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## **Requirements for group certification**

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## 1. Introduction

Certification on the level of a group shall be an incentive for forest enterprises, depending on their existing structures, to establish forestry association in order to enhance their performance. The group, originally designed for certification, can develop further common activities (e.g. timber marketing) and present itself as productive organisation.

## 2. Scope

This document is valid for the certification of sustainable forest management on the level of a group. This document defines requirements which have to be fulfilled by the certification groups respectively their members in order to participate in the PEFC system.

## 3. References

Status	No.	Title
<b>Normative Documents</b>		
ND	001	Requirements for group certification
ND	002	Requirement for the certification of individual enterprises
ND	003	Standards for forest management
ND	004	Chain of Custody requirements
ND	005	Logo rules
<b>Mandatory Guidelines</b>		
VL	001	Principles of the certification scheme PEFC Switzerland
VL	002-1	Requirements for certification bodies - COC
VL	002-2	Requirements for certification bodies - FM
VL	003	Dispute settlement procedures
VL	004	Standard revision procedures
VL	005	Notification of Certification Bodies Issuance of Logo Usage Licenses
<b>Other Documents</b>		
SD	001	Terms and definitions
SD	002	Scale of fees
SD	003	Statutes

## 4. Requirements

### 4.1. Overview and definition of the group and relevant terms

**Forest owners**<sup>1</sup>, organisations of forest owners (e.g. forestry associations) or forest managers with the forest area they are responsible for managing can form a group. The formation of the group can be based on regional borders, similarities regarding their managed forest areas or other reasonable circumstances. The forest area of these persons or organisations forming a group shall be clearly and definitely delimited. In principle, the whole forest area, which is managed by a person or organisation, which is member of the group, shall be included in the forest area of the group.

For the purposes of implementation of the sustainable forest management standard and its group certification, the group is represented by the **group representation**<sup>2</sup>. The term “the group” covers all members (participants) of the group, while “the group organisation” covers all members of the group including the group representation.

The group representation uses a **group management system**<sup>3</sup> based on the regulations of PEFC Switzerland, especially the standards for forest management (ND 003). The group management system shall ensure and ease the implementation of the PEFC Sustainable Forest Management Standards on a group level. To elaborate the group management system, representatives of the group organisation and/or the group representation shall identify the affected stakeholders that are relevant for the group management system and the relevant expectations of these **affected stakeholders**<sup>4</sup> and consider them in the development of an adequate group management system.

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<sup>1</sup> The term “forest owners” includes forest leaseholders

<sup>2</sup> A legal entity that represents the participants, with overall responsibility for ensuring the conformity of forest management in the certified area to the sustainable forest management standard and other applicable requirements of the forest certification system. The structure of the group representation should follow the operations, number of participants and other basic conditions for the group organisation in order to be representative of the group. It may be represented by one person.

<sup>3</sup> A set of interrelated or interacting structural elements of the organisation to achieve the objectives and outcomes of the sustainable forest management standard.

<sup>4</sup> Affected stakeholders are persons, groups, communities or organisations with an interest in the subject of the requirements of the standard and who might experience a direct change in living and/or working conditions caused by activities of the group organisation.

Note 1: Affected stakeholders include neighbouring communities, workers, etc. However, having an interest in the subject matter of the standard (e.g. NGOs, scientific community, civil society) is not equal to being affected.

Note 2: A stakeholder who might be a user of the standard is likely to become a certified entity, e.g. a forest owner in the case of a forest management standard, or a wood processing enterprise in the case of a chain of custody standard.

