

SGEC Standard Documents

—Final version of SGEC documentation
re-endorsed by the PEFC Council—

April 27, 2022

SGEC/PEFC Japan

Table of Contents

SGEC Standard Document 1: Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)	1
SGEC Standard Document 2: SGEC Standard Setting – Requirements...	20
SGEC Standard Document 3: SGEC Sustainable Forest Management – Requirements.....	38
SGEC Standard Document 3-1: SGEC Group Forest Certification – Requirements.....	111
SGEC Standard Document 4: Chain of Custody of Forest and Tree Based Products – Requirements.....	129
SGEC Standard Document 5-1: Requirements for Certification Bodies operating certification under SGEC forest management certification standard.....	172
SGEC Standard Document 5-2: Requirements for Certification Bodies operating certification under SGEC COC certification standard..	185
SGEC Standard Document 5-3: Certification and Accreditation Procedures	223
SGEC Standard Document 5-4: Notification of Certification Bodies operating Certification of SGEC and/or PEFC.....	230
SGEC Standard Document 6: SGEC Trademarks Rules –Requirements	244
SGEC Standard Document 6-1: Issuance of the SGEC Trademarks License by SGEC/PEFC Japan.....	273
SGEC Standard Document 6-2: Issuance of PEFC Trademarks Usage License by the PEFC Council.....	283
SGEC Guide Document 8: Procedures for dealing with complaints and disputes against SGEC scheme.....	293

SGEC Standard Document 1

Approved by the Board of Directors on March 30, 2021

Date of Entry into Force: June 1st, 2021

Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)

Contents

- Chapter 1: General Rules
- Chapter 2: Certification Principles, Indicators and Guidelines
- Chapter 3: Forest Management Certification
- Chapter 4: Certified Products and Chain of Custody
- Chapter 5: Certification body
- Chapter 6: Certification Management Committee
- Chapter 7: Complaints and Correction Measures

References

- SGEC Standard Document 1:2021 “Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)”
- SGEC Standard Document 2:2021 “SGEC Standard Setting – Requirements”
- SGEC Standard Document 3:2021 “SGEC Sustainable Forest Management — Requirements”
- SGEC Standard Document 3-1:2021 “SGEC Group Forest Management — Requirements”
- SGEC Guide Document 3: “SGEC Guide to Implement FPIC for Ainu People”
- SGEC Standard Document 4: 2021 “SGEC Chain of Custody of Forest and Forest Based Products — Requirements”
- SGEC Standard Document 5-1:2021 “SGEC Requirements for Certification Bodies operating Certification against the SGEC Forest Management Standard”

- SGEC Standard Document 5-2:2021 “SGEC Requirements for Certification Bodies operating Certification against the SGEC Chain of Custody Standard”
- SGEC Standard Document 6:2021 “SGEC Trademark Rules —Requirements”
- SGEC Standard Document 6-1:2021 “Issuance of the SGEC/PEFC Trademarks License by SGEC/PEFC Japan
- SGEC Standard Document 7:2021 “SGEC Information and Registration System — Data Requirements”
- SGEC Guide Document 8:2021 “SGEC Procedures for Dealing with Complaints and Disputes against SGEC Scheme”

Chapter 1: General Rules

1.1 General Rules

- 1.1.1** Operational rules of forest management certification and forest products chain of custody certification scheme by Sustainable Green Ecosystem Council (hereinafter referred to as the “SGEC certification scheme”) stipulated in Article 3, Section 2(1) in the Statutes shall be provided herein.
- 1.1.2** This document was endorsed/mutually recognized by PEFC international standards by PEFC General Assembly as of 202x.xx.xx-----.

1.2 Purpose of SGEC certification schemes

- 1.2.1** SGEC certification scheme aims to contribute to materialization of sustainable local societies and achievement of Sustainable Development Goals (SDGs) through enhancing ecological services of forests as the “green ecosystem”, by seeking for attainment of sustainable forest management in harmonization with ecological, social and economic conditions specific to Japan, based upon the Montreal Process Criteria and Indicators framework, as well as based upon “Transforming our world: 2030 Agenda for Sustainable Development (SDGs)” adopted by the United Nations and a series of recent amendment of the PEFC international certification standards including the revision of PEFC FM standard in 2018.
- 1.2.2** SGEC certification scheme maintains endorsement by and mutual recognition with PEFC international forest certification standards; makes efforts toward dissemination and establishment of the forest certification scheme based upon independent third-party certification; accelerates implementation of responsible forest management through the supply chain of forest products; and assures that

timber and non-timber forest products are produced in accordance with high-standard environmental, social and ethical criteria. The SGEC certification scheme thereby contribute to sustained improvement of forest management driven by the market through promotion of supply and demand of certified forest products under discerning purchasing by consumers.

1.3 Mechanism of the scheme

- 1.3.1** The SGEC certification scheme shall be a scheme in which the “scheme owner”, the “accreditation Body” and “certification bodies” are operated strictly in a mutually independent manner in order for securing credibility of the scheme.

Note 1: The scheme owner is an organization bearing responsibility of formulation of certification standards and administration of the certification scheme. The scheme owner of SGEC certification scheme is SGEC/PEFC Japan.

Note 2: An accreditation body is an organization to accredit certification bodies within a scope of accreditation allowed by a certification scheme based upon ISO international standards. The accreditation body in Japan is Japan Accreditation Board.

Note 3: Certification bodies are organizations to carry out forest management certification and COC certification based on the forest management standard and the COC standard respectively.

- 1.3.2** SGEC certification scheme is verified to meet the high-level criteria of the PEFC international forest certification scheme applicable uniformly across the world through evaluation of conformity with the PEFC standards, and the SGEC scheme is endorsed/mutually recognized by PEFC Council through the publicly transparent and independent process.

- 1.3.3** The SGEC certification scheme shall formulate its certification standards in a publicly transparent manner as stipulated in 1.2.2 above, ensure its credibility and be administered and managed as a scheme securing the global standard.

1.4 Administration and management of the certification scheme

- 1.4.1** SGEC/PEFC Japan shall implement tasks with respect to administration and management of SGEC certification scheme as stipulated in this document.
- 1.3.2** SGEC/PEFC Japan administers the PEFC international forest certification scheme in Japan as the organization authorized to perform administration of PEFC

scheme in Japan based on the contract between PEFC Council on administration of PEFC scheme in Japan signed in 2016.

Chapter 2. The certification standards

2.1 Formulation of certification standards

2.1.1 The SGEC certification standards shall be formulated based upon an open and transparent process of consultation and consensus under the participation of a broad range of stakeholders within Japan.

2.1.2 The formulation of the certification standards shall be implemented according to the process stipulated in SGEC Document 2:20xx “Formulation of standards”

2.2 System of the certification standards

2.2.1 The certification scheme is comprised of the forest management (FM) certification standard, which forms criteria for certification of forest management, and Chain of Custody (COC) certification standard, which forms criteria for certification of organizations (such as companies) dealing with each stage (COC) of production, processing and distribution. In addition, the standard on certification bodies which implement the FM and COC certification is also formulated.

2.2.2 Rigorous observance of the standards defined in 2.2.1 above under the third-party certification institutionally ensures the realization of sustainable forest management in compliance with the forest management certification standard, which integrates environment, social and economic aspects from consumers’ perspective, and the distribution of certified forest products originating from the certified forests up to consumers through a verifiable and credible system.

2.3 Formulation and revision of the certification standards

2.3.1 The certification standards shall be reviewed in every 5 years.

2.3.2 The formulation and revision of the certification standards are required to be promptly carried out, when necessary, in case of the formulation and revision of PEFC international certification standards, conclusion of a new treaty related to forest management etc., change in domestic policies and systems, publication of new knowledge and other circumstances. In particular, with respect to the standard related to Ainu people, information sharing with relevant organizations and close monitoring of examination and coordination by relevant international organizations, Japanese government and other domestic administrative organizations are required.

2.3.3 The formulation and revision of the standards shall be implemented by permanent committees/bodies whose responsibilities are identified as follows:

- (1) Standard management committee as stipulated in Section 1 of Article 52 of SGEC Statute.

The standard management committee is to be composed of members representing a broad range of stakeholders including academics, environment, citizens/consumers. Moreover, holding of a committee meeting is to be publicly announced, and, when stakeholders other than the committee members express their willingness to participate the committee meeting, the participation is to be admitted and composition of the committee members is to be adjusted accordingly. When necessary, working groups to deliberate specific issues may be established within the committee.

- (2) Councilors committee as stipulated in Chapter 5 of SGEC Statute

The councilors committee is to be composed of experts from academics, NPO/environmental organizations, etc. in order to invite opinions from the standpoint of academics, environment, citizens/consumers, etc.

- (3) Board of Directors as stipulated in Chapter 5 of SGEC Statute

Board of Directors is to be composed of directors representing three fields, i.e., academics, industry and environment/society, in order for securing fair and impartial deliberation in general.

2.3.4 The formulation and revision of the standards shall follow the deliberation process as stipulated as follows:

- (1) Formulation of the working draft by the secretariat

The secretariat shall formulate a working draft taking account of revision of the PEFC international certification standards, revision of international and domestic laws and regulations, opinions of a wide range of stakeholders expressed in the occasion of SGEC forums and seminars, etc. and situation related to implementation of certification operation.

- (2) Formulation of the enquiry draft

The standard management committee shall deliberate the working draft presented by the secretariat and formulate the enquiry draft.

- (3) Public consultation of the enquiry draft

Opinions of stakeholders shall be widely invited by implementing public consultation of the enquiry draft.

- (4) Formulation of the final draft by the standard management committee

The final draft shall be formulated by the standard management committee based

on the opinions delivered through the public consultation

(5) Deliberation of the final draft by the councilors committee

The councilors committee shall deliberate the final draft and present its opinion to the Board of Directors.

(6) Approval of the final draft by the Board of Directors

The Board of Directors approves the final draft based upon the opinions of the councilors committee.

(7) Return to the standard management committee for deliberation in case the councilors committee or the Board of Directors disagrees or disapproves the final draft

If opinions against approval of the final draft are presented as a result of the deliberation by the councilors committee, the Board of Directors shall return the final draft back to the certification administration committee. The standard management committee shall further examine and deliberate the final draft in order to acquire consensus by organizing a joint meeting with councilors committee or by other ways; formulate the final draft again; and acquire approval by the Board of Directors

Chapter 3: Forest Management (FM) Certification

3.1 Forest Management Certification

3.1.1 The purpose of the forest management certification is to develop a rich society based on a material cycle system and to contribute to conserve natural environment with rich greenery, by seeking for realization of sustainable forest management enabling full-exertion of multiple functions of forests such as economic, environmental and social functions within given natural and social conditions inherent to Japan

3.1.2 The ownership structure of Japanese forests is generally very small in scale. Therefore, SGEC/PEFC Japan shall support development of forest owners' organizations such as forest owners' cooperatives and certification associations to which small-scale forest owners could join in order to promote group forest certification.

3.2 Forest management certification standard

3.2.1 Forest management certification shall be carried out based on SGEC Document

3:202x “SGEC Sustainable Forest Management – requirements” and related standards.

3.3 Acquisition of forest management certification

3.3.1 Entities who intend to acquire forest management certification shall submit an application to an accredited certification body notified by SGEC/PEFC Japan as a SGEC forest management certification body. If the forest owners/managers are recognized that they implement forest management in conformity with the certification standard authorized by SGEC/PEFC Japan based on the certification audits, the forest owners/managers will acquire SGEC forest management certification.

Note: Requirements of certification bodies carrying out SGEC forest management certification are stipulated in SGEC Document 5-1 “Requirements for certification bodies carrying out certification based on SGEC forest management certification standard”.

3.3.2 Forest managers (hereinafter including forest owners) may acquire either of the following types of forest management certification for the sake of efficient and effective certification depending on the scale of forest management and other factors related to their forest management:

(1) Individual certification

An individual certificate is forest management certification covering forest area managed by a single forest manager.

(2) Group certification

Group certification is single forest management certification covering forest area managed by a group of forest managers. The requirements of group forest certification are stipulated in SGEC Document 3-1:2021 “SGEC Group Forest Certification – Requirements”.

3.3.3 When forest managers who acquired the forest management certificate operate production (harvesting) and sales of certified forest products, among types of business stipulated in the section 4.3.3. below, the forest managers do not need to acquire COC certification and its notification stipulated in the section 4.5 below. In this case, the forest managers shall follow Standard Document 3 “SGEC Sustainable Forest Management – Requirements” and Standard Documents 4 “SGEC Chain of Custody

of Forest and Forest Based Products – Requirements” in conducting the production and sales.

3.4 Administration of forest management certification

3.4.1 The term of validity of forest management certification shall be 5 years, and the certificate loses its validity after this period. When forest owners/managers intend to acquire the certification continuously, the forest owners/managers shall receive re-certification audit based on the SGEC certification standard which is effective at that time.

3.4.2 The forest managers shall take surveillance audits once a year with respect to the management of the certified forest based on the SGEC standard which is effective at the time by the certification body which issued the certificate concerned. When the forest managers have surveillance audits conducted by a different certification body instead of the organization body which issued the certificate concerned, the managers shall have the forest management certificate issued by the new certification body at the time of the audits based on the section 3.3 above of this document. Notwithstanding the above, if the previous certification body provides sufficient information on the result of its certification audit necessary for conducting surveillance audit based on the requirements stipulated in the section 6.2.2. (Outsourcing) of ISO/IEC 17065, the forest manager concerned does not need to re-acquire forest management certificate from the new certification body as stipulated in the section 3.3 above.

3.5 Notification of forest management certification

3.5.1 Certification bodies shall report to SGEC/PEFC Japan when they issue forest management certificates and conduct re-certification and surveillance audits.

3.5.2 SGEC/PEFC Japan shall notify the forest management certificates issued and re-certified as reported 3.6.1 to 3.5.1 above.

Note: Notification of forest management certificates is made public through website of SGEC/PEFC Japan.

3.6 Withdrawal of forest management certification

3.6.1 When either of the following facts is found, certification bodies shall withdraw the forest management certification concerned.

(1) In case corrective actions which shall be taken based on re-certification or

surveillance audits are not taken

(2) In case a serious illegal act or similar act is found

(3) Except for (1) and (2) above, in case forest management is extremely deviate from the certification standard

3.6.2 Certification bodies shall notify the forest owners/managers concerned of the withdrawal of the forest management certificate stipulated in the 3.6.1 above and report it to SGEC/PEFC Japan.

3.6.3 SGEC/PEFC Japan shall delete the notification of the forest management certificate concerned when reported as stipulated in 3.6.2 above.

3.7 Notification fee of forest management certification

3.7.1 Forest managers who acquired forest management certification shall pay the notification fee of the forest management certification as determined in the attachment 2 through certification bodies. When certification is withdrawn as stipulated in 3.6 above, already paid notification fee will not be refunded.

Chapter 4 COC (Chain of Custody) certification

4.1 COC certification

4.1.1 The objective of COC certification is to provide accurate and verifiable information that forest and tree based products are sourced from SGEC certified sustainably managed forests, recycled material and SGEC controlled sources.

4.1.2 COC certification aims dissemination and expansion of certified forest and forest based products in the society by affirming their traceability with clarity, promoting supply and demand of certified forest and forest based products under discerning purchasing by consumers and realizing the vigorous market of certified forest products.

Note 1: The control source is a category of forest and tree based material which is identified as having “minimum” risk of originating from “controversial sources” through Due Diligence System conducted by certified organizations.

Note 2: DDS (Due Diligence System) is the process and system of collecting information, assessing and reducing risks of forest and forest based materials originating from controversial sources conducted by the organization. The condition of “SGEC Controlled sources” is to be managed and categorized as negligible risk based on the risk assessment under the DDS.

4.2 COC certification standard

4.2.1 COC certification shall be conducted based on SGEC Standard Document 4: 2021 “Chain of Custody of SGEC Forest and Tree Based Products – Requirements”.

4.3 Acquisition of COC certification

4.3.1 Entities who intend to acquire COC certification shall submit an application to an accredited certification body notified by SGEC/PEFC Japan as a SGEC COC certification body. If the entities are admitted to implement COC management in conformity with the certification standard stipulated by SGEC/PEFC Japan based on the certification audits, the entities will acquire SGEC COC certification.

Note: Requirements of certification bodies carrying out SGEC COC certification are stipulated in SGEC Document 5-2 “Requirements for certification bodies carrying out certification based on SGEC COC certification standard”.

4.3.2 Entities who intend to acquire COC certification may acquire either of the following types of COC certification for the sake of efficient and effective certification depending on situation of the COC organizations (companies, etc.):

(1) Individual COC certification

Individual certification is COC certification covering a single COC..

(2) COC certification of a multi-site organization

Multi-site COC certification is COC certification under a single certificate covering an organization having multiple sites of production, i.e. multi-site organization. In particular, multi-site COC certification enables a group of small-scale independent companies to acquire and implement COC certification. The requirements for implementation of COC certification of a multi-site organization are stipulated in Appendix “Implementation of COC certification of a multi-site organization” of SGEC Standard Document 4 “Chain of Custody of SGEC Forest and Tree Based Product – Requirements”.

4.3.3 Business categories of COC organizations (companies having COC certificates, etc.) may be any of categories related to forests and forest products such as production, processing and distribution of forest products (including non-timber forest products) originating from certified forests; construction utilizing forest and forest based products; paper manufacturing; printing and book binding; and forest ecosystem services.

4.4 Administration of COC certification

4.4.1 The term of validity of COC certification shall be 5 years, and the certification loses its validity after this period. When COC organizations (companies, etc.) intend to acquire the certification continuously, the COC organizations shall take re-certification audit based on the SGEC certification standard which is effective at that time.

4.4.2 The COC organizations shall take surveillance audits once a year with respect to the management of the certified products by the certification body which issued the certification concerned based on the SGEC standards which are effective at the time of the audits. When the COC organization have surveillance audits conducted by a different certification body instead of the organization body which issued the certificate concerned, the organization shall have the COC certificate issued by the new certification body at the time of the audits based on the section 4.3 above of this document. Notwithstanding the above, if the previous certification body provides sufficient information on the result of its certification audit necessary for conducting surveillance audit based on the requirements stipulated in the section 6.2.2. (Outsourcing) of ISO/IEC 17065, the organization concerned does not need to re-acquire COC certificate from the new certification body as stipulated in the section 4.3 above.

4.5 Notification of COC certification

4.5.1 Certification bodies shall report to SGEC/PEFC Japan when they issue a COC certificate and conduct re-certification and surveillance audits.

4.5.2 SGEC/PEFC Japan shall notify the COC organizations (companies, etc.) to whom the COC certification is issued and the COC organization who received re-certification audits.

Note: Notification of certification of the organizations is made public through website of SGEC/PEFC Japan.

4.6 Suspension of handling of certified products

4.6.1 When COC organizations intend to suspend handling of certified products, the organizations concerned may report it to the certification body which issued the certification concerned.

4.6.2 When the certification body received the report defined in 4.6.1 above, the certification body may replace on-site audits by audits based on documents (including materials such as photographs or video-clips showing management and separation of certified products in the each step of production). The period of the replacement shall not exceed 2 years.

4.6.3 When the COC organizations having reported the suspension as stipulated in the above report the certification organizations the intention to re-start handling of the certified products, the certification bodies may rescind the suspension of COC certification of the COC organizations concerned after conducting surveillance audits.

4.6.4 The certification bodies concerned shall report to SGEC/PEFC Japan in case of the suspension and rescindment stipulated above.

4.7 Withdrawal of COC certification

4.7.1 When either of the following facts is found, certification bodies shall withdraw the COC certification of the COC organization concerned.

(1) In case important corrective actions which shall be taken based on re-certification or surveillance audits are not taken

(2) In case a serious illegal act or similar act is found

(3) In case an asocial fact is found with respect to the certified forest products concerned

(4) Except for (1) , (2) and (3) above, in case management of certified products is extremely deviate from the COC certification standard

4.7.2 Certification bodies shall notify the COC organizations concerned of the withdrawal of the COC certification as stipulated in the 4.7 above and report it to SGEC/PEFC Japan.

4.7.3 SGEC/PEFC Japan shall delete the notification of the COC certification concerned when reported as stipulated in 4.7.2 above.

4.8 Notification fee of COC certification

4.8.1 COC organizations shall pay the notification fee of the COC certification as determined separately through certification bodies. When certification is withdrawn as stipulated in 4.7 above, already paid notification fee will not be refunded.

Chapter 5: Certification body

5.1 Requirements of certification body

5.1.1 The certification bodies are classified into “the organizations which conduct forest management certification” and “the organizations which conduct chain of custody certification”, and the requirements for the certification bodies are based on SGEC Standard Document 5-1:2021 “Requirements for Certification Bodies Operating Certification against SGEC Forest Management Certification Standard” with respect to “the organizations which conduct forest management certification”, and SGEC Standard Document 5-2:2021 “Requirements for Certification Bodies Operating Certification against SGEC/PEFC COC Standard” with respect to the organizations which conduct chain of custody certification”.

5.1.2 The certification bodies shall be accredited by an accreditation body that is a signatory of the Multilateral Recognition Arrangement (MLA) of International Accreditation Forum (IAF) as being in conformity with the international standard for the product certification body (ISO/IEC 17065) within in the scope accreditation stipulated in SGEC Standard Document 3 and related standard document for ‘certification bodies operating forest management certification’, and stipulated in SGEC Standard Document 4 and PEFC ST 2003 “Chain of Custody of Forest and Tree Based Products – Requirements” for ‘certification bodies operating COC certification covering certified forest products’.

Note 1: “ISO/IEC 17065” is the international standard defining requirements with respect to abilities of certification bodies to operate fair certification of products and services.

Note 2: Since COC organizations (companies) have opportunities to deal with both SGEC and PEFC certified products under endorsement/mutual recognition by the PEFC international certification scheme, the scope of accreditation of ‘certification bodies operating COC certification of forest products’ shall include PEFC ST 2003 “Chain of Custody of Forest and Tree Based Products – Requirements” in addition to SGEC Standard Document 4 “SGEC COC Certification Standard” as stipulated above.

5.1.3 The certification bodies shall be registered as a corporation in Japan.

5.2 Notification of certification bodies

5.2.1 Those applying for the notification for certification body shall submit the application with the following items to the SGEC/PEFC Japan:

- (1) Name and address of organization and representative

- (2) Outline of the structure and activities of the organization
- (3) The following documents shall be attached with the application.
 - a) Statutes of the organization
 - b) Certificate by accreditation body
 - c) Recent accounting documents and business plans
 - d) Others
- 5.2.2** Certification bodies notified against SGEC shall fulfill the requirements for certification bodies by SGEC/PEFC Japan defined in 6.1.1. above.
- 5.2.3** Certification bodies notified against SGEC shall make clear about the scope of certification, types of certification (forest management certification and/or COC certification) and standards which certification is based upon.
- 5.2.4** Certification bodies shall have valid accreditation by the accreditation body admitted by SGEC/PEFC Japan for notification of the certification bodies against SGEC.
- Note:* At present, the Japan Accreditation Board (JAB) is the accreditation body admitted by SGEC/PEFC Japan.
- 5.2.5** Notification of a certification body against SGEC shall be based on a contract agreed between the certification body and SGEC/PEFC Japan.
- 5.2.6** Certification bodies shall provide SGEC/PEFC Japan with information on audits with respect to certifications they issued to the client organizations and information stipulated in the section 7 “SGEC information and registration system - data management” below according to the Appendix 1 “Format of certification audits report”.
- 5.2.7** Discriminative treatment against certification bodies shall not be included in the requirements for notification of certification bodies against SGEC.
- 5.2.8** Validity period of the notification of a certification body shall be in principle that of its accreditation.
- 5.2.9** Notification of certification bodies shall be terminated or suspended in case the requirements stipulated in the sections above are not fulfilled.

Chapter 6: SGEC Trademarks

6.1 Objectives of SGEC trademarks

6.1.1 The SGEC trademarks provide information relating to the origin of forest based

products in sustainably managed forest and other non-controversial sources in the form of accurate and verifiable information through forest management certification and the labelling system of forest and tree based products (SGEC claims of certification and SGEC labels).

6.1.2 The SGEC trademarks are composed of a horizontally arranged helical figure and initials of ‘SGEC’ as shown below. The design and color tone symbolize the ideal of the SGEC certification scheme, that is, “green ecosystem” which “contributes to establishment of recycling societies in local areas and conservation of natural environment through sustainable forest management, by visually presenting the identity of SGEC.



6.1.3 With respect to SGEC trademarks, their users shall ensure appropriate usage of SGEC logos, SGEC initials and related claims and/or declarations in an accurate and verified manner.

6.1.4 Legal protection of SGEC trademarks, rights to use SGEC trademarks, their usage types, requirements for on-products and off-products trademark usage and others are stipulated in SGEC Standard Document 6:202x “SGEC Trademark Rules – Requirements” and SGEC Standard Document 6-1:202x “Issuance of SGEC trademark usage license by SGEC/PEFC Japan”.

6.2 Usage of SGEC labels

6.2.1 Usage of SGEC labels shall in compliance with SGEC Standard Document 2:2021”SGEC Trademark Rules”.

6.2.2 SGEC labels are classified into the following two categories:

- (1) The SGEC certified label is the generic label to be used on-product. The SGEC certified label may be used whenever at least 70% of the forest and tree based material included in the product is certified material and the content of recycled material is lower than 100%.
- (2) The SGEC recycled label shall be used when the product includes 100 % of material categorized as SGEC recycle material.

6.2.3 SGEC trademark usage is categorized into on-product usage and off-product usage.

- (1) On-product usage of the trademarks is usage referring to the SGEC certified material or a SGEC certified product, or usage that purchasers or consumers understand the trademarks refer the specific product.
- (2) Off-product usage of the trademarks is any usage of the SGEC trademarks that is not covered under the scope of on-product usage, such as usage on a promotion label.

6.2.4 SGEC trademark users are classified into the following 4 groups. Group A and B are limited to off-product usage.

- (1) Group A:
SGEC/PEFC Japan is classified under this category in case of Japan.
- (2) Group B:
Entities certified against SGEC forest management certification (SFM) standard.
- (3) Group C:
Entities certified against SGEC COC certification standard.
- (4) Group D:
Organizations and other entities not classified under SGEC trademarks Group A, B and C such as industry associations, retailers, research and educational institutions, certification bodies, accreditation bodies, governmental organizations and NGOs.

6.3 SGEC trademarks usage license

6.3.1 The SGEC trademarks shall be used under the authority of a SGEC trademarks usage license issued by SGEC/PEFC Japan. The SGEC trademarks usage license includes the issuance of a unique license number.

Note: In case multiple legal entities are covered by a certificate such as group forest management certification or multi-site COC certification, an individual legal entity shall apply for SGEC logo usage and/or SGEC trademark license.

6.3.2 SGEC/PEFC Japan shall define the procedures of licensing in a document, which ensures the following items:

- (1) The license shall be obtained through the signature of a licensing agreement (trademarks usage contract) between the organization applying for trademarks usage and SGEC/PEFC Japan.
- (2) Trademarks users shall observe SGEC Standard Document 6 “SGEC

Trademarks Usage Rules” and SGEC Standard Document 6-1 “Issuance of SGEC Trademarks Usage Licenses by SGEC/PEFC Japan”/

(3) The scope of trademarks usage shall be clearly determined.

6.3.3 The license number of the organization using the SGEC trademarks shall accompany the SGEC trademarks whenever they are used, except for certified organizations when passing on claims for the implementation of the SGEC COC.

6.3.4 SGEC/PEFC Japan may cancel the licensing agreement, when violation of SGEC Standard Document 6 “SGEC Trademarks Usage Rules” occurs.

