:2011, Issue 1, Chapter 4*





## SOCIAL, HEALTH & SAFETY REQUIREMENTS

### Workers in the certified supply chain

PEFC is the world's first forest certification system that requires companies to comply with social, health and safety requirements based on the ILO Declaration on Fundamental Principles and Rights at Work (1998).

These requirements provide an additional layer of confidence to consumers and buyers that elementary rights of workers in companies along the supply chain have been respected.

Companies need to demonstrate that:

- workers are not prevented from associating freely
- the use of forced labour is not permitted
- workers younger than the minimum legal age, the age of 15, or compulsory school attendance age (whichever is higher) are not employed
- workers are not denied equal employment opportunities and treatment
- working conditions do not endanger safety or health

*Reference: PEFC ST 2002:2010, Appendix 4*

# LOGO, LABELLING & CLAIMS

## A focus on marketing and communications

### LOGO AND LABELLING

The use of the PEFC logo and labels, while optional, is strongly recommended as an effective means to communicate the certified status of a product.

Companies wishing to use the PEFC logo and labels on certified products need to obtain a PEFC Logo Usage License.

PEFC differentiates between three labels: the “PEFC Certified” and the “PEFC Recycled” labels for on-product use, and the label for off-product use with the claim text “Promoting Sustainable Forest Management.”

On-product use (PEFC Certified and PEFC Recycled labels) is only available for companies that hold a valid PEFC certificate; it allows for the use of the logo and label on:

- tangible products (unpacked products), products in individual packaging, containers, wrapping, etc.; large boxes, crates, etc. used for transportation of products; and
- documentation associated with or referring to a particular PEFC certified product (e.g. catalogues, invoices, packaging lists, advertisements, brochures, etc.)

The on-product label indicates that the project utilized a minimum of **70% certified material** from PEFC certified forest (PEFC Certified label only) and/or recycled sources, as well as wood from controlled sources that has been assessed by the PEFC Due Diligence System (see page 4).

**Off-product use** (Promoting Sustainable Forest Management label) allows companies and organizations to highlight their commitment to PEFC certification without making any statement about certified content. It includes use in/on:

- annual, CSR, sustainability reports; brochures; and other written materials
- information displays; posters in stores; at trade fairs; etc.
- advertisements and flyers
- websites

Any use of the PEFC logo and label must comply with PEFC’s Logo Usage Rules – Requirements. More information can be found in the PEFC Logo Use Toolkit (available at [www.pefc.org](http://www.pefc.org)).

### Claim

The PEFC related claim that the Project Manager can make is limited to the content of PEFC certified and recycled material within the forest-based products used for a clearly defined and delimited project within a certain time.

SCOPE OF PROJECT	CLAIMS
A whole building, e.g. a stadium	x% of the wood material used in the construction of the stadium is PEFC certified.
Roof of the housing project “Residence”	x% of the wood material used for the roof of the housing project “Residence” is PEFC certified
Refurbishment of the ship “Vessel”	x% of the wood material used in the refurbishment of the ship “Vessel” is PEFC certified

*Reference: PEFC ST 2002:2010, Clause 4.4.2., 5.5., PEFC ST 2001:2008 v2, PEFC Logo Usage Toolkit; PEFC GD 2001:2011, Issue 1, Clause 3.2.1.*

## PEFC TRADEMARK

The PEFC logo and the acronym 'PEFC' are the exclusive property of the PEFC Council and are internationally registered trademarks. Therefore, any use that:

- implies that PEFC participates in, supports, or is responsible for an activity by a certified entity outside the scope of its certification; or
- could result in an erroneous interpretation or understanding of the entity's operations with respect to its PEFC certifications, or diminished credibility of PEFC

is not permitted, and PEFC reserves the right to terminate the Logo Use Contract in such cases.

The use of the PEFC trademarks without authorization may lead to legal action.

## THIRD-PARTY INVOLVEMENT IN THE USE OF THE LABEL

Licensees are fully responsible for compliance with the Logo Usage Contract.

This also applies if a third-party is involved in the use of the logo (e.g. designers, project advertisements in external media, etc.)



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## NEXT STEPS

### Obtaining PEFC Project Chain of Custody Certification

Are you ready to get certified?  
PEFC certificates are issued by independent certification bodies. These certification bodies must be recognized by PEFC. PEFC itself does not issue certificates.