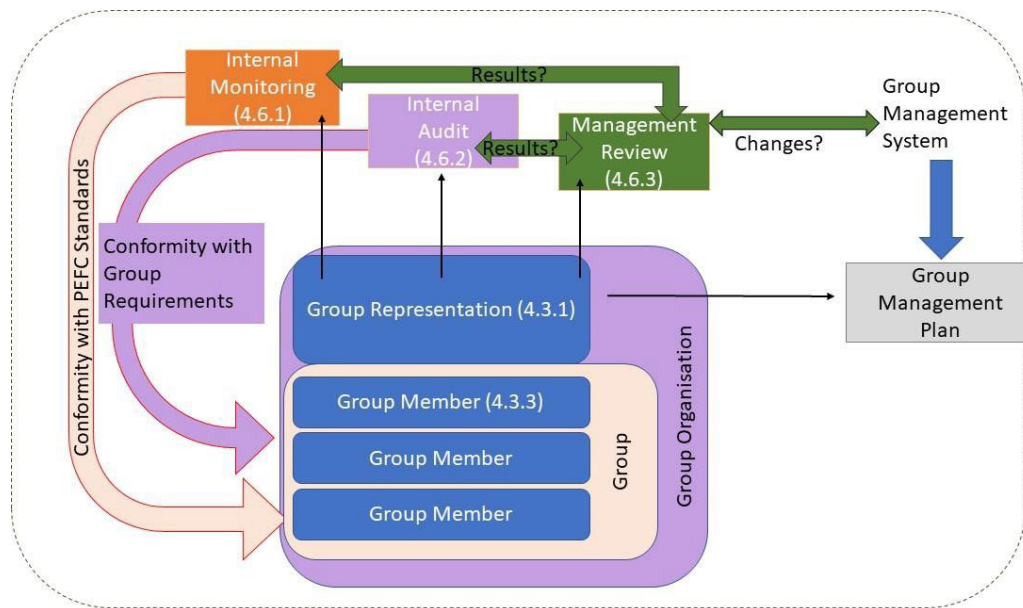


Figure 1 Schematic overview of the composition of group certificate holders and the applicable control mechanisms.

Procedures and processes relevant to the group organisation are defined in a group **management plan**<sup>5</sup>, where changes planned in the group management system shall be included. It shall be produced by group members and/or the group representation and be approved by the group representation. Also, if a group organisation decides to fulfil requirements of the sustainable forest management standard on the group level, these requirements shall be considered in the group management plan. The elements of the group management plan shall be known to all group members and shall be part of the contractual arrangements for group membership. Within the group organisation, resources for the establishment, implementation, maintenance and continual improvement of the group management shall be provided. An overview of the composition of the certified group and the internal control mechanisms is given in Figure 1.

A binding written agreement shall be established between a group participant and the group representation.

The group organisation holds a **group forest certificate**, a document confirming that the group organisation complies with the requirements of the sustainable forest management standard and other applicable requirements of the forest certification system. The **group forest certification** is defined as a certification of the group organisation under one group forest certificate.

<sup>5</sup> Documented information specifying objectives, actions and control arrangements relevant to the group organisation.

The group organisation plans, implements and controls processes needed

- a) to ensure that the requirements of the group certification standard and sustainable forest management standards are met,
- b) to implement actions determined in the management plan

by:

- c) defining the necessary processes and establishing criteria for those,
- d) implementing control of the processes in accordance with the criteria,
- e) keeping documented information to the extent necessary to have confidence that the processes have been carried out as planned.

The conformity of the group members with the sustainable forest management standard is controlled in annual internal monitoring programmes. The compliance of the group members and group representation (i.e. the group organisation) with group regulation and the effective implementation of the group management system is controlled in annual internal audits. Furthermore, external and internal changes in the group management system and results of internal audits and monitorings are reviewed in annual management reviews. All of the preceding control mechanisms are organised by the group representation.

The group management system shall ensure and ease the implementation of the PEFC Sustainable Forest Management Standards on a group level. Within the group system, resources for the establishment, implementation, maintenance and continual improvement of the group management shall be provided. The operational planning, operational management and the internal and external audits as well as corrective measures as defined in ND 003 Sustainable Forest Management can be carried out on a group level.

Persons doing work in the management system shall have adequate education and knowledge of the sustainable forest management standard, the requirements for group certification and other standards, laws and technological issues if required for the work in question.

- a) Communication processes and further trainings shall be in place to raise the awareness of participants concerning:
- b) the group management policy,
- c) the requirements of the sustainable forest management standard,
- d) their contribution to the effectiveness of the group management system and the sustainable forest management, including the benefits of improved group performance,
- e) the implications of not conforming with the group management system requirements.

Additionally, the internal and external communications relevant to the group management system shall be determined. This includes what to communicate when, with whom and in what manner. Mechanisms for complaints are established and documented information about the management system and the conformance with the sustainable forest management standard is kept.

## **4.2. Guiding principles of the group for forest management**

Based on the regulations of PEFC Switzerland, especially the standards for forest management, the group shall develop common guiding principles in a group management plan.

The elements of the group management plan shall be known to all group members and shall be part of the contractual arrangements for group membership and be documented and publicly available.

## **4.3. Organisation und responsibilities**

### ***4.3.1. Group representation (applicant)***

The group shall establish a group representation through which the group members are represented.