Chapter 7: SGEC Information and Registration System – data management

7.1 Outline of “SGEC Information and Registration System”

SGEC/PEFC Japan utilizes “PEFC Information and Registration System” (database management system (DBMS)), which is managed for ensuring operability and integrity of PEFC authorized bodies, as “SGEC Information and Registration System”, and, therefore, “SGEC Information and Registration System” is managed as part of “PEFC Information and Registration System”.

7.1.1 “SGEC Information and Registration System” is managed based on SGEC Guide Document 7:202x “SGEC Information and Registration System – Data Requirements” and PEFC GD 1008:2019 “PEFC Information and Registration – Data Requirements”.

7.2 Objective of “SGEC Information and Registration System”

The objective of the SGEC Information and Registration System is to, by utilizing “PEFC Information and Registration System”, provide certified organizations, certification bodies and individuals with reliable information allowing them to:

- verify the validity and SGEC recognized status of certificates and entities,
- identify SGEC logo license holders,
- find certification bodies providing SGEC certification services,
- find suppliers of SGEC certified products.

In addition, “SGEC Information and Registration System” provides data for SGEC statistics used internally and externally, and for monitoring SGEC’s performance.

To ensure the data within “SGEC Information and Registration System” is complete and correct as requested by users of the system, the system is kept up to date by SGEC/PEFC Japan in utilizing “PEFC Information and Registration System”.

7.3 Management of “SGEC Information and Registration System”

“SGEC Information and Registration System” is managed as part of the “PEFC Information and Registration System” participated by all PEFC authorized bodies by SGEC/PEFC Japan providing the PEFC Council with data required for the PEFC scheme.

Section 4 of SGEC Guide Document 7:202x “SGEC Information and Registration System” and Section 5 of PEFC GD 1008:2019 “PEFC Information and Registration System” define requirements for elements of data registered on the “PEFC Information and Registration System” by PEFC authorized bodies including SGEC/PEFC Japan. SGEC/PEFC Japan provide data required as stipulated in this section with the PEFC Council and the PEFC Council manages all data provided by PEFC authorized bodies including SGEC/PEFC Japan. The SGEC system is managed as part of whole data of PEFC authorized bodies under the PEFC system.

7.4 Publication of data registered on “SGEC Information and Registration System”

SGEC/PEFC Japan manages the data pertaining to SGEC certification scheme within the data registered on the “PEFC Information and Registration System” as the data registered on “SGEC Information and Registration System”, and publish these data on the website of SGEC/PEFC Japan.

Chapter 8: Complaints and Correction Measures

8.1 Handling of complaints and appeals

8.1.1. When SGEC/PEFC Japan receives complaints and appeals with respect to the SGEC certification scheme, SGEC/PEFC Japan shall handle them in a prompt and impartial manner, achieve accountability and thereby endeavor to gain thorough understanding of the SGEC certification scheme.

8.1.2 SGEC/PEFC Japan handle complaints and appeals with respect to the PEFC certification scheme in Japan by applying this document on behalf of and in consultation with the PEFC Council under the authority as the PEFC authorized body in Japan based on the contract between SGEC/PEFC Japan and the PEFC Council on management of the PEFC international forest certification scheme in Japan (agreed in 2016).

8.2 Procedures for complaints and appeals

8.2.1 Complaints and appeals shall be appropriately processed based on SGEC Guide Document 8:2021 “SGEC Complaints Handling Rules”.

8.3 Receipt of complaints and appeals

- 8.3.1** Handling of complaints and appeals is managed by the secretariat of SGEC/PEFC Japan and a permanent contact point for complaints and appeals is established within the secretariat (with the secretary general as the responsible person).
- 8.3.2** The secretary general shall examine complaints and appeals based on SGEC Guide Document 8:2021 and decide acceptance or rejection of the complaints and appeals concerned based on the consultation with the auditors of SGEC.
- 8.3.3** Once acceptance or rejection of complaints and appeals decided as stipulated in the previous section, the secretary general shall notify the complainants of the decision without delay.

8.4 Processing of complaints

- 8.4.1** When the acceptance of complaints and appeals is decided, the auditors of SGEC shall collect all the necessary information, examine the information, assessing the complaints and appeals concerned in a impartial manner based upon the examination, identify correction and preventive measures against the complaints concerned and acquire approval by the Board of Directors of SGEC.
- 8.4.2** The President of SGEC shall notify the complainants of the correction and preventive measures against the complaints and appeals concerned stipulated in the previous section.
- 8.4.3** The President of SGEC shall report to the Board of Directors, auditors and the general meeting of members after the notification is made as stipulated in the previous section.

Supplementary article

The next review of this standard shall be started on March 29th 2026 or before.

(end of the document)

SGEC Standard Document 2

Approved by the Board of Directors on March 30, 2021

Date of Entry into Force: June 1st, 2021

SGEC Standard Setting – Requirements

Content

Foreword

Introduction

1. Scope
2. Normative references
3. Terms and definitions
4. Standard setting principle
5. Standardizing body
6. Standard setting process
7. Approval and publication
8. Periodic review of standards
9. Revision of standards

Foreword

The Sustainable Green Ecosystem Council (hereinafter referred as SGEC/PEFC Japan) is an organization promoting sustainable forest management through forest certification and labelling of forest-based products. A product with a SGEC/PEFC claim or label offers customers and end-users assurance that raw materials used in the manufacture of that product originated in a sustainably managed forest.

SGEC/PEFC Japan administers the SGEC certification scheme and is authorized to manage the PEFC international certification scheme in Japan by the PEFC Council.

The SGEC certification scheme took assessment of conformity with the PEFC

international certification scheme and was endorsed by the PEFC Council.

This standard has been developed using an open, transparent, consultative and consensus-based process that included a broad range of stakeholders.

This standard nullifies and replaces SGEC Attachment 2-12:2015 “SGEC Standard Setting”.

Introduction

This standard defines requirements for setting standards described in Chapter 2 of SGEC Standard Document 1 “Operational Rules of SGEC Certification Scheme”.

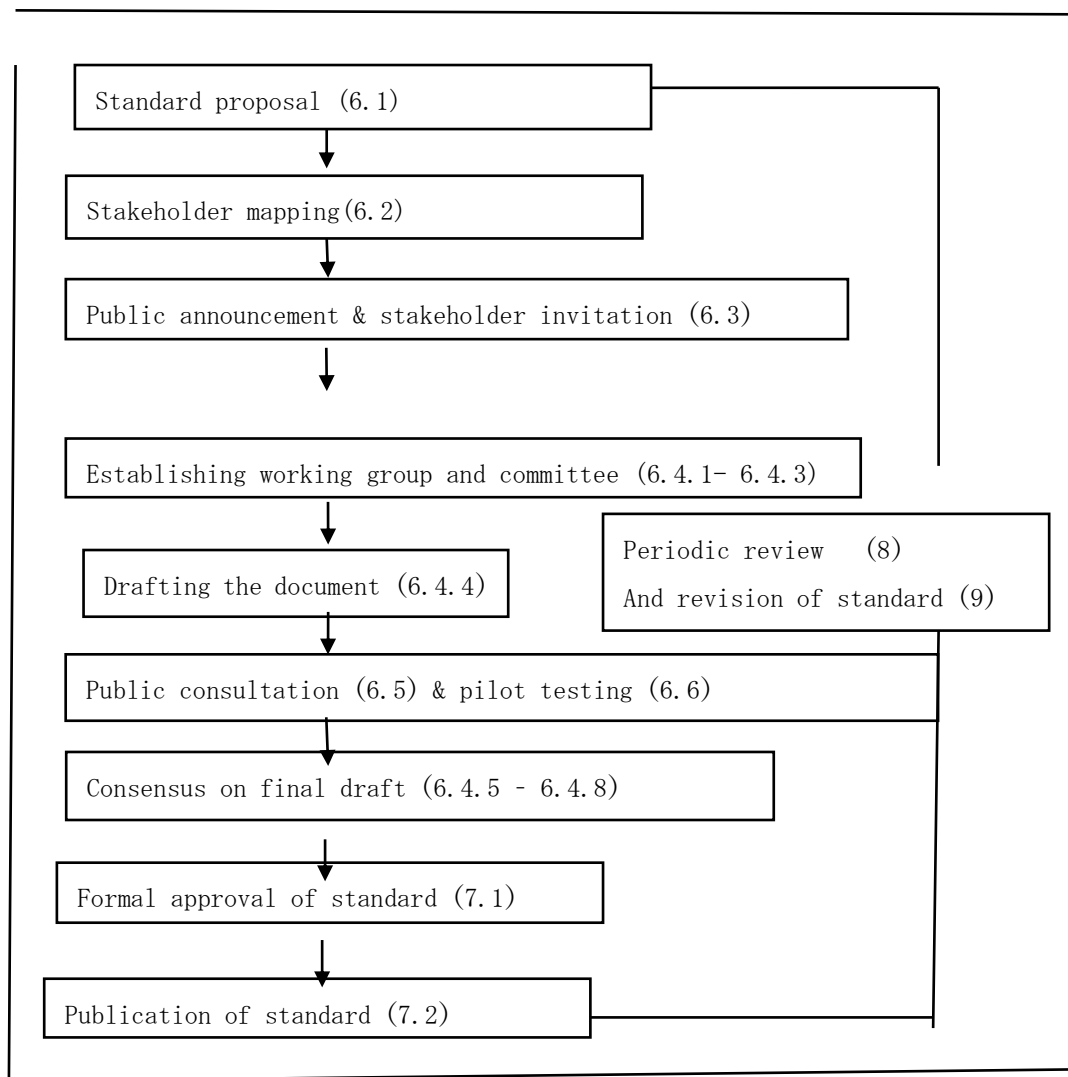
This standard defines requirements for setting standards required to fulfill sustainable forest management in accordance with the actual situation, taking into account environmental, social, economic and historical aspects, as well as status quo of Japanese forests.

Appropriate forest management mentioned in this standard is a holistic approach enabling sustainable forest management under the standards and processes in conformity with PEFC international standards and international/domestic laws and regulations relating to environmental, social, economic and historical aspects. Participation of stakeholders who are affected by forest management is essential during development of a forest certification scheme and the determination of standard documents related to forest management. The standard development process (refer to Fig. 1 and Appendix) used by the SGEC certification scheme is open, transparent and based on consensus among a broad range of stakeholders.

This standard is based on ISO/IEC Guide 59 and Guide 2. In addition, the ISEAL Code of Good Practice for Setting Social and Environmental Standards was taken into consideration.

Process of standard setting and revision based on this standard is shown in Figure 1. Permanent committee and other bodies of SGEC responsible for standard setting are described in Appendix.

Figure 1
Standard-setting and revision process in this document



1. Scope

This standard describes requirements for development, review and revision of standards for forest management and chain of custody standards relating to forest products.

In case that agreement of new international conventions, revision of domestic system, publication of new findings or others occur, certification standards shall be promptly revised. In particular, with respect to the issue related to Ainu people and international conventions such as ILO 169, “UN Declaration on the rights of indigenous peoples” and domestic laws such as the “Act Promoting Measures to Achieve a Society in which the Pride of Ainu People is Respected”, close communication with relevant organizations

and monitoring of related policies of the national government and other administrative organizations shall be maintained and appropriately responded.

2. Normative references

The following documents are referred as normative references in applying this document.

ISO/IEC Guide 59, Code of good practice for standardization

ISO/IEC Guide 2, Standardization and related activities – General vocabulary

PEFC GD 1007:2017, Endorsement and Mutual Recognition of Certification Systems and their Revision

PEFC ST 1001:2017, Standard-setting – Requirements

3. Terms and Definitions

In addition to the definitions stated in this section, the terms and definitions given in ISO/IEC Guide 2 are applicable for the purpose of this standard.

3.1 Consensus

General agreement characterized by the absence of sustained opposition to substantial issues by any important part of the concerned interests and by a process that involves seeking to take into account the views of all parties concerned and to reconcile any conflicting arguments.

Note: Consensus need not imply unanimity (ISO/IEC Guide 2).

3.2 Editorial changes

Changes to a system (standard documents) that do not alter the technical content.

Note: This can include clarifications, guidance and grammatical changes.

3.3 Enquiry draft

A proposed document that is available for public consultation.

3.4 Final draft

A proposed document that is available for formal approval (by the Board of Directors).

3.5 Normative document

A document that provides rules, guidelines or characteristics for activities or their results.

Note 1: The term “*normative document*” is a generic term that covers such documents as standards, technical specifications, codes of practice and regulations.

Note 2: “*A document*” is to be understood as any medium with information recorded on or in it.

Note 3: The terms for different kinds of normative documents are defined considering the document and its content as a single entity (ISO/IEC Guide 2).

3.6 Publicly available

Generally accessible to the interested public in any form and without the need for a request.

Note 1: When information is available by request only, this is indicated explicitly in the document as available on request.

Note 2: Special consideration might be needed for disadvantaged stakeholders to ensure their access, e.g. providing hard copies to stakeholders identified as having no access to electronic media.

3.7 Revision

Introduction of all necessary changes to the substance and presentation of a normative document.

Note: The results of the revision are presented by issuing a new edition of the normative document (ISO/IEC Guide 2).

3.8 Review

Activity of checking a normative document to determine whether it is to be reaffirmed, changed or withdrawn. (ISO/IEC Guide 2)

3.9 Stakeholder

A person, group or organization with an interest in the subject of the standard.

3.10 Affected stakeholder

A stakeholder who might experience a direct change in living and/or working

conditions caused by implementation of the standard, or a stakeholder who might be a user of the standard and therefore is subject to the requirements of the standard.

Note 1: Affected stakeholders include neighboring communities, indigenous people, workers, etc. However, having an interest in the subject matter of the standard (e.g. NGOs, scientific community, and 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.

3.11 Disadvantaged stakeholder

A stakeholder who might be financially or otherwise disadvantaged by participating in the standard-setting process.

3.12 Key stakeholder

A stakeholder whose participation is critical to the outcome of the standard-setting process.

3.13 Standard

A document, established by consensus and approved by the Board of Directors of SGEC or other bodies that provide, for common and repeated use, rules, guidelines or characteristics for activities or their results, aimed at the achievement of the optimum degree or order in a given context.

Note: Standards should be based on the consolidated results of science, technology and experience, and aimed at the promotion of optimum benefits (ISO/IEC Guide 2).

3.14 Standardizing body

The standardizing body of SGEC is Sustainable Green Ecosystem Council (hereinafter referred as SGEC/PEFC Japan).

Note: SGEC/PEFC Japan bears responsibility of establishment and management of standards related to the SGEC certification scheme.

3.14 Working draft

Proposed document that is available generally for feedback or voting within the

standard management committee.

4. Standard-setting principles

The standard-setting process is governed by the following key principles:

(a) Stakeholder engagement

An opportunity for meaningful participation in the process that is open to all stakeholders through participation in standard management committee meetings and public consultations.

(b) Balanced representation

No single stakeholder group should dominate or be dominated in the process. While each party is free to decide on its participation, the standardizing body makes an effort to ensure that all relevant stakeholder organizations (groups) are represented and considers an appropriate gender balance.

(c) Consensus

Standards shall be developed and approved through the consensus based process. Any sustained opposition to specific issues is resolved by means of dialogue whenever possible.

(d) Improvement

Periodic review of a standard seeks continual improvement and to ensure the standard continues to meet expectations of stakeholders.

(e) Transparency

Relevant documents are publicly available so stakeholders (interested parties) can follow developments during and after the process.

5. Standardizing body

The standardizing body of the SGEC certification scheme is SGEC/PEFC Japan and bears responsibilities stipulated in this document.

5.1 Standard-setting procedures

5.1.1 The standardizing body shall have written procedures for standard-setting activities describing:

- a) its organizational structure, including the standard management committee (refer to 6.4) and other permanent committees etc. responsible for establishment of the standards (refer 7.1) by consensus-building,
- b) procedures for keeping documented information,

- c) procedures for balanced representation of stakeholders,
- d) the standard-setting process,
- e) the mechanism for reaching consensus, and
- f) review and revision of standard(s)/normative document(s).

Note: Details of permanent committees etc. responsible for establishment of the standards related to the SGEC certification scheme are described in the Appendix.

5.1.2 The standardizing body shall make its standard-setting procedures publicly available and shall review its standard-setting procedures regularly. The review shall consider feedback from stakeholders.

Note: “Feedback” in this section means communication of evaluation, opinions and related information from stakeholders and third parties to the standardizing body.

5.2 Documented information

5.2.1 The standardizing body shall keep documented information relevant to the standard-setting and review process (hereinafter referred as “documented information”). Evidence of compliance with the requirements of this standard and the standardizing body’s own procedures includes:

- a) Standard-setting procedures,
- b) Stakeholder identification mapping,
- c) Contacted and/or invited stakeholders,
- d) Stakeholders involved in standard-setting activities including participants in each standard management committee meeting,
- e) Feedback received and a synopsis of how feedback was addressed,
- f) All drafts and final versions of the standard,
- g) Outcomes from standard management committee considerations,
- h) Evidence of consensus on the final version of the standard(s),
- i) Evidence relating to the review process, and
- j) Final approval by the Board of Directors.

5.2.2 Documented information shall be kept until completion of the next review or revision of the standard to which they refer. Otherwise the documented information must be kept for a minimum of five years after publication of the standard.

5.2.3 Documented information shall be available to interested parties upon request.

5.3 Handling of complaints and appeals

5.3.1 The standardizing body shall handle any substantial and process complaints and appeals based on SGEC Standard Document 8 “SGEC Rules of Handling Complaints”. It must make the procedure(s) accessible to stakeholders. Upon receipt of a complaint or appeal, the standardizing body shall:

- a) acknowledge receipt of the complaint or appeal to the complainant,
- b) gather and verify all necessary information to validate the complaint or appeal, evaluate the subject matter of the complaint or appeal impartially and objectively, and make a decision regarding the complaint or appeal, and
- c) formally communicate the decision on the complaint or appeal to the complainant and describe the handling process.

5.3.2 The contact point for enquiries complaints and appeals relating to the standard-setting activities is the secretariat of SGEC/PEFC Japan as stipulated in SGEC Standard Document 8 “SGEC Rules of Handling Complaints. The contact point shall be easy to access and readily available.

6. Standard-setting process

6.1 Standard proposal

6.1.1 For the creation of a new standard, the standardizing body shall develop a proposal including:

- a) the scope of the standard,
- b) justification of the need for the standard,
- c) a clear description of the intended outcomes,
- d) a risk assessment of potential negative impacts arising from implementing the standard, such as;
 - >factors that could affect the achievement of the outcomes negatively,
 - >unintended consequences of implementation,
 - >actions to address the identified risks, and
- e) a description of the stages of standard development and their expected timetable.

Note: Guidance for development of a proposal and justification is given in ISO Directives, Part 1, Annex C and Annex SL (Appendix 1).

6.1.2 For the revision of a standard the proposal shall cover at least (a) and (e) of clause 6.1.1.

6.2 Stakeholder identification

6.2.1 The standardizing body shall identify stakeholders relevant to the objectives and scope of the standard-setting activities by means of a stakeholder identification mapping exercise. It shall define which stakeholder groups are relevant to the subject matter and why. For each stakeholder group the standardizing body shall identify the likely key issues, key stakeholders, and which means of communication would be best to reach them.

6.2.2 Identification of stakeholder groups shall be based on nine major stakeholder groups as defined by Agenda 21 of the *United Nations Conference on Environment and Development (UNCED)* in Rio de Janeiro in 1992. At least the following groups shall be included in the stakeholder mapping:

- >forest owners,
- >business and industry,
- >indigenous people,
- >non-government organizations,
- >scientific and technological community,
- >workers and trade unions.

Other groups shall be added if relevant to the scope of standard-setting activities.

Note: The full list of nine major stakeholder groups defined by Agenda 21 of the United Nations Conference on Environment and Development consists of: (i) business and industry, (ii) children and youth, (iii) forest owners, (iv) indigenous peoples, (v) local authorities, (vi) non-government organizations, (vii) scientific and technological community, (viii) women, and (ix) workers and trade unions.

6.2.3 The standardizing body shall identify disadvantaged stakeholders and key stakeholders and address any constraints to their participation in standard-setting activities.

Note: A stakeholder can be both a disadvantaged and a key stakeholder at the same time.

6.3 Public announcement of the process

6.3.1 The standardizing body shall make a public announcement of the start of the standard-setting process and include an invitation to stakeholders to participate in

the process. The announcement shall be made in a timely manner through suitable media, as appropriate, to give stakeholders an opportunity for meaningful contributions. The announcement and invitation shall include:

- a) overview of the standard-setting process,
- b) access to the proposal for the standard,
- c) information about opportunities for stakeholders to participate in the process,
- d) requests to stakeholders or stakeholder organizations to nominate their representative(s) or themselves to the standard management committee (refer to 6.4). The request to disadvantaged stakeholders and key stakeholders shall be made in a manner that ensures that the information reaches intended recipients and in a format that is easy to understand,
- e) explicit invitation and clear instruction on how to submit feedback on the scope and standard-setting process, and
- f) access to the standard-setting procedures.

Note 1: In a timely manner means (at the latest) four weeks before the first standard-setting activity is scheduled to occur.

Note 2: Through suitable media means at least through the standardizing body's website and by email and/or letter to identified stakeholders. Other media includes press releases, news articles, features in trade-press, information sent to branch organizations, social media, digital media, etc.

6.3.2 The standardizing body shall review the standard-setting process based on feedback received in response to the public announcement.

6.4 Requirements for the standard management committee (including working groups established under the committee)

6.4.1 President shall organize the permanent standard management committee by appoint members of the committee who are responsible for standard-setting activities. Upon holding meetings of the committee, the standardizing body shall publicly announce the proposal of standard setting, publicly invite participants to the meeting and appoint additional committee members based upon the consideration of the requests of participation and adjustment of composition of the committee members. Appointment of additional committee members shall be justified based upon considerations in relation to the requirements for balanced representation of the committee, considerations of an appropriate gender balance, relevance of the

organization, an individual's competence, an individual's relevant experience and resources available for standard-setting.

6.4.2 The standard management committee shall:

- a) have balanced representation and decision-making by stakeholder categories, relevant to the subject matter and geographical scope of the standard, where no single concerned stakeholder group can dominate, nor be dominated in the process, and
- b) include stakeholders with expertise relevant to the subject matter of the standard, those that affected by the standard, and those that can influence implementation of the standard. The affected stakeholders shall be represented in an appropriate proportion among participants of the standard management committee meetings.

6.4.3 In order to achieve balanced representation, the standardizing body shall strive to have all identified stakeholder groups (refer to 6.2) represented. The standardizing body shall set targets for the participation of key stakeholders and proactively seek their participation by using outreach such as (but not limited to) personal emails, phone calls, meeting invitations etc.

Note: When a stakeholder group is not represented and key stakeholders cannot be encouraged to participate, the standardizing body may consider alternative options.

6.4.4 Activities of the standard management committee shall be organized in an impartial, fair and transparent manner where:

- a) working drafts shall be available to all members of the standard management committee,
- b) all members of the standard management committee shall be given meaningful opportunities to contribute to the development or revision of the standard and to provide feedback on working drafts, and
- c) feedback and views given by any member of the standard management committee shall be considered in an impartial, fair and transparent way where the solutions and proposed amendments are recorded.

6.4.5 The decision of the standard management committee to recommend the final draft for formal approval shall be taken on the basis of consensus. In order to determine whether there is any sustained opposition, the working group can utilize the following methods:

- a) face-to face meeting(s) where there is a verbal yes/no vote, a show of hands for

- a yes/no vote; a statement on consensus from the Chair when there are no dissenting voices or hands (votes); a formal ballot, etc.,
- b) telephone conference meeting(s) where there is a verbal yes/no vote,
- c) e-mail request to the meeting members for agreement or objection where the members provide a formal (written) response (vote), or
- d) combinations of these methods.

6.4.6 Where a vote is used in decision-making, the standard-setting procedures decision-making thresholds that quantifies consensus must be based on the majority principle (approval by equal to or more than half of the attendants) and also must be consistent with the consensus definition (refer to 3.1). However, a majority vote cannot override sustained opposition in order to achieve consensus.

6.4.7 When there is sustained opposition to a substantial issue, the issue shall be resolved using the following methods:

- a) finding a compromise through discussion and negotiation on the disputed issue within the standard management committee,
- b) finding a compromise through direct negotiation between the stakeholder(s) making the objection and other stakeholders with different views on the disputed issue,
- c) additional round(s) of public consultation (if necessary) where further stakeholder input can help to achieve consensus on unresolved issues. The standardizing body determines the scope and duration of any additional public consultation.

6.4.8 When a substantial issue cannot be resolved and sustained opposition persists, the standardizing body shall initiate dispute resolution in accordance with its procedures for impartial and objective action.

6.5 Public consultation

6.5.1 The standardizing body shall organize public consultation on the enquiry draft and shall ensure that:

- a) the start and the end dates of public consultation are announced in a timely manner through suitable media,
Note: In a timely manner means (at the latest) the day before the start of public consultation.
- b) a direct invitation to comment on the enquiry draft is sent to each stakeholder identified by stakeholder identification mapping (refer to 6.2) aiming for a balanced participation of stakeholder groups,

- c) invitations are sent to disadvantaged and key stakeholders by methods that ensure they reach recipients and are easy to understand,
- d) the enquiry draft is made publicly available,
- e) public consultation is for at least 60 days,
- f) all feedback is considered by the standard management committee in an objective manner, and
- g) a synopsis of feedback is compiled for each material issue, including the outcome of considering the issue. The synopsis is made publicly available (e.g. on a website) and is sent to each stakeholder/party that gave feedback.

Note: For clarity the standardizing body's synopsis may aggregate responses on material issues where there was similar feedback from different stakeholders. However, best practice would be to publish each piece of original feedback and the response, to allow each stakeholder to identify its own feedback.

6.5.2 For new standards the standardizing body shall organize a second round of public consultation lasting at least 30 days for the final draft of the new standard decided.

6.6 Pilot testing

The standardizing body shall organize pilot testing of new standard(s) to assess the clarity, auditability and feasibility of the requirements.

Note: Pilot testing is not required for revision of an existing standard when experience from its usage can substitute for pilot testing.

7. Approval and publication

7.1 Formal approval of standards

Once consensus is reached among stakeholders in the standard management committee, the standard(s)/normative document(s) shall be formally approved through the resolution of the Board of Directors after hearing opinions of the councilors committee.

7.2 Publication and availability of standards

7.2.1 The formally approved standard(s)/normative document(s) shall be published and

made publicly available at no cost within 14 days of approval, or as otherwise defined by the standardizing body.

7.2.2 Standard(s) shall include:

- a) identification and contact information for SGEC/PEFC Japan as the standardizing body,
- b) an explicit statement that the official language of the standard is Japanese,
- c) The approval date by the SGEC Board of Directors and the date of next periodic review

Note: The date of next periodic review may be within a shorter period than five years based on (for example) stakeholder expectations or other foreseen developments.

7.2.3 Printed copies shall be made available upon request at a price that covers no more than administrative costs (if any).

7.2.4 The standardizing body shall make the development report (refer to PEFC GD 1007) sent to the PEFC Council publicly available.

8. Periodic review of standards

8.1 General

The standard(s)/normative document(s) shall be reviewed at intervals that do not exceed a five-year period. The review shall be based on consideration of feedback received during the standard's implementation and a gap analysis. If necessary, a stakeholder consultation shall be organized to obtain further feedback and input.

8.2 Feedback mechanism

8.2.1 The standardizing body shall establish and maintain a permanent mechanism for collecting and recording feedback on a standard. This mechanism shall be accessible on the website of SGEC/PEFC Japan with clear directions for providing feedback.

