

PEFC ANNUAL REVIEW 2016

Highlighting the achievements of the PEFC alliance



ABOUT PEFC

PEFC, the Programme for the Endorsement of Forest Certification, is the world's leading forest certification system. More than 300 million hectares of forests are certified to PEFC's internationally recognized Sustainability Benchmarks, supplying more than 18,000 Chain of Custody certified companies with responsibly sourced timber and wood-based products. PEFC was founded by small- and family forest owners to demonstrate excellence in sustainable forest management.

For more information, please visit: www.pefc.org

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Mission statement

Our Vision:

A world in which people manage forests sustainably.

Our Mission:

To give society confidence that people manage forests sustainably.

Our Purpose:

Through the endorsement of national certification systems, PEFC motivates and enables people to sustainably manage their forests and works to provide a market for the products of those forests.

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Ben Gunneberg

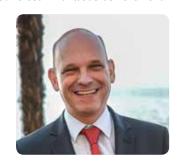
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LETTER FROM THE CEO / SECRETARY GENERAL



So much happened this year, where do I start?

First, we were delighted to welcome six new national members to the family. You have to look back to our early days for so many members joining in one year. This is a clear indication that the PEFC approach works, and is in fact getting better and better – something we are all proud of.

These new members are joining a fantastic network of hard working organizations, all pulling together towards our vision of a world in which people manage forests sustainably. You will see in this Annual Review just a few of the many activities they have undertaken this year.

My dedicated team in Geneva continues to find new ways to support our members, empowering them to reach their full potential. I must also emphasize that the way our members support each other is inspiring. From long-term members helping new members start their PEFC journey to better resourced members helping those with lower budgets – being there for each other is what makes the PEFC family special.

I am especially grateful for the work that has gone into outreach and marketing at international and national levels. There is so much good stuff being done. It's great to see more emphasis going into telling people and organizations about our work, the benefits of forest certification and the importance of sustainable forest management for society as a whole.

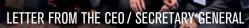
Our international projects go from strength to strength. We collaborate with partners and donors around the world to support the development of national forest certification systems, innovate new ways to get more trees certified and work with smallholders. There are now at least a dozen countries developing national systems and preparing for PEFC membership, and we were delighted to welcome several of them to Bali for PEFC Week.

This year we launched the revision process of our Sustainability Benchmarks. As the world changes, best practices and knowledge evolve and society's expectations grow, we must make sure our standards are the best they can be. We have also started to revise our strategy and I hope you all will participate as we work together to continue strengthening PEFC.

Last but not least, thanks to the great work of the entire PEFC alliance – forest owners, supply chain companies, retailers, our members and the PEFC International team – 2016 was the year we reached 300 million hectares of PEFC-certified forest! A fantastic achievement.

I hope this Annual Review helps give you a glimpse of the work of the PEFC alliance. And if you feel inspired, please get in contact – we look forward to hearing from you!

Ben Gunneberg



2016: A YEAR OF GROWTH



2016 was special for the PEFC alliance as more countries joined the family than in any year since the early days of our organization. From Hungary joining in January, to Ghana and Republic of Korea in the summer, and then Macedonia, Romania and Thailand at our General Assembly in November. we have never had a year like this.

Take a look at what our new members have to say about joining the PEFC alliance:

 $m{\epsilon}$ We are proud to be part of the PEFC family and hope to make a historic step for sustainable forest management in Macedonia. We want to bring Macedonian forestry one step forward, following global efforts for sustainable forestry. I would like to thank the PEFC family for the support provided over the past several years."

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Vladimir Stojanovski, The Council for Sustainable Forest Management in the Republic of Macedonia

The Macedonian national forest certification system has been submitted to PEFC for endorsement. Starting in 2017, it will undergo a third-party assessment to determine if it is in compliance with our international Sustainability Benchmarks.

PEFC provides a cleverly designed, robust technical framework. Perhaps even more importantly, PEFC is a community of friendly people who care about forests and care about our future. We are proud to become a member of this community."

By becoming a PEFC member, and eventually having a PEFC-endorsed forest certification system, our country's forest owners, forestry companies and the whole forest sector, will be able to demonstrate their sustainable forest management practices to the public, in Hungary and beyond."

Endre Schiberna, Hungarian Forest Certification Non-profit Ltd

have The Hungarian national forest certification system has been submitted to PEFC for endorsement. Starting in 2017, it will undergo a third-party assessment to determine if it is in compliance with our international Sustainability Benchmarks.

Thembers in 46 countries... Joining the PEFC alliance is a vital step towards gaining international recognition for our Ghanaian national forest certification system.

Once our system has achieved PEFC endorsement, it will provide assurance that forests in Ghana are managed according to sustainability requirements and that our management practices are socially beneficial, economically viable and environmentally friendly."

> Emmanuel Amoah Boakye, Working Group on Forest Certification

The Ghanaian national forest certification system is under development. One of the key activities is the adaptation of the national forest management standard in line with PEFC requirements.



The last 25 years have seen great changes to forest ownership in Romania. Moving from 100% state ownership to a 50/50 share with the private sector – and the restitution process is still not finished. We hope that our national forest certification system will achieve PEFC endorsement by the end of 2017, and that we can welcome our first PEFC-certified forest in early 2018."

István Tőke, PEFC Romania

The Romanian national forest certification system is in the final stages of development and is expected to be submitted to PEFC for endorsement in 2017.

> While forest certification has been present in Republic of Korea for the last few years, current models are not suited to our national conditions. The Korea Forest Certification Council (KFCC) was established in response to the growing demand from stakeholders to have their own certification system, a certification system which reflects the distinct characteristics of Korean forests."

> > We believe that through PEFC endorsement we can promote and spread sustainable forest management throughout Korea."

Hyemi Lee, Korea Forestry **Promotion Institute** (KoFPI)

The KFCC has already developed and pilot-tested its national standard. Becoming a PEFC member

was an important step towards the eventual submission of the national system to PEFC.



PEFC is a global organization with local reach. We are a worldwide alliance that strives for a world in which people manage forests sustainably. We do this through the commitment of national forest certification systems, NGOs, associations, companies and committed individuals.

At the heart of our work is the endorsement of national forest certification systems. It is our national members who are responsible for developing and running these systems in their country. We work this way because we believe that while the concept of sustainable forest management is global, its implementation is local.

Through the national systems, we ensure the sustainable forest management requirements of each country are tailored to the specific forest ecosystems, the legal and administrative framework, the socio-cultural context and other relevant factors.

PEFC Collaboration Fund

Ghana, Hungary and Macedonia can all trace their membership back to seed funding provided through a PEFC Collaboration Fund project.

66 The PEFC Collaboration Fund supported us as we developed several aspects of the certification system. Thanks to this, we could organize stakeholder meetings and prepare our national standards in line with the PEFC framework ready for stakeholder consultation."

Emmanuel Amoah Boakye,

Working Group on Forest Certification

International stakeholder members

Companies, organizations and associations with principles and objectives in line with our own can also join PEFC as international stakeholder members. These members perform a vital role in supporting the work we do.

In 2016 we welcomed four new international stakeholder members:

- · Connecting Natural Values and People
- European Biomass Association (AEBIOM)
- · European Confederation of Agricultural, Rural and Forestry Contractors (CEETTAR)
- WestRock Company

...and there are many mare; We would like to thank all the organizations that have helped to set us up. Particularly PEFC which has mentored and supported us over the last years. The advice and support from the whole PEFC alliance will be invaluable to us as we continue our journey." Pimiai Leeissaranukul,

The Thai national forest certification system is being finalized and is expected to be submitted to PEFC for endorsement in 2017.

The Federation of Thai Industries (F.T.I.)



PEFC has come a long way.
We are a growing family, but we need to look after each other. We must never forget this. We need to strengthen each other's ability to do our best in maintaining and enhancing the many benefits that forests provide. We need to ensure that we empower our members, that we ensure they can reach their full potential."

Ben Gunneberg, CEO, PEFC International







Our members form a diverse and vibrant network of organizations doing an impressive amount of work. An important part of our activities is to assist and strengthen them so they can continue to do this. We therefore provide a wide range of services, including communications, marketing, development and technical support. We also facilitate cooperation and knowledge sharing and enable people and organizations new to our network to benefit from the PEFC alliance.

Marketing training

Increasing the demand for certified products and thereby encouraging the uptake of PEFC certification amongst companies is important for promoting sustainable forest management. This means it's vital for our entire organization. Through our tailored marketing support, we strive to provide our members with the tools and capacity to increase their interaction with companies.

In October 2016, we launched our Influencing Fundamentals course on our new e-training platform to help our members prepare and conduct customer needs-based one-on-one meetings more effectively. This interactive e-training

is split into six modules covering the fundamental theory of one-on-one meetings. Every module is illustrated with relevant PEFC examples.