The group representation is responsible for the management of the group and shall therefore establish a group management system. Also, the group representation is the responsible body for the group certification and applicant in the certification process. By the means of a standing order the group representation can define assignment of tasks in a clear and transparent way.

The group representation shall provide a commitment to:

- a) Comply with the sustainable forest management standard and other applicable requirements of the certification system
- b) Establish written procedures for the management of the group and integrate the group certification requirements in the group management system
- c) Continuously improve the group management system
- d) Continuously support the improvement of the sustainable management of the land/forests by the group members.

The commitment of the group representation may be part of a group management policy and shall be publicly available as documented information upon request.

In case the group representation acts as a trader of forest based material not covered by the group certificate, a certified PEFC chain of custody system shall be in place.



### 4.3.2. *Tasks of the group representation*

The group representation is assigned to:

- a) Generate the necessary documentations, particularly regarding the procedures concerning the group management,
- b) Apply at an accredited certification body and close a contract with them,
- c) Admit new members and provide written procedures for the acceptance of new members (covering at least information about contact details, clear identification of their forest property and its/their size(s)),
- d) Exclude members and provide written procedures for the suspension or exclusion of members who do not correct/close non-conformities,
- e) Have a binding written agreement or contract with all group members which shall include the group members' commitment to comply with the sustainable forest management standards and covering the right of the group representation to implement and enforce any corrective or preventive measures, and to initiate the exclusion of any participant from the scope of certification in the event of nonconformity with the sustainable forest management standard
- f) List all members including their contact details and their forest areas (identification and size), as well as the total certified area and register all their selfcommitments.
- g) Plan and implement annual internal audits on both group members and group representation and keep documented information on the audit's review and any preventive and/or corrective actions taken
- h) Elaborate ongoing internal monitorings that provide for the evaluation of the participants' conformity with the certification requirements
- i) Organise annual management reviews that provide for the evaluation of the internal audits, the internal monitoring and the implementation of the group management system
- j) Keep documented information of the group representations' and group members' conformity with the sustainable forest management standards
- k) Develop objectives and measures for the group
- l) Inform the group members and provide guidance
- m) Implement the improvement and corrective measures according to the stipulations of the certification body
- n) Address nonconformities reported from group members which were identified under other PEFC certifications than the particular group certification and to ensure implementation with all group members
- o) Provide full co-operation and assistance in responding effectively to all requests from the certification body, accreditation body, PEFC International or the National Governing Body for relevant data, documentation or other information; allowing access to the forest area covered by the group organisation and other facilities, whether in connection with formal audits or reviews or otherwise related with implications for the management system.

### **4.3.3. Group members**

#### *4.3.3.1. Options for membership*

The following persons or organisations can be group members:

- a) Forest owners
- b) Forest enterprises, forest districts and forest managers as representatives of the areas they manage
- c) Organisations of forest owners (e.g. forestry associations)

#### *4.3.3.2. Tasks of the members*

The members of the group are assigned to:

- a) Obligation to comply with the regulations of the group by signing contract with the group representation
- b) Obligation to manage their forest in line with the sustainable forest management standards of PEFC Switzerland (ND 003 Standards for forest management)
- c) Provide information about their forest area and full co-operation and assistance in responding to all request from the group representation or certification body,
- d) Provide information and to provide access to the forest area and administration for the purpose of both internal audits and external certification and surveillance audits.
- e) Implement improvement and corrective measures determined by the group representation
- f) Inform the group representation about non-conformities identified under other PEFC certifications than the particular group certification.

The group members can transfer their obligation for documentation and management to the group representation deriving from the standards for forest management. Each case shall be documented in the contract with the group representation.

### **4.3.4. Procedures and processes (Procedures for system stability)/Group management**

The group organisation shall demonstrate effective written procedures and control processes that contribute to the stability of the system. In this context measures and elements can be of particular use to assure that:

- a) The group members and interested parties are sufficiently informed and involved in the PEFC requirements and the certification process
- b) Information on the compliance and on the implications of non-conformity with the PEFC standards in the participating forest enterprises is presented and if necessary appropriate measures will be taken
- c) Information on the PEFC certification in the group is analysed and if necessary appropriate measures will be taken
- d) The achievement of the objectives and measures is pursued and if necessary appropriate measures will be taken

Measures, assignments and responsibilities shall be defined and documented.