The certification body will carry out an on-site audit of your company. During the audit, the certification body will check that you have correctly implemented the PEFC requirements.

If your business meets the requirements, the certification body will issue a certificate. Once you have obtained your PEFC certificate, you can apply to your national PEFC body or PEFC International to use the PEFC logo and label.

Remember to plan your certification carefully and to conduct an internal audit beforehand – by getting everything ready before the audit, you can help to ensure a smooth and timely assessment.

#### FLOWCHART \*

- > PROJECT DEFINITION
- > ESTABLISH DOCUMENT MANAGEMENT SYSTEM
- > DEVELOP PROJECT MEMBERS AND SUPPLIER LIST
- > COMMUNICATE REQUIREMENTS TO PROJECT MEMBERS AND SUPPLIERS
- > RECORD OF FIRST WOOD-BASED MATERIALS DELIVERY AND CHECK FOR CERTIFIED STATUS
- > INTERNAL AUDIT
- > CERTIFICATION BODY INITIAL ASSESSMENT
- > UNDERTAKE DUE DILIGENCE AS REQUIRED
- > CALCULATE POTENTIAL PERCENTAGE CLAIM
- > CONSIDER LOGO USE
- > MARKET PEFC PROJECT CERTIFICATION
- > COMPLETE PROJECT
- > FINAL ASSESSMENT
- > MAINTAIN FINAL RECORDS

#### MORE INFORMATION

For further information or any questions about PEFC Chain of Custody certification, please contact a PEFC recognized certification body in your country. Contact information for all PEFC notified certification bodies is available at [www.pefc.org](http://www.pefc.org).

# WHAT MAKES PEFC UNIQUE?

## Why companies opt for PEFC certification

With alternative forest and Chain of Custody certification systems available, there are good reasons why so many people opt for PEFC.

As the largest forest certification system globally, PEFC remains the certification system of choice for small, non-industrial private forests, with hundreds of thousands of family-owned forests certified as in compliance with PEFC's Sustainability Benchmarks.

To date, over 10,000 companies have achieved PEFC Chain of Custody certification, offering tens of thousands of PEFC certified products globally.

### PEFC IS THE ONLY GLOBAL CERTIFICATION SYSTEM THAT:

#### Upholds highest standards without exception

- Requires compliance with all fundamental ILO Conventions in forest management since 2001, setting new benchmarks for social issues
- Is tailored to the specific needs of family and community-owned forests, with lasting contributions to livelihoods and rural development
- Offers well-established processes for group certification, thereby offering access to certification and the marketplace for certified products from locally controlled forestry
- Sets the highest standards for forest certification aligned with the majority of the world's governments, including:

- Maintaining or enhancing biodiversity
- Protecting ecologically important forest area
- Prohibiting forest conversions and excluding certification of plantations established by conversions
- Prohibiting use of the most hazardous chemicals and GMOs, and minimizing the use of pesticides
- Protecting workers' rights and welfare, and encouraging local employment –recognizing the principle of free, prior and informed consent (FPIC), the UN Declaration on Indigenous Peoples' Rights, and ILO Convention 169 on Indigenous and Tribal Peoples
- Respecting property and land tenure rights as well as customary and traditional rights – provisions for consultation with local people and stakeholders
- Abiding by applicable laws
- Safeguarding the basic rights of workers
- Added requirements on social, health and safety requirements in Chain of Custody certification as early as 2010.

#### Level of stakeholder engagement equally high for all standards

- Strictly separates standard-setting, certification and accreditation to ensure complete independence and impartiality

- Requires all national standards to be independently developed with participation open to all interested parties
- Recognizes the importance of the nine major groups as defined by Agenda 21 (Commission on Sustainable Development (CSD) Major Groups) of the UN Conference on Environment and Development (UNCED) as the stakeholder groups involved in or concerned by forest management
- Requires that all standards undergo public consultation at national and international levels and third-party assessment
- Demands and implements regular revisions of national certification systems

#### Builds on intergovernmental agreements and globally recognized processes

- Builds its understanding of sustainable forest management on broad societal consensus as expressed in international and intergovernmental processes
- Supports the implementation of governmental agreements through a voluntary, market-based mechanism
- Follows globally accepted ISO Guidelines for certification and accreditation.



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