Whether a useful refresher or a new skills training, it has already become a valuable tool for our members.

Thank you very much for the opportunity to use the new e-training platform. It has been very interesting and a necessary initiative for our work."

Esperanza Carrillo Galán, CSR & New Markets, PEFC Spain

Enhancing knowledge sharing

We have members in almost 50 countries and across six continents. Some have been with us since the beginning, others joined this year. While some are well-resourced and can benefit from large teams, others are much smaller — with just one or two part-time staff members. But what they all have in common is experience in running and promoting national forest certification systems. It's our job to make sure this knowledge is shared throughout the whole alliance.

In 2014, we launched our extranet to improve the sharing of information and experiences within our membership – and the uptake has been great. Knowledge that would have remained within one organization is now freely and easily shared amongst the whole family, benefitting us all.

Regular training on how to use and make the most out of the system was an important part of our internal communication support in 2016. From individual sessions to get our new members started, to larger group sessions to enhance skills, we provided a wide range of opportunities. We also developed a manual to complement the training sessions.

Getting online

All organizations need a website. But for many of our members, finding the time and money to design and implement a website is difficult. To help them get online quickly and cheaply, we offer a free website template. This also includes the back-end, the system that runs the website. Many of our members have taken advantage of this service. And with the number of new members joining, we are set for the launch of several new websites in 2017.



As we continue to develop our new international website, ensuring that our members can still benefit from the free template is a priority.

Harmonizing auditor training

Comprehensive technical capacity building is one of our core activities and in 2016 we launched our latest initiative, the Qualified Trainer Programme (QTP). This programme aims to improve the ability of our members to carry out PEFC Chain of Custody auditor training in their own country.

Though still in its early days, this programme will ensure that the content, duration and quality of the training organized at national level is harmonized. This means that auditors can attend a PEFC Chain of Custody training session anywhere in the world and still receive the same high level of instruction, but in their own language.

The QTP began in early 2016 with an intensive in-person training session, going into the details of the Chain of Custody standard. Next, the participants attended at least two Chain of Custody audits as observers, to learn about auditing practice. Those who pass the final exam, scheduled for 2017, will receive their QTP certificate.

Getting national systems up and running

As countries join the PEFC alliance, they need to be able to develop a system that complies with our international requirements, get the system up and running, and be financially viable in the long term. A significant part of our projects and development work is helping our members to do just this.

In 2016 we continued to provide detailed technical assistance for system development throughout Southeast Asia, as well as in India and Ghana. We gave personalized administration support to Cameroon and Hungary to ensure their systems can work efficiently after endorsement. We also worked with Gabon to secure funds from other sources for the implementation of their system.

This technical assistance is complemented by the PEFC Collaboration Fund, our small grants programme. Over the past six years, this has been a fantastic way to invest in our members' activities. In the last years, the Collaboration Fund has contributed funding for marketing in Republic of Korea and Thailand; standard development to improve smallholder access to certification in Indonesia, Portugal and New Zealand; and for system development in Ghana and Macedonia.

It is extremely important for all the national members to have a good working knowledge of the PEFC standards. This training programme helps bring all members to that high level."

Morten Thorøe, National Secretary, PEFC Denmark

















In 2016 we advanced our outreach: improving the coordination of marketing activities within the PEFC alliance and expanding our support to retailers and manufacturers.

The PEFC network has grown considerably in recent years. It now includes dozens of national and international members, as well as tens of thousands of PEFC-certified companies. Empowering this network to promote PEFC and the benefits of certification is the key focus of our marketing work.

In the last year we developed a wide range of tools to do just this. This included the e-training platform, a 'PEFC at a glance' information sheet and an outreach video (which has been translated into 18 languages!).

Through streamlined internal cooperation and a rise in resources dedicated to marketing, we can now better coordinate our outreach activities and inform ever more companies and people about the numerous advantages of PEFC certification. We have increased our presence at trade shows across various sectors and have connected with a wide range of multinational retailers and companies.

We also continue to speak at key forestry related events such as the WBCSD, ForestWood 2016 in New Zealand, Forestry Day in Australia, Forest Finance in London and Innovation Forum on Deforestation in Singapore, to name a few.

South America Promotions Initiative

Supporting our South American members to build capacity, plan marketing campaigns and enhance coordination at national, regional and international levels.

In South America we are represented by our four members in Argentina, Brazil, Chile and Uruguay. They all have endorsed systems covering nearly five million hectares of forest.

While these national systems are all well established, there remains a need to strengthen market demand for PEFC in the region. There is also a significant opportunity to grow Chain of Custody certification and PEFC recognition in all countries, for both domestic and international markets.

In 2016 we launched our South America Promotions Initiative. Through technical and financial assistance, the project is helping our South American members as they further profile and promote PEFC within the marketplace. The collaboration also involves PEFC Spain, who are supporting the coordination of the initiative and sharing their expertise in marketing.

By the end of the first year, the Initiative had already achieved several significant outcomes. Working together has led to the identification of common approaches, interests and ways forward. Cooperation has also been enhanced, along with the pooling of important information.

Engaging collaboratively at a continental scale has contributed to an increased interest in PEFC certification for sustainable forest management and Chain of Custody among authorities, companies and stakeholders. As a result, the visibility of the PEFC brand has begun to improve within the regional markets.

Asia Promotions Initiative

As an important hub for global production and trade, Asia has a strong influence on the environmental sustainability of international forest products. This means it is vital to build supply chain capacity and increase the availability of certified timber across the region.

A key way we raise awareness, build capacity and encourage the uptake of PEFC certification in Asia is through our Asia Promotions Initiative. While our original focus was in China and Japan, we expanded our activities over the last few years to meet the growing interest and demand for PEFC. Now we deliver the support needed to increase certification throughout the entire region.

We conduct outreach activities on a regular basis. In 2016 that included Asia-Pacific Forestry Week in the Philippines and Asian Paper 2016 in Thailand. These high profile events are complemented with training events, seminars, workshops and one-on-one meetings with key stakeholders, delivered in cooperation with regional partners.

Since our project began, we have seen a steady rise in the number of PEFC Chain of Custody certificates in Asia, with almost 1000 certificates issued by the end of 2016. Just 10 years ago, there were no certificates in this region.





PEFC at full force for Asia-Pacific Forestry Week

Collaboration was at the top of the agenda at the 2016 Asia-Pacific Forestry Week (APFW) as participants discussed solutions to address pressing forestry issues in Asia-Pacific. An impressive PEFC delegation was present, with representatives from PEFC International, our national members from Australia, China, Indonesia, Japan and Malaysia, a number of international stakeholder members, and partners from throughout the region.



PEFC and the European Union

Following the review of European Union Timber Regulation (EUTR) in 2015, the main focus of EU forestry related policies shifted to woody biomass sustainability (Renewable Energy Directive recast) and forestry and climate change (Land Use, Land Use Change and Forestry Directive).

As the EU Commission prepared these draft legislations, we took part in the many heated debates that formed part of the consultation and impact assessment process. These drafts were released in July and November as part of a comprehensive legislation package on clean energies and climate.

In this context, we held our first PEFC EU Policy Conference in September, attracting participants, high level speakers and panellists from EU institutions, the FAO, environmental NGOs, industry associations and companies. From the

FLEGT Action Plan to the EU Framework for sustainable biomass: the role of forest certification was put in the spotlight.

Opening the conference, Mr Jean-Eric Paquet, Deputy Secretary General of the European Commission, revealed the first insights into the results of the consultation on EU sustainable biomass policy.







PEFC being a multi-stakeholder organization setting standards globally for sustainable forest management, the PEFC EU Policy Conference is the ideal forum, coming at an ideal time, for us to share with all interested parties the first results of the consultation on biomass sustainability."

Jean-Eric Paquet, Deputy Secretary General of the European Commission



Through the MTCC Academic Award, we hope to inspire more young people to embark on a career in the field of sustainable forestry and its related industries."

Yong Teng Koon, CEO, Malaysian Timber Certification Council

PEFC is represented around the world by our members.

Almost a quarter of all countries have a PEFC national member — a number that has risen dramatically over the last few years. We are also supported by a great range of international stakeholder members: from global NGOs to international companies.

The next few pages will give you a snapshot of some of the activities by our members in 2016 as they pursued our common objective of promoting and expanding sustainable forest management.



Growing certification in the forest and in the marketplace

Increasing the number of PEFC-certified forests and companies is incredibly important. The more forest owners who can demonstrate that they manage their forests sustainably and the more companies that buy and sell material from sustainably-managed forests, the better we can safeguard our forests. This is why it is so important that our members continue to come up with new ideas to increase uptake of PEFC certification.