#### 4.4. Documentation

The procedures required according to the regulation of PEFC Switzerland shall be documented. Especially the following issues shall be considered:

- Register of members as well as their forest areas
- Audit results
- Review
- Documentation regarding the implementation of corrective measures

A management handbook is a suitable instrument for the documentation of these procedures and elements.

Documented information relevant to the group management or the conformance with the forest management standards is up to date, available and suitable for use, where and when it is needed and adequately protected against loss of confidentiality, improper use, or loss of integrity.

#### 4.5. Procedures for the admittance of new members

New members shall apply for membership at the group representation. In the scope of a contractual arrangement they shall oblige themselves to observe the rules of the group.

As part of the application the applicant shall submit all documents required according to the forest management standards. If the applying member already holds a certificate on enterprise level, the latest audit report shall be presented to the group representation. Thus, in case of major non-conformities committed by the applicant in the past, the group representation can either reject membership or allow for a conditional admission.

The group representation shall inform the applicant about the rules of the group and shall provide access to all existing documents.

The applicants shall be integrated into the plan for internal audits and shall be included in the audits at the earliest.

The group representation shall check the documents submitted by the applicant.

The certification body shall be informed about the new member after the contract is signed which e.g. includes the obligation to manage the forests in conformity with the standards.

According to the defined procedures a new member shall get a confirmation of participation in the certification process.

Previous group participation shall be communicated to the group representation. Group members excluded from any certification group cannot apply for group membership within 12 months after exclusion.

## **4.6. Performance evaluation**

Three types of performance evaluation shall be performed.

An annual internal monitoring programme and an annual internal audit programme shall be planned and operated by the group representation. Furthermore, a management review shall be organised by the group representation.

The internal monitoring programme serves as an evaluation of the group members' conformity with the certification requirements. All group members are subject to the internal monitoring programme.

The internal audit programme covers both, group members and the group representation.

The management review serves to evaluate the effectiveness of the group management, as well as the results from audits and monitorings as indicators of the group's performance within the scope of the PEFC standards.

### **4.6.1. Internal monitoring**

The group representation establishes an ongoing internal monitoring programme and determines

- a) what shall be monitored and measured;
- b) the methods for monitoring, measurement, analysis and evaluation, as applicable, to ensure valid results;
- c) when the monitoring and measuring shall be performed;
- d) when the results from monitoring and measurement shall be analysed and evaluated;
- e) what documented information shall be available as evidence of the results.

The group representation shall evaluate the group management performance and the effectiveness of the group management system concerning the implementation of the sustainable forest management requirements.

## 4.6.2. Internal audits

### 4.6.2.1. Procedures

A plan shall be drawn up by the group representation for the audits which shall include information at least about:

- a) planning, establishing, implementing and maintaining an audit programme(s) including the frequency, methods, responsibilities, planning requirements and reporting, which shall take into consideration the importance of the processes concerned and the results of previous audits
- b) The focal points of the audit and scope for each audit
- c) selection of auditors and their competence (forest knowledge, standard knowledge are mandatory)
- d) ensuring that the results of the audits are reported to the relevant group organisation or management
- e) retaining of the documented information as evidence of the implementation of the audit programme and the audit results.
- f) The participants
- g) The period of time
- h) The proceeding to ensure objectivity and the impartiality of the audit process

### 4.6.2.2. Objectives of the internal audit

The group representation shall plan and implement internal audits annually to check the compliance with group regulations and to detect potential respectively demand for improvements. The internal audit programme shall cover the group representation and all group members. The group representation should be audited annually. The members may be selected on a sample basis. Especially, the audits shall ensure:

- a) The compliance of the group management system with group organisation's own requirements for its group management system
- b) The compliance of the group management system with the standards for sustainable forest management and the standard for group certification
- c) The implementation of the sustainable forest management standard on the participant level
- d) The observance of legal regulations with reference to forest management
- e) Information flow about focal points, objectives and action plans respectively about the contribution of the individual forest owners to achieve them
- f) That the group management system is effectively implemented and maintained

### 4.6.2.3. Participants

The participants in the internal audit programme are selected based on a risk-based procedure, which shall be specified. The sample (size according to 4.6.2.4) shall be distributed to sample categories (4.6.2.5) according to the result of a risk assessment. 25% of the sample should be selected at random.

#### 4.6.2.4. *Sample size*

For a surveillance audit, the number of participants is determined by the formula:  $\sqrt{n}$ , rounded to the upper whole number, where n is the number of certified enterprises.