Note: Feedback can be sent in various formats: comments, requests for clarification and/or interpretation, complaints, etc.

8.2.2 All feedback received through all channels, including meetings, training courses, etc. shall be recorded and considered.

8.3 Gap analysis

- 8.3.1** At the start of a review, the standardizing body shall evaluate the standard against appropriate PEFC International standards, international conventions, national laws and regulations, and other relevant standards to identify potential gaps in the standard.
- 8.3.2** The standardizing body shall consider the latest scientific knowledge, research and relevant emerging issues.

8.4 Stakeholder consultation

- 8.4.1** Where the feedback and the gap analysis do not identify a need to revise the standard, the standardizing body shall organize stakeholder consultation to determine whether stakeholders see a need for revising the standard. The standardizing body shall include the gap analysis in the stakeholder consultation.
- 8.4.2** At the start of a review, the standardizing body shall update the stakeholder identification mapping (refer to clause 6.2).
- 8.4.3** The standardizing body shall organize:
- a) a public consultation period of at least 30 days (following the requirements of clause 6.5.1) and/or,
 - b) stakeholder meetings or standard management committee meetings.
- 8.4.4** The standardizing body shall announce the review in a timely manner (refer to 6.3).¹⁷

8.5 Decision-making

- 8.5.1** Based on the feedback received during the period of a standard's implementation, the outcome of the gap analysis and the consultations, the standardizing body shall decide whether a revision of the standard is necessary.
- 8.5.2** The decision shall be made at the Board of Directors meeting of the standardizing body
- 8.5.3** Where the decision is to reaffirm a standard, the standardizing body shall provide a justification for the decision and make the justification publicly available.
- 8.5.4** Where the decision is to revise the standard, the standardizing body shall specify the type of revision (normal or editorial revision).

9. Revision of standards

9.1 Normal revision

Procedures for revision of standard(s)/normative document(s) shall conform to those stated in section 6.

A normal revision can occur at the periodic review, or between periodic reviews, but does not include editorial revisions and time-critical revisions.

9.2 Editorial revision

Editorial revisions can be made without triggering the normal revision process. The standardizing body shall approve the editorial changes formally and publish an amendment or a new edition of the standard.

9.3 Time-critical revision

9.3.1 A time-critical revision is a revision between two periodic reviews using a fast-track process.

9.3.2 A time-critical revision can be conducted only in the following situations:

- a) Change in national laws and regulations affecting compliance with PEFC International requirements and SGEC requirements
- b) Instruction by PEFC International to comply with specific or new PEFC requirements within a timescale that is too short for a normal revision.

9.3.3 The time-critical revision shall follow these steps:

- a) The standardizing body shall draft the revised standard,
- b) The standardizing body may consult stakeholders, but it is not mandatory,
- c) The revised standard shall be approved formally at the highest appropriate decision-making level of the standardizing body,
- d) The standardizing body shall explain the justification for the urgent change(s) and make the justification publicly available.

9.4 Application and transition of revised standards

9.4.1 A revision shall define the application date and transition period of the revised standard(s)/ normative document(s).

9.4.2 An application date shall not be more than one year after the publication of the standard. This allows time for introduction of change(s) in the revised standards, information dissemination and training.

9.4.3 The transition period shall not exceed one year. The standardizing body may determine a longer period when justified by exceptional circumstances.

Bibliography

ISEAL (International Social and Environmental Alliance), *ISEAL Code of Good Practice for Setting Social and Environmental Standards*, P005 – version 6.0 –

December 2014

ISO (International Organization for Standardization), *ISO/IEC Directives, Part 1 Consolidated ISO Supplement — Procedures specific to ISO*, Sixth edition, 2015

ISO/IEC Guide 59, *Code of good practice for standardization*

ISO/IEC Guide 2, *Standardization and related activities – General vocabulary*

Supplementary article

The next review of this standard shall be started on March 29th 2026 or before.

(end of the document)

SGEC Standard Document 3

Approved by the Board of Directors on March 30, 2021

Date of Entry into Force: June 1st, 2021

Transition Period: until August 14, 2023

SGEC Sustainable Forest Management - Requirements

Content

Foreword

Introduction

1. The scope
2. International conventions, domestic laws and other documents related to SGEC/PEFC
3. The terms and definitions
4. SGEC forest management certification standard and the organizations applying the standard
5. Leadership
6. Planning
7. Support
8. Requirements for sustainable forest management
9. Performance evaluation of forest management
10. Improvement

Appendix 1 Operational guideline

Appendix 2 Procedures of Certification Audit with respect to “6.1.5 (Ainu people)” of Appendix 1 of SGEC Standard Document 3

Appendix 3 Handling wood products produced by infrastructure construction in forest

Appendix 4 The chemicals classified as WHO Type 1A and 1B the use of which are exceptionally allowed by the provision given in Section 8.2.8 of SGEC Standard Document 3 “SGEC Sustainable Forest Management – Requirements”

SGEC Guide Document 3-1 SGEC Guide on FPIC Implementation for Ainu People

Foreword

The United Nations General Assembly in 2015 adopted the “2030 Agenda for Sustainable Development”、hoisting Sustainable Development Goals (SDGs) as common development goals of the international society as a whole. The SGEC forest certification scheme, which puts its basis on the Montreal Process, takes on the challenge of materializing the Sustainable Development Goals (SDGs) through endeavoring to improve itself continuously as a PEFC endorsed certification scheme in compliance with the latest version of 2018 PEFC forest management standard (PEFC ST 1003:2018 “Sustainable Forest Management – Requirements”). The revision of the SGEC sustainable forest management standard in 2020 was carried out in this context.

This standard was formulated on the basis of transparent public consultation and consensus among a broad range of stakeholders as a standard endorsed by the PEFC (Programme for the Endorsement of Forest Certification Schemes) Council. The SGEC forest certification and a SGEC forest product label offer citizens/consumers assurances that the raw materials originate from sustainably managed forests and trees outside forests, recycled and controlled sources.

The SGEC forest certification scheme is ensured its credibility by being verified its compliance with the PEFC international forest certification scheme, which requires the high clearance level commonly applied throughout the world, as endorsed by the PEFC Council. The process of the endorsement of the SGEC certification scheme was implemented in an open, transparent and independent manner so that the SGEC scheme is examined and verified to clear the level of the PEFC international forest certification scheme.

Forest products which originate from forests which are certified based on this standard are recognized as SGEC/PEFC certified products and a SGEC/PEFC claim and/or label are allowed on the products. A product with PEFC claim originating from countries or regions where the SGEC certification scheme does not cover (countries or regions outside Japan) shall be in accordance with PEFC ST 1003:2018 “Sustainable Forest Management – Requirements” or the PEFC certification scheme covering the countries or regions.

Certification procedures of the SGEC certification standard is formulated in accordance

with the standards and procedures established by International Organization of Standardization (ISO) and International Accreditation Forum (IAF). SGEC/PEFC Japan espouses the idea of gender equality and always is in the position to support gender equality when this document mentions any specific individuals (manager, owner, participants, etc.).

This standard (SGEC Standard Document 2021 "SGEC Sustainable Forest Management – Requirement) nullifies and replaces SGEC Document 3 "SGEC Forest Management Certification Standard, Indicators and Guideline" (2018.11.1) . The transition period of this standard is until February 14th, 2023 and certified organizations are required to fulfill this standard by the end of the transition period.

Introduction

0.1 Objectives of the SGEC forest certification scheme and its 2020 revision

SGEC/PEFC Japan contributes to promote sustainable forest management through independent third-party certification as a non-profit non-governmental organization governing a certification scheme in conformity with the PEFC international forest certification scheme. SGEC/PEFC Japan, by establishing and expanding the forest certification scheme, accelerates responsible implementation of forest management and ensures that timber and non-timber forest products are produced in compliance with the high level of environmental, social and ethical standards throughout the whole supply chain from the forests. The SGEC forest certification scheme is seeking for attaining forest management suited to the ecological, social and economic conditions of Japan through the process participated by multi-stakeholders based on the concept of the Montreal Process ; the SGEC scheme is a part of the network of the PEFC international forest certification, being endorsed by PEFC in 2016 to conform to the PEFC certification scheme. In response to the adoption of the "2030 Agenda for Sustainable Development (SDGs)" and revision of the PEFC international forest management standard in 2018, the SGEC forest certification promotes materialization of Sustainable Development Goals (SDGs) and sustainable local societies through enhancing environmental services of "Green Ecosystem" based on the following international frameworks:

- a) Promoting recycling use of forest resources and enhancing environmental services of forests (SDGs, Montreal Process, Convention on Biological Diversity, Paris Agreement on climate change)
- b) Forest management coordinated with promotion of local economy/industries and

energy recycling (SDGs, Montreal Process, Paris Agreement)

c) Recycling in production, manufacturing, distribution and disposal of forest products (SDGs, Montreal Process, Paris Agreement)

In the light of the above, the vision of “Green Ecosystem” is defined and reflected in this document and its operational guideline from the following perspective:

- ① revision of the SGEC standard in conformity with revision of PEFC standard in 2018 and promoting international standardization of the group certification from the view point of contribution to and coordination with the international framework
- ② identifying relationship between Sustainable Development Goals (SDGs) including their targets and the SGEC forest management certification standard, and having the relationship reflected to the SGEC standard

enhancing requirements of this standard from the view point of “promotion of recycling use of forest resources”, “forest management coordinated with promotion of local economy and energy recycling” and “recycling in production, manufacturing, distribution and disposal of forest products” based on the concept of “Green Ecosystem” and ①・② above.

0.2 Establishment of the standard for sustainability on the basis of the conditions of Japan

Ownership structure of Japanese private forests is extremely small in scale. SGEC/PEFC Japan, therefore, supports development of forest owners cooperatives and other groups for forest certification of which small scale forest owners are members and acquisition of group forest certification by the forest owners cooperatives and the groups. Certified forests pursue materialization of sustainable forest management fulfilling economic, ecological and social functions of the forests in accordance with Japanese inherent natural and social conditions. Forest products originated from sustainable managed forests, when the supply and demand of such forest products are stimulated by selective purchasing, are able to revitalize forestry through market mechanism and promote effective utilization and recycling of forest resources. This would ultimately contribute to establishing sustainable society which enriches people's life underpinned by “Green Ecosystem” and promotes conservation of the nature with rich greenery

SGEC/PEFC Japan makes efforts to contribute to promotion of Ainu culture, dissemination and enlightenment of knowledge of Ainu tradition (hereinafter referred as “promotion of Ainu culture etc.”) in managing and operating the SGEC certification scheme so that the pride of Ainu people as indigenous people is respected under the

understanding and efforts by citizens, and thereby to contribute to coexistence of diverse ethnic groups and development of diverse cultures; these issues are the vital challenges for the international society including Japan.

0.3 Harmonization of forest management under the SGEC certification scheme with forest ecosystems, legal and administrative frameworks, etc. of Japan

SGEC/PEFC Japan shall implement operation of this standard in compliance with SGEC Standard Document 3-1 “SGEC Group Forest Management – Requirements”, SGEC Standard Document 2 “Standard Setting” and other relevant standards of the SGEC forest certification scheme in order to ensure that “SGEC Sustainable Forest Management – Requirements” is in accordance with forest ecosystems; legal and administrative frameworks; social and cultural background; and other factors in Japan.

Japanese forests are managed under the forest planning system based upon the Forest Act. Management of SGEC certified forests shall be practiced in accordance with various plans formulated under the forest planning system as preconditions, and in compliance with the requirements for the SGEC sustainable forest management standard that is formulated under the participation of all stakeholders including forest managers.

The SGEC certification scheme defines its fundamental concept such that forest managers pursue sustainable forest management by observing standards formulated through their own participation. The process of forest management shall be an open and transparent process on a consensus basis, not dominated by a specific interest and offering a wide range of opportunities of participation by all stakeholders.

Note on relation with the forest planning system:

The regional forest plans stipulated in Article 5 of Forest Act (the regional national forest plans stipulated in Article 7-2 of Forest Act in case of national forests) and the municipal forest development plans stipulated in Article 10-5 of Forest Act are the plans which forest managers shall comply with in managing local forests. Forest management plans defined in this document are formulated based on the specific and unique requirements of the SGEC certification scheme with the precondition that the forest management plans comply with the relevant regional forest plan (or regional national forest plan) or the municipal forest development plan. The specific and unique requirements of the SGEC certification scheme are formulated and applied in consideration of relevant laws, regulations and policies established in accordance with natural and social conditions of Japan; scientific knowledge; and relevant international conventions, etc.

0.4 Ensuring conformity with the PEFC international certification standard

In order to be endorsed by PEFC to be in conformity with the PEFC international forest certification standard, the SGEC forest management certification standard shall go through comprehensive, detailed and independent assessment and quality assurance process (quality of forest products produced under the condition in which environment is adequately maintained for trees to grow). The process takes nine months to complete on average, and includes the following elements:

- a) An independent assessment that evaluates compliance of the SGEC certification scheme with PEFC requirements includes a global public consultation;
- b) A quality assurance system;
- c) After the SGEC certification scheme has successfully passed the assessment and quality assurance process, the PEFC General Assembly votes on its endorsement.

All the documents with respect to the SGEC certification scheme endorsed by PEFC as the system fulfilling the internationally recognized PEFC sustainability benchmark through the process described above are made public in the websites of PEFC and SGEC/PEFC Japan. Timber and non-timber forest products originated from SGEC certified forests can be distributed as PEFC certified products globally (can be distributed as SGEC certified products within Japan), and PEFC labels (SGEC labels in Japan) can be put on the products. Forests not managed for timber production may be also recognized that they are sustainably managed, if the forests are managed in compliance with the SGEC certification standard.

0.5 Demonstrating compliance with standard requirements

Entities wishing to obtain SGEC certification are required to demonstrate their conformity with the SGEC forest management certification standard to the certification body. If compliance is demonstrated, the certification body issues a certificate valid up to five years, after which operators must become re-certified. Additional checks are done through annual surveillance audits to proactively verify on-going compliance with the SGEC forest management certification standard. Only if practices and operations continually meet the requirements of the SGEC forest management certification standard do certified entities earn the right to make “SGEC/PEFC certified” claims and use the SGEC/PEFC label.

If a certified entity does not comply with the SGEC/PEFC requirements, its certificate can be suspended or withdrawn. If the certification body, or an accreditation body, is judged to not have dealt with a complaint appropriately, it risks losing its license to operate.

Complaints against SGEC standards themselves or management of the standards are handled by SGEC/PEFC Japan in a prompt and appropriate manner, while complaints against certificate holders are handled by certification bodies according to the procedures for complaints and appeals they determine. Issues unsolved in this stage are dealt by the accreditation body, and thereafter by the International Accreditation Forum as the third stage of appeal, according to their respective procedures for complaints and appeals.

1. Scope

This standard is comprised of requirements for SGEC sustainable forest management (SGEC forest management certification standard) covering forests, their products and services in Japan. The requirements of this standard apply to forest owners or managers, as well as contractors and other operators operating in SGEC certified areas. They cover all necessary processes of a management system that aims at sustainable forest management.

When a forest owner or an entity practicing forest management based on the commission from a forest owner (hereinafter referred as “forest manager”) formulate the forest management plan in order to apply for individual forest management certification, the plan, in principle, should cover the area of all the owned or managed forests. In this case, at least owned or managed forests in the area covered by a regional forest plan shall be included in the target area of the forest management plan concerned for the sake of harmonization of the forest planning system, excluding exceptional cases.

Appendix 1 “Guidelines for the interpretation of requirements in the case of forest plantations” of PEFC ST 1003:2018 “Sustainable Forest Management – Requirements” is not applied to man-made forests of Japanese domestic species (including exotic species that are verified to suite to Japanese domestic natural conditions) as stipulated in the definition “3.9 Forest plantation” and “3.25 Man-made forest” of this standard. With respect to Appendix 2 “Guidelines for the interpretation of requirements for Trees outside Forests (TOF)”, as the result of the standard setting process of this standard, corresponding requirements that applied in Japan are not formulated for the time being.

If there is ambiguity in SGEC/PEFC documents, the Japanese version of the SGEC documents is the reference with respect to the SGEC certification scheme and the English version of the PEFC documents is the reference with respect to the PEFC certification scheme.

2. International conventions, domestic laws and other documents related to SGEC/PEFC

2.1 International conventions, etc.

2.1.1 Fundamental ISO conventions

- ILO No.29: Forced Labor Convention (1930, ratified by Japan in 1932)
- ILO No.87: Freedom of Association and Protection of the Right to Organize Convention (1948, ratified by Japan in 1965)
- ILO No.98: Right to Organized and Collective Bargaining Convention (1949, ratified by Japan in 1953)
- ILO No.100: Equal Remuneration Convention (1951, ratified by Japan in 1953)
- ILO No.105: Abolition of Forced Labor Convention (1957, not ratified by Japan)
- ILO No.111: Discrimination (Employment and Occupation) Convention (1958, not ratified by Japan)
- ILO No.138: Minimum Age Convention (1973, ratified by Japan in 2000)
- ILO No.182: Worst Forms of Child Labor Convention (1999, ratified by Japan in 2001)

2.1.2 Other international conventions, etc.

- Convention on Wetlands of International Importance especially as Waterfowl Habitat (1971, ratified by Japan in 1980)
- Convention on International Trade in Endangered Species of Wild Fauna and Flora (1973, ratified by Japan in 1980)
- Convention concerning the Protection of the World Cultural and Natural Heritage (1972, ratified by Japan 1992)
- Convention on the Conservation of Migratory Species of Wild Animals (1970, not ratified by Japan)
- Convention on Biological Diversity (1992, ratified by Japan in 1992)
- Cartagena Protocol on Biosafety (2000, ratified by Japan 2003)
- United Nations Framework Convention on Climate Change, Kyoto Protocol (1997)
- Bilateral Convention and Agreements for Protection of Migratory Bird Conventions (for example signed between U.S.A. in 1972)
- Stockholm Convention on Persistent Organic Pollutants (ratified by Japan in 2005)
- ILO No.169: Indigenous and Tribal Peoples Convention (1989, not ratified by Japan)
- Declaration on the Right of Indigenous Peoples adopted at UNGA (2007, affirmative vote by Japan)
- UN Guide for Declaration on the Right of Indigenous Peoples (2007)
- UN Universal Declaration of Human Rights (1948)

- International Convention on the Elimination of All Forms of Racial Discrimination (1965, ratified by Japan in 1995)
- International customary laws
- International Covenants on Human Rights (International Covenant on Economic, Social and Cultural Rights/International Covenant on Civil and Political Rights) (ratified by Japan in 1979)
- Convention on the Elimination of all Forms of Discrimination against Women (ratified by Japan in 1985)
- Convention on the Rights of the Child (ratified by Japan in 1994)
- [Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment](#) (Japan acceded to the treaty in 1981 and to the protocol in 1982)
- Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (not ratified by Japan)
- Convention on the Rights of Persons with Disabilities (ratified by Japan in 2014)
- Convention for the Protection of All Persons from Enforced Disappearance (ratified by Japan in 2009)
- Guiding Principles on Business and Human Rights (Japan formulated the action plan in 2016)

2.2 Domestic acts, etc.

- Forest and forestry basic act (1964, last amendment in 2008)
- Forest act (1951, last amendment in 2018)
- Forest management and operation act (2018)
- Act on special measures concerning the improvement of public health functions of forests (1989, last amendment in 2016)
- Forest cooperation act (1978, last amendment in 2018)
- Act on advancement of modernization of rights in relation to forests subject to community (1966, last amendment in 2018)
- Forestry seeds and seedlings act (1970, last amendment in 2016)
- Act on special measures concerning shared forest (1958, last amendment in 2016)
- Landslide prevention act (1958, last amendment in 2017)
- Wildlife protection and proper hunting act (2002, last amendment in 2015)
- Act on conservation of endangered species of wild fauna and flora (1992, last amendment in 2017)
- Act on special measures concerning promotion of securing forest work force (1996, last amendment in 2017)

- Act on special measures for ensuring stable timber supply (1996, last amendment in 2016)
- Act on special measures concerning promotion of forest thinning operation (2008, last amendment in 2016)
- Act on forest pest and disease control (1950, last amendment in 2018)
- Act Concerning Utilization of National Forest Land (1951, last amendment in 2019)
- Basic environment act (1993, last amendment in 2018)
- Basic act on biodiversity (2008)
- Nature conservation act (1972, last amendment in 2014)
- Natural parks act (1957, last amendment in 2014)
- Act on promotion of nature restoration (2002)
- Act on protection of cultural properties (1950, last amendment in 2018)
- City planning act (1968, last amendment in 2018)
- Water cycle act (2014, last amendment in 2017)
- Urban green space conservation act (1973, last amendment in 2018)
- Act on prevention of disasters caused by steep slope failure (1969, last amendment in 2005)
- Agricultural chemical control act (1948, last amendment in 2018)
- Explosives control act (1952, last amendment in 2015)
- Fishery act (1949, last amendment in 2018)
- Quarrying right act (1950, last amendment in 2018)
- Surveying act (1949, last amendment in 2017)
- Road transportation act (1951, last amendment in 2017)
- Road act (1951, last amendment in 2018)
- Railway business act (1986, last amendment in 2011)
- Railway operation act (1900, last amendment in 2006)
- Electricity business act (1964, last amendment in 2017)
- Telecommunication business act (1984, last amendment in 2019)
- Basic act on disaster management (1961, last amendment in 2018)
- National land survey act (1951, last amendment in 2013)
- Real property registration act (20014, last amendment in 2018)
- Invasive alien species act (2004 , last amendment in 2016)
- Act on special measures concerning water quality conservation at water resources area to prevent the specified difficulties in water utilization (1994, last amendment in 2014)
- Act on maintenance and improvement of traditional scenery in certain districts (2008,

last amendment in 2018)

- Act on special measures concerning conservation of historic natural features of ancient cities (1966, last amendment in 2018)
- Act on special measures concerning conservation of historic natural features and improvement of living environment in Asuka village (1980, last amendment in 2018)
- Coast act (1956, last amendment in 2018)
- River act (1964, last amendment in 2017)
- Erosion control act (1897, last amendment in 2013)
- Labor standard act (1972, last amendment in 2018)
- Industrial safety and health act (1972, last amendment in 2018)
- Labor union act (1949, last amendment in 2018)
- Health insurance act (1922, last amendment in 2018)
- Employees' pension insurance act (1954, last amendment in 2018)
- Employment insurance act (1974, last amendment in 2018)
- Act on special measures concerning taxation (1957, last amendment in 2019)
- Act on promotion of policies for realizing the society in which the pride of Ainu people is respected (2019)
- Rules and guidelines on forest road (Notification by the Secretary General of Forestry Agency in 1973, last amendment in 2011)
- Customary laws
- Related ordinances of prefectural and municipal governments, judicial precedents

2.3 Related ISO, SGEC/PEFC documents

2.3.1 Related ISO documents

- ISO/IEC 17021-1(2015) Conformity assessment – requirements for bodies providing audits and certification of management systems – Part 1
- ISO/IEC 17065 (2012) Conformity assessment – requirements for bodies certifying products, processes and services
- ISO/IEC Guide 2 (2004) Standardization and related activities – general vocabulary

2.3.1 Related SGEC/PEFC documents

- SGEC Standard Document 2 “SGEC Standard Setting”
- PEFC ST 1001:2017 “Standard Setting – Requirements”
- SGEC Standard Document 3-1 “Group Forest Management – Requirements”
- PEFC ST 1002:2018 “Group Forest Management – Requirements”
- SGEC Standard Document 4: 2021 “Chain of Custody of Forest and Tree Based

Products – Requirements”

- PEFC ST 2002: 2020 “Chain of Custody of Forest and Tree Based Products– Requirements”
- PEFC ST 1003: 2018 “Sustainable Forest Management – Requirements”
- PEFC GD 1007: 2017 “Endorsement and Mutual Recognition of Certification Systems and their Revision”
- SGEN Guide Document 3-1: 2020 “SGEN Guide for Implementation of FPIC to Ainu People”

3. Terms and Definitions

For the purposes of this document the terms and definitions given in ISO/IEC Guide 2 apply together with the following definitions.

3.1 Affected stakeholder

A stakeholder who might experience a direct change in living and/or working conditions caused by implementation of this standard, or stakeholder who might be a user of the standard and therefore is subject or possible to subject to the requirements of the standard.

Note 1: Affected stakeholders include neighboring communities, indigenous people, 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 user of the standard is likely to become a certified entity, e.g. a forest manager in the case of the forest management standard, or a wood processing enterprise in the case of the COC standard.

3.2 Afforestation and reforestation

Afforestation or reforestation is to establish forest composed of useful tree species. Methods of planting are divided into methods for developing man-made forests by planting seedlings/cuttings, or seeding and methods for developing natural forests through natural regeneration by nurturing natural seedlings or sprouts. Afforestation and reforestation include protection and tending of the trees and forest land in a broader sense.

Note: FAO (2018) defines “afforestation” as “Establishment of forest through planting and/or deliberate seeding on land that, until then, was used for different purposes,

including conversion from non-forest land to forest”. Definition of afforestation or reforestation stipulated in the above include conversion from non-forest to forest.

3.3 Certified area

The forest area covered by the sustainable forest management system according to the SGECC sustainable forest management standard.

3.4 Degraded forest

Land with long-term significant reduction of the overall potential to supply benefits from the forest, which includes carbon storage, biodiversity and other goods and services (definition based on FAO 2003).

Note: Degraded forests are reduction of functions occurring in forests maintaining canopy cover of the threshold of 10 % or above. (FAO Global Forest Resources Assessment 2003)

3.5 Ecologically important forest areas

Ecologically important forest areas are the forest areas:

- a) containing protected, rare, sensitive or representative forest ecosystem;
- b) containing significant concentrations of endemic species and habitats of threatened species, as defined in recognized reference lists;
- c) containing endangered or protected genetic in situ resources;
- d) contributing to globally, regionally and nationally significant large landscapes with natural distribution and abundance of naturally occurring species.

3.6 Ecosystem services

Benefits obtained from ecosystems. These include provisional services such as food, water, timber, and fibre; regulating services that affect climate, floods, disease, wastes, and water quality; cultural services that provide recreational, aesthetic, and spiritual benefits; and supporting services such as soil formation, photosynthesis, and nutrient cycling (based on Millennium Ecosystem Assessment, 2005).

Note: Millennium Ecosystem Assessment is an environmental assessment of ecosystems in global scale conducted from 2001 to 2005 by the leadership of the UN.

3.7 Forest

“Forest” subject to certification is forest subject to formulation of “forest plans” defined in Forest Act.

Specifically, the forest subject to certification is national forest stipulated in Article 7-2, or public/private forest covered by a forest plan stipulated in Article 5 of Forest Act (excluding public/private forest which is considered not suitable to be utilized as forest from the aspects of natural, economic and social conditions, or pattern of land utilization of the nearby area).

Note 1: Article 2 of Forest Act

Article 2 “Forest” in this act is defined as follows, except for that land/forest mainly utilized for agriculture, residential area and similar purpose:

- 1) land on which trees/bamboos grow aggregately and trees/bamboos thereon
- 2) in addition to the above, land utilized for growing trees/bamboos aggregately

Note 2: Definition and classification of Japanese forests used in a FAO report

(Definition of forest in the country report of Japan in Global Forest Resources Assessment 2005 of Food and Agricultural Organization (FAO))

Forest is defined to be land spanning more than 0.3 hectares where trees and bamboos grow aggregately including trees and bamboos growing thereon, or where trees or bamboos are intended to be grown aggregately. It does not include land that is predominantly under agricultural, urban or similar land use and trees and bamboos thereon.