Promoting PEFC in the forest

With only 10% of the world's forests certified, our members work with their country's forest owners, managers and associations to increase the forest area under PEFC certification.

The Malaysian Timber Certification Council (MTCC) inspired a new generation of forestry talent with the first MTCC Academic Award, recognizing outstanding students in forestry-related courses. One of three winning students, Chaw Vi Vian won the Freezailah Forest Sustainability Award, named in honour of MTCC's founding Chairman who retired in 2016 after leading the organization for 17 years.

The devotion of Mark Leech, a guardian of Tasmania's scarce but value-rich specialty timbers industry, was rewarded with the 2016 Richard Stanton Memorial Award for Excellence in Forest Management. The award celebrates the memory of Richard, the former CEO of **Australian Forestry Standard Ltd**, a man who devoted his life to the forestry industry.

Enterprises, cooperatives, public administrations and schools in Italy competed for the first national prize for sustainable forest communities. Organized by **PEFC Italy**, the Italian Minister of Environment, ANCI (the national association of municipalities) and Legambiente (the biggest Italian environmental NGO), the contest highlighted best sustainability practices in Italian forests and forest-related sectors.

As one of the world leaders in enabling small-forest owners gain certification through group certification, **PEFC Spain** continued to promote the benefits of this approach. There are now around 1.7 million hectares of forest certified under group certification in Spain – covering almost all of the certified area in the country!

millinn

hectares



Work in the forest pays off!

Thanks to the hard work of all our members, 2016 was the year that we reached 300 million hectares of PEFC-certified forest. Australia saw an impressive increase in certified area, with over 16 million hectares gaining PEFC certification in just one year. Argentina, Japan and Netherlands all achieved their first certified hectares of forest. While in Latvia, the country's first private forest owners became certified, following a project funded through the PEFC Collaboration Fund.

This hands-on Nordic co-operation enabled us to share know-how, ideas and resources, and we would like to continue to work closely together in the future."

Christina Lundgren, National Secretary, PEFC Sweden

Focusing on Chain of Custody

Chain of Custody certification provides the link from the forest to the marketplace. It allows certified material to be tracked through the supply chain, and is prerequisite for the use of the PEFC label. Our members undertake a range of activities to promote PEFC Chain of Custody certification in a variety of sectors.

In October, **PEFC Denmark, PEFC Finland, PEFC Norway** and **PEFC Sweden** collaborated for the EmPack fair in Stockholm, Sweden. Focused on the future of packaging technology, the biggest manufacturers in the world attend EmPack. Our Nordic members spoke directly to a huge number of companies through their eye-catching joint stand at the fair.

PEFC Spain promoted the values and benefits of non-wood forests products (NWFP) throughout 2016, organizing events, seminars and fairs. Thanks to their work, there are now ten companies in the country producing PEFC-certified cork, ham and resins. Wineries were also encouraged to use PEFC-certified cork for their bottles.

Stakeholders from a broad range of sectors including timber trading, construction, retail, paper and packaging visited Northumberland for the **PEFC UK** Annual Field Trip. This yearly event showcases sustainable forest management, illustrates what Chain of Custody certification involves and demonstrates the rigorous processes required to bring certified wood products to market.

Procurement, marketing and CSR executives attended **CertforChile**'s first PEFC Sustainability Fair, learning how purchasing locally produced, PEFC-certified paper and packaging can benefit their businesses. They also explored the exhibition ground, meeting PEFC-certified companies and discovering how PEFC certification can help them achieve their sustainability and corporate goals.

Following years of promotion by the **Sustainable Green Ecosystem Council** (SGEC) and the PEFC Asia Promotions office in Japan, there was good news for the 2020 Tokyo Olympic and Paralympic Games. The wood procurement policy requires that wood used for the construction of Olympic-related facilities and other products must come from sustainable sources. Wood certified to forest certification systems such as PEFC and SGEC are listed at the top as sustainability-proven materials.

PEFC Spain held the international seminar GREENtoGOLD focusing on business development, removal of risks in the supply chain, EU Timber Regulation (EUTR) requirements and strategic branding. Professionals and experts shared experiences and deepened their knowledge of sustainable business models and brands.

32 Austrian printers joined forces to boost the visibility and uptake of the PEFC label by demonstrating their dedication to sustainable forest management. Working together, these printers achieved PEFC Chain of Custody through group certification – the first to be awarded in Austria. By sharing costs and resources, **PEFC Chain of Custody group certification** makes it easier for small- and medium-enterprises to achieve certification.

We are very proud that the first group certificate in Austria has been issued for processing companies. Printers are an essential link for consumers as they improve the visibility of the PEFC label."

Hans Grieshofer, Chairman, PEFC Austria















Reaching the employees

Some PEFC-certified companies are extremely large, with hundreds or thousands of staff members. While a handful of employees will be aware of PEFC, for many, PEFC may simply be initials they've seen on the company brochure. Several of our members helped to raise awareness of the important contribution that employers are making to sustainable forest management through PEFC certification.

PEFC Slovakia participated in Mondi's 2016 'Making a Difference Day', providing Mondi's employees and visitors with comprehensive information about sustainable forest management and the benefits of using material from PEFC-certified forests. The attendees could get familiar with the role of PEFC certification and understand its importance for the sustainable supply of raw wood material.

Celebrating the PEFC certification of the La Redoute paper catalogue, **PEFC France** attended a special event to introduce and explain PEFC to the company's employees. PEFC France was on hand to answer questions, while a series of perfume scents transported employees into the forest. Later in the year, members of the Corporate Social Responsibility (CSR) team visited a PEFC-certified forest to improve their understanding of the issues surrounding certification.



Stunning buildings with wood at their heart

1. Following in the footsteps of Italy, Spain and the UK, the Nordics can now boast their first PEFC project certified building. Mäihä, a wooden apartment block, was built with modules of PEFC-certified cross laminated timber (CLT) from Stora Enso. PEFC project certification allows companies to take advantage of PEFC certification for their oneoff projects. It is an independent verification that certified timber was used, without the need for all subcontractors to be certified.

PEFC-certified timber has been at the heart of the reconstruction work in central **Italy**, following the earthquakes that struck the country. Private and public buildings alike have been rebuilt using timber from local, PEFC-certified forests: from kindergartens and schools in **Guastalla** (2), Norcia and Gualdo to a recreational centre in **Amatrice** (3).



4. Two schools, opposite sides of the world, have been rewarded for their fantastic use of timber. Designed by Sarah Wigglesworth Architects, Mellor Primary School won the PEFC UK sponsored Best Education Project award at the Structural Timber Awards 2016.

5. In Australia, Law Architects won the prestigious **Australian Forestry Standard Ltd** Certified Timber Award at the Australian Timber Design Awards for their redevelopment of **Woodleigh School**. Our aim was to draw attention to forestry. We have found that many people in the Czech Republic do not know about the state of our forests. Through initiatives such as this we bring the forest closer to the consumer and highlight the incredible work our country's foresters do to preserve these forests, for now and for the future."

Stanislav Stanina, National Secretary, PEFC Czech Republic

Increasing demand for certified products

Nothing is more encouraging for companies to obtain PEFC certification and produce PEFC-certified products than consumers demanding it. This is why it is important that consumers understand the positive impact they can have through buying PEFC-labelled, certified products. However, reaching the general public is a challenge! Our members therefore rely on some extremely innovative activities to catch the attention of consumers.

Going big

Large, public installations are a brilliant way of drawing a crowd and getting people's attention, and that is exactly what some of our members did this year.

PEFC Czech Republic took to the streets of Prague to inform the public about the state of Czech forests and the importance of supporting sustainable forest management. A huge image, stretched across the pavement, highlighted the gap between a sustainably managed and a poorly managed forest – the difference was clear to see.

Paper and clothing came together in style at the **PEFC Finland** Wood Works event, in partnership with Justus K, a Finnish designer and artist. Visitors to Diana Park, in the heart of Helsinki, discovered innovative techniques of working with paper through weaving or by making a warrior headpiece. Part of Helsinki Design Week, the installation demonstrated the journey that sustainable paper makes from the forest to the consumer.

Brussels celebrated the International Day of Forests with a stunning photo exhibition. The communication agency Revolve teamed up with **PEFC Belgium** to bring spectacular images of forests into Brussels, connecting people to the natural beauty of Belgium's forests. Visitors to the exhibition learned about PEFC through a special PEFC forest certification segment in the magazine Revolve.

It was fantastic to be involved in such a project. Our mission at PEFC is to offer a beautiful future to our forests; this is why it was so important for us all to take part."

Thomas Davreux, National Secretary, PEFC Belgium

17,000 Scouts and Guides from around the world headed to Finland for Roihu 2016, the 7th International Finnjamboree. At the eye-catching **PEFC Finland** stand, hundreds of young people learnt about sustainable management of forests, prepared wooden instruments and left their greetings on the PEFC world map.