The size of the sample may be adapted taking into account one or more of the following indicators:

- a) results of a risk assessment. In this case deviations of sample sizes in case of low or high risk for individual categories shall be defined;
- b) results of internal audits or previous certification audits;
- c) quality / level of confidence of the internal monitoring programme;
- d) use of technologies allowing the gathering of information concerning specified requirements;
  - a. Note: Such technologies may be e.g. the use of satellite data or drones and allow compliance statements for specific requirements of a sustainability standard or support the risk based sampling.

Applicants for membership shall be considered in the audit plan in the course of the application and shall be included in the audits at the earliest possible date.

#### 4.6.2.5. *Sample categories*

The sample categories shall be established based on the results of a risk assessment. The indicators used in the risk assessment shall reflect the geographical scope of the standard. The following non exhaustive list of indicators may be used for the risk assessment:

- a) ownership type (e.g. state forest, communal forest, private forest);
- b) size of management units (different size classes);
- c) biogeographic region (e.g. lowlands, low mountain range, high mountain range);
- d) operations, processes and products of potential group participants;
- e) rotation period(s);
- f) richness of biological diversity;
- g) recreation and other socio-economic functions of the forest;
- h) dependence of and interaction with local communities;
- i) available resources for administration, operations, training and research;
- j) governance and law enforcement.

#### 4.6.2.6. *Auditors and report*

The appointed auditors shall be sufficiently qualified to evaluate the relevant issues (forest and standard knowledge). This could be geared to the requirements for auditors of certification bodies.

A documented audit report shall contain a short description of the main results as well as measures for improvement and corrective actions.

### **4.6.3. Management review**

The group representation shall undertake an annual review. This review shall consist of an assessment with respect to:

- a) The status of actions from previous management reviews;
- b) Changes in external and internal issues that are relevant to the group management system;
- c) The status of conformity with the sustainable forest management standard, that includes reviewing the results of the internal monitoring programme, the internal audit and the certification body's evaluations and surveillance.
- d) Information on the group performance, including trends in:
  - i. nonconformities and corrective actions;
  - ii. monitoring and measurement results;
  - iii. audit results;
- e) Opportunities for continual improvement.
- f) The inputs of third parties, if there have been received any

The output of the management review shall include decisions related to continual improvement opportunities and any need for changes to the group management system. Documented information shall be retained as evidence of the results of the reviews.

## **4.7. Issuance of confirmations of participation**

### **4.7.1. Procedure of issuance**

The group shall develop procedures how to issue confirmations of participation to the participating persons or organisations after the group certificate has been issued by the certification body.

Principally, there are three options:

- (1) The participant receives a copy of the group certificate issued by the certification body including an appendix comprising of a register of all participating forest owners and managers.
- (2) The participant receives an individual attestation from the certification body stating the successful participation in the certification process and referring to the group certificate.
- (3) The participant receives an individual attestation from the group representation stating the successful participation in the certification process and referring to the group certificate.

### **4.7.2. Validity of the confirmations**

The period of validity of the confirmation of participation that has been issued to the group members begins with signing of the voluntary self-commitment and lasts up to the end of the validity of the group certificate.

#### **4.8. Exclusion of members**

The group representation is entitled to exclude group members in case of major violations of the rules of the group. Group participants excluded from any certification group based on non-conformities cannot be accepted within 12 months after exclusion.

### **5. Improvement**

#### **5.1. Nonconformity and corrective action**

When a nonconformity occurs, the group organisation shall:

1. react to the nonconformity and, as applicable:
  - i. take action to control and correct it;
  - ii. deal with the consequences (exclusion from the group certificate in case the nonconformity appeared repeatedly or a major nonconformity is not closed/corrected. Further consequences are defined by the group organisation or group representative);
2. evaluate the need for action to eliminate the causes of the nonconformity, in order that it does not recur or occur elsewhere, by:
  - i. reviewing the nonconformity
  - ii. determining the causes of the nonconformity
  - iii. determining if similar nonconformities exist, or could potentially occur
3. implement any action needed
4. review the effectiveness of any corrective action taken;
5. make changes to the group management system, if necessary.

The group organisation shall retain documented information as evidence of the nature of the nonconformities and any subsequent actions taken and the results of any corrective action.

A participant who was excluded from a group certification shall be internally audited by the group representation before it is allowed to re-enter the group certification. The internal audit shall not take place sooner than 12 months after the exclusion.

#### **5.2. Continual improvement**

The suitability, adequacy and effectiveness of the group management system and the sustainable management of the forest shall be continuously improved.