Regarding forest classification, (i) “forest with standing trees” is “forest that have canopy cover of 30 percent or higher, including young stands with the degree of stocking of 0.3 or higher”, (ii) “forest without standing trees” is “forest that does not fall under “forest with standing tree” or “bamboo forest”, and (iii) “Bamboo forest” is “forest that does not fall under ‘forest with standing tree’ and is dominated by bamboo (excluding bamboo grass)”.

Note 3: Forest definition of PEFC ST 1003 “PEFC Sustainable Forest Management – Requirements”

Minimum area of land of 0.05 – 1.0 hectares with tree crown cover (or equivalent stocking level) of more than 10-30 percent with trees with the potential to reach a minimum height of 2-5 meters at maturity in situ. A forest may consist either of closed formations where trees of various storeys and undergrowth cover a high proportion of the ground or open forest. Young natural stands and all plantations which have yet to reach a crown density of 10-30 percent or tree height of 2-5 meters

are included under forest, as are areas normally forming part of the forest area which are temporarily unstocked as a result of human intervention such as harvesting or natural causes but which are expected to revert to forest (source: United Nations 2002).

Note 4: Each regional, national or subnational standard has to include the specific values for the criteria in the definition. If such specifications for a country are not yet available, the standardizing body is responsible to set the values according to the national framework. In case of the SGECC certification scheme, the definition is based on that of Forest Act as stipulated above.

3.8 Conversion of Forest land Use

Direct human-induced change of forest to non-forest land, or of natural forest to man-made forest.

Note: Regeneration by planting or direct seeding and/or human-induced promotion of natural seed sources (e.g. scarification) of the same dominant species which existed before harvesting or other species which had existed historically; or introduction of tree species according to national forestry policies is not considered “conversion of forest land use”.

3.9 Forest plantation

“Forest plantation” is defined in the PEFC forest management certification standard (PEFC ST 1003:2018 “Sustainable Forest Management – Requirements”) as shown below. However, the management of forest that is specifically defined as “forest plantation” is virtually non-existent in Japan, and, therefore, any man-made forest in Japan is not categorized as “forest plantation”, but dealt as usual man-made forest.

<Definition of “3.9 forest plantation” of PEFC ST 1003:2018 “Sustainable Forest Management – Requirement”>

Forest of introduced species, and in some cases native species, established through planting or seeding, mainly for production of wood or non-wood goods and services.

Note 1: Includes all stands of introduced species established for production of wood or non-wood goods and services

Note 2: May include areas of native species characterized by few species, intensive land preparation (e.g. cultivation), straight tree lines and/or even-aged stands.

Note 3: Application of the definition requires consideration of national forestry

terminology and legal requirements.

3.10 Fundamental ILO conventions

Eight conventions (ILO 29, 87, 98, 100, 105, 111, 138 and 182) identified by the ILO's Governing Body as "fundamental" in terms of principles and rights at work: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

3.11 Genetically modified trees

Trees in which the genetic material has been altered in a way that does not occur naturally by mating and/or natural recombination, taking into account applicable legislation providing a specific definition of genetically modified organisms.

Note 1: The following techniques are considered as genetic modification resulting in genetically modified trees (EU Directive 2001/18/EC):

- 1) recombinant nucleic acid techniques involving the formation of new combinations of genetic material by the insertion of nucleic acid molecules produced by whatever means outside an organism, into any virus, bacterial plasmid or other vector system and their incorporation into a host organism in which they do not naturally occur, but in which they are capable of continued propagation;
- 2) techniques involving the direct introduction into an organism of heritable material prepared outside the organism including micro-injection, macro-injection, and micro-encapsulation;
- 3) cell fusion (including protoplast fusion) or hybridization techniques where live cells with new combinations of heritable genetic material are formed through the fusion of two or more cells by means of methods that do not occur naturally.

Note 2: The following techniques are not considered as genetic modification resulting in genetically modified trees (EU Directive 2001/18/EC):

- 1) in vitro fertilization;
- 2) natural processes such as: conjugation, transduction, transformation;
- 3) polyploidy induction.

3.12 Integrated Pest Management (IPM)

The careful consideration of all available pest control techniques and subsequent integration of appropriate measures that discourage the development of pest populations and keep pesticides and other interventions to levels that are economically justified and reduce or minimize risks to human health and the environment (source: FAO 2018).

3.13 Landscape

A socio-ecological system that consists of a mosaic of natural and/or human-modified ecosystems, with a characteristic configuration of topography, vegetation, land use, and settlements that is influenced by the ecological, historical, economic and cultural processes and activities of the area (source: Scherr et al. 2013).

3.14 Management plan with respect forest (hereinafter referred as “forest management plan”)

Documented information specifying objectives, actions and control arrangements concerning the management of ecosystem resources and services for a set period of time.

Note: Relationship between forest management plans formulated under the SGEC certification scheme and the forest planning system

The forest planning system defines regional forest plans in Article 10-5 (regional national forest plans in Article 7-2 in case of national forest) of Forest Act and municipal forest development plans in Article 10-5 of the act as plans local forest managers must comply with. When forest managers formulate forest management plans under the SGEC certification scheme, compliance with the forest plans defined by the forest planning system is the prerequisite, as well as conformity with “Sustainable Forest Management – Requirements” of the SGEC certification scheme.

3.15 Management system

Set of interrelated or interacting elements of an organization to establish policies and objectives and processes to achieve those objectives.

3.16 Manager

Person who directs and controls an organization.

Note: A manager may also be a person executing her or his ownership rights and at the same time traditional or customary tenure rights.

3.17 Non-forest ecosystem

Land not meeting the definition of forest.

3.18 Non-wood forest products

Products consisting of goods of biological origin other than wood, derived from forests and trees outside Forests (source: following FAO 2017).

3.19 Organization

Person or group of people that has its own functions with responsibilities, authorities and relationships to achieve its objectives.

Note 1: An organization applies for SGEC certification and is responsible for the compliance with SGEC sustainable forest management requirements and can be responsible for several forest management units.

Note 2: A manager or owner can also take the role of an organization.

3.20 Reforestation

Re-establishment of forest through planting and/or deliberate seeding on land classified as forest (source: FAO 2018).

3.21 Stakeholder

A person, group, community or organization with an interest in the subject of the standard.

3.22 Standardizing body

Body that has recognized activities in standardization.

Note: A standardizing body for a forest management certification scheme/standard is a body which is responsible for the development and maintenance of standards for the forest certification scheme. The standardizing body of the SGEC certification scheme is SGEC/PEFC Japan.

3.23 Trees outside Forests (TOF)

Trees growing outside areas of nationally designated forest land according to Article 2 of Forest Act. Such areas will normally be classified as “agriculture” or “settlement”.

3.24 Forest management unit

A management unit clearly divided as the area managed by a single manager based on forest plans under the forest planning system and forest management plans under this standard.

3.25 Man-made forest, natural forest

Man-made forest is forest in which the percentage of growing stock (or number of trees) of tree species which are grown by planting seedlings or cuttings, or by artificial seeding, is 50% or more of the total.

Natural forest is forest which does not fall under the category of man-made forest.

“Natural forest with human intervention” is naturally-regenerated forest with partial human intervention such as “supplementary planting of seedlings” or “scarification of land surface” in the part where naturally regenerated seedlings are scarce, whilst “naturally generated forest” is forest regenerated naturally without human interventions throughout the regeneration transition stages.

3.26 virgin forest, primary forest

Forest of indigenous species without apparent signs of human interventions and without significant hinderance to succession of the ecosystem

Note: including area where non-timber forest products, or in some case small number of trees, are taken by people but imposing only little influence.

3.27 Satoyama forest

Woodland, adjacent to human settlements, which have been maintained/managed under close linkage with human activities.

3.28 Ainu people or Ainu ethnic group

Ainu ethnic group is recognized as indigenous people in ”Act for Promotion of Policies Realizing Society where the Pride of Ainu People is Respected (Ainu Policies Promotion Act)“ and represents a group of people who share the Ainu culture or the common consciousness of belonging by sharing the Ainu culture. Ainu people are, among people who belong to Ainu ethnic group, people who are categorized as

“affected stakeholders” defined in this standard.

Note: Indigenous people

Indigenous people are defined as an ethnic group who have been residing in a certain region of a nation since before the reign of the nation reached over the region, keeping the culture and identity different from the majority ethnic group constituting the nation, and have been residing in the same region since then without losing their unique culture and identity even under the domination by the majority ethnic group which is forced to them regardless of their intention.

3.29 Ainu culture, policies for Ainu people

Ainu culture is Ainu language; the life style inherited by Ainu people through generations; cultural assets such as music, dance, handicraft; and other assets develop from them.

Policies for Ainu people are those implemented by local governments which submit a “regional plan for promotion of Ainu policies” and are authorized by the Prime Minister based on the “Ainu Policy Promotion Act”.

Note: authorized regional plans for promotion of Ainu policies

An regional plan for promotion of Ainu policies is a plan formulated by a municipal government and applied for authorization by the Prime Minister in accordance with the basic strategies defined by the national government based on “Ainu Policies Promotion Act” (and also with consideration of prefectural strategies in case prefectural governors determine the prefectural strategies) with respect to “projects for promoting understanding of the traditions of Ainu people”, “projects for promotion of tourism and other industries”, “projects for promoting exchange among people within or between local regions or internationally” and “other projects stipulated in the cabinet office ordinance”.

3.30 Customary law

Where certain “general customs” exist as specific practices widely (or not widely) conducted in domestic or international relations and such “general customs” are recognized as laws with “*opinio juris sive necessitatis*”, then these “general customs” are referred as “customary laws”. In international relations, customary laws are recognized as international laws according to the statute of the International Court of Justice, while within a country, relations between customary laws and legislation obey

the legislation concerned. In Japan, Article 3 of the Act on General Rules for Application of Laws stipulates that “customs which are not against public policy shall have the same effect as laws, to the extent that they are authorized by the provisions of laws and regulations, or they relate to matters not provided for in laws and regulations”. On the other hand, Article 92 of Civil Code stipulates that “if there is any custom inconsistent with a provision of law or regulation which is not related to public policy, and if it is found that any party to a juristic act has the intention to abide by such custom, such custom shall prevail”. Therefore, it is unclear which one prevails, either “a provision in law and regulation not related to public policy” or “customs”.

3.31 Customary and traditional rights

Rights which indigenous people claim that the present nations should guarantee, as being rights established before the reign of the present nations extended to them and rights inherent to indigenous people and generated from political, economic and social structure of indigenous people, as well as from the culture, spiritual tradition, history and philosophy of indigenous people. Customary and traditional rights particularly refer to rights related to land, territories and resources. Although rights of indigenous people listed in the “UN Declaration on the Right of Indigenous Peoples” remain in “the level of attainment pursued in the spirit of cooperation and mutual respect, in recognition that the situation of indigenous peoples varies from region to region and from country to country and that the significance of national and regional particularities and various historical and cultural backgrounds should be taken into consideration”, some rights are stipulated in written law or recognized as customary laws in certain nations depending on histories of relationships between the nations and indigenous people.

3.32 FPIC (Free, Prior and Informed Consent)

In addition to rights of citizens in general, ILO 169 and the UN Declaration on the Rights of Indigenous Peoples define the right called FPIC, the right to ensure a certain process under the circumstances requiring special consideration for indigenous people who are prone to be placed in a vulnerable position (Iwanaga, 2017).

3.33 Forest planning system

Forest planning system is a framework program for promotion of sustainable management of forests in Japan through establishing rules and guidelines of forest management in national, prefectural, municipal and forest owners levels as well as

fulfilling respective responsibilities based upon the needs of the people in Japan (refer Appendix “Outline of forest planning system”).

3.34 “Forest management and operation right” and “forest management and operation implementation right” under Forest Management and Operation Act

Forest Management and Operation Act, enacted in April 2019, aims at enabling both the growth of forestry as an industry and optimum management of forests parallelly by securing adequate forest management and operation by means of consolidation of unmanaged or not-adequately managed forests into forest managers who have the will and ability or commission of their management to municipal governments (Forestry Agency 2019).

“Forest management and operation right” defined by the act is the right of a municipal government to implement management and operation of forests on behalf of the forest owner based on commission. “Forest management and operation implementation right” is the right of a private entity to implement management and operation of forests on behalf of the municipal government by commissioning the “forest management and operation right” of the municipal government to the private entity.

4. SGEN forest management certification standard and the organizations applying the standard

4.1 Requirements for sustainable forest management

The requirements for sustainable forest management defined by the SGEN forest management certification standard (hereinafter referred as “the standard”) shall:

- a) include management and performance requirements that are applicable at the forest management unit level, or at another level as appropriate, to ensure that the intent of all requirements is achieved at the forest management unit level;

Note: An example of a situation where a requirement can be defined as being at another level (e.g. group/regional) is monitoring of forest health. Through monitoring of forest health at regional level, and communicating of results at the FMU level, the objective of the requirement is met without the necessity to carry out the individual monitoring of each forest management unit.

- b) be clear, performance based and auditable;

- c) apply to activities of all forest operators in the defined forest area who have an impact on achieving compliance with the requirements;
- d) require record-keeping that provides evidence of compliance with the requirements of the standard;
- e) specify “100% SGEC origin” as claim to be used to communicate the origin of products in an area covered by the SGEC forest management certification standard to customers with a SGEC or PEFC chain of custody;

Note: Certification claims and abbreviations of such claims approved by SGEC/PEFC Japan and their Japanese version are published on the website of SGEC/PEFC Japan and their translations into English and other languages are published on the PEFC website .

- f) require that where owners/managers of forests are selling products from areas other than covered by the standard, only products from areas covered by the standard are sold with the claim “100% SGEC certified”;
- g) require that claims on the origin of products in an area covered by the standard are only made by forest owners/managers covered by a SGEC certificate issued against the standard;
- h) specify requirements concerning the information which need to be provided to a SGEC chain of custody certified customer;
- i) clearly show the outline of Japanese laws applicable instead of international conventions, etc. in case the content of such international conventions is not reflected in the SGEC requirements because they are not-ratified or by other reasons.

4.2 Understanding the needs and expectations of affected stakeholders

The organization shall determine:

- a) the affected stakeholders that are relevant to the sustainable forest management;
- b) the relevant needs and expectations of these stakeholders.

4.3 Determining the scope of the sustainable management system

4.3.1 The organization shall determine the boundaries and applicability of the management system to establish its scope.

4.3.2 Forest management shall comprise the cycle of inventory and planning,

implementation, monitoring and evaluation, and shall include an appropriate assessment of the social, environmental and economic impacts of forest management practices. This shall form a basis for a cycle of continuous improvement.

5. Leadership

5.1 The organization shall provide a commitment:

- 1) to comply with and implement the SGEC sustainable forest management standard and other applicable requirements of the certification scheme;
- 2) to continuously improve the sustainable forest management system.

5.2 This commitment shall be publicly available.

5.3 Responsibilities for sustainable forest management shall be clearly defined and assigned.

6. Planning

6.1 Actions to address risks and opportunities

6.1.1 The organization shall consider risks and opportunities concerning compliance with the requirements for sustainable forest management. Size and scale of the forestry operations of the organization shall be considered.

6.1.2 Inventory and mapping of forest resources shall be established and maintained, adequate to local conditions and in correspondence with the requirements described in the standard.

6.2 Forest management plan

6.2.1 Forest management plans shall be:

- 1) elaborated and periodically updated or continually adjusted;
- 2) appropriate to the size and use of the forest area;
- 3) based on applicable local, national and international legislation as well as existing forest-use or other official plans;
- 4) adequately covering forest resources.

6.2.2 Forest management plans shall take into account the different uses or functions of the managed forest area.

6.2.3 Forest management plans shall include at least a description of the forest

management unit, long-term objectives, and the average annual allowable cut, including its justification.

- 6.2.4** The annually allowable use of non-wood forest products shall be included in the forest management plan where forest management covers commercial use of non-wood forest products at a level which can have an impact on their long-term sustainability.
- 6.2.5** Forest management plans shall specify ways and means to minimize the risk of degradation and damage to forest ecosystems.
- 6.2.6** Forest management plans shall take into account the results of scientific research.
- 6.2.7** Forest management plans shall be appropriate to the scope and scale of forest management. Summaries of the plans shall be publicly available and shall include information on the general objectives and forest management principles.
- 6.2.8** The publicly available summary of the management plan may exclude confidential business and personal information and other information made confidential by applicable legislation or for the protection of cultural sites or sensitive natural resource features.
- 6.2.9** Policy measures established in order to support production of profitable or non-profitable forest products and ecosystem services shall be effectively utilized in practicing forest management plans.

6.3 Compliance requirements

6.3.1 Legal compliance

- 6.3.1.1** The organization shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organization.
- 6.3.1.2** The organization shall comply with applicable laws and regulations as well as international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.
- 6.3.1.3** The organization shall take measures to protect the forest from unauthorized activities such as illegal logging, illegal land use, illegally initiated fires, and other illegal activities.

6.3.2 Legal, customary and traditional rights related to the forest land

6.3.2.1 Property rights, tree ownership and land tenure arrangements shall be clearly defined, documented and established for the relevant management unit. Likewise, legal, customary and traditional rights related to the forest land shall be clarified, recognized and respected.

Note: Guidance for the handling of tenure arrangements can be obtained from the FAO Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security.

6.3.2.2 Forest practices and operations shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO 169 and the UN Declaration on the Rights of Indigenous Peoples, which shall not be infringed upon without the free, prior and informed consent of the holders of the rights, including the provision of compensation where applicable. Where the extent of rights is not yet resolved, or is in dispute, there are processes for just and fair resolution. In such cases forest managers shall, in the interim, provide meaningful opportunities for parties to be engaged in forest management decisions whilst respecting the processes and roles and responsibilities laid out in the policies and laws where the certification takes place.

With respect to the recognition of the established framework of the above, international laws such as International Convention on the Elimination of All Forms of Racial Discrimination and International Covenants on Human Rights – International Covenant of Civil and Political Rights; domestic laws and regulations such as Ainu Policy Promotion Act”, as well as FPIC for Ainu people, shall be observed.

6.3.2.3 Forest practices and operations implemented by the organization shall respect human rights as defined by the Universal Declaration on Human Rights.

6.3.3 Fundamental ILO conventions

6.3.3.1 Forest practices and operations shall comply with fundamental ILO conventions.

Note: This section 6.3.3.1 is applied to ILO conventions ratified by Japan. ILO fundamental conventions not ratified by Japan shall be respected and the relating domestic laws and regulations shall be observed.

6.3.4 Health, safety and working conditions

6.3.4.1 Forest operations shall be planned, organized and performed in a manner that enables health and accident risks to be identified and all reasonable measures to be applied to protect workers from work-related risks. Workers shall be informed about the risks involved with their work and about preventive measures.

6.3.4.2 Working conditions shall be safe, and guidance and training in safe working practices shall be provided to all those assigned to a task in forest operations. Working hours and leave shall comply with national laws or applicable collective agreements.

Note: Guidance for specifying the forest management certification standard can be obtained from the “ILO Code of Good Practice: Safety and Health in Forestry Work” and domestic laws and regulations.

6.3.4.3 Wages of local and migrant forest workers as well as of contractors and other operators operating in SGEC-certified areas shall meet or exceed at least legal, local minimum standards or, where applicable, collective bargaining agreements.

6.3.4.4 The organization is committed to equal opportunities, non-discrimination and freedom from workplace harassment. Gender equality shall be promoted.

7. Support

7.1 Resources of the organization

7.1.1 The organization shall determine and provide the resources needed for the establishment, implementation, maintenance and continual improvement of the sustainable forest management system.

7.2 Competence of the organization

7.2.1 Forest managers, contractors, employees and forest owners shall be provided with sufficient information and kept up-to-date through continuous training in relation to sustainable forest management, as a precondition for the management planning and practices.

7.3 Communication

7.3.1 Effective communication and consultation with local communities, indigenous peoples and other stakeholders relating to sustainable forest management shall be provided.

7.4 Complaints

7.4.1 The organization shall have appropriate mechanisms for resolving complaints and disputes relating to forest management operations, land use rights and work conditions.

7.5 Documented Information

7.5.1 The organization's management system shall include documented information required by the standard and determined by the organization as being necessary for the effectiveness of the sustainable forest management system.

7.5.2 The documented information is relevant, and updated as appropriate, to the activities of the organization.

8. Requirements for sustainable forest management

Criteria and indicators of requirements for sustainable forest management are defined below. The operating guideline of the requirements is shown in Appendix 1.

8.1 Criterion 1: Maintenance or appropriate enhancement of forest resources and their contribution to the global carbon cycle

8.1.1 Forest management shall aim to maintain or increase forests and their ecosystem services and maintain or enhance the economic, ecological, cultural and social values of forest resources.

8.1.2 The quantity and quality of the forest resources and the capacity of the forest to store and sequester carbon shall be safeguarded in the medium and long term by balancing harvesting and growth rates, using appropriate silvicultural measures and preferring techniques that minimize adverse impacts on forest resources.

8.1.3 Climate positive practices in management operations, such as greenhouse gas emission reductions and efficient use of resources shall be encouraged.

8.1.4 Conversion of forest land use shall not occur unless in justified circumstances where the conversion:

- a) is in compliance with national and other policy and legislation applicable for land use and forest management and is a result of land-use planning governed by the national government or other official authority including consultation with affected stakeholders; and
- b) entails a small proportion (details are stipulated in Attachment 1 4.1.3, 4.1.4, 4.1.5) of forest within the certified area; and

- c) does not have negative impacts on ecologically important forest areas, culturally and socially significant areas, or other protected areas; and
- d) does not destroy areas of significantly high carbon stock; and
- e) makes a contribution to long-term conservation, economic, and social benefits.

8.1.5 Afforestation of ecologically important non-forest ecosystems shall not occur unless in justified circumstances where the conversion:

- a) is in compliance with national and other policy and legislation applicable for land use and forest management as well as international conventions, etc. and is a result of land-use planning governed by the national government or other official authority; and
- b) is established based on a decision-making basis where affected stakeholders have opportunities to contribute to the decision-making on conversion through transparent and participatory consultation processes; and
- c) does not have negative impacts on threatened (including vulnerable, rare or endangered) non-forest ecosystems, culturally and socially significant areas, important habitats of threatened species or other protected areas; and
- d) entails a small proportion of the ecologically important non-forest ecosystem managed by an organization; and
- e) does not destroy areas of significantly high carbon stock; and
- f) makes a contribution to long-term conservation, economic, and social benefits.

8.1.6 Criterion with respect to forest plantation described in PEFC ST 1003:2018 is not applied to “man-made forests mainly composed of domestic species” in Japan in this standard.

8.2 Criterion 2: Maintenance of forest ecosystem health and vitality

8.2.1 Health and vitality of forest ecosystems shall be maintained or enhanced and degraded forest ecosystems shall be rehabilitated wherever and as far as economically feasible, by making best use of natural structures and processes and using preventive biological measures.

8.2.2 Adequate genetic, species and structural diversity shall be encouraged or maintained to enhance the stability, vitality and resilience of the forests to adverse environmental factors and strengthen natural regulation mechanisms.

8.2.3 Use of fire shall be limited to regions where fire is an essential tool in forest management for regeneration, wildfire protection and habitat management or a recognized practice of indigenous peoples. In these cases adequate management and control measures shall be taken.

- 8.2.4** Appropriate forest management practices such as reforestation and afforestation (artificial regeneration, natural regeneration) with tree species and provenances that are indigenous or suited to the site conditions, or the use of tending, harvesting and transport techniques that minimize tree and/or soil damages shall be applied.
- 8.2.5** The indiscriminate disposal of waste on forest land shall be strictly avoided. Non-organic waste and litter shall be collected, stored in designated areas and removed in an environmentally-responsible manner. The spillage of oil or fuel during forest management operations shall be prevented. Emergency procedures for the minimization of risk of environmental harm arising from the accidental spillage shall be in place.
- 8.2.6** Integrated pest management, appropriate silviculture alternatives and other biological measures shall be preferred to minimize the use of pesticides.
- 8.2.7** Manuals of any use of pesticides shall be documented.
- 8.2.8** The WHO Class 1A and 1B pesticides and other highly toxic pesticides shall be prohibited, except where no other viable alternative is available. Exception to the usage of WHO Class 1A and 1B pesticides is defined in Appendix 4 of this standard.
- 8.2.9** Pesticides, such as chlorinated hydrocarbons whose derivatives remain biologically active and accumulate in the food chain beyond their intended use, and any pesticides banned by international agreement, shall be prohibited.

Note: “Pesticides banned by international agreements” are defined in the Stockholm Convention on Persistent Organic Pollutants.

- 8.2.10** The use of pesticides shall follow the instructions given by the pesticide producer and be implemented with proper equipment by trained personnel.
- 8.2.11** Where fertilizers are used, they shall be applied in a controlled manner and with due consideration for the environment. Fertilizer use shall not be an alternative to appropriate soil nutrient management.

8.3 Criterion 3: Maintenance and encouragement of productive functions of forests (wood and non-wood)

- 8.3.1** The capability of forests to produce a range of wood and non-wood forest products and services on a sustainable basis shall be maintained.
- 8.3.2** Sound economic performance shall be pursued, taking into account possibilities for markets and economic activities in connection with all relevant goods and services of forests.

8.3.3 Management, harvesting and regeneration operations shall be carried out at a time, and in a way, that does not reduce the productive capacity of the site, for example by avoiding damage to soil and retained stands and trees.

8.3.4 Harvesting levels of both wood and non-wood forest products shall not exceed a rate that can be sustained in the long term, and optimum use shall be made of the harvested products.

8.3.5 Adequate infrastructure such as roads, skid tracks or bridges shall be planned, established and maintained to ensure efficient delivery of goods and services while minimizing negative impacts on the environment.

8.4 Criterion 4: Maintenance, conservation and appropriate enhancement of biological diversity in forest ecosystems

8.4.1 Forest management planning shall aim to maintain, conserve or enhance biodiversity on landscape, ecosystem, species and genetic levels.

8.4.2 Inventory, mapping and planning of forest resources shall identify, protect, conserve or set aside ecologically important forest areas.

Note: This does not prohibit forest management activities that do not damage the important ecologic values of those biotopes, allowing appropriate activities suitable for the conditions of the sites.

8.4.3 Protected, threatened and endangered plant and animal species shall not be exploited for commercial purposes. Where necessary, measures shall be taken for their protection and, where relevant, to increase their population.

Note: The requirement does not preclude trade according to CITES requirements.

8.4.4 Successful regeneration shall be ensured through natural regeneration or planting that is adequate to ensure the quantity and quality of the forest resources.

8.4.5 For reforestation and afforestation origins of native species that are well-adapted to site conditions shall be preferred. Only those introduced species, provenances or varieties shall be used whose impacts on the ecosystem and on the genetic integrity of native species and local provenances have been scientifically evaluated, and if negative impacts can be avoided or minimized.

Note: CBD (Convention on Biological Diversity) Guiding Principles for the

Prevention, Introduction, and Mitigation of Impacts of Alien Species that Threaten Ecosystems, Habitats or Species are recognized as guidance for avoidance of invasive species.

8.4.6 Afforestation, reforestation and other tree planting activities that contribute to the improvement and restoration of ecological connectivity shall be promoted.

8.4.7 Genetically-modified trees shall not be used.

Note: The restriction on the usage of genetically-modified trees has been adopted by the PEFC General Assembly based on the Precautionary Principle. Until enough scientific data on genetically modified trees indicates that impacts on human and animal health and the environment are equivalent to, or more positive than, those presented by trees genetically improved by traditional methods, no genetically-modified trees will be used.

8.4.8 A diversity of both horizontal and vertical structures and the diversity of species such as mixed stands shall be promoted, where appropriate. The practices shall also aim to maintain or restore landscape diversity.