Engaging stakeholders

The Sustainable Forestry Initiative (SFI) continued to foster community engagement throughout 2016: from funding 19 projects though their Conservation and Community Partnership Grants Program to working with the Boy Scouts of America to strengthen the link between responsible forest management and youth education.

In the days before PEFC Forest Certification Week, Indonesian Forestry Certification Cooperation (IFCC) invited members of the PEFC International Board on a field trip around the forests of Indonesia. Sponsored by two of our international stakeholder members, APRIL Group and APP, our Board members had the opportunity to see these companies' sustainable forest management practices in the field.







Talking directly to the consumer

Whether it's online, on television or on the radio, our members use a whole range of channels to reach out to the general public.

PEFC Belgium encouraged consumers to shop responsibly with their new video explaining the basic principles of sustainable forest management. The short film highlighted the need to pay attention to the origin of our timber now, so that our children and grandchildren can also enjoy our forests.

Our wish was to explain the essence of sustainable forest management and the importance of responsible purchases with a strong visual impact."

Mieke Vercruijsse, Communication Manager, PEFC Belgium



The passion of professionals in the timber sector was the focus of the new 'Wood with Passion' videos by **PEFC Netherlands**.

From timber manufacturer to designer, builder to packaging maker: their attention and love for the profession and the materials unites them. In this series of short films, Leon, Barbara, Hans, Wouter and Kees share their personal love for wood and paper. Check out the videos at the PEFC keurmerk YouTube channel.



The French-speaking radio station RCF, with a daily following of 40,000 listeners in Belgium, invited **PEFC Belgium** onto their "Mise au Vert" programme. PEFC Belgium highlighted their work, described sustainable forest management and Chain of Custody certification and explained why we should build with PEFC-certified materials and buy sustainable Christmas presents.



Promotional campaigns

Big events can grab the consumer's attention, but it is the long-term campaigns that make a real difference in changing their habits...

PEFC Germany developed a brand-new marketing campaign, which went on to be launched in January 2017. The campaign consists of three main elements: an information campaign with comprehensive PR toolkits; the online platform wunschwald.com ('Wishforest'), where consumers are invited to share their wishes for the forest; and the development of customized campaigns for companies to communicate their PEFC certification to customers.

Gamma is committed to its social responsibility in order to guarantee the material prosperity of future generations.

Certified timber is part of this vision."

In order to encourage its customers to choose sustainable timber, the retailer Gamma joined forces with **PEFC Belgium** in a communication campaign. Banners with the PEFC logo and slogans explaining what PEFC stands for are currently hanging in Gamma shops all over Belgium, and will remain for a whole year.

Eric Jan Schipper, Manager Compliance Services & Public Affairs, Gamma





Sustainable forest management and conservation

The **Sustainable Forestry Initiative** (SFI) launched the SFI Conservation Impact Project at the IUCN World Conservation Congress in September. This project will quantify the conservation benefits associated with well-managed forests to develop metrics to improve understanding of water quality, biodiversity and climate change mitigation.

Christine was the driving force behind PAFC Cameroon. Without her hard work and dedication, the development of PAFC in Cameroon would never have got off the starting line. We remember Christine as a champion for sustainable forest management and her passing is a loss to all of us in the PEFC family."

Ben Gunneberg, CEO, PEFC International

It was with great sadness that we announced the passing of our dear friend and colleague, Christine Anjembe Nkene, President of **PAFC Cameroon**.



Managing national systems

While it is important for our members to promote PEFC to businesses and consumers, their routine task remains running the national forest certification system of their country. Whether that is developing the system for the first time, revising it to ensure it continues to meet best practices and society's expectations, or even expanding its scope.

In June, Japan achieved PEFC endorsement of its national forest certification system. To celebrate, the **Sustainable Green Ecosystem Council** (SGEC) held a Forest Certification Forum, attended by a range of stakeholders and honoured by the presence of Her Imperial Highness Princess Takamado. Her Imperial Highness stated that certification was a beacon that lights the way through the darkness.

Since joining PEFC in 2015, the Network for Certification and Conservation of Forests (NCCF) has been developing the national forest certification system for India. With up to 400 million people depending on forests for their livelihoods, this is no small task. Following extensive stakeholder engagement, the first draft of the sustainable forest management standard was prepared and then submitted for public consultation. The next step will be a pilot test.

The Federation of Thai Industries (F.T.I.) became a PEFC member in November and has since established the **Thailand Forest Certification Council** (TFCC), which will be responsible for developing the national system. They also organized a Chain of Custody training course, in partnership with PEFC International, for Thai stakeholders and international certification bodies.

The CSA Group completed the revision of its Sustainable Forest Management standard in 2016, the standard used by **PEFC Canada**. The two-year revision process was carried out by a broadly-based 30-member stakeholder group with representatives from across Canada. This is the third revision of the standard originally published in 1996.

As part of the South America Promotions Initiative, **PEFC Uruguay** is increasing its national outreach. With most forest area and the main paper and wood producers already certified, PEFC Uruguay is moving beyond traditional markets to explore the certification of non-wood forest products (NWFP), focusing on honey and cattle in certified forests.

With support of the PEFC Collaboration Fund, the American Forest Foundation (AFF) is finalizing the Northern Florida Landscape Management Plan in partnership with regional and national stakeholders. AFF has been collaborating with the region's foresters to develop technical guidance for resource professionals to increase engagement with area landowners. This pilot project serves as a model for similar initiatives under development in the US.

Responding to the need to make it easier for small-forest owners to gain PEFC certification, the **Indonesian Forestry Certification Cooperation** (IFCC) began the development of a community forestry standard. With funding from the PEFC Collaboration Fund, IFCC has conducted field tests, ensured stakeholder engagement and held public consultations. The draft standard has been completed and is now ready for the next stage of development.















Our vision is of a world in which people manage their forests sustainably, and enabling people to do so is at the heart of all our projects. From supporting the development of national forest certification systems, innovating new ways to get more trees certified or working with smallholders, expanding sustainable forest management is always our goal.

We cannot do this work alone, so we partner with organizations and donors around the world. This has helped us to achieve so much more – just take a look at some of the areas we worked on in 2016.

Developing forest certification through regional cooperation

Every national forest certification system is designed specifically for its own country. However, there are often similarities in systems from the same region. This provides us with a fantastic opportunity to use the experience from one country to help another along the development process.

We have supported projects in the Balkans since 2011, working in Albania, Bosnia and Herzegovina, Kosovo, Macedonia and Montenegro. Our work in this region is beginning to show how a regionally coordinated initiative can lead to great results.

In 2013 we partnered with Connecting Natural Values and People Foundation (CNVP) to increase awareness and capacity in sustainable forest management and PEFC certification in Macedonia, Albania and Kosovo. With the support of the PEFC Collaboration Fund, the Council for Sustainable Forest Management in the Republic of Macedonia is now a PEFC member and has submitted its national system for endorsement.

Based on experiences from this and other projects, in 2016 we started a regional approach. In partnership once again with CNVP, alongside the FAO and the REFORD network, we are using the experiences of our national members from Macedonia and Slovenia as well as CNVP to help the progress of other countries in the region.

Bulgaria is the first country to benefit from this sharing of experiences. Following an outreach trip, the Vice-Minister of Forests and key forest stakeholders declared their intention to start work on their national system. We expect Bulgaria to join the PEFC alliance in 2017.

Looking further ahead, the private forest owner organization in Croatia is also keen to learn from others as they begin developing their national forest certification system. Their kick-off meeting to start the process is scheduled for the beginning of 2017.

We also run regional projects in Asia, Southeast Asia, South America and the Congo Basin.

Expanding the scope of 'forest' certification

At PEFC our focus has always been on caring for our forests, but in recent years we've also begun to focus on caring for the trees outside forests (ToF).

Trees grow in forests, but they also grow beyond the forest, throughout landscapes and within cities. While these trees outside forests provide vital services, they are outside the scope of PEFC 'forest' certification, preventing the certification of their sustainable management.

But these trees provide a significant source of material to the forest products industry. In India, around 85% of the industrial wood and wood products are sourced from trees outside forests. In Thailand, trees grown in rice paddies contribute a significant share of the fibre used in the Thai paper sector. In Europe, tree-based agroforestry systems are widespread.

There is a clear need, matched by a growing demand, to enable the PEFC certification of these trees outside forests. This led us to launch our ToF Initiative in 2015.

For the certification of trees outside forests to be feasible, it needs to become part of our PEFC Sustainable Forest Management standard. But there are a number of considerations to take into account. Sustainability requirements must be appropriate for agricultural systems and urban spaces, and must be realistic for small, dispersed landowners growing trees as a bi-product, to name a few.

In 2016 we entered the development phase of the ToF Initiative. We established a task force to support the Working Group revising the PEFC Sustainable Forest Management standard. The task force has made important recommendations on the approach PEFC should take in developing ToF certification and helped draft a ToF interpretation within the standard.

Pilot projects have been proposed in India, Thailand, Spain and Viet Nam to understand the practicalities of implementing ToF certification. These projects will run in 2017 and contribute practical input and feedback to the development process.

Enabling smallholders to certify their forests

Ensuring forest certification is accessible for small- and family forest owners is as much of a driving motivation for us now as it was back in 1999 when we were founded by smallholders. In many of the countries striving to establish or expand certified forest area, small landholdings represent a significant share of the forest resource.

Through our Collaboration Fund and other PEFC initiatives, we continually invest in projects and activities which support smallholder certification through engagement, innovation and capacity building.



In Viet Nam we are working with provincial cooperative alliances to ensure smallholders can achieve certification. 1400 households have already registered to take part, representing more than 7000 hectares ready for certification. Support is also given to nurseries, harvesting teams, cooperative business and forestry technical services. This project is an important link between the needs of smallholders and the emerging national forest certification system in Viet Nam.



In **Portugal** we are working with Forestis, the Portuguese Forest Association, to provide technical support to the regional entities responsible for promoting certification. Outreach has also improved with smallholders thanks to a new range of communication tools. So far, PEFC certification has been promoted among forestry companies, local and regional authorities and consumers. The project is still going and set to be completed in 2017.

Our project in **Latvia** came to a successful conclusion in 2016 as the first private forest owners achieved PEFC certification. Led by PEFC Latvia, and supported by the PEFC Collaboration Fund, the project worked closely with forest owner cooperatives. This was complemented by an awareness raising campaign targeting private forest owners. The first certified forest association is now an example for other forest owners, associations and cooperatives considering PEFC certification.



We also run smallholder projects in Indonesia, New Zealand and South Africa.



Mobilizing funds to mobilize impacts

Raising funds to support the work of our members and partners is one of the many ways we amplify our impact around the world. With our partners well positioned to convene stakeholders and implement forestry projects, we collaborate to formulate proposals and secure funding from donors and other funding sources.

Establishing a national forest certification system is a huge task, taking several years and involving numerous stakeholders. With interest growing for the PEFC system around the world, we need to secure external funding to help these countries through the development process.

In 2016 we launched a new project in **Nepal** to support Green Foundation Nepal establish a national forest certification system and promote sustainable forest management. This project is possible thanks to the contribution of the Prince Albert II of Monaco Foundation.

The development of the national system is already well underway. The national working group responsible for developing the national sustainable forest management standard has been formed. A multi-stakeholder advisory committee has also been created to provide support and guidance during the development process and once the system is up and running.

The project will run to the end of 2017, by which time the national system will be developed and piloted at local level. With the support of the Prince Albert II of Monaco Foundation and the fantastic work of Green Foundation Nepal and other stakeholders, we will be able to deliver PEFC certification to the community forests in Nepal.

We are pleased to support PEFC's project in Nepal because it aligns so well to the Foundation's aspirations: protecting the environment and promoting sustainable development.

We value the opportunity to work with a world renowned organization like PEFC, as well as their local, non-governmental partner, Green Foundation Nepal."

Philippe Mondielli, Scientific Director, Prince Albert II of Monaco Foundation



2016 marked the sixth edition of our PEFC Collaboration Fund. Over the years, the Collaboration Fund has become an increasingly successful way of providing financial support to a range of projects within the field of forest certification. These projects not only accelerate sustainable forest management but also foster collaboration amongst a variety of different actors.

This year we had a fantastic range of projects submitted to the Collaboration Fund. It was extremely exciting for us dive into such well-developed proposals, and see the breadth of solutions and innovations that our members and forest partners are putting forward and willing to deliver."

Sarah Price, Head of Projects and Development, PEFC International

PEFC COLLABORATION FUND



the Red Hills of Florida

The Southern USA is becoming the 'wood basket of the world'. As demand increases, so too does the need to show that these forests are managed sustainably.

Much of the land in the South is small, family-owned forest, many of which are not certified. To make certification more accessible, the PEFC endorsed 2015-2020 American Tree Farm System (ATFS) standards now allow for the development of landscape level planning frameworks.

The American Forest Foundation and the Florida Forest Service have since begun to pilot landscape level planning frameworks in the Red Hills region of Florida. Following the completion of a landscape management plan, the Collaboration Fund is supporting the deployment of this plan in the region.

2. Preparing South Africa's smallforest owners for certification

South Africa has long been at the forefront of forest certification in Africa. However, despite years of sustained effort, there has been little success in the certification of the country's small-forest owners.

As development of the national system progresses, the Collaboration Fund is supporting **NCT Forestry** as it leads this process. Alongside general assistance for system development, the project will also focus on ensuring the country's smallholders can gain certification once the national system is endorsed by PEFC.



The PEFC Collaboration Fund

Our Collaboration Fund is a competitive small grants programme encouraging locally relevant developments in the sustainable management of forests.

Through the Fund, we seek to support efforts to advance sustainable forest management and forest certification around the world by members and partner organizations.

Since we began the Fund back in 2011, we have awarded over 650,000 Swiss Francs and leveraged co-funding of 840,000 Swiss Francs to 30 projects around the world.

To find out more, head to treee.es/collab-fund



Countries with one or more **Collaboration Fund** projects since 2011



Winning projects in 2016

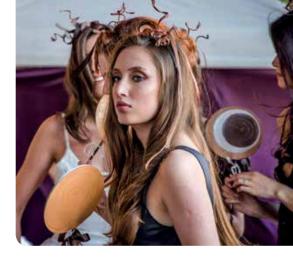


3. Exploring the potential of forests in fashion

Forests provide materials and fibres that make up many of the common consumer products that we use today. From high heels and handbags made from cork, wooden frames for eyeglasses, to the rayon and viscose items in our wardrobes.

However, we need to ensure that these forest-based materials originate from sustainably managed forests, and that garments are made in a sustainable and ethical manner.

In a move away from the more traditional projects, the Collaboration Fund is supporting PEFC Italy as they team up with the Italian Institute for Design (IID) to bring the sustainable ethos of PEFC into the fashion world.





4. Building capacity within the Thai forestry community

The production of rubber and rubber wood is a vital income source for rural communities in Thailand. However, with no forest certification system adapted to their particular needs, few smallholders have achieved certification.

In response, stakeholders in the country are developing a Thai national forest certification system, in line with PEFC international requirements. Developing a national system ensures it can be aligned with the specific needs of the country's forest owners.

To enable the smooth implementation of this national system, the Collaboration Fund is supporting the Federation of Thai Industries (F.T.I.) as it finalizes the system in preparation for PEFC endorsement.

5. From the forest to the market: promoting forest certification in Korea

The development of a national forest certification system in the Republic of Korea has been underway for several years. Nevertheless, there are still challenges to overcome in order to efficiently introduce and promote the system. A key challenge is the low awareness of forest certification among domestic companies and the general public.

The Collaboration Fund is supporting the Korea Forestry Promotion Institute (KoFPI) as they begin an awareness raising campaign to increase the recognition and demand of the Korea forest certification system throughout the country.



6. Supporting stakeholders to develop the Filipino forest

certification system

The loss of forest cover is a major problem in the Philippines. While the government is implementing reforestation measures, its efforts have yet to slow the rapid rate of deforestation. Forest certification is seen as an opportunity to push for sustainable forest management policy.

Over the last few years, stakeholders have been preparing for a national forest certification system. The Collaboration Fund is supporting the **Philippine** Center for Environmental Protection and Sustainable Development, Inc. as they launch the national system development process.







The development of international standards is at the centre of what we do. These standards form the basis for nearly all of our activities, from endorsing national systems to providing certification solutions.

Every one of our standards goes through a detailed and rigorous development process and is revised on a regular basis. In each case, the development and revision process is consensus-driven, open and transparent, and involves all the relevant stakeholders.



PEFC standards revision 2016-2017

In early 2016 we kicked off our latest standards revision process: a process that will take more than two years, affect the majority of our standards, and involve hundreds of experts and thousands of stakeholders. By the end of the process, we will have new and improved versions of the following standards:

- Sustainable Forest Management (ST 1001)
- Group Forest Management Certification (ST 1002)
- Procedures for Forest Management Certification (ST 1004, new)
- Standard Setting (ST 1003)
- PEFC Logo Usage Rules (ST 2001)
- Chain of Custody of Forest Based Products (ST 2002)
- Procedures for PEFC Chain of Custody Certification (ST 2003)
- Endorsement of National Systems (GD 1007)
- · Requirements for Accreditation Bodies (new)

Why do we revise our standards?