8.4.9 Traditional management practices that create valuable ecosystems on appropriate sites shall be supported, where appropriate.

8.4.10 Tending and harvesting operations shall be conducted in a way that does not cause lasting damage to ecosystems. Wherever possible, practical measures shall be taken to maintain or improve biological diversity.

8.4.11 Infrastructure shall be planned and constructed in a way that minimizes damage to ecosystems, especially to rare, sensitive or representative ecosystems and genetic reserves, and that takes threatened or other key species – in particular their migration patterns – into consideration.

8.4.12 With due regard to management objectives, measures shall be taken to control the pressure of animal populations on forest regeneration and growth as well as on biodiversity.

8.4.13 Standing and fallen dead wood, hollow trees, old groves and rare tree species shall be left in quantities and distribution necessary to safeguard biological diversity, taking into account the potential effect on the health and stability of forests and on surrounding ecosystems.

8.5 Criterion 5: Maintenance or appropriate enhancement of protective functions

in forest management (notably soil and water)

- 8.5.1** Protective functions of forests for society, such as their potential role in erosion control, flood prevention, water purification, climate regulation, carbon sequestration and other regulating or supporting ecosystem services shall be maintained or enhanced.
- 8.5.2** Areas that fulfil specific and recognized protective functions for society shall be mapped, and forest management plans and operations shall ensure the maintenance or enhancement of these functions.
- 8.5.3** Special care shall be given to forestry operations on sensitive soils and erosion-prone areas. Techniques applied and the machinery used shall be suitable for such areas. Special measures shall be taken to minimize the pressure of animal populations on these areas.
- 8.5.4** Special care shall be given to forestry operations in forest areas with water protection functions to avoid adverse effects on the quality and quantity of water resources. Inappropriate use of chemicals or other harmful substances or inappropriate silvicultural practices influencing water quality in a harmful way shall be avoided. Downstream water balance and water quality shall not be significantly affected by the operations.
- 8.5.5** Construction of roads, bridges and other infrastructure shall be carried out in a manner that minimizes bare soil exposure, avoids the introduction of soil into watercourses and preserves the natural level and function of water courses and river beds. Proper road drainage facilities shall be installed and maintained.

8.6 Criterion 6: Maintenance or appropriate enhancement of social and -economic functions and conditions

- 8.6.1** Forest management planning shall aim to respect all socio-economic functions of forests.
- 8.6.2** Adequate public access to forests for the purpose of recreation shall be provided, taking into account respect for ownership rights, safety and the rights of others, the effects on forest resources and ecosystems, as well as compatibility with other functions of the forest.
- 8.6.3** Sites with recognized specific historical, cultural or spiritual significance and areas fundamental to meeting the needs of indigenous peoples and local communities such as health and subsistence shall be protected or managed in a way that takes due regard of the significance of the site. In particular, promotion of Ainu culture shall be endeavored so that Ainu people live with the pride as indigenous people in the

northern part of Japanese Archipelago, especially in Hokkaido.

- 8.6.4** Forest management shall promote the long-term health and well-being of communities within or adjacent to the forest management area, where appropriate supported by engagement with local communities and indigenous peoples. Forest management planning where Ainu people are identified as stakeholders shall aim at realization of the society in which the pride of Ainu people is respected by recognizing “regional plans for promotion of policies on Ainu people” formulated by municipal governments in consideration of the basic policy of the national government and the prefectural policies based on Ainu Policy Promotion Act in consideration of the current situation of Ainu culture and traditions, which are the origin of the pride of Ainu people.
- 8.6.5** Forest management practices shall be conducted with the sufficient understanding of forest-related experience, traditional knowledge and innovations of forest owners, local societies, indigenous peoples, etc., and with efforts toward equitable sharing of the benefits arising from the utilization of such experiences, knowledge, etc.
- 8.6.6** The standard requires that management shall give due regard to the role of forestry in local economies. Special consideration shall be given to new opportunities for training and employment of local people, including indigenous peoples.
- 8.6.7** Forest management shall contribute to research activities and data collection needed for sustainable forest management or support relevant research activities carried out by other organizations, as appropriate.

9. Performance evaluation of forest management

9.1 Monitoring, measurement, analysis and evaluation

- 9.1.1** Monitoring of forest resources and evaluation of their management, including ecological, social and economic effects, shall be periodically performed, and results fed back into the forest management planning process.
- 9.1.2** Health and vitality of forests shall be periodically monitored, especially key biotic and abiotic factors that potentially affect health and vitality of forest ecosystems, such as pests, diseases, animal damage, overgrazing and overstocking, fire, and damage caused by climatic factors, air pollutants or by forest management operations.
- 9.1.3** Where it is the responsibility of the forest owner/manager and included in forest management, the use of non-wood forest products, including hunting and fishing, shall be regulated, monitored and controlled.
- 9.1.4** Working conditions and safety shall be regularly monitored and adapted as

necessary so that compliance with related laws and regulations is attained.

9.2 Internal audit

9.2.1 Objectives

An internal audit programme at planned intervals shall provide information on whether the management system

- a) conforms to
 - the organization's requirements for its management system;
 - the requirements of the sustainable forest management standard
- b) is effectively implemented and maintained.

9.2.2 Organization

The organization shall:

- a) plan, establish, implement and maintain 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) define the audit criteria and scope for each audit;
- c) select the auditors and conduct audits to ensure objectivity and the impartiality of the audit process;
- d) ensure that the results of the audits are reported to relevant management;
- e) retain documented information as evidence of the implementation of the audit programme and the audit results.

9.3 Management review

9.3.1 An annual management review shall at least include

- a) the status of actions from previous management reviews;
- b) changes in external and internal issues that are relevant to the management system;
- c) information on the organization's performance, including trends in:
 - nonconformities and corrective actions;
 - monitoring and measurement results;
 - audit results;
- d) opportunities for continual improvement.

9.3.2 The outputs of the management review shall include decisions related to continual improvement opportunities and any need for changes to the management system.

9.3.3 Documented information as evidence of the results of management reviews shall be retained.

10. Improvement

10.1 Nonconformity and corrective action

10.1.1 When a nonconformity occurs, the organization shall:

- a) react to the nonconformity and, as applicable:
 - i. take action to control and correct it;
 - ii. deal with the consequences of the nonconformity;
- b) 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;
- c) implement any action needed;
- d) review the effectiveness of any corrective action taken;
- e) make changes to the management system, if necessary.

10.1.2 Corrective actions shall be appropriate to the effects of the nonconformities encountered.

10.1.3 The organization shall retain documented information as evidence of:

- a) the nature of the nonconformities and any subsequent actions taken;
- b) the results of any corrective action.

10.2 Continual improvement

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

Supplementary article

The next review of this standard shall be started on March 29th 2026 or before.

Bibliography

- CITIES, Convention on International Trade in Endangered Species of Wild Fauna and Flora, 1973, as amended
- Directive 2001/18/EC of the European Parliament & of the Council of 12 March 2001 on the deliberate release into the environment of genetically modified organisms and repealing Council Directive 90/220/EEC

- FAO. 2003. Report of the international conference on the contribution of criteria and indicators for sustainable forest management: the way forward. Rome
- FAO (2012), Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security.
- FAO 2015, FRA 2015 Terms and Definitions, Forest Resources Assessment Working Paper 180
- FAO 2018, Integrated Pest Management, www.fao.org/agriculture/crops/thematic-sitemap/theme/pests/ipm/en, access February 2018.
- Millennium Ecosystem Assessment, 2005. Ecosystems and Human Well-being: Synthesis. Island Press, Washington, DC
- Scherr et al. 2013, Defining Integrated Landscape Management for Policy Makers
- Stockholm Convention on Persistent Organic Pollutants (POPs) as amended in 2009
- United Nations 1948, Universal Declaration on Human Rights
- United Nations 2002, Report of the Conference of the Parties on its 7th session, held at Marrakesh, from 29 October to 10 November 2001, Addendum, Part two

Appendix 1

Operational guideline

Forest owners and forest management shall formulate forest management plans in conformity with this Appendix in operating this standard (SGEC Standard Document 3:2021 “Sustainable forest management – Requirements” and practice sustainable, effective and safe forest management in compliance with laws and regulations and also in accordance with the natural and social conditions of the forest concerned.

0. Identification of the forest areas which are subject to the certification, the responsible entity of the forest management and management policies

0.1 Applicants of forest management certification shall have qualification as forest managers. Such qualification includes having legal rights and capability for the management of the forest concerned as well as policies for establishing, managing and operating the management plan of the forest concerned.

0.1.1 Land registry in which forest owner or tenure right owner is registered; forest registry in which the forest concerned is registered; and the forest management plan and attached maps of the forest concerned shall be available and the sites randomly selected from the attached maps shall be identified on-site.

0.1.2 If the administrator is different from the owner or tenure right owner of the forest concerned, the responsible entity of management shall be identified through the management consignment contract, the “forest management right” or “forest management and operation implementation right”, and the applicant of forest management certification shall be clearly identified as the responsible entity of forest management concerned.

Note: In case of group forest management certification, requirements for planned and proper management of group forest concerned shall be clearly identified, through plan, organization and responsibility and others by which all forests owned by members of a group shall be uniformly managed, and requirements for group forest management certification stipulated in SGEC Standard Document 3-1 shall be met.

0.2 Forest inventory registry documents, in which location wise area of forest concerned,

distinction of man-made forest and natural forest, species composition or forest types, age and growing stock according to species composition or forest types are available, shall be provided at any time.

0.2.1 More specifically, forest registry or forest inventory registry or other equivalent registry documents on the forest concerned are provided at any time, and these documents shall be updated by implementing five year cycled forest inventory.

0.3 The location of the forest concerned shall be clearly identified on-site and in the documents.

0.3.1 More specifically, map of 1:5,000 or similar scale, in which location of forest concerned is identified by a lot number, is provided at any time and the sites randomly selected from the map shall be identified on-site.

0.4 A forest management plan shall be formulated according to this standard as 5 year plan (including 10 year plan which is established in every 5 years) which clearly describes target and policies on “green ecosystem” , and commitment to long-term compliance with the forest management stipulated in the plan concerned shall be guaranteed by the top management. Where a “authorized regional plan for promotion of Ainu policies” is established, the forest management plan shall be in compliance with the plan for Ainu policies and endeavor to promote Ainu culture.

0.4.1 Documents of the forest management plan shall be available any time and the implementation of forest management practices according to the plan shall be verified on site. Especially, basic policies on forest management shall be confirmed as long-term policies on forest management practices and verified on site. T records of implementation of forest management practices shall be confirmed on site and kept as the records verifying the conformity with this standard.

Note: With respect to relationship between the forest management plan and the forest planning system, the forest management plan needs to be in conformity with SGEC Standard “Sustainable Forest Management – Requirements” with the precondition of compliance with the regional forest plan defined in Article 5 of Forest act (the regional national forest plan defined in Article 7-2 in case of national forest) and the municipal forest development plan defined in Article 10-5 of Forest act.

0.4.2 The basic policies of forest management mentioned above shall identify management purpose of each forest in compliance with this standard and explicitly

show targeted forest structure depending on characteristics of the forest concerned for fulfilling the purpose in a consistent manner.

0.5 Management and administration system which enables forest management in line with forest management plan shall be maintained.

0.5.1 Management system and its operational organization required for implementation of the forest management plan shall be well arranged, and responsibility and authority of respective person in charge shall be clear.

0.5.2 Forest owners and managers shall try to improve the content of management of the forest concerned continuously.

1. Maintenance or appropriate enhancement of forest resources and their contribution to the prevention of global warming (global carbon cycle)

1.1 Certified forest products including non-wood forest products, as sustainable recyclable/reusable green resources, shall be effectively used in various purposes and contribute to the local economy through collaboration with local community and stake holders. Where an “regional plan for promotion of Ainu policies” is formulated, promotion of Ainu culture and invigoration of related industries shall be endeavored.

1.1.1 Use of various certified forest products shall be promoted with the COC organizations and shall disseminate the knowledge and experiences through acquisition of forest management certification into local community widely.

1.1.2 Certified forest products shall be adequately management and delivered to the users at log processing stage and delivering stage. The organization shall aim to achieve sound economic activities taking consideration of market analysis, feasibility study of new market as well as full range of goods and services of forest.

1.1.3 Conversion of forest to other land use related to forest infrastructures shall be properly conducted in accordance with relevant acts and regulations within minimum impact associated with sustainable management of the forest related.

1.2 Management, tending and use of forest shall be contributed to mitigation of climate change as a sink of carbon against the global warming.

1.2.1 Improvement of carbon sequestration capacity shall be aimed through appropriate forest treatment for increase carbon sequestration capacity or at least avoid decreasing the capacity and effective use of forest residues and thinned logs.

1.2.2 Use of fossil fuels shall be minimized as possible in forest management and

tending operations.

1.3 Forests which require forest management to enhance ecosystem services such as regulating services, cultural services and supporting services as well as provisioning services (Terms and definitions 3.6) shall be treated adequately for such purposes.

1.3.1 Zoning for recreational use, landscape conservation or disaster risk reduction shall be designed in the forest management plan. Such area shall be designed facilities layout, forest layout and its management suitable for landscape improvement, amenity improvement and disaster risk reduction.

1.3.2 The forest where its management practices are restricted in the Forest Act, Natural Park Act and other laws; or public planning system based on laws such as municipal forest development plan shall meet its rules and regulation in landscape conservation, recreational use or disaster prevention.

1.3.3 Facilities of forest recreation shall be located or planned to meet the expectation of beneficiaries, the rules and regulations of environmental conservation and forest conversion as well as rules and regulations of forest management plan for public health function.

1.3.4 Public access to forests for recreational use shall be properly arranged with due consideration of forest owner' rights and use rights, impact on forest resources and its ecosystem and balance with other functions.

1.4 Cultural and historic site and highly valued forest in terms of resources or society shall be protected.

In the northern part of Japanese archipelago, especially in Hokkaido, sites with cultural or traditional importance, or with value for tourism for Ainu people such as sites used for rituals, shall be protected.

1.4.1 Forest management plan shall identify the designated cultural properties under the act on protection of cultural properties, the sites locally recognized as cultural or historical importance, the local symbolic forests popular among local community, giant trees popular among local community and high valued forests in terms of science. The guideline of treatment shall also be stated.

1.4.2 Other forests, even not regulated by the act on protection of cultural properties, shall have consideration on conservation with the content of forest management recognized appropriate by the local community. Those forests shall be served as demonstration forests or model forests which serve social benefits proactively and conduct its public relations activities.

1.5 The space and opportunity shall be provided for the citizen to come in touch with the nature seeking for, for example, forest recreation, and the environmental education or safety guidance to the visitors shall be provided. Where a “plan for promotion of Ainu policies” is formulated, promotion of tourism targeting Ainu culture and traditions related to forests shall be endeavored.

1.5.1 The space and opportunity shall be provided for the citizen to come in touch with the nature seeking for, for example, forest recreation. Large size employers (forest managers, etc.) shall have their own the environmental education programs and explanation board for the visitors. Forest roads, skid tracks and foot-paths for the visitors’ use shall provide safety facilities, sign board and explanation board.

1.5.2 Awareness raising activities for the visitors to take their garbage home with them shall be conducted and the waste shall be processed outside the forest as appropriate.

1.6 Forest management plan shall take into account the use of relevant government policies and subsidy measures for fulfilling various functions designed in the municipal forest development plan.

2. Maintenance of health and vitality of forest ecosystem

2.1 Forest manager shall assess the economic, social and ecological impact, taking account of the development process of forest management planning, forest inventory data, the implementation of the plan and the result of monitoring, build up a cycle of sustainable improvement of forest management and establish an appropriate operational structure for implementation.

2.1.1 Forest management plan shall be elaborated and implemented in a way that recognizes, maintains and promotes the importance of multiple values of the forest concerned.

2.1.2 As to planning and implementation of forest management plan, biological precaution measures associated with natural site conditions shall be fully utilized from the context of maintenance and enhancement of forest soundness and vitality. As to implementation of forest management, in particular, logging method, regeneration method and regeneration species (including resistant bred seedlings against biotic and abiotic damages) associated with soils, climate and other conditions of the site shall be selected in a way harmonizing natural environment and enhancing resilience of the forest of the site.

2.1.3 Sustainability of long term forest management shall be considered through grasping resources status based upon the result of sample plots monitoring and leveling age class composition.

2.2 Harvesting level shall be within the level of forest management plan. Harvesting shall be implemented so that large scale clear cutting is avoided; cutting blocks are dispersed; and shape and size of cutting blocks are appropriate for conditions of the forest. Non-clear cut operation shall be conducted in sites deemed necessary. Harvesting of non-wood forest products shall be set within a level of sustainable management.

2.2.1 Technical manuals for harvesting methods, age and ratio shall be developed with due consideration of conservation of soil and water, biological diversity as well as landscape conservation. Non-clear cut operation shall be conducted wherever possible and hard wood species shall be retained in soft wood species dominant forests in erosion-prone areas. Depending on the site condition, introduction of multi-storied forest or operational method with due consideration of ecosystem shall also be considered.

2.2.2 A forest manager shall formulate the forest management plan in line with the relevant regional forest plan, municipal forest development plan and the forest owners' management plan under Forest act where the plan is developed, and forest management practices shall be implemented based on the forest management plan concerned.

2.3 Regeneration after harvesting shall be carried out in compliance with related laws and regulations. Site specific suitable species shall be planted in artificial regeneration based upon the record of silvicultural operations in the past.

Note: Regeneration periods of planting of man-made forests are determined in the designated conditions of protection forest management stipulated in the Cabinet Order of Forest Act so that “planting shall be implemented within 2 years starting from the first day of the subsequent fiscal year of the last day of the harvesting operation”. Regarding forests outside protection forests, regeneration periods are determined by “Notice No.851 of Ministry of Agriculture and Forestry in July 1, 1962” so that planting of man-made forest shall be implemented within 2 years starting from the first day of the subsequent fiscal year of the last day of the harvesting operation, and natural regeneration shall be implemented within 5 years

starting from the first day of the subsequent fiscal year of the last day of the harvesting operation”.

2.3.1 Harvesting and regeneration record in the last five or ten years shall be verified in documents in which regeneration shall be appropriately planned in correspondence to harvesting plan. Duration for regeneration shall follow the standards under municipal forest management plan.

2.3.2 Technical manuals for regeneration method, species and numbers of trees regenerated shall be developed and operational plan for regeneration shall be available for identification of the site, site specific regeneration method, size of the site, species and planned period for regeneration.

2.3.3 Selection of species in artificial regeneration shall be based upon the technical reasonableness such as the principle of site specific suitable species including the aspects of water resources conservation, protection from soil erosion and environmental conservation. Seeds or seedlings shall be from local provenances. Introduction of alien species shall be avoided if negative effect on the ecosystem is assumed. Genetically modified trees shall not be used for the time being.

2.3.4 In artificial planting, site specific method which takes account of soil erosion prevention, site conservation as well as high survival rate and good growth shall be selected. Survival survey of the planted seedling shall be periodically conducted and fill up planting shall be done in the area of dead trees. In case of large size tree dead or bad growth, replanting by appropriate species selection shall be taken based upon the survey analysis of such causes.

2.4 Appropriate forest management plan for natural forest (including stump sprouted forest) shall be elaborated while taking due consideration of characteristics of the site and appropriate operations for regeneration shall be conducted.

2.4.1 Management activities in natural forest described in forest management plan shall be appropriate to regional forest management plan as well as municipal forest development plan and forest owners' management plan. Harvesting and regeneration in natural forest shall be planned in a manner of mutually coordination from technical reasonableness point of view. Operational plan for harvesting and regeneration shall be available for harvesting method, its volume and planned period for operation.

2.4.2 In natural forest management, tree selection guidelines, based upon the operation methods and forest phase and type, and technical guidelines such as ratio of felling and its cycle shall be developed. In order to secure proper regeneration after

harvesting, regeneration assistance operations such as treatment of soil surface and supplementary planting shall be planned based upon forest phase and type as well as conditions after harvesting.

2.4.3 If natural ecosystem targeted to maintain and conserve is destroyed or degraded in primary forest and similar natural forest, restoration measures based upon the use of natural recovery power shall be taken.

2.5 Tending plan shall be clearly developed with appropriate implementation based upon the site condition.

2.5.1 Technical guidelines for tending methods and its timing shall be developed. In order to enhance species diversity and multi-layered root system, hardwood species or non-targeted species shall be retained in the pre-commercial thinning as appropriate.

2.5.2 Tending operation record in the last five or ten years shall be verified and upcoming sites for tending and site specific methods, volume and timing shall be available in documents.

2.5.3 If the number of wild animals inhabited is significant and causing damage to forest, precautions measures to reduce the animal pressures on the growth and biodiversity of forest shall be taken. Moreover, where forest is used for grazing, appropriate precautions measures shall be taken,

2.6 Thinning which will introduce target forest type shall be properly planned and implemented.

2.6.1 In comparison with age class composition of forest resources as well as tree density in each stand, thinning necessary stand shall be properly planned with identification of thinning sites, site specific thinning ratio, its volume and timing. Those stands designated as thinning necessary stand in municipal forest development plan shall have its implementation plan.

2.6.2 Thinning technical manuals for thinning method, its ratio, its age, its interval and stand density shall be developed. In thinning operation, hardwood species, standing dead wood, hollow trees in the site shall be retained as appropriate.

2.6.3 Thinning operation record in the last five or ten years shall be available. Judging from the status of thinning operation, thinning shall be properly conducted in comparison with stand age and density.

2.7 Appropriate prevention measures against pests, disease and animal damage shall be

taken. The use of chemicals such as pesticides shall comply with the laws and regulations and shall limit minimum level.

2.7.1 Forest pest and disease control plan in the forest management plan shall be consistent with prefectural standard for forest pest and disease control based on Act on Forest Pest and Disease Control and the wildlife protection and management plans based on the Wildlife Protection and Proper Hunting Act, and shall be relevant to maintain biological diversity and soil and water conservation.

2.7.2 Outbreak record and associated measures of forest pests, disease and animal damage in the last five or ten years shall be available.

2.7.3 The use of forestry chemicals (including herbicide) shall be minimized. When used, a control manual shall be established in compliance with the Agricultural Chemicals Regulation Act and other relevant regulations, and the chemicals shall be used in accordance with the manual. Notwithstanding the above, the “WHO Type 1A and 1B” pesticides shall be prohibited, except where no other viable alternative is available. In this respect, the chemicals to which alternatives do not exist are defined and listed in Appendix 4 of this document as the chemicals exceptionally allowed.

2.8 Prevention and remedial measures against forest fire and severe weather disaster shall be prepared. In case of use of fire, lighting of fires in forest shall only be conducted with permission and conditions by the head of the municipal government related.

2.8.1 With reference to forest fire and severe weather disaster, forest patrol staff and insurance coverage as well as awareness raising programs for employees, volunteers shall be available.

2.8.2 Forest fire fighting training for employees shall be conducted in collaboration with related organization and equipment for fire fighting shall be stored.

2.8.3 Reforestation plan in fire damages area shall be prepared with site specific regeneration methods and its size.

3. Maintenance and Enhancement of Production Function of Forests (Wood and non-wood forest products)

3.1 The production function of forests to produce wood and non-wood forest products as well as ecosystem services shall be maintained in the sustainable level, and cycling utilization of forest resources shall be promoted.

3.1.1 Benefits obtained from ecosystems such as regulating services, cultural services,

supporting services as well as provisioning services shall be capitalized on in accordance with local conditions of forest and surrounding area in a way contributing to cycling utilization of forest resources and vitalizing local societies.

3.1.2 Certified forest products including forest ecosystems and non-wood forest products shall be efficiently utilized for diverse purposes as “green ecosystem resources”.

3.2 Sound economic outcomes shall be pursued in economic activities including those related to new markets for forest products and servicing functions.

3.2.1 Level of harvest of wood and non-wood forest products shall not exceed the long-term sustainable level. Forest products harvested shall be effectively utilized as they are precious resources.

3.2.2 Forest managers shall make efforts to introduce and expand technologies that contribute to improvement of efficiency in resource utilization and local/global environment in their capacity, and to tackle sustainable use of forest resources and utilization of biomass and natural energy.

3.3 Forest management and practices of harvest or regeneration shall be carried out in the season or in a way that does not cause damages to soil and remaining standing trees; and also does not reduce production capacity of the forest ecosystem at the site.

3.4 In formulating forest management plan, the municipal forest development plan or other plans with respect to forest management for exerting timber production function and other functions of forest to serve public interest shall be taken into account; relevant government policies and subsidy measures shall be tried to be applied; harvested forest products shall be utilized optimally; contribution to revitalization of local societies shall be endeavored.

3.4.1 Forest owners/managers shall endeavor to promote utilization of domestic and local timber and optimal utilization of the harvested forest products in collaboration with other SGEC/PEFC certified entities and administrative organizations, considering cycling of production, processing, distribution, consumption and disposal of forest products.

3.5 In managing forests, infrastructures such as roads, skid tracks, bridges shall be appropriately designed, constructed and maintained in order to ensure efficient supply of products and services with keeping adverse impact to the environment minimum.

3.5.1 In construction or maintenance of forest roads, skid tracks or check dams as well as facilities for education and recreation, certified forest products shall be effectively used.

Note: Land used for construction of infrastructures in SGEC certified forests are recognized as part of forest land subject to the forest management, and timber originated from felled trees on the land used for construction of the infrastructures is recognized as timber originated from sustainably managed forests. Forest facilities such as forest roads or skid tracks are categorized as activities of forest management and are not considered harmful to the achievement of sustainable forest management, as long as their construction is carried out with a design and method harmonizing with natural conditions of the forest (refer Appendix 3).

3.5.2 Infrastructures such as forest roads and skid tracks shall be designed, constructed and maintained for effective supply of forest products and services while minimizing negative impact on the environment.

4. Maintenance, conservation and appropriate enhancement of biological diversity in forest ecosystems

4.1 Since long-term conservation of biological diversity of forest will contribute to provide economic and social benefits, management principles for conservation of biological diversity at landscape level as well as for major forest types at stand level shall be stated.

4.1.1. The following items for biological diversity shall be stated in forest management plan:

- a) Fundamental management principles on maintenance and improvement of diversity of ecosystem, species and gene based upon character of forest,
- b) Appropriate management plan on maintenance and improvement of biological diversity at landscape level,
- c) Technical guidelines on some representative forest types in terms of maintenance and improvement of biological diversity.

4.1.2 If primary forest or similar natural forest exists in the area, strict management based upon management principles for preservation shall be conducted and adjacent buffer zone management principles shall also be available.

4.1.3 Conversion of primary forest to man-made forest shall not occur unless, in

principle, in a small area within the limit of 1% of the primary forest and in justifiable conditions such as follows:

- a) The impact of conversion deems to be negligible in light of fundamental management principles on maintenance, improvement and other aspects of diversity of ecosystem, species and gene, as defined in this standard.
- b) Conversion does not violate the regional forest plan, municipal forest development plan and relevant acts and legislations related to the conservation of ecosystem such as Nature Conservation Act and Natural Parks Act.

4.1.4 With regard to conversion of forest to other types of land use, the conversion shall be undertaken within, in principle, the limit of 1% of the certified forest area (or the limit of 5ha in case that the certified forest area is less than 500ha) in an appropriate manner based upon, in addition to the previous clause: section 8.4 Criterion 4 of this standard “Maintenance, conservation and appropriate enhancement of biological diversity in forest ecosystems”; and section 8.6 Criterion 6 of this standard “Maintenance or appropriate enhancement of socio-economic functions and conditions”; and clauses on protection forests, forest planning system, forest land conversion permission system in Forest Act, other related laws and regulations such as Nature Conservation Act and Natural Parks Act. Forest conversion also shall make a contribution to long-term conservation, economic, and social benefits.