Time does not stand still. Best practices and experiences evolve, scientific and technological knowledge advances, and society's expectations change. We need to ensure that our standards keep up with this changing world. This is why we revise our standards every five years.

Take our sustainable forest management standard, the core of what we do. It provides the basis for the requirements that forest owners and managers must meet to achieve PEFC forest certification at local level. But how we manage our forests is not static, it changes with new developments, situations and users. In recent years we have seen the certification of trees outside forests (ToF), ecosystem services and non-wood forest products (NWFP) all become important issues — issues that we need to accommodate in the best possible manner.

Our standards are applied every day, by forest managers, by companies, by certification bodies, by PEFC International and our members, and by countless other stakeholders. This brings with it a wealth of knowledge and experience on what we can do to improve our standards. How we can adapt them to better respond to the realities on the ground, how we can make them more user-friendly and flexible, how we can improve the efficiency of the processes they govern: all while ensuring we maintain and enhance their integrity.

It's a big job...

Find out more!

Find out everything about the current standards revision process, from the key talking points to the latest news:

treee.es/standardsrevision2016



Contact us!

If you have any questions, please get in touch:



Christian Kämmer

Technical Officer, PEFC International

Email: technical@pefc.org

Making sure our standards meet expectations

When we develop or revise a standard, we make sure that everyone affected by the standard is invited to take part in the process. Furthermore, we strive for balanced representation of stakeholders, so that no one interest can dominate. With our standards affecting millions of people around the world, whether directly or indirectly, that's a lot of people to involve!



Our standards are developed by multistakeholder **working groups**. Everybody can nominate a representative to be in a working group. These consensus-driven groups will meet several times throughout the process. What's great is that the working group members not only bring their own knowledge and experience, but that of their network too. For some of our standards, such as Sustainable Forest Management and Chain of Custody, we run **expert forums**. People with knowledge and experience in the subject are all encouraged to join. By commenting on and discussing specific issues arising from the standards, these forums provide valuable input to the working group.



Stakeholders also get the chance to meet with each other in person through our **stakeholder conferences**, held in different locations around the world. Everyone is invited to join the discussion about the direction of the standard and give their input.

About halfway through the process, the working groups will have an enquiry draft standard ready for **public consultation**. This is when everybody gets the chance to make comments and give direct feedback, no matter where they are in the world. Every comment made will get an answer.

After several meetings, taking into account all the comments and advice, the working group will make a final draft of the standard. This must be approved by the **PEFC General Assembly** before it is published.



2016 PEFC FOREST CERTIFICATION WEEK

This year, the PEFC alliance travelled to the island of Bali, Indonesia, for the 2016 PEFC Forest Certification Week. As the one time in the year when the entire family meets to discuss the key issues and opportunities facing our organization, it marks a special place in our calendar. PEFC Week has also grown to feature one of the most important annual public dialogues on the future of forest certification and sustainable forest management: the PEFC Stakeholder Dialogue.











The week is made up of three parts. We begin with meetings and workshops for our members, before the General Assembly on Wednesday. For the last two days we open PEFC Week to everybody with the PEFC Stakeholder Dialogue.

Getting the week started

As a global organization with members in almost 50 countries around the world, we are rarely all in the same place at once. PEFC Week therefore gives us the perfect occasion to update our members, provide training and cover some of the critical issues we face.

From in-depth discussions on our on-going standards revision process to detailed information on the technical matters of our organization, we had a busy two days. We also used the time to work with our newest members, providing them with the knowledge they need to fully benefit from being part of the PEFC family. Alongside our updates, it was also a chance for everybody to share information about activities, experiences and future plans.



The 21st General Assembly

The General Assembly is made up of all the members of PEFC and is our highest authority and decision-making body. This means it is the members who vote on the key decisions, such as endorsements, international standards, new members, statutes and budget. Once a year the General Assembly meets in person, with the 21st GA meeting taking place in Bali.

Opening the gathering, Ben Gunneberg, CEO of PEFC International, emphasized the need to embrace curiosity and innovation as we promote our vision of a world in which people manage forests sustainably. Whether we are coming up with new ideas, products and solutions, we must continue to exceed expectations for safeguarding the world's forest resources.

Growing together, growing stronger

We welcomed three new national members as Macedonia, Romania and Thailand joined the PEFC alliance. We also heard from organizations working towards PEFC membership, with representatives from Cambodia, Mexico, Nepal, Philippines, Republic of Congo and Viet Nam highlighting their progress. Attending the General Assembly gives these organizations the ideal opportunity to see how PEFC works and gain valuable knowledge from our members.

There were big changes to the PEFC International Board with a new Chairman and three new Board members, as well as the re-election of three standing members. Following the departure of Bill Street last year, Peter Latham became our new Chairman. Peter has been on the Board since 2011, was Chairman of PEFC UK and heads one of Britain's oldest and most respected timber trading companies.

We would like to thank everyone for the support we have received as we begin implementing PEFC in Colombia, Ecuador and Mexico. I hope that in the future all these countries can be a part of this family."

Ana Alicia García Ahumada, Entidad Mexicana de Acreditación



Within the next two years we hope to have a national system and a national governing body in place. Soon, we might even have the highest PEFC-certified community forest in the world!"







Our greatest strength is that we are truly all members of the same family, the PEFC family. While we have been through a successful period as an organization, we still face important challenges. We need to face them together."

Peter Latham, Chairman, PEFC International Board



These new hectares are from just one certificate holder. Their motivation to gain PEFC certification is really interesting – to demonstrate responsible land management to society, not just to produce certified wood for the market. This shows the great flexibility and versatile nature of the PEFC system."

Simon Dorries, National Secretary, Australian Forestry Standard

Smashing records

We closed the 21st General Assembly with the awards for the biggest increases in PEFC-certified forest area and PEFC Chain of Custody certificates. This year, records were smashed! In Australia alone, more than 16 million hectares became PEFC-certified – an achievement that won Australian Forestry Standard (AFS) the top prize.

Second and third place went to Sustainable Forestry Initiative (SFI) and PEFC Russia, with 8.2 million and 8.1 million hectares of certified forest. For Chain of Custody growth, the top honour went to PEFC Germany, followed by PEFC Spain and China Forest Certification Council (CFCC).



Sustainable Landscapes for Sustainable Livelihoods

PEFC Stakeholder Dialogue

As the world's leaders met in Marrakech for the latest climate change talks, we closed PEFC Forest Certification Week with the PEFC Stakeholder Dialogue – Sustainable Landscapes for Sustainable Livelihoods. Gathering over 200 stakeholders, we explored how to amplify the role of forests and trees in providing solutions to some of the world's most complex challenges.

Here we highlight a few of the key messages to emerge from the event:

Forestry is not only about forests but about livelihoods.
We need to stop complicating things and focus more on helping poor people to grow trees and produce wood. Wood is our best tool for creating rural economic growth and mitigating climate change, two of the most wicked and persistent problems of our time."

Dr Sadanandan Nambiar (formerly CSIRO), Keynote Speaker



Going beyond the more well-known contributions of forests to the planet, our research is unveiling the role of forests as repositories of food and integral to food security and people's health in rural communities. When you combine this with growing evidence on how forests are contributing services that actually sustain

and promote agricultural systems, a larger and clearer picture emerges about just how important forests are within complex landscapes."

Dr Terry Sunderland, CIFOR, Keynote Speaker

Tackling global challenges with forests and trees

We need to work together to improve the recognition of how forests and trees help solve global challenges - from climate change and poverty, to food security and biodiversity loss.

If forests are to play an important role within the landscape, they need to be economically viable. We need to work in a multi-faceted way to ensure it is financially beneficial for landowners to engage in forestry and certification. We can do this by strengthening the profile of wood as a green product and growing market demand, as well as better quantifying, communicating and valuing forests' contributions to the global agenda.

Nurturing connectivity and new forms of collaboration

Scaling up the forest sector's contribution to sustainable landscapes will require new forms of collaboration to cross sectoral and stakeholder divides.

We all have a role to play in 'nurturing connectivity' to new levels and creating opportunities to establish dialogue and interaction to identify shared values and goals. Exploring synergies between different commodities, verification programmes and other initiatives promoting sustainability can offer potential to scale up and deliver more impact.

A landscape approach may provide a unique ecologically-inspired, development paradigm for this connectivity to flourish.







Forest certification has a critical role to play

With the sheer global diversity of forest-based landscapes, there are numerous opportunities for certification to scale up, out, down and wider.

From verifying the sustainable management of protection or set aside forests within agricultural land, to trees outside forests, landscape initiatives and forest restoration initiatives, forest certification can help to support healthy, productive and equitable landscapes.

But it is very clear that one size will not fit all. National stakeholders and national certification systems must continue to adapt and evolve with sophistication, nuance and flexibility to fulfil the needs and opportunities apparent within the country.

Exploring the link between forest certification and landscape approaches







Hosting the Stakeholder Dialogue in Indonesia gave us the unique chance to consider the interaction between forest certification, the landscape approach generally, and specific landscape initiatives on-going in Indonesia."

There were many ideas shared on how forest certification could support landscape initiatives, and how landscape initiatives in developing countries could establish better framework conditions to make certification more feasible and accessible for farmers and forest managers operating within the landscape. In Indonesia, further exploring these synergies could provide long-term solutions to tackle deforestation."

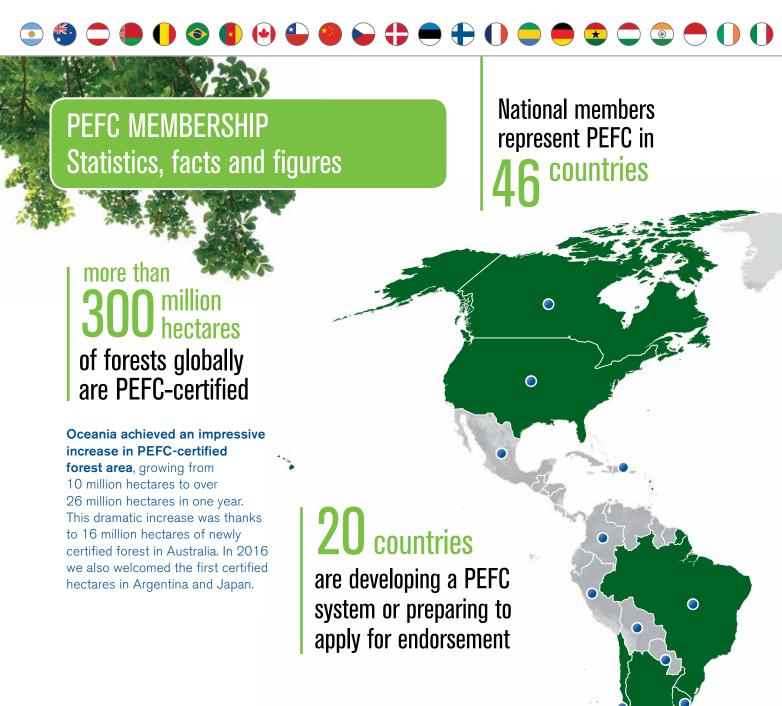
Sarah Price, Head of Projects and Development, PEFC International

Find out more!

Of course, this is just a snapshot of what took place during the Stakeholder Dialogue. There is not enough room in an Annual Review to go into details.

To find out more, head to treee.es/PEFC2016





PEFC-certified forest area and PEFC Chain of Custody certificates per country (as of 31 Dec. 2016)

Total: 301,569,608 hectares 10,976 Chain of Custody certificates

= 1 million hectares 100 = number of CoC certificates

More than 2000 CoC certificates



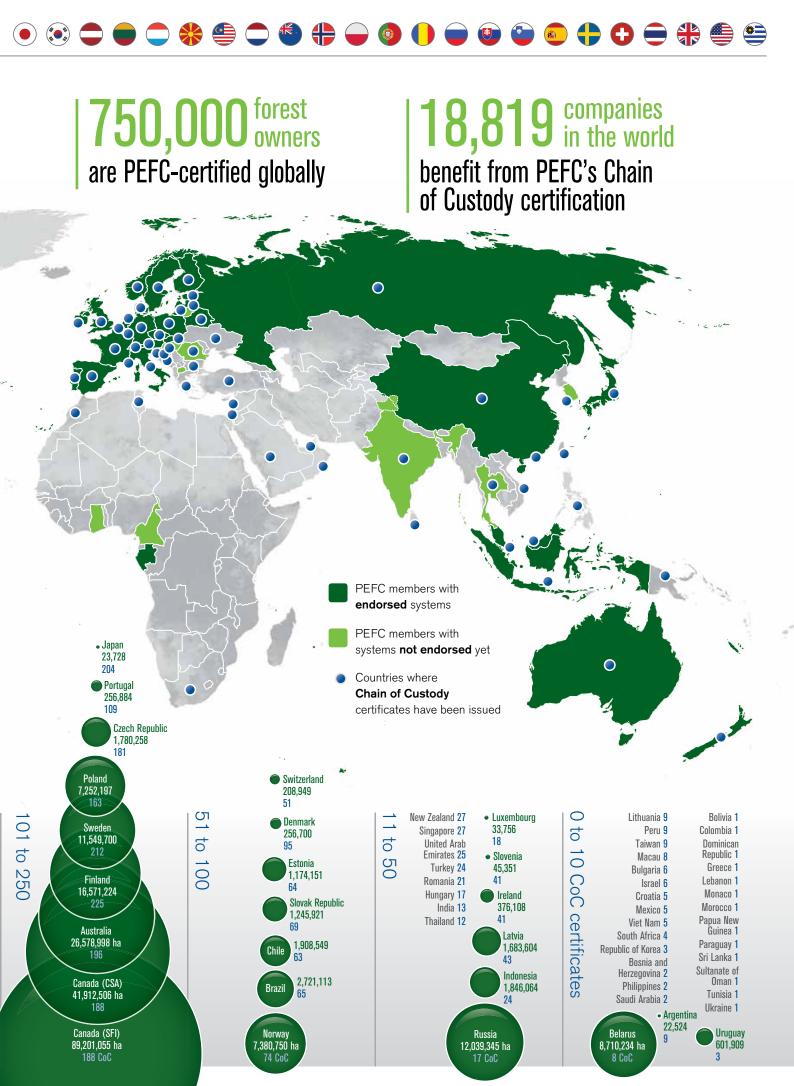
1001 to 2000





01 to 1000 (Tally 811,040 ha 711 CoC





Endorsed members (as of 31 Dec. 2016)

| Country | Name | Website | Email |
|-----------------|--|--|--|
| Argentina | Argentine Forest Certification System (CERFOAR) | www.cerfoar.org.ar | info@cerfoar.org.ar |
| Australia | Australian Forestry Standard (AFS) | www.forestrystandard.org.au | info@forestrystandard.org.au |
| Austria | PEFC Austria | www.pefc.at | info@pefc.at |
| Belarus | Republican Association of Forest Certification System | | olch_75@mail.ru |
| Belgium | PEFC Belgium | www.pefc.be | info@pefc.be |
| Brazil | Brazilian Forest Certification Programme (CERFLOR) | www.inmetro.gov.br/ qualidade/cerflor.asp | LSSouza@inmetro.gov.br |
| Canada | PEFC Canada, Sustainable Forestry Initiative (SFI) | www.pefccanada.org www.sfiprogram.org | wooding@shaw.ca rachel.dierolf@sfiprogram.org |
| Chile | Chile Forest Certification Corporation (CERTFOR) | www.certfor.org | alaroze@certforchile.org |
| China | China Forest Certification Council (CFCC) | www.cfcs.org.cn | cfcc@cfcc.org.cn |
| Czech Republic | PEFC Czech Republic | www.pefc.cz | info@pefc.cz |
| Denmark | PEFC Denmark | www.pefc.dk | info@pefc.dk |
| Estonia | Estonian Forest Certification Council | www.pefc.ee | info@pefc.ee |
| Finland | PEFC Finland | www.pefc.fi | office@pefc.fi |
| France | PEFC France | www.pefc-france.org | contact@pefc-france.fr |
| Gabon | PAFC Gabon | | ondorose@yahoo.fr |
| Germany | PEFC Germany | www.pefc.de | info@pefc.de |
| Indonesia | Indonesian Forestry Certification Cooperation (IFCC) | www.ifcc-ksk.org | sekretariat@ifcc-ksk.org |
| Ireland | PEFC Ireland | www.pefc.ie | william@pefc.ie |
| Italy | PEFC Italy | www.pefc.it | info@pefc.it |
| Japan | Sustainable Green Ecosystem Council (SGEC) | www.sgec-eco.org | info@sgec-eco.org |
| Latvia | PEFC Latvia | www.pefc.lv | info@pefc.lv |
| Luxembourg | PEFC Luxembourg | www.pefc.lu | pefc@privatbesch.lu |
| Malaysia | Malaysian Timber Certification Council (MTCC) | www.mtcc.com.my | info@mtcc.com.my |
| Netherlands | PEFC Netherlands | www.pefcnederland.nl | info@pefcnederland.nl |
| New Zealand | New Zealand Forest Certification Association (NZFCA) | | am.mcewen@xtra.co.nz |
| Norway | PEFC Norway | www.pefc.no | pefc.norge@skog.no |
| Poland | PEFC Poland | www.pefc.pl | pefc@ibles.waw.pl |
| Portugal | PEFC Portugal | www.pefc.pt | cffp@cffp.pt |
| Russia | PEFC Russia | www.pefc.ru | ryschkow@mail.ru |
| Slovak Republic | PEFC Slovakia | www.pefc.sk | info@pefc.sk |
| Slovenia | Institute for Forest Certification | www.pefc.si | info@pefc.si |
| Spain | PEFC Spain | www.pefc.es | pefc@pefc.es |
| Sweden | PEFC Sweden | www.pefc.se | svenskapefc@pefc.se |
| Switzerland | PEFC Switzerland | www.pefc.ch | info@pefc.ch |
| United Kingdom | PEFC UK | www.pefc.co.uk | info@pefc.co.uk |
| United States | PEFC USA: Sustainable Forestry Initiative (SFI), American Tree Farm System (ATFS) | www.sfiprogram.org www.treefarmsystem.org | rachel.dierolf@sfiprogram.org |
| Uruguay | PEFC Uruguay | www.pefc.com.uy | info@pefc.com.uy |