4.1.5 Those man-made forests which does not have justifiable reasons for conversion after 31 December 2010 shall be treated as disqualified forests which failed to meet the requirements stipulated in this document.

4.1.6 Conversion of abandoned agriculture lands back to forests shall be taken into consideration if such conversion may lead to increase in economic, environmental or cultural values.

4.2 Primary elements (natural forest including primary forest, Satoyama forest, grass land, wetland, pond, farm land and so on) for securing biological diversity in the area shall be clearly identified in the map and management principles shall be stated.

4.2.1 Constituting elements in the area shall be clearly identified in the map. As to primary elements for maintaining biological diversity among them, flora and fauna in the area shall be recorded and primary species of them shall be under the technical guidelines for conservation and management.

4.2.2 Appropriate conservation plan as well as management plan for riparian forest, wetland or biotope shall be available.

4.3 Appropriate conservation measures shall be provided for the species and their habitat under the categories of Critically Endangered, Endangered, Vulnerable and Near Threatened in the IUCN Red List of Threatened Species.

4.3.1 Existing information of biological diversity in the area and adjacent area shall be extensively collected and recorded. If flora and fauna in the IUCN Red List are found in the area, the habitat shall be identified and strictly protected in accordance with the protection plan. Those sites, where rare flora and fauna seem to inhabit based upon the experts' opinion, shall be conserved through protected forest establishment based upon the expert advice.

4.3.2 As a part of rare flora and fauna protection, measures shall be taken through protection of the standing trees worthy for nest tree, protection of standing dead wood, hollow trees and fallen dead wood worthy for bait of insects and birds and improvement of their habitat environment.

4.4 Appropriate conservation measures shall be provided for natural vegetation and wild flora and fauna including understory vegetation.

4.4.1 In order to maintain and improve the habitat environment for wild flora and fauna, understory and forest edge vegetation shall be maintained. Measures for protection of rare natural vegetation shall be taken.

4.4.2 Collection of wild flora and fauna shall be limited within the level of sustainability and improper actions shall be prevented. If the forest manager assumes the responsibility over picking of wild life, he/ she shall regulate, monitor and control such activities.

4.4.3 New introduction of alien species shall be carefully considered to avoid its negative effect on the ecosystem. If introduction is decided, careful monitoring of its negative effect shall be conducted.

4.4.4 On the construction of infrastructures such as forest roads or check dams, precaution measures (side ditch and crossing ditch of forest road and fish ladder) not hampering growth and propagation of small animals shall be conducted. The constructional materials for such infrastructures shall be from bio-materials as appropriate and those infrastructures shall be designed with environmental integrity and minimizing the damage to the ecosystem.

5. Maintenance or appropriate enhancement of protective functions in forest management (notably soil and water)

5.1 Impact of activities on soil and water resources conservation shall be conducted in advance for minimizing the negative impact in forest management plan and its operational process.

5.1.1 While recognizing change in the environment or level of conservation in connection to forestry operations such as logging and forest road construction, items related to the environmental consideration shall be put in order and be fully disseminated into the contractors and operators.

5.1.2 The area requested for special consideration in soil and basin system conservation shall be identified in the map and the appropriate measures for enhancing soil conservation functions shall be taken.

5.1.3 In the case of forest road and bridge construction design, exposure of bare soils shall be minimized, soil flow into water course shall be avoided and water course and its bed shall be maintained. Also appropriate surface water drainage of forest road shall be allocated and maintained.

5.2 Appropriate protection forest belt shall be set up and trees on the edge of the belt shall be conserved and maintained in the healthy condition in case of logging in the area of windswept ridges, basin system (including seasonal ones) and road side.

5.2.1 Protection forest belt shall be properly set up and trees on the edge of the belt shall be conserved and maintained in the healthy condition in the area of ridges and streams for soil, water resources, biological diversity and landscape conservation. Such protection forest belt shall be identified on-site based upon the map in the forest management plan.

5.2.2 Vegetation in protection forest belt shall be maintained with the vegetation associated with site specific conditions. If soft wood artificial plantation forms current vegetation, introduction to soft wood and hard wood mixture forest shall be planned.

5.3 In the course of logging, skidding and log transporting, upon considering effect on adjacent water resources and protection function against debris flow, measures for protection of forest floor surface shall be carefully taken.

5.3.1 If logging is planned in the area requested for consideration in soil and basin system conservation such as forest with high protection function against disaster in mountain or high risk area of disaster in mountain, type of logging and size of logging area shall be consistent with soil and water resources conservation. In the case of forest designated as water resources maintenance and improvement forest

under municipal forest development plan, logging plan shall be fit to the standards and models under the municipal forest development plan. In the case of other forest shall also be taken care of water resources conservation in the basin if logging or planting operations are planned.

5.3.2 As to method and season of logging, skidding and log transporting, measures for protection of forest floor surface and prevention of water pollution shall be carefully taken in accordance with technical manuals appropriately made by the environmentally friendly methods reflecting the site conditions such as geographical features, soil and vegetation.

5.4 Measures shall be taken to avoid spillage of chemical materials such as fuel and oil for machinery or other contaminant as well as agricultural chemical into basin system. Conservation of inland freshwater ecosystems, marine ecosystems and their services as well as human health and terrestrial ecosystems shall be pursued.

5.4.1 Measures shall be taken to avoid soil or water pollution based upon the manuals in which storage place, storage method and usage rules of fuel, oil and other chemicals are regulated. Leakage and unregulated dumping of oil during forest management operation shall be strictly avoided in accordance with the manuals. Non-organic waste shall be collected and stored in designated area with environmentally sound method.

5.4.2 In case of fertilizer use, it shall be applied in controlled manner and with ample consideration of the environment.

5.5 Soil and water conservation measures shall be taken for forest road and skid track construction.

5.5.1 In the course of road and skid track planning, technical manuals based upon the rules and regulations of forest road and of forest conversion shall be taken into account. Such planning shall be conducted in a way that minimizes the environmental impact on the natural conditions of the site and the characteristics of water use in downstream thereby paying full attention to water and soil conservation.

5.5.2 Structure of management of forest road and skid track shall be organized and appropriate maintenance service shall be conducted.

6. Maintenance or appropriate enhancement of socio-economic functions and conditions

- 6.1** All domestic acts and international conventions (including UN declarations and international customary laws) ratified by Japanese government shall be complied with. International conventions, etc. which are not ratified or agreed by Japanese government shall be respected and Japanese domestic laws including customary laws with respect to the related fields of these conventions shall be applied and followed.
- 6.1.1** Laws and regulations related forest management including those with respect to implementation of forest management; protection and conservation of forest ecosystem; tenure rights on land and forest; issues of health, labor and safety; and tax system.
- 6.1.2** All acts relevant to forest management shall be ready to refer and the documents and records justifying law compliance shall be available.
- 6.1.3** Forest manager shall promote to prevent unauthorized activities, including illegal ones by setting sign boards and other media for proper protection of forest.
- 6.1.4** Forest manager shall set up opportunities for hearing the opinions of local people or regarding gender equalities, etc. and define the procedure for resolving complaints and disputes from them in relation to forest management.
- 6.1.5** In the northern part of Japan, especially in Hokkaido, considering that forests are closely related with promotion of Ainu culture and advancement of Ainu policies to create the environment enabling it, and also recognizing that Ainu people are indigenous people in Japan, forest managers shall makes effort in forest management planning to contribute to effective and smooth implementation of “regional plans for promotion of Ainu policies” based on Act on Promotion of Policies for Realizing the Society in which the Pride of Ainu People (Ainu Policy Promotion Act) in close cooperation with relevant municipal governments, as well as to comply with international conventions such as Indigenous and Tribal Peoples Convention (ILO 169), UN Declaration on the Right of Indigenous Peoples, International Convention on the Elimination of All Forms of Racial Discrimination, International Covenants on Human Rights – International Covenant of Civil and Political Rights; Article 6 (Efforts by citizens) of Act on Promotion of Policies for Realizing the Society in which the Pride of Ainu People. In order to secure FPIC to Ainu people, procedures to provide sufficient prior information, hear opinions and requests and carry out consultation when necessary through meetings and communication measures, etc. shall be prepared. Ainu people and their regional organizations for whom FPIC is required shall be identified as far as possible by inquiring relevant municipal governments and organizations (refer 6.3.2.1 and 6.3.2.2 of this document).

6.2 Legal, customary or traditional rights to use local forest property and resources shall be respected through applying international conventions, Japanese domestic laws including customary laws, etc.

6.2.1 Existence of common rights and fishing rights or other customary rights in the forest (“forests for community use” in national forests) applied for certification shall be clarified and its status in the forest management plan shall be available.

In the northern part of Japanese archipelago, especially in Hokkaido, such rights shall be adequately dealt with based on Article 16 “National forests and forests for community use” and Article 17 “Consideration of permissions based on Fisheries Act and Act for Protection of Fisheries Resources” as well as relevant laws and regulations including international and domestic customary laws.

Note: Ainu Policy Promotion Act

Article 16: “When coordination between the national forest management and the designated municipal governments (municipal governments having formulated the designated regional plans for promotion of Ainu policies in which items defined in Section 4 of Article 10 are described) deems necessary for improving land utilization, Minister of Agriculture, Forestry and Fisheries may permit residents of the designated municipalities concerned and areas inside the municipalities to jointly collect forest products utilized for rituals traditionally implemented by Ainu people and other activities for promotion of Ainu culture carried out in the national forests relating to the items defined in Section 4 of Article 10 of the said law.”

Article 17: “When permission stipulated in Ordinance of Ministry of Agriculture, Forestry and Fisheries or the prefectural regulations based on Section 1 or 2 of Article 65 of Fisheries Act, or Section 1 or 2 of Article 4 of Act for Protection of Fisheries Resources in order for practicing the projects for salmon fishing in inland waters as described in authorized regional plans for Ainu policy promotion, Minister of Agriculture, Forestry and Fisheries or governors shall give adequate consideration on the smooth implementation of the projects for salmon fishing in inland waters concerned in responding to the application of the permission concerned.”

6.2.2 When the common rights recognized, users’ right and benefits shall be properly secured in the forest management plan based upon the status of use.

6.2.3 Forest management shall be associated with promotion of long-term health and welfare of the communities within and adjacent the said forest.

6.2.4 Forest manager shall respect traditional forest management practices in Satoyama and other area as far as economically feasible, and redress inequality in opportunity and results.

6.2.5 Forest manager shall procedures to identify the stakeholders by using appropriate information, provide explanation to those stakeholders who are potentially affected by the forest management, hear their views on the matters related to forest management and make consultation when necessary. If necessary, forest manager shall also hear from the municipal office concerned the process of discussions by experts who review the municipal forest management plan.

In the course of developing forest management plan, forest manager shall make the best use of local forest-related experience and knowledge, such as those of local communities, forest owners, NGOs and local people.

6.3 Employees and contractors shall be properly trained and guided on biological diversity in the course of management plan implementation.

6.3.1 Training and guiding texts on work safety and biological diversity shall be available and employees and contractors training shall be conducted.

6.4 Forest manger shall assure that the employees and contractors follow the forest management criteria, indicators and guidelines (forest management standard) and take necessary measures for improving the employment environment such as professional skill up training or registration to the social security system and recognize the status of the implementation of such measures.

6.4.1 Entities implementing practices relating to certified forests shall comply with the fundamental ILO conventions ratified by the Japanese government, Article 3 and Article 5 of Labor Standards Act related to ILO No. 105 and No. 111, both of which are not ratified by Japan, as well as other relevant domestic acts and shall enroll social security system such as employee's unemployment insurance, health insurance, pension insurance and retirement allowance mutual fund. The entities shall try to let the employees, who do not legally satisfy the requirements, enroll such systems. Status of social security enrollment in contractor's employee shall be reported.

Note: Labour Standard Act

Article 3 Employers shall not conduct discriminatory treatment to labor conditions such as wages, working time and others due to employees nationality, beliefs, social positions (principle of same wages for men and women).

Article 5 Employers shall not force workers to work against their will through the use of violence, intimidation, confinement, or any other means which unfairly restrict the mental or physical freedom of said workers.

6.4.2 Employees' skill up training and guidance policy for log processing, forest management, forest inventory, field supervising, management planning and sales shall be available and such training shall be conducted.

6.5 Necessary training and guidance of employees and contractors on work safety shall be conducted in order to establish safe working environment.

6.5.1 Work safety manuals and guidance, its check sheet, its daily report, risk assessment report and record of accident while at work shall be provided to employees and contractors. Work safety training, self-daily work safety check, risk assessment, work safety inspection and work safety and health training shall be conducted.

6.5.2 Employer shall have institutional safety and health management structure based upon Labor Safe and Health Act and associated rules and regulations.

7. Performance evaluation and improvement by monitoring

7.1 Forest owners/managers shall endeavor to evaluate and improve the performance of forest management and the management organization through in situ verification by establishing a checklist for evaluating achievement of the forest management plan. In case performance evaluation and improvement is not conducted appropriately, its causes and counter-measures shall be identified, and self-examination/evaluation as well as consideration of improvement measures shall be conducted through internal audits. Where a "regional plan for promotion of Ainu polity" is formulated, monitoring of compliance status regarding the plan, customary joint utilization of forests by Ainu people, protection of cultural and traditional heritage of Ainu people related to forests and so on shall be carried out.

7.1.1 Periodical monitoring of implementation of the forest management plan and performance of the management organization shall be carried out. The result of the monitoring shall be reviewed by the top management of the organization, and resulted in necessary improvement by reflecting the monitoring to implementation and revision of the management plan as well as to management of the organization.

7.1.2 The Check list of monitoring shall include the items which verify the performance

of forest management plan's achievement such as pest/disease/animal damage; frost/snow damage; forest fire including natural fire; operations' impact on ecosystem soundness and vitality (including non-wood forest products); labor safety; and collaboration with stakeholders.

7.2 Forest management plan and its monitoring results shall be confidential in general; however, the summary information shall be open to the public in principle. Various kinds of information related to the managed forests shall be kept as much as possible, and various data related to the forest concerned shall be recorded and kept as much as possible. In case of forest operations conducted, category-wise, fiscal year-wise and site-wise operational record shall be kept.

Collaborative monitoring system shall be established with the local governments, if they conduct the indicator species monitoring for estimating holistic biological diversity in the region.

7.2.1 Documents defining the method of publicizing the forest management plan, its operation record and check list for biological diversity (including the venue, the perusal method and procedures) shall exist or be planned to be formulated. However, such documents shall not be open to be public as personal information, secret documents stipulated in relevant acts and regulation, and secret information linked with natural environmental conservation.

7.2.2 Site-wise and fiscal year-wise operational record shall be kept. Site-wise and fiscal year-wise damage status of pests and disease, animals, forest fire, severe weather shall be recorded. Status of enrollment in and compensation from forest insurance shall be recorded. The contents of collaboration and status of operations with the third parties who conduct biological diversity monitoring shall be verified.

7.2.3 Forest managers shall actively and properly contribute to data collection related to research activities in sustainable forest management, in consideration of the principle that forest management shall be conducted based upon scientific research results.

Appendix 2

Procedures of Certification Audit with respect to “6.1.5 (Ainu people)” of Appendix 1 of SGEC Standard Document 3

1. General principle

Considering that Ainu people are recognized as “indigenous people residing in the northern part of Japanese Archipelago, especially in Hokkaido” in Ainu Policy Promotion Act, in conducting forest management in an area where Ainu people reside in Hokkaido, forest managers shall make consultation with Ainu people or a regional organization(s) of Ainu people in the area concerned in order to secure free, prior, informed consent (FPIC) of Ainu people as well as effective and smooth implementation of the “regional plans for promotion of Ainu policies” formulated by the designated municipal governments, based on Section 6.1.5 of Appendix 1 “Operational guideline” of SGEC Standard Document 3 “Sustainable Forest Management – Requirements”. Forest managers shall pay attention to rights under customary law which are generated or being generated through general customary practices recognized internationally and domestically.

2. Certification Evaluation Process

In conducting certification evaluation related to Section 6.1.5 (Ainu people) of the operational guideline, the following points are evaluated in order to confirm whether forest managers secure FPIC of Ainu people or not.

(Activities based on the “regional plans for promotion of Ainu policies”)

- (1) Forest managers shall make effort to effectively and smoothly implement the items under their responsibility among those related to forest management defined in the “regional plans for promotion of Ainu policies” stipulated by municipal governments by coordinating with the municipal governments administering the forest management area and reflecting the item to the forest management plans concerned.

(Identifying Ainu people residing in the area concerned)

- (2) Forest managers shall identify Ainu people who reside in the area of forest management concerned or local organization(s) of Ainu people located in the area as

stakeholders. In identifying these stakeholders, the forest managers shall conduct necessary survey by, for example, acquiring information from local governments and/or other relevant organizations such as Ainu Association of Hokkaido.

(Explanation of forest management plans and implementation of FPIC)

(3) Forest managers shall deliver explanation through meetings and/or other communication measures regarding forest management plans (timber harvesting, forest road construction, etc.) which are subject to certification to the stakeholders identified in the way described in the (2) above; confirm their views and requests; and make consultation with them when necessary. If forest managers are not able to identify Ainu people as being stakeholders, they shall explain the forest management plans to the municipal governments at the location of their forest management areas so that local residents are able to acquire information on the forest management plans through the municipal governments. Forest managers shall pay particular attention to the following issues in managing the forests;

- ① protection of customary practices of Ainu people in the forest concerned such as hunting or gathering of plants used as dye or food
- ② protection of sites of spiritual significance for Ainu people such as “chiminoshiri” (sites for prayer)
- ③ protection of other culture and customs of Ainu people related to the forest concerned

<references> Board of Education, Hokkaido

- List of cultural assets designated by the national government, Hokkaido prefectural government and municipal governments
- Candidates of designated cultural or scenic sites related to Ainu culture
- List of historical remains or monuments of Ainu people
- Other Ainu concerned documents related to particular attention shown in (3) above

(Measures in case a solution is not reached)

(4) In case that a solution is not reached through the consultation described in the above, the forest managers shall seek advice from relevant organizations such as municipal governments and make further effort to reach an appropriate and fair solution through, for example, additional explanation based on a field survey and document survey

upon necessity.

(Contracts on customary practices in forests)

- (5) In case of customary practices described in (3) above, contracts based on the consultation between the both sides shall be agreed on upon necessity.

(Record of consultation)

- (6) Forest managers shall keep written records of the content and process of the consultation with Ainu people or the local Ainu organization(s). When necessary, a written record agreed by the both sides shall be made.

(Continuous review of the procedures)

- (7) These procedures are under continuous review based on the actual situation of certification audits and opinions of stakeholders.

Note: “Hokkaido Ainu Living Conditions Survey”

The report of “Hokkaido Ainu Living Conditions Survey” compiled by Ainu Policy Division, Ainu Measures Promotion Bureau, Department of Environment and Lifestyle, Hokkaido Prefectural Government, include the data on “number of targeted households and people”. However, this number shows only number of households or people who answered the survey and does not necessarily reflect number of Ainu households and people living in Hokkaido. Thus, there is possibility that Ainu people actually live in the area where “number of targeted households and people” in the survey was recorded “zero” or “–”, and, therefore, forest managers shall make efforts to secure FPIC of Ainu people even in such areas when formulating a forest management plan.

Appendix 3

Handling wood products produced by infrastructure construction in forest

The area for infrastructure construction in SGEC certified forests shall be regarded as a part of forest area designated for forest management. Wood cut from the area of infrastructure construction shall be treated as the wood products produced under sustainable forest management (SFM) of SGEC scheme.

In this connection, the infrastructures in such area shall be designed and be constructed in site specific condition friendly manner as a part of SFM. These constructional activities shall be, therefore, taken under the category of sustainable forest management and considered not harmful to materialization of SFM.

Note 1: “Guidance for administrative procedures with respect to protection forests and protection forest facilities stipulated in Forest Act” (Notification No790 from Vice Minister of Agriculture, Forestry and Fisheries to prefectural governors dated on April 27, 2000, last amendment in April 1, 2013)

Note 2: In Section 4.2.2(a) of the notification above, “forest roads, skid tracks, log yards and waking trails” are listed as “facilities necessary for forest management and practices” which are subject to permission of alteration of land shape in protection forests. This clause defines facilities which can be approved to be constructed without cancelling designation as protection forests. Considering these facilities are allowed as “necessary for forest management and practices” even in protection forests, it is reasonable assumption that such facilities are also allowed in forests other than protection forests in general as “facilities necessary for forest management and practices”.

Appendix4

The chemicals classified as WHO Type 1A and 1B the use of which are exceptionally allowed by the provision given in Section 8.2.8 of SGECS Standard Document 3 “SGECS Sustainable Forest Management – Requirements”

The chemicals the use of which are exceptionally allowed are limited to the following;

- Zinc Phosphide

When using this chemical, forest manager shall establish the control manual in compliance with the Agricultural Chemicals Regulation Act and fully assure not only the prevention of accidents but also the conservation of natural and living environment.

SGEC Guide Document 3-1

SGEC Guide on FPIC Implementation for Ainu People

Forward

Ainu people, residing in northern part of Japanese Archipelago, particularly in Hokkaido, had been nurturing and developing their unique culture in which deep spiritual and religious bond with nature was the precious element. However, after Meiji Restoration, Japanese government in Meiji era, which rushed to modernize Japan, renamed “Ezo”, the original name of the land, to Hokkaido and annexed Hokkaido, where Ainu people had been living, into the Japanese territory; integrated Ainu people into Japanese nationals through compilation of family register; and promoted transmigration into and development of Hokkaido. In this process, Ainu people, being deprived of their culture and forced to assimilation, lost their land and livelihood, and was placed at political, economic and social disadvantage. Despite severe discrimination which Ainu people have been suffering from since then and even after the World War II, they have been protecting and maintaining their identity and culture such as Ainu language; they currently call for revitalization of their culture, improvement of their political, economic, and social status, security of rights as indigenous people and so forth.

Since the adoption of “United Nations Declaration on the Rights of Indigenous People” on the Right of Indigenous Peoples” in 2007 UN General Assembly, the countries where indigenous people reside are now share common understanding that it was injustice of these countries to have annexed the land of indigenous people, integrated them to nationals, damaged their original culture seriously and put them into political, economic and social disadvantage. In view of such international trend and cultural, social and economic importance of forest and rivers for Ainu people, sufficient consideration should be given to the culture, customs, etc. of Ainu people. In order to secure effective consideration for Ainu people, it should be endeavored that FPIC to Ainu people as stakeholders is conducted and thereby contribute to materialization of the society in which the pride of Ainu people is respected.

In the light of the above, this guide is to explain concrete procedures of FPIC defined in 6.1.4 of SGEC Standard Document 3 “SGEC Sustainable Forest Management — Requirements”, 6.1.5 of Appendix 1 “Operational Guideline” and Appendix 2

“Procedures of Certification Audit with respect to ‘6.1.5 (Ainu people)’ of Appendix 1 of SGECC Standard Document 3” of SEGCC Standard Document 3.

1. Necessity of FPIC to Ainu people

(1) International trend

In 1970s, indigenous peoples across the world started to join hands together towards improvement of their political, economic and social status internationally and domestically, and guarantee of the “rights of indigenous peoples”. Since 1980s, such issues had been discussed in the United Nations with representatives from national governments and indigenous peoples gathering all together. The UN Declaration on the Rights of Indigenous Peoples adopted in September 2007 embodies the achievement of the discussion, which had lasted more than 20 years, and FPIC is clearly stated in the declaration.

In 1992, Rio de Janeiro Earth Summit adopted Rio Declaration on Environment and Development, which admitted importance of the participation by citizens to the decision making process related to environmental issues by proclaiming in Article 10 that “environmental issues are best handled with the participation of all concerned citizens, at the relevant level and at the national level, each individual shall have appropriate access to information concerning the environment that is held by public authorities, the opportunity to participate in decision-making processes”.

Article 8 of Convention of Biological Diversity, which entered into force in 1993, also stipulates that “each contracting parties shall, subject to its national legislation, respect, preserve and maintain knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation and sustainable use of biological diversity and promote their wider application with the approval and involvement of the holders of such knowledge, innovations and practices and encourage the equitable sharing of the benefits arising from the utilization of such knowledge, innovations and practices”.

Necessity of citizens’ participation and FPIC of indigenous peoples in decision making processes of policies related to environment and development is now internationally recognized, having been affirmed in negotiations under the “UN Framework Convention on Climate Change” since 1992, more specifically, for example, “Reducing Emissions from Deforestation and Forest Degradation and role of conservation, sustainable forest management and enhancement of carbon stocks in developing countries (REDD+)” agreed in COP 15 in 2009, as well as in 169 targets of the “Sustainable Development Goals (SDGs)” adopted in the UN Summit in 2015.

(2) Domestic trend

On June 6th, 2008, subsequent year of the UN declaration, both the House of Councilors and the House of Representatives of Japanese Diet unanimously adopt the “Diet Resolution Calling for Recognition of Ainu People as Indigenous People”. On the same day, Cabinet Secretary publicized the statement saying “The Government of Japan makes efforts to establish integrated policies on Ainu people by promoting previous policies by referring related clauses of the UN declaration under the recognition that Ainu people is indigenous people who reside in the northern part of Japanese Archipelago, particularly in Hokkaido, have their own language and maintain the uniqueness of their religion and culture”, and established the “Expert Council on Ainu Policies”.

The report of the expert council submitted to Cabinet Secretary in July 2009 defined indigenous people as “people having been residing in a certain region of a country historically since before the reign of the country reached over the region as people having different culture and identity from the majority people of the country, and currently living in the same region without losing their unique culture and identity even under the domination of the majority people forced to them regardless of their intention” and recognized Ainu people as indigenous people “who have been living in the northern part of Japanese Archipelago, particularly in Hokkaido, since before the reign of Japan reached over there as independent people free from control and restraints from outside and maintaining their unique culture”. The report pointed out that “Japanese government had strong responsibility to pay attention to restoration of the culture of Ainu people as indigenous people, considering the history that the modernization as the national strategy had serious adverse impact to Ainu culture”. The report also says that the culture mentioned in the report meant integrated lifestyle as a whole including language, music, dancing, handicrafts, etc. in addition to the forms of land use, and that a certain consideration should be given to the utilization of land and resources based on opinions of Ainu people and their living conditions, because Ainu people had strong ties with land where they utilized as the source of livelihood and places for rituals.

Afterwards, “Ainu Policy Promotion Council” chaired by Cabinet Secretary made consideration toward the realization of the proposals made in the report above, and as an outcome, the symbolic space for coexistence of peoples and the national museum of Ainu people were constructed and opened in April 2020. Also, in April 2019, “Act on promotion of policies for realizing the society in which the pride of Ainu people is

respected” (hereinafter referred as “Ainu Promotion Act”) was enacted in order for Ainu policies to be promoted with “the purpose of contributing to achieve societies in which Ainu people are able to live with the pride as a people and their pride is respected, and all the citizens coexist with mutual respect of personality and character” (Article 1) . Article 6 of the same act stipulates that “Japanese citizens should make efforts to contribute to attainment of societies in which Ainu people are able to live with the pride as a people and such pride is respected”, and Article 16 stipulates the special measure to enable provision of the right to jointly use national forests for gathering forest products utilized for revitalization of Ainu culture such as implementation of traditional rituals and so on to citizens living in designated municipalities (municipalities where Ainu policy promotion regional plans are formulated and approved by Prime Minister)”.

(3) Policies for the operation of SGEC certification system

In operating SGEC certification system, international conventions such as the UN declaration, Racial Discrimination Elimination Convention, International Covenants on Human Rights, and domestic laws and regulations such as Ainu policy Promotion Act, basic governmental policies relating the act, prefectural policies, Ainu policy promotion regional plans and their measures formulated by designated municipal governments should be considered, and by understanding significance of the importance of forests for Ainu people and the fact that Ainu people are recognized as indigenous people in Japan, it should be endeavored to contribute to materialization of societies in which the pride of Ainu people is respected.

In order for that, SGEC forest certification system should be operated so that the forest managers and forestry practitioners (hereinafter referred as “forest managers”) secure sufficient consideration of Ainu people in forest management and practices stipulated in forest management plans (hereinafter referred as “forest management”), and that Ainu people affected by forest management are ensured to be able to deliver their opinions and requests to forest managers. Under such system, it is important that forest managers respond to requests from Ainu people in a faithful manner as possible and make efforts to establish relationship based on mutual trust with Ainu people.

2. Description of “Free, Prior, Informed Consent (FPIC) in various documents

(1) FPIC defined in the UN declaration

Article 19 of the UN declaration adopted in September 2007 stipulates that “states shall consult and cooperate in good faith with the indigenous peoples concerned

through their own representative institutions in order to obtain their free, prior and informed consent before adopting and implementing legislative or administrative measures that may affect them” and urges sovereign nations to conduct FPIC of indigenous people.

(2) FPIC described in PEFC certification standard “ST 1003:2010”

PEFC, taking such international trend seriously, and stipulated that “forest practices and operations shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO 169 and the UN Declaration on the Rights of Indigenous Peoples, which shall not be infringed upon without the free, prior and informed consent of the holders of the rights, including the provision of compensation where applicable”; “where the extent of rights is not yet resolved, or is in dispute, there are processes for just and fair resolution”; and “in such cases forest managers shall, in the interim, provide meaningful opportunities for parties to be engaged in forest management decisions whilst respecting the processes and roles and responsibilities laid out in the policies and laws where the certification takes place” in “6.3.2.2.” of PEFC standard ST 1003:2018 “Sustainable Forest Management — Requirements”. This standard also stipulates that “sites with recognized specific historical, cultural or spiritual significance and areas fundamental to meeting the needs of indigenous peoples and local communities (e.g. health, subsistence) shall be protected or managed in a way that takes due regard of the significance of the site” in 8.6.3.

(3) FPIC described in SGEC Standard Document 3 “SGEC Sustainable Forest management —Requirements”

SGEC/PEFC Japan stipulates the clause equivalent to that of PEFC standard in 6.3.2.2. of SGEC Standard Document 3 “SGEC Sustainable Forest management — Requirements”, and stipulates concrete procedures for FPIC such that “in order to secure FPIC by Ainu people, procedures to provide sufficient prior information, hear opinions and requests and carry out consultation when necessary through meetings and communication measures, etc. shall be prepared” and that “Ainu people and their regional organizations for whom FPIC is required shall be identified as far as possible by inquiring relevant municipal governments and organizations”.

SGEC/PEFC Japan also defines necessary procedures such that “in conducting forest management in an area where Ainu people reside, forest managers shall make consultation with Ainu people or a regional organization(s) of Ainu people in the area

concerned in order to secure free, prior, informed consent (FPIC) of Ainu people based on Section 6.1.5 of Appendix 1 ‘Operational guideline’ of SGEC Standard Document 3 ‘Sustainable Forest Management – Requirements’ in Appendix 2 “Procedures of Certification Audit with respect to ‘6.1.5 (Ainu people)’ of Appendix 1 of SGEC Standard Document 3” of SGEC Standard Document 3.

3. Process of FPIC

(1) Free, Prior and Informed Consent

FPIC is acronym of Free, Prior and Informed Consent and comprised of three elements, that is, “free consent”, “prior consent” and “informed consent”. “Consent” means “to accept opinions or proposals of others”, and therefore forest managers have to get forest management plans accepted by Ainu people. FPIC for Ainu people is to be implemented according to procedures described in (2) below, also for Ainu people who do not come forward, in consideration of the fact that not a few Ainu people refrain from coming forward publicly in spite of their identity as Ainu people under the circumstances they had been suffered from severe discrimination.

Meaning of the elements of FPIC in SGEC certification system is as follows:

- i) “Free consent” means “consent done without pressure or interference from the other side of the consultation or third parties”. Therefore, forest managers shall try to make sure that Ainu people residing within or in the vicinity of the forest area subject to the forest management plan concerned (hereinafter referred as “Ainu people”) are not receive pressure from forest managers or other third parties with respect to consent of the forest management plan.
- ii) “Prior consent” means “consent prior to implementation of something”. Therefore, forest managers shall provide meaningful opportunities for Ainu people to engage in decision making on the forest management plans.
- iii) “Informed consent” means “consent given under the condition that the subject is well understood based on provision of explanation or information which is clear and easy to understand”. Therefore, forest managers shall provide explanation and information in a transparent and easy-to-understand way regarding the substantial and potential influence of the forest management implemented by the forest management plan incurred to customs, daily life and environment of Ainu people.

(2) Concrete procedures of FPIC

FPIC is implemented with 5 steps shown below. The following points should be

considered in its implementation.

- i) Content and implementation order of the steps are not fixed, but flexibly changeable depending on consultation with Ainu people and their organizations
- ii) FPIC is continuous process aiming at construction and maintenance of good relationship with Ainu people.
- iii) The record of FPIC process should be kept and used as explanation material when needed

STEP 1: Identifying stakeholders

Forest managers applying for new certification or recertification of SGEC forest management shall identify Ainu people or organization(s) who are living within or in the vicinity of the forest area concerned and affected by the forest management substantially or potentially as stakeholders, according to the following procedure:

- i) In case that it is possible to identify a local organization of Ainu people who are living within or in the vicinity of the forest area concerned, the organization concerned becomes a stakeholder.
- ii) In case that the local organization stipulated in i) above cannot be identified, but individual Ainu person(s) who are living within or in the vicinity of the forest area concerned can be identified, then the Ainu person(s) become stakeholders.
- iii) In case that both the regional organization and individual Ainu person(s) stipulated in i) and ii) above can be identified, both become stakeholders.
- iv) In case that neither a local organization nor individual Ainu person(s) stipulated in i) and ii) above is identified despite survey conducted by acquiring information on the local organization and Ainu people, the process of the survey shall be recorded and kept. Furthermore, even in such cases, it should be noted that the possibility of Ainu people living in the area concerned cannot be denied. The information acquired through the process of the survey shall be controlled appropriately in view of the privacy protection.
- v) In identifying stakeholders, forest managers should ask information from organizations related to Ainu people, municipal governments governing the forest area concerned, local research institutes, so on. Forest managers are also recommended to explain those organizations the location, boundary, area/growing stock by forest types (man-made forests or natural forests), as well as, if possible, history of ownership and management.

STEP 2: Grasp of influence on stakeholders

For formulation of the forest management plan, forest managers shall ask for opinions from organizations related to Ainu people, related municipal governments, local research institutes, forestry and forest product industry organizations, tourism associations, chambers of commerce, NPOs, etc. and grasp substantial or potential influence of the forest management to preservation of customs of Ainu people related to forests; conservation of natural, cultural and social environment; promotion of business and industries; promotion of tourism, etc. for Ainu people. In order for the above, forest managers shall take following steps.

- i) Forest managers shall grasp influence to the following matters, considering deep spiritual and religious bond between Ainu people and nature.
 - Preservation of customs such as hunting, collection of forest products for food, dye or for other materials, etc.
 - Preservation of sites which is important for Ainu people spiritually or religiously such as “chinomishiri” (place for prayer)
 - Other preservation of culture and customs of Ainu people related to the forest concerned
- ii) Forest managers shall collect information on tree species, vegetation, geography, soil etc. of the forest area, and sufficiently consider influence to daily life of Ainu people, public functions of forests such as headwater conservation and erosion control, conservation of biological diversity such as protection of rare species.
- iii) Influence to forest environment, customs and living environment of Ainu people, and implementation of Ainu policies by designated municipal governments shall be sufficiently considered, with respect to conversion of forest land use, timber harvesting and construction of infrastructure such as forest roads.
- iv) Forest managers shall identify naturally, culturally and socially important forest resources within the forest area concerned; examine influence of forest management plans to promotion of industries including tourism, promotion of Ainu culture, etc.; and in case of the municipality designated based on Ainu Policy Promotion Act, pay attention to effective and smooth implementation of Ainu policies.
- v) Forest managers shall recognize international conventions such as the UN declaration, observe domestic laws such as Labor Standards Act and make

efforts to establish labor environment in which discrimination and forced labor are eliminated, equality of working opportunity and conditions is secured, and health and safety of laborer are not threatened.

STEP 3: Explanation to stakeholders and acceptance of opinions and requests

Forest managers shall conduct the following explanation, confirmation of opinions and requests, consultation, etc. related to the influence grasped in step 2 in order to secure effective consideration responding to concrete needs of Ainu people. In that case, proposed documents such as forest management plans shall include concrete information of the forest concerned (location, ownership/management, legal constraints, area/growing stock by forest types <man-made forest or natural forest>) and maps.

- i) Forest managers shall explain in a way easy to understand regarding forest management plans, influence described in step 2, etc., to stakeholders through meetings, visits, telephone explanation as well as sending materials by post. In each case, it shall be widely informed that opinions from stakeholders are invited for a sufficient period of time via phone, post, e-mail, direct visits, etc. When opinions or request are submitted, forest managers shall consult with stakeholders in a faithful manner. If there is no opinions or requests submitted for around 2 months, it is recognized that “a sufficient period of time” has passed. If the explanation is done by “sending materials by post” and even after one month since the sending of materials there is no opinions or requests submitted, then forest managers shall send the materials again by post.
- ii) In case that no stakeholders are identified, in order to secure FPIC to potential Ainu people, forest managers shall explain forest management plans and their influence described in step 2 to the related municipal governments (and requesting municipal governments to carry the information on municipality’s public relations magazines), and let municipal governments widely distribute the information that opinions or requests are invited from Ainu people for two months via telephone, post, e-mail, visiting offices, etc. If opinions or requests are submitted, forest managers shall consult with the person(s) who submitted the opinions or requests in a faithful manner.

STEP 4: Securing consent by stakeholders

Forest managers shall handle opinions or requests submitted from stakeholders or other persons in a faithful manner as possible, and make efforts to get consent of

stakeholders or other persons who submitted opinions or requests with respect to the forest management plans and forest management according to the plans. In case that consultation with stakeholders or other persons who submitted opinions or requests is not settled, forest managers shall make efforts to settle the consultation in an appropriate and fair manner by asking advice from related organizations such as municipal governments and by, when needed, provide supplementary explanation based on on-site or document survey.

- i) If there is no opinion or request submitted during “a sufficient period of time” described in step 3 i) or “2 months” described in step3 ii), and if forest managers do not receive additional information from organizations related to Ainu people such as Hokkaido Ainu Association and related municipal governments after reporting the situation to them, then it can be regarded that FPIC was fulfilled from stakeholders or potential Ainu people.
- ii) If opinions or requests are submitted from stakeholders or potential Ainu people after it was judged that FPIC was fulfilled according to i), that judgement is not rescinded.

However, forest managers should handle the opinions or requests submitted after the judgment of i) above appropriately by consulting with the persons who submitted the opinions or requests in a faithful manner.

STEP 5: Keeping the record and monitoring

(1) Keeping the record

Forest managers shall record the content and the sequence of events with stakeholders or persons who submitted opinions or requests in written documents and keep these documents. When needed, forest managers shall prepare documents confirmed by stakeholders or persons who submit opinions or requests.

(2) Monitoring

Forest managers shall conduct periodical monitoring regarding implementation of forest management and its influence to Ainu people. The results of the monitoring shall be reflected to the implementation of forest management plans and, when needed, the forest management plans shall be amended.

Particularly, in case of matters related to preservation of customs of Ainu people and conservation of places which have cultural, social and economic values for Ainu people in forests, and in case that the related municipal governments are designated based on Ainu Policy Promotion Act, forest managers shall conduct monitoring based

on the record of consultation with stakeholders or other persons who submitted opinions or requests, and try to make the consideration of Ainu people in forest management effective.

4. Supplementary Article

- (1) This guide is to be amended, when needed, based on result of monitoring and opinions from persons concerned.
- (2) This guide becomes effective from January 1st, 2020, with the transition period from January 1st until April 1st, 2020.
- (3) Auditors of SGEC forest management certification shall apply this guide in re-certification audits after this guide became effective (or after the transition period). When surveillance audits are implemented before the earliest re-certification audits, this guide shall be applied to the surveillance audits.

(end of the document)

SGEC Standard Document 3-1

Approved by the Board of Directors on March 30, 2021

Date of Entry into Force: June 1st, 2021

Transition Period: until August 14, 2023

SGEC Group Forest Certification - Requirements

Content

Foreword

Introduction

1. Scope
2. Normative references
3. Terms and definitions
4. Group organization
5. Leadership
6. Planning
7. Support
8. Operation
9. Performance evaluation
10. Improvement

Foreword

Green Ecosystem Council (hereinafter referred as SGEC/PEFC Japan) is the organization administering the certification system applicable in Japan to promote sustainable forest management through forest management certification and the labelling system of forest products.

Certified forest products based on this document are recognized as SGEC certified or PEFC certified products (SGEC/PEFC certification) and SGEC/PEFC claims and/or labels are allowed on the products.

The SGEC forest certification and a SGEC forest product labels offer citizens/consumers assurances that the raw materials originate from sustainably managed forests, recycled or controlled sources.

This standard is formulated in conformity with PEFC ST 1002:2018 “Group Forest Management -Requirements” with consensus-based process by means of open and transparent consultations participated by a broad range of stakeholders. The SGEC certification standards and certification procedure are formulated in accordance with the standards and procedures established by International Organization of Standardization (ISO) and International Accreditation Forum (IAF). SGEC/PEFC Japan espouses the idea of gender equality and always is in the position to support gender equality when this document mentions any specific individuals (manager, owner, participants, etc.).

This standard nullifies and replaces SGEC Attachment 2-4:2012 (last amendment in June 1, 2016) “Requirements for Group Forest Management”. The transition period of this standard is until February 14, 2023 and SGEC group forest certification is required to fulfill this standard by the end of the transition period.

Introduction

In Japan, and many other countries also, ownership of forests is characterized by a large number of small-scale forest owners. Limited capacity and resources of these small-scale forest owners/managers seriously hamper dissemination of forest certification. Access or participation to forest certification by these small-scale forest owners is restricted by their limited scales, intermittency of activities and income, sporadic forest practices, limited access to information and technical support, etc.

Group forest management certification (hereinafter referred as “group certification”) which enables a group of forest owners/managers to acquire a “single forest certificate” is an optional approach alternative to individual forest certification. Forest owners/managers are able to share cost of certification and responsibilities of forest management, as well as to exchange or disseminate information among members of the group under the system of group certification. The system of group certification was created in order to resolve various issues associated with individual forest certification and is not to lower the level of conformity with SGEC requirements for sustainable forest management.

This standard is formulated in conformity with PEFC ST 2001:2018 “Group Forest Certification -Requirements” in order to define requirements for forest owners/managers of different forest management units in Japan to participate in group

certification.

1. Scope

This standard defines requirements for group organizations applying for group certification and their conformity with the PEFC standard is endorsed by the PEFC Council. Requirements for “group certification” defined in Section 3.2.2(2) of SGEC Standard Document “Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)” are stipulated in this standard.

Group forest management certification requires establishing a specific management structure that includes the individual forest owners/managers. A group entity representing the management shall be placed in the structure of group certification. This entity represents the individual owners/managers in forest certification in order to ensure the correct implementation of the sustainable forest management standard and provide confidence in sampling-based certification activities. The entity also bears important roles to assure credibility on activities of group certification through appropriate implementation of sustainable forest management and its improvement based on internal audits in compliance with SGEC Standard Document 3 “Sustainable Forest Management – Requirements”.

2. Normative references

- PEFC ST 1003:2018 “Sustainable Forest Management – Requirements”
- PEFC ST 2001:2018 “Group Forest Management – Requirements”
- SGEC Standard Document 3:2021 “SGEC Sustainable Forest Management – Requirements”

3. Terms and Definitions

For the purposes of this standard the terms and definitions given in ISO/IEC Guide 2 and SGEC Standard Document 3:2021 “SGEC Sustainable Forest Management – Requirements” apply together with the following definitions.

3.1 Affected stakeholder

A stakeholder who might experience a direct change in living and/or working conditions caused by activities of the group organization, or a stakeholder who might be a user of this standard and subject to application of the requirements of this standard.

Note 1: Affected stakeholders include neighboring communities, indigenous people, 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.

3.2 Audit

Systematic, independent, documented process for obtaining records, statements of fact or other relevant information and assessing them objectively to determine the extent to which specified requirements are fulfilled.

3.3 Certified area

The forest area covered by a sustainable forest management system according to SGEC Standard Document 3:2021 “SGEC Sustainable Forest Management – Requirements”.

In the group certification context the certified area is the sum of forest areas of the participants and covered by a group forest certificate.

3.4 Documented information

Information required to be controlled and maintained by an organization using any format and media, from any source.

3.5 Document confirming participation in group forest certification

A document issued to a participant that refers to the group forest certificate and that confirms the participant as being covered by the scope of the group forest certification.

Note: This document may be for instance a sub-certificate or a confirmation of participation.

3.6 Forest Owner/Manager

Person, group of people or legal entity having the legal or tenure right, or executing traditional or customary tenure rights, to manage the forest in a clearly defined certified area, and the ability to implement the requirements of the sustainable forest management standard in this area.

3.7 Group entity

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 scheme. For this purpose the group entity execute forests management within the certified area using a group management system defined in this standard.

Note: The structure of the group entity should follow the operations, number of participants and other basic conditions for the group organization. It may be represented by one person.

3.8 Group forest certificate

A document confirming that the group organization complies with the requirements of a sustainable forest management standard and other applicable requirements of the forest certification scheme.

3.9 Group forest certification

Certification of the group organization under one group forest certificate.

3.10 Group management plan

Documented information specifying objectives, actions and control arrangements. It covers status quo, plans and management methods of forest management units regarding the group management system and requirements of the sustainable forest management standard which are covered on group level.

3.11 Group management system

Set of interrelated or interacting elements of an organization to achieve the objectives and outcomes of the sustainable forest management standard.

3.12 Group organization

A group of participants represented by the group entity for the purposes of implementation of the sustainable forest management standard and its certification. A binding written agreement shall be established between a participant and the group entity.

Note: The term “group organization” is equivalent to the term “regional organization”

if the group is defined by regional boundaries.

3.13 Internal Audit

Systematic, independent, documented process for obtaining records, statements of fact or other relevant information and assessing them objectively to determine the extent to which specified requirements are fulfilled, undertaken by the group organization itself (first party audit).

3.14 Monitoring

Determining the status of a system, a process or an activity.

3.15 Organization

Person or group of people that has its own functions with responsibilities, authorities and relationships to achieve its objectives.

3.16 Participant

A forest owner/manager covered by the group forest certificate, who has the ability to implement the requirements of the sustainable forest management standard in a certified area.

Note: The term “ability to implement the requirements of the sustainable forest management standard” requires the entity to have a long-term legal right, tenure right or traditional or customary tenure rights to manage the forest and would disqualify one-off contractors from becoming participants in group forest management certification. This standard does not allow contractors without long term management rights for a specific forest area to participate in group forest certification.

3.17 Policy

Intentions and direction of an organization, as formally expressed by its manager/owner or the group entity.

3.18 Stakeholder

A person, group, community or organization with an interest in the subject of the requirements of the standard.

4. Group organization

4.1 Composition of group organization

The group organization is composed of forest owners/managers or other entities included in the scope of group forest management certification, aiming at implementation of sustainable forest management and its certification. The group organization shall hold the legal rights to manage the forest concerned and shall be capable to implement the requirements of sustainable forest management in the area.

4.2 The needs and expectations of affected stakeholders

4.2.1 The group organization shall identify:

- a) the affected stakeholders that are relevant for the group management system and
- b) the relevant expectations of these affected stakeholders.

4.3 Determining the scope of the group management system

4.3.1 The group management system is defined as follows.

- a) the group organization and the elements of the group organization (group entity and participant)
 - i) forest owners cooperative type: an organization having forest owners cooperatives as core participants
 - Group entity: a leading forest owners cooperative in the region
 - Participants: forest owners cooperatives of the region
 - ii) regional council type: a council organizing forest owners/managers of the region with forest owners cooperatives, public forests (municipal forest, etc.) and other forest owners as participants
 - Group entity: regional council
 - Participants: forest owners cooperatives of the region, municipal governments, forest owners, etc.
 - iii) other type: an organization having legal rights to manage the forest and meeting the conditions required by this standard
 - Group entity: an entity conducting management of the group forests
 - Participants: an entity conducting management of individual forest management units
 - Note: An organization having legal rights to manage the forest of iii) “other type” includes legal entities (companies, national forest, public forest, etc.) which meet the equivalent conditions of the group organization (refer to 3.12 group organization) .

b) the certified area

The forest area managed by participants of the group organization

c) the group certificate

The group certificate is issued to the group entity of the group organization

d) the document confirming participation in group certification

The list of the participants of the group certification is attached to the group certificate given to the group entity as the document confirming participation in the group certification.

4.3.2 The scope of the group management system covers and is applied to the forest area where participants who have capability to manage the forests which they own or manage according to the SGEC standards and related laws and regulations.

4.3.3 Forest management of the group shall be appropriately conducted by identifying applied “requirements of sustainable forest management certification standard” according to the actual situation of the forest management by the group organization.

4.3.4 The scope of the group management system shall be made available as documented information.

4.4 Group management system

4.4.1 All participants shall be subject to the internal monitoring and the internal audit programme.

4.4.2 If a group entity acts as a producer, manufacturer or trader of forest products not covered by the group certificate, the group entity shall acquire SGEC COC certification.

5. Leadership

5.1 Organizational roles, responsibilities and authorities

5.1.1 Functions and responsibilities of the group entity

The group entity bears the following functions and responsibilities:

- a) to implement and maintain an effective management system covering all participants of the group;
- b) to represent the group organization in the certification process, including in communications and relationships with the certification body, submission of an application for certification, and contractual relationship with the certification body;

- c) to establish written procedures for the management of the group organization;
- d) to establish written procedures for the acceptance of new participants of the group organization.

These acceptance procedures shall cover at least the verification of the applicant's information about contact details, clear identification of their forest property and its/their size(s);

- e) to establish written procedures for the suspension and exclusion of participants who do not correct/close nonconformities. Group participants excluded from any certification group based on nonconformities cannot be accepted within 12 months after exclusion
- f) to keep documented information of:
 - i. the group entity and participants' conformity with the requirements of the sustainable forest management standard, and other applicable requirements of the forest certification scheme,
 - ii. all participants, including their contact details, identification of their forest property and its/their size(s),
 - iii. the certified area,
 - iv. the implementation of an internal monitoring programme, its review and any preventive and/or corrective actions taken;
- g) to establish connections with all participants based on a binding written agreement which shall include the participants' commitment to comply with the sustainable forest management standard.

The group entity shall have a written contract or other written agreement with all participants covering the right of the group entity 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;

Note: The requirements for “binding documents including participants’ commitment” and “written contract or agreement in other forms with all participants” may also be satisfied by the commitment of and contract of a pre-existing organization or group or the members participation, such as a forest owners'/managers' association, SFM programme and submission to tax programming, where the organization can demonstrate that it has a legal mandate to represent the participants and where its commitment and the contract document are enforceable.

- h) to provide all participants with a document confirming participation in the group forest certification;
- i) to provide all participants with information and guidance required for the effective implementation and maintenance of the sustainable forest management standard and other applicable requirements of the forest certification scheme;
- j) to address nonconformities reported from group members which were identified under other SGEC certifications than the particular group certification and to ensure implementation with all group members;
- k) to operate an internal monitoring programme that provides for the evaluation of the participants' conformity with the certification requirements;
- l) to operate an annual internal audit programme covering both group members and group entity;
- m) to operate a management review of the group forest certification and acting on the results from the review;
- n) to provide full co-operation and assistance in responding effectively to all requests from the certification body, accreditation body, SGEC/PEFC Japan for relevant data, documentation or other information; allowing access to the forest area covered by the group organization and other facilities, whether in connection with formal audits or reviews or otherwise related or with implications for the management system.

5.1.2 Function and responsibilities of participants

The participants bear the following functions and responsibilities:

- a) to provide the group entity with a binding written agreement, including a commitment on conformity with the sustainable forest management standard and other applicable requirements of the forest certification scheme; group participants excluded from any certification group cannot apply for group membership within 12 months after exclusion;

Note: The requirement for “written agreement including participants’ commitment” is also satisfied by the commitment of and written agreement of a pre-existing organization or group or the members participation, such as a forest owners’/managers’ association, SFM programme and submission to tax programming, where the organization can demonstrate that it has a legal mandate to represent the participants and where its commitment and the terms

and conditions of the contract are enforceable.

- b) to provide the group entity with information about previous group participation;
- c) to comply with the sustainable forest management standard and other applicable requirements of the certification scheme as well as with the requirements of the management system;
- d) to provide full co-operation and assistance in responding effectively to all requests from the group entity, or certification body for relevant data, documentation or other information; allowing access to the forest and other facilities, whether in connection with formal audits or reviews or otherwise related or with implications for the management system;
- e) to inform the group entity about nonconformities identified under other SGEC certifications than the particular group certification;
- f) to implement relevant corrective and preventive actions established by the group entity.

5.2 Commitment and policy

5.2.1 The group entity shall provide a commitment:

- a) to comply with the sustainable forest management standard and other applicable requirements of the certification scheme;
- b) to integrate the group certification requirements in the group management system;
- c) to continuously improve the group management system;
- d) to continuously support the improvement of the sustainable management of the land/forests by the participants.

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

5.2.3 The participants shall provide a commitment:

- a) to follow the rules of the management system;
- b) to implement the requirements of the sustainability standard in their operations in their area.

6. Planning

6.1 If a group organization plans any changes in the group management system, these changes shall be included in a group management plan.

6.2 If a group organization decides to fulfil requirements of the sustainable forest management standard on the group level, these requirements shall be considered in a group management plan.

7. Support

7.1 Resources needed for the establishment, implementation, maintenance and continual improvement of the group management system shall be determined and provided.

7.2 Persons doing work in the group management system shall have knowledge, skill and capability defined in “7. Support” of SGEC Standard Document 3.

7.3 Communication processes shall be in place to raise the awareness of participants concerning:

- a) the group management policy;
- b) the requirements of the sustainable forest management standard;
- c) their contribution to the effectiveness of the group management system and the sustainable forest management, including the benefits of improved group performance;
- d) the implications of not conforming with the group management system requirements.

7.4 The internal and external communications relevant to the group management system shall be determined. This includes:

- a) on what to communicate;
- b) when to communicate;
- c) with whom to communicate;
- d) how to communicate.

7.5 Appropriate mechanisms shall be in place for resolving complaints and disputes relating to group management and sustainable forest management operations.

7.6 The documented information relevant to the group management system and the conformance with the requirements of the sustainable forest management standard is:

- a) up to date;

- b) available and suitable for use, where and when it is needed;
- c) adequately protected against loss of confidentiality, improper use, or loss of integrity.

8. Operation

8.1 The group organization shall plan, implement and control processes needed:

- a) to meet the requirements of the group certification standard (this standard) and the sustainable forest management standard (SGEC Standard Document 3 “SGEC Sustainable Forest Management —Requirements”) and
- b) to implement the actions determined in “6. Planning”.

8.2 This planning, implementing and controlling shall be done by:

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

9. Performance evaluation

9.1 Monitoring, measurement, analysis and evaluation

9.1.1 An ongoing internal monitoring programme provides confidence in the conformity of the group organization with the sustainable forest management standard. In particular, it shall be determined:

- 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 analyzed and evaluated;
- e) what documented information shall be available as evidence of the results.

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

9.2 Internal audit

9.2.1 Objectives

9.2.1.1 An annual internal audit programme shall provide information on whether the group management system:

- a) conforms to
 - i. the group organization's own requirements for its group management system;
 - ii. the requirements of this group forest management standard;
- b) ensures the implementation of the sustainable forest management standard on the participant level;
- c) is effectively implemented and maintained.

9.2.1.2 The internal audit programme shall cover the group entity and all group participants. The group entity shall be audited annually. The participants may be selected on a sample basis.

9.2.1.3 Additional requirements for the internal audit programs are defined separately in Appendix.

9.2.2 Organization

The organization shall establish an internal audit programme covering at least:

- 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) definition of the audit criteria and scope for each audit;
- c) competence of internal auditor (forest knowledge, standard knowledge);
- d) selection of auditors and conducting of audits to ensure objectivity and the impartiality of the audit process;
- e) ensuring that the results of the audits are reported to relevant group management;
- f) retaining of the documented information as evidence of the implementation of the audit programme and the audit results.

9.3 Selection of participants in the internal audit programme

9.3.1 Requirements for selection of participants.

9.3.1.1 Requirements for the selection of participants in the internal audit programme shall be determined. These requirements shall include the following procedures for:

- a) determination of the sample size (9.3.2);
- b) determination of sample categories(9.3.3);
- c) distribution of the sample to the categories (9.3.4);

d) selection of the participants (9.3.5).

9.3.1.2 If participants belong to pre-existing organizations or associations such as forest owners or managers cooperatives, sustainable forest management groups, requirements shall be determined in consideration of the types and characteristics of management and implementation system of the pre-existing organization or associations in addition to requirements stipulated in 9.3.1.1. above.

Note: Participants who belong to forest owners cooperatives have common management and implementation institution based on laws and regulations such as Forest Owners Cooperative Act. Participants who belong to sustainable forest management groups comply with common forest management policies shared within the group. On the other hand, if participants do not belong to a specific organization, the participants comply with general laws and regulations concerning forests, not having common management policies.

9.3.2 Determination of the sample size

9.3.2.1 The sample size shall be calculated for the participants of the group organization.

9.3.2.2 The size of the sample, in principle, should be the square root of the number of participants: ($y=\sqrt{x}$) rounded to the upper whole number.

9.3.2.3 The size of the sample may be determined taking into account the following indicators:

- a) results of a risk assessment. In the case where the risk level is medium, sample size should be the square root of the number of participants ($y=\sqrt{x}$) as stipulated in 9.3.2.2, while in the case where the risk is significantly high, sample size should be increased depending on the situation.;
- b) results of internal audits or previous certification audits (including complaint settlement);
- c) quality / level of confidence of the internal monitoring programme;
- d) use of technologies allowing the gathering of information concerning specified requirements;

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.

- e) other means of gathering information about activities on the ground.

Note: One way could be a survey with participants who provide some information about their activities on the ground.

9.3.3 Determination of sample categories

9.3.3.1 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. national forest, public forest, private forest);
- b) size of management entities (different size classes);
- c) biogeographic region (e.g. lowlands, low mountain range, high mountain range);
- d) operations, processes and products of group participants (including potential participants);
- e) timber harvesting and planting of harvested land (man-made forest and natural forest), conversion of forest land;
- f) cutting period of manmade forest and rotation period of natural forest;
- g) richness of biological diversity;
- h) recreation and other socio-economic functions of the forest;
- i) interaction with local communities, Ainu people or organizations of Ainu people;
- j) available resources for administration, operations, training and research;
- k) governance and law enforcement.

Note: Determination of sample in case of surveillance audits and recertification audits, following points shall be considered.

- (a) Critical change in production process at sites
- (b) Change in certified area
- (c) Geographical distribution

9.3.3.2 Risks levels in risk assessment are divided into three levels of low, medium and high and the indicators shall be defined by classifying natural and social conditions of location of forest, and management and implementation system of group organizations.

9.3.4 Distribution of the sample

The sample shall be distributed to the categories according to the result of the risk assessment.

9.3.5 Selection of the participants

9.3.5.1 At least 25% of the sample should be selected at random.

9.3.5.2 A risk-based procedure for the selection of the participants shall be specified.

9.4 Management review

9.4.1 An annual management review shall at least include:

- 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.

9.4.2 The outputs of the management review shall include decisions related to continual improvement opportunities and any need for changes to the group management system.

9.4.3 The standard requires that the group organization shall retain documented information as evidence of the results of management reviews.

10. Improvement

10.1 Nonconformity and corrective action

10.1.1 When a nonconformity occurs, the group organization shall:

- a) react to the nonconformity and, as applicable:
 - i. take action to control and correct it;
 - ii. deal with the consequences;
- b) 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;
- c) implement any action needed;
- d) review the effectiveness of any corrective action taken according to a) and b) above;
- e) make changes to the group management system, if necessary.

10.1.2 The group organization shall retain documented information as evidence of:

- a) the nature of the nonconformities and any subsequent actions taken;
- b) the results of any corrective action.

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

10.2 Continual improvement

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

Supplementary article

The next review of this standard shall be started on March 29th 2026 or before.

Bibliography

- IAF MD 1, Mandatory Document for the Certification of Multiple Sites Based on Sampling (IAF MD 1)
- ISO/IEC 17000, Conformity assessment — Vocabulary and general principles
- ISO/IEC Directives, Part 1 — Consolidated ISO Supplement — Procedures specific to ISO, Eighth edition, 2017

(end of the document)

SGEC Standard Document 4

Approved by the Board of Directors on March 30, 2021

Date of Entry into Force: June 1st, 2021

Transition Period: until August 14, 2023

Chain of Custody of Forest and Tree Based Products—Requirements

Content

Foreword

Introduction

1. Scope
2. Normative references
3. Terms and definitions
4. Management system requirements
5. Identification of inputs and declaration of outputs
6. Chain of custody methods
7. Due Diligence System (DDS) requirements

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

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

Foreword

Sustainable Green Ecosystem Council (hereinafter referred as SGEC/PEFC Japan) is the organization to administer the forest certification scheme which is applied in Japan in order to promote sustainable forest management through forest management certification, COC certification and the labelling system of forest and tree-based products.

This standard defines requirements for COC certification and labelling system on forest and tree based products based on SGEC certification scheme whose conformity with the PEFC international forest certification scheme is endorsed by PEFC.

Since conformity of SGEC certification scheme with the PEFC international certification scheme is endorsed, SGEC certified products, in general, may be distributed as PEFC certified products in domestic and oversea markets, while they may be distributed in the supply chain of SGEC certified domestic products in Japan. When SGEC certified products are distributed with PEFC claims as PEFC certified products, they shall comply with the PEFC COC standard (PEFC ST 2002:2020), while they shall comply with this standard formulated in compliance with PEFC ST 2002:2019 when distributed with SGEC claims as SGEC certified products in the domestic market.

This standard defines requirements for SGEC certified domestic products and is applied mainly in Japan. Therefore, it does not necessarily cover all the elements included in PEFC COC standard, although it is stipulated in accordance with the overall framework and structure of PEFC COC standard.

This standard, being endorsed by PEFC, delivers confidence and reliable information that forest and tree based material and products with SGEC claim or label originates in sustainably managed forests, recycled material and/or PEFC controlled sources (verified by DDS).

This standard was developed in an open, transparent, consultative and consensus based process covering a broad range of stakeholders, following SGEC Standard Document 2 “SGEC Standard Setting” and PEFC COC standard.

This standard replaces SGEC Document “SGEC-COC Certification Guideline” from the date of entry into force. The transition period of this standard is until February 14th, 2023 and all COC certification is required to fulfill this standard by the end of the transition period.

Introduction

The objective of this standard is to allow organizations to provide accurate and verifiable information that forest and tree based products are sourced from SGEC certified sustainably managed forests, recycled material and SGEC controlled sources.

Practical application and certification against this standard allows organizations to demonstrate their contribution in sustainable resource management and a strong commitment to the UN Sustainable Development Goals (SDGs).

The aim of communicating the origin of forest and tree based products is to encourage demand for and supply of those products originating in sustainably managed

forests by providing such information in a verifiable manner and thereby stimulating the potential for market-driven continuous improvement of the management of forests.

It is noted that this standard includes requirements for a mechanism to certify wooden construction in including wooden houses.

Note: For detailed information on UN Sustainable Development Goals (SDGs), refer to the website, <https://sustainabledevelopment.un.org>.

1. Scope

This standard covers the requirements that need to be met by an organization in order to successfully implement a chain of custody for forest and tree based products, and to make SGEC claims to customers on the origin of forest and tree based products in sustainably managed forests, recycled material and SGEC controlled sources.

These chain of custody requirements describe a process of how to classify forest and tree based products according to specified material categories to transfer information about the source of procured raw material to an organization's output products. This standard specifies three optional approaches for chain of custody, namely physical separation method, percentage method and credit method, and organizations shall choose an appropriate method according to the flow of materials and characteristics of the process.

This standard also specifies management system requirements for the implementation and management of the chain of custody process, including requirements on health, safety and labour issues.

This Chain of Custody standard shall be used in connection with SGEC claims.

Appendix 2 of this standard specifies the implementation of this standard by organizations with multiple sites.

The usage of claims and relating labels, as a result of implementation of this Chain of Custody standard, is based on ISO 14020. Consideration of recycled material within the chain of custody is based on the requirements of ISO/IEC 14021.

The labelling of products is considered as an optional communication tool, which may be incorporated into an organization's chain of custody process(es). Where the organization applies the SGEC labels for on product or off-product labelling, the requirements for SGEC trademark use become an integral part of the chain of custody requirements.

This standard shall be implemented for the purposes of third party conformity assessment based on requirements defined by the SGEC certification schemes, as well

as requirements of ISO/IEC17065. SGEC certification bodies shall be accredited by the accreditation body to conform to ISO/IEC 17065 within the scope of the SGEC certification standards.

The term “shall” is used throughout this standard to indicate those provisions that are mandatory. The term “should” is used to indicate those provisions that, although not mandatory, are expected to be adopted and implemented. The term “may” used throughout this standard indicates permission expressed by this standard whereas “can” refers to the ability of a user of this standard or to a possibility open to the user.

If there are any unclear points of the standards, Japanese version of SGEC documents are reference for SGEC certification scheme, while English version of PEFC documents are reference for PEFC certification scheme.

2. Normative references

The following referenced documents are indispensable for the application of this standard. For both dated and undated references, the latest edition of the referenced document (including any amendment) applies.

- SGEC Standard Document 5-1:2021 “Requirements for Certification Bodies operating Certification against SGEC Forest Management Certification Standard”
- SGEC Standard Document 5-2:2021 “Requirements for Certification Bodies operating Certification against PEFC/PEFC-COC Certification Standard”
- PEFC ST 2003:2020 “Requirements for Certification Bodies operating Certification against the PEFC International Chain of Custody Standard”
- SGEC Standard Document 6:2021 “SGEC Trademarks Rules-Requirements”
- PEFC ST 2001:2020 “PEFC Trademarks Rules – Requirements”
- SGEC Standard Document 6-1 “Issuance of SGEC/PEFC Trademarks Usage Licenses by SGEC/PEFC Japan”
- PEFC GD 1005:2012 “Issuance of PEFC Log Licenses by the PEFC Council”
- ISO/IEC Guide 2 “Standardization and related activities – General vocabulary”
- ISO 9000 “Quality management systems – Fundamentals and vocabulary”
- ISO 14020 “Environmental labels and declarations – General principles”
- ISO 14021 “Environmental labels and declarations – Self-declared environmental claims (Type II environmental labelling)”
- ISO 19011 “Guideline for auditing management systems”
- ISO/IEC 17065 “Conformity assessment – Requirements for bodies certifying products, processes and services

-EN 643 “Paper and board – European list of standard grades of recovered paper and board”

3. Terms and definitions

For the purposes of this standard, the relevant definitions given in ISO/IEC Guide 2 and ISO 9000 apply, together with the following definitions:

3.1 Accredited certificate

A certificate issued by a certification body within the scope of its accreditation which bears the accreditation body’s symbol.

3.2 PEFC authorized body

An entity authorized by the PEFC Council to perform the administration of the PEFC scheme on behalf of the PEFC Council.

Note: The authorized body is either the PEFC National Governing Body operating within its country or other entity that has been authorized by the PEFC Council to perform the administration of the PEFC scheme.

3.3 Certified content

Percentage of PEFC certified material in a product or product group.

3.4 Claim period

Time period for which the certified content of a product group is determined.

Note: The claim period can also be specified as a single product, job order or production batch.

3.5 Complaint

Expression of dissatisfaction made to an organization, related to its compliance with the requirements of this standard, or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected.

3.6 Conflict timber

Conflict timber is defined as “Timber that has been traded at some point in the chain

of custody by armed groups, be they rebel factions or regular soldiers, or by a civilian administration involved in armed conflict or its representatives, either to perpetuate conflict or take advantage of conflict situations for personal gain. (...) Conflict timber is not necessarily illegal.” The exploitation of timber may itself be a direct cause of conflict.

Note: Definition in quotations as used by UNEP.

3.7 Controversial sources

Forest and tree based material sourced from:

- a) Activities not complying with applicable local (prefectural, etc. in Japan), national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.
- b) Activities where the capability of forests to produce a range of wood and non-wood forest products and services on a sustainable basis is not maintained or harvesting levels exceed a rate that can be sustained in the long term.
- c) Activities where forest management does not contribute to the maintenance, conservation or enhancement of biodiversity on landscape, ecosystem, species or genetic levels.
- d) Activities where ecologically important forest areas are not identified, protected, conserved or set aside.
- e) Activities where forest conversions occur, in other than justified circumstances where the conversion:
 - i. is in compliance with national and regional policy and legislation applicable for land use and forest management, and
 - ii. does not have negative impacts on ecologically important forest areas, culturally and socially significant areas, or other protected areas, and
 - iii. does not destroy areas of significantly high carbon stock, and
 - iv. makes a contribution to long-term conservation, local economic, and/or social benefits.
- f) Activities where the spirit of the ILO Declaration on Fundamental Principles and Rights at Work (1998) is not met.

- g) Activities where the spirit of the United Nations Declaration on the Rights of Indigenous Peoples (2007) is not met.
- h) Conflict timber.
- i) Genetically modified trees.

Note 1 (on 3.7 b, d and e): Not considered “controversial sources” are such activities in short rotation forest plantations with harvesting cycles under 35 years, that are on agricultural land.

Note 2 (on 3.7 i): The restriction on the usage of genetically modified trees has been adopted by the PEFC General Assembly based on the Precautionary Principle. Until enough scientific data on genetically modified trees indicates that impacts on human and animal health and the environment are equivalent to, or more positive than, those presented by trees genetically improved by traditional methods such as selective breeding and cross breeding, no genetically modified trees will be used.

3.8 Credit method

A chain of custody method where credits gained from certified material are transferred to SGEC controlled sources material within the same SGEC product group.

3.9 Due Diligence System (DDS)

A framework of procedures and measures, namely information gathering, risk assessment and risk mitigation, implemented by an organization to reduce the risk that forest and tree based material originates from controversial sources. To be “minimum risk” under the risk assessment of this system is the condition for “controlled sources”.

Note: Organizations can cooperate with each other and use external services for implementing a DDS, but the responsibility to conform with the DDS requirements of this standard lies with the individual organization.

3.10 Ecologically important forest areas

Forest areas:

- a) containing protected, rare, sensitive or representative forest ecosystems
- b) containing significant concentrations of endemic species and habitats of threatened species, as defined in recognized reference lists
- c) containing endangered or protected genetic in situ resources
- d) contributing to globally, regionally and nationally significant large landscapes

with natural distribution and abundance of naturally occurring species

3.11 Equivalent input material

Forest and tree based material that can be substituted with each other without significantly changing the appearance, function, grade, type or value of the output product.

3.12 Forest

“Forest” subject to certification is the forest covered by a “forest plan” defined in Forest Act.

- 1) land on which trees/bamboos grow aggregately and trees/bamboos thereon
- 2) in addition to the above, land utilized for growing trees/bamboos aggregately

Specifically, the forest subject to certification is national forest, or public/private forest covered by a regional forest plan stipulated in Article 5 of Forest Act (excluding public/private forest which is considered not suitable to be utilized as forest from the aspects of natural, economic and social conditions, or pattern of land utilization of the nearby area).

Note 1: Article 2 of Forest Act

Article 2 “Forest” in this act is defined as follows, except for that land/forest mainly utilized for agriculture, residential area and similar purpose:

- 1) land on which trees/bamboos grow aggregately and trees/bamboos thereon
- 2) in addition to the above, land utilized for growing trees/bamboos aggregately

Note 2: Definition and classification of Japanese forests used in a FAO report

(Definition of forest in the country report of Japan in Global Forest Resources Assessment 2005 of Food and Agricultural Organization (FAO))

Forest is defined to be land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or urban land use.

Regarding forest classification, (i) “forest with standing trees” is “forest that have canopy cover of 30 percent or higher, including young stands with the degree of stocking of 0.3 or higher”, (ii) “forest without standing trees” is “forest that does not fall under “forest with standing tree” or “bamboo forest”, and (iii) “Bamboo forest” is “forest that does not fall under ‘forest with standing tree’

and is dominated by bamboo (excluding bamboo grass)”.

Note 3: Definition” of PEFC ST 1003 “PEFC Sustainable Forest Management – Requirements”

Minimum area of land of 0.05-1.0 hectares with tree crown cover (or equivalent stocking level) of more than 10-30 per cent with trees, with the potential to reach a minimum height of 2-5 meters at maturity in situ. A forest may consist either of closed forest formations where trees of various storeys and undergrowth cover a high proportion of the ground or open forest. Young natural stands and all plantations that have yet to reach a crown density of 10-30 per cent or tree height of 2-5 meters are included under forest,

as are areas normally forming part of the forest area that are temporarily unstocked as a result of human intervention such as harvesting or natural causes but that are expected to revert to forest (source: United Nations 2002).

Note 4: The PEFC Standard stipulates that each regional, national or subnational standard has to include the specific values for the criteria in the definition, and if such specification for a country are not yet available, the standardizing body is responsible to set the values according to the national framework.

3.13 Forest and tree based material

Material originating in forests or from other sources recognized by the SGEC certification standards as eligible for SGEC certification, such as trees outside forests, including recycled material originally coming from those areas/sources as well as wood based and non-wood based material, such as edible wild plants, mushrooms, sap etc. generally referred to as non-wood forest products.

3.14 Forest and tree based products

Products from forest and tree based material, including measurable but non-tangible products, such as energy generated from forest and tree based material.

3.15 Forest conversion

Direct human-induced change of forest to non-forest land or forest plantation (“Forest plantation” is not defined for forests in Japan considering situation of forest management in Japan.), including conversion of natural forest to man-made forest.

Note: Regeneration by planting or direct seeding and/or the human-induced promotion of natural seed sources, to the same dominant species as was harvested or other

species that were present in the historical species mix is not considered a conversion.

3.16 Forest plantation (“Forest plantation” is not defined for forests in Japan considering situation of forest management in Japan.)

Forest or other wooded land of introduced species, and in some cases native species, established through planting or seeding, mainly for production of wood or non-wood goods and services.

Note 1: Includes all stands of introduced species established for production of wood or non-wood goods and services.

Note 2: May include areas of native species characterized by few species, intensive land preparation (e.g. cultivation), straight tree lines and/or even-aged stands.

Note 3: Application of the definition requires consideration of national forestry terminology and legal requirements.

3.17 Genetically modified trees

Trees in which the genetic material has been altered in a way that does not occur naturally by mating and/or natural recombination, taking into account applicable legislation providing a specific definition of genetically modified organisms.

Note 1: The following techniques are considered as genetic modification resulting in genetically modified trees (EU Directive 2001/18/EC):

- 1) Recombinant nucleic acid techniques involving the formation of new combinations of genetic material by the insertion of nucleic acid molecules produced by whatever means outside an organism, into any virus, bacterial plasmid or other vector system and their incorporation into a host organism in which they do not naturally occur, but in which they are capable of continued propagation.
- 2) Techniques involving the direct introduction into an organism of heritable material prepared outside the organism including micro-injection, macro-injection, and micro-encapsulation.
- 3) Cell fusion (including protoplast fusion) or hybridization techniques where live cells with new combinations of heritable genetic material are formed through the fusion of two or more cells by means of methods that do not occur naturally.

Note 2: The following techniques are not considered as genetic modification resulting in genetically modified trees (EU Directive 2001/18/EC):

- 1) in vitro fertilization
- 2) natural processes such as: conjugation, transduction, transformation
- 3) polyploidy induction

3.18 Material category

Material with certain characteristics, namely SFEC certified material, other material, neutral material and SGEC controlled sources.

3.19 Multi-site organization

Organization with an identified central function (normally, and hereafter referred to as a “central office”) at which chain of custody related activities are planned, controlled and managed, and with one or more sites (sites or group members) at which COC under the management of the central office is fully or partially carried out.

3.20 Neutral material

Material category for material other than forest and tree based material, such as metal or plastic, not taken into account in the calculation of certified content of a product or product group.

3.21 Organization

Person or group of people that has its own functions with responsibilities, authorities and relationships to achieve its objectives.

Note: An organization implements COC based on this standard under the COC certificate.

3.22 Other material

Material category for forest and tree based material for which an organization has not determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.

3.23 Outsourcing

Practice of activities relevant for an organization’s SGEC chain of custody being performed by another legal entity based on the outsourcing of activities from the organization by a contract under the entity’s supervision and responsibility. In case of outsourcing a part of COC activities to another legal entity, a contract with a specification sheet or other documents clearly defining procedures, conditions, etc. of

the outsourced activities should be agreed between the organization and the legal entity.

Note: Generally not considered as outsourcing are transportation, (un-)loading and warehousing of materials/products, unless there is a risk that materials with different material categories or certified content are mixed with each other.

3.24 SGEC certified material

Material category for:

- a) Forest and tree based material delivered by a supplier covered by a SGEC certificate, with the SGEC claim “x% SGEC certified”

Note: SGEC claims are published online on the website of SGEC/PEFC Japan.

- b) Recycled material (not delivered with the SGEC claim “x% SGEC certified”).

3.25 SGEC certified product

Product sold/transferred by an organization with the SGEC claim “x% SGEC certified”.

3.26 SGEC chain of custody

Processes of an organization for handling forest and tree based products and information related to their material category, and making accurate and verifiable SGEC claims.

3.27 SGEC claim

Organization’s declaration on material/products, stated in sales and delivery documentation, namely the claims “x% SGEC certified” and “SGEC controlled sources”.

Note 1: In order to highlight SGEC certified material that has never been mixed with SGEC controlled sources material, organizations implementing the physical separation method may use the wording “100% SGEC Origin” instead of “100% SGEC certified” for SGEC certified material that was originated from certified forest and delivered by a supplier that is a forest owner/manager covered by a SGEC FM certificate with the claim “100% SGEC certified”, and for SGEC certified

material that was already delivered with the claim “100% SGEC Origin”. Organizations receiving material with such a claim “100% PEFC Origin” and implementing the percentage method or credit method consider this as being the SGEC claim “100% SGEC certified”.

Note 2: A list of SGEC accepted abbreviations of SGEC claims is available on the SGEC website.

3.28 SGEC controlled sources

Material category covering forest and tree based material for which an organization has determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.

Note: “SGEC controlled sources” is also the SGEC claim that may be used for material from this material category.

3.29 SGEC customer

Entity receiving from an organization a SGEC claim for products, of which it obtains legal ownership and/or physical possession.

Note 1: Where material/products are physically delivered to an entity other than the entity that has obtained legal ownership of the material, the organization shall appoint a single PEFC customer for the purpose of this definition, i.e. either the entity that obtains legal ownership or the entity that obtains physical possession of the material.

Note 2: The term PEFC customer can also refer to an internal customer within an organization, if subsequent product groups have been established.

3.30 SGEC product group

Product or set of products with equivalent input material, defined by product name/type and category, type(s) of species, chain of custody method, material category, SGEC claim(s), for which an organization applies its chain of custody.

Note 1: The organization can define individual products, product batches and job orders as SGEC product groups. Certified houses and other projects based on the “COC certification of SGEC designated projects” as stipulated separately may be identified as SGEC product groups.

Note 2: The organization can establish one or more product groups for parallel or subsequent manufacturing or trading processes.

Note 3: In case of multi-site organizations as defined in Appendix 2, 2.2 a) of this standard, PEFC product groups can cover several sites.

3.31 SGEC certificate

- a) A valid forest management certificate issued by an accredited certification body notified by SGEC/PEFC Japan against SGEC forest management certification standard.
- b) A valid chain of custody certificate issued by an accredited certification body notified by SGEC/PEFC Japan against this COC standard.

Note 1: The SGEC forest management certification standard and COC standard are found at the website of SGEC/PEFC Japan website, www.sgec.pefc.jp.

Note 2: In case of a group or multi-site certificate where it is confirmed in a separate document, such as an appendix to the certificate or a sub-certificate, that a site or a group participant is covered by the certificate, the separate document and the certificate together are considered the site's/participant's SGEC certificate.

3.32 SGEC/PEFC Japan website

This is the website at the address www.sgec.pefc.jp.

3.33 Percentage method

A chain of custody method where the certified content of a SGEC product group is calculated for a specified claim period, based on the input material included in the SGEC product group.

3.34 Physical separation method

Chain of custody method of controlling a SGEC claim for a specified SGEC product group based on clear identification and/or separation of different material categories throughout all the activities performed by the organization.

3.35 Recycled material

Forest and tree based material that is:

- a) Recovered from waste during a manufacturing process. Excluded is reutilization of materials such as rework, regrind or scrap generated in a process and capable of

being reclaimed within the same process that generated it. Excluded are by-products resulting from primary production processes, such as sawmilling by-products (sawdust, chips, bark, etc.) or forestry residues (bark, chips from branches, roots, etc.) as they are not considered waste.

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

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

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

Note 3: Materials categorized as “waste paper” based on “Major Categories of Waste Paper Classification in Japan” published by the Center for Promotion of Recycling of Waste Paper are regarded as recycled materials under this definition.

3.36 Rolling percentage

A chain of custody method where the certified content of a SGEC product group is calculated for a specified claim period, based on the input material included in the SGEC product group on average over a specified period preceding the claim period.

3.37 Substantiated concern

Information supported by proof or evidence, indicating that forest and tree based material originates in controversial sources.

Note: Substantiated concerns can be concerns by third parties, as well as concerns of the organization itself.

3.38 Supplier

Entity supplying material used as input for an organization’s SGEC product group.

Note 1: Where SGEC certified material is physically delivered by an entity other than that having the ownership title to the material, the entity that is covered by a SGEC certificate and that has specified the organization as SGEC customer is considered

the supplier for the product/delivery in question.

Note 2: The term supplier can also refer to an internal supplier within an organization, where subsequent product groups have been established.

3.39 Trademark use

Usage of the PEFC trademarks on- or off-product.

3.40 Trees outside Forests (TOF)

Trees growing outside areas of nationally designated forest land. They generally grow on urban areas or agricultural land.

3.41 Legality verification based on the guideline of Forestry Agency

Legality verification based on “the Guideline for Verification of Legality and Sustainability of Wood and Wood Products” released in February 2016 by the Forestry Agency of the Japanese Government (refer to the website of Forestry Agency of Ministry of Agriculture, Forestry and Fisheries).

3.42 “Clean Wood” Act