Non-endorsed members (as of 31 Dec. 2016)

| Country | Name | Website | Email |
|-------------------|--|------------------------|--------------------------------|
| Cameroon | Cameroonian Association of the Pan African Forestry Certification | | patrice.paah@pafc-cameroon.org |
| Ghana | Working Group on Forest Certification | www.workinggroupgh.org | nwgghana@yahoo.com |
| Hungary | Hungarian Forest Certification Non-profit Ltd. | www.pefc.hu | info@pefc.hu |
| India | Network for Certification and Conservation of Forests (NCCF) | www.nccf.in | info@nccf.in |
| Lithuania | PEFC Lithuania | www.forest.lt/pefc | algis.gaizutis@ef.vu.lt |
| Macedonia | The Council for Sustainable Forest Management in the Republic of Macedonia | www.pefc.mk | pefcmk@gmail.com |
| Republic of Korea | Korea Forestry Promotion Institute (KoFPI) | www.kofpi.or.kr | rykim@kofpi.or.kr |
| Romania | PEFC Romania | www.pefc.padurea.org | istvan.toke@gmail.com |
| Thailand | The Federation of Thai Industries (F.T.I.) | www.fti-tfcc.org | rungnapa.tfcc@gmail.com |

SYSTEM NEWS 2016:

Received endorsement:

Sustainable Green **Ecosystem Council** (SGEC) - Japan

Under assessment for endorsement:

- · Hungarian Forest Certification Non-profit Ltd.
- · The Council for Sustainable Forest Management in the Republic of Macedonia

Received re-endorsement:

- · Chile Forest Certification Corporation (CERTFOR)
- PEFC Germany
- PEFC Latvia
- · Malaysian Criteria & Indicators for Forest Plantations (standard)
- PEFC Norway
- PEFC Russia
- · PEFC Slovakia
- · Sustainable Forestry Initiative (SFI)

Under assessment for re-endorsement:

- Republican Association of Forest Certification System - Belarus
- PEFC France
- · PEFC Italy
- PEFC Sweden
- PEFC UK
- · American Tree Farm System

New International Stakeholder members:

- · Connecting Natural Values and People (CNVP)
- European Biomass Association (AEBIOM)
- European Confederation of Agricultural, Rural and Forestry Contractors (CEETTAR)
- WestRock Company

International Stakeholder members:

- APP Timber
- · Asia Pacific Resources International Holdings Ltd. (APRIL)
- · Association Technique Internationale des Bois Tropicaux (ATIBT)
- · Building and Wood Worker's International (BWI)
- · Confederation of European Forest Owners (CEPF)
- · Confederation of European Paper Industries (CEPI)
- Connecting Natural Values and People (CNVP)

- · European Biomass Association (AEBIOM)
- · European Confederation of Agricultural, Rural and Forestry Contractors (CEETTAR)
- European Timber Trade Federation (ETTF)
- European Tissue Symposium (ETS)
- Fibria
- · International Council of Forest and Paper Associations (ICFPA)
- · International Family Forestry Alliance (IFFA)
- · International Paper
- Metsä Group

- · Purinusa Ekapersada (APP)
- · Regional Community Forestry Training Center for Asia and the Pacific (RECOFTC)
- · Smurfit Kappa
- Stora Enso
- · Suzano Pulp and Paper
- · Union of Silviculturists of Southern Europe (USSE)
- · WestRock Company
- · Weyerhaeuser Company

Extraordinary members:

- · European Confederation of Woodworking Industries (CEI-Bois)
- · European Landowners' Organization (ELO)
- · Fédération Européenne des Communes Forestières (FECOF)
- · Manufacturers of Educational & Commercial Stationery European Association (MECSEA)
- · Union of European Foresters



Financial information

Budget summary:

In 2015, PEFC operated on a total income of about CHF 4.1 million.

Income sources (2015)



Expenditure (2015)



Board of Directors



CHAIRMAN

Peter Latham

Chairman of James Latham PLC, one of Britain's oldest timber companies. He is a former Chairman of the Forests Forever Committee of the Timber Trade Federation, member of the Council of the Commonwealth Forestry Association, and former Chairman of PEFC UK.

Current Term of Office: 2016-2018





Natalie Hufnagl-Jovy

Senior Policy Advisor with the Consortium of the German Forest Owner Associations (AGDW), from 1999-2007 Secretary General of the Confederation of European Forest Owners (CEPF) and former Board member of IFFA.

Current Term of Office: 2016-2019



Sheam Satkuru-Granzella

Director of the Malaysian Timber Council (MTC), Europe; Barrister with a Masters in international trade law/regulations; experienced in policy/legal analysis, international negotiations and advocacy, representing the Malaysian and tropical forestry and timber industry.

Current Term of Office: 2014-2017

BOARD MEMBERS



Genevieve Chua

Managing Director of paper merchanting group Spicers Singapore and Spicers Asia and Honorary Treasurer of the Print & Media Association of Singapore.

Current Term of Office: 2016-2019



Peter Crook

Timber Strategy Advisor for Kingfisher, Offer and Supply Chain, and previously Head of Range for Timber and Internal Building for B&Q.

Current Term of Office: 2017-2020



David Ford

CEO of L&C Carbon with previous leadership positions at National Forest Products Association, Oregon Small Woodlands Association and Metafore.

Current Term of Office: 2016-2019



Juan Carlos Jintiach

Works with COICA, the Coordinator of Indigenous Organizations of the Amazon River Basin, and is a focal point in the indigenous people's caucus within the UNFCCC.

Current Term of Office: 2016-2019



Riikka Joukio

Senior Vice President of Sustainability and Corporate Affairs at Metsä Group and an active member in several forest industry related associations.

Current Term of Office: 2014-2017



Brian J. Kernohan

Director of Policy & Environmental Advocacy with Hancock Natural Resource Group directing the global stewardship program.

Current Term of Office: 2015-2018



Joseph Lawson

Former Global Director of Sustainable Forestry for MeadWestvaco Corporation.

Current Term of Office: 2014-2017



Hervé Le Bouler

Head of Forest Policy for France Nature Environnement (FNE), the umbrella organization for environmental NGOs in France; Expert in the Research Department of ONF (State Forest Service, France) climate change policies.

Current Term of Office: 2014-2017



Fermín Olabe Velasco

Director of the Forest Service in the Navarra Region of Spain as well as a member of various Working Groups in EU Policy.

Current Term of Office: 2016-2019





Eduardo Rojas Briales

Chairman of the Spanish Board of Foresters, previous Assistant Director General and Head of the Forestry Department at FAO and Director of the Catalan Forest Owner Association.

Current Term of Office: 2016-2019



Michael Rose

Chief of Staff for the Woodworkers Department of the International Association of Machinists and Aerospace Workers (IAM).

Current Term of Office: 2017-2018

PEFC International team



Ben Gunneberg CEO/Secretary General

Communications Unit



Thorsten Arndt Head of Communications



Hannah Price Communications Officer

Finance





Simon Clark Finance Officer

Administration



Natalie Faulkner PA to CEO & Office Manager

Marketing



Fabienne Sinclair Marketing

Projects & Development Unit



Sarah Price Head of Projects & Development



Rémi Sournia Projects & Development Officer

Technical Unit



Michael Berger Deputy Secretary General & Head of Technical Unit



Christian Kämmer Technical Officer



Johan Vlieger Technical Officer



Marta Martínez Pardo Technical Officer





Xavier Noyon EU Affairs



Richard Laity PEFC Southeast Asia, Projects & Development Officer



Benson Yu PEFC Asia Promotions China











WWW.pefc.org

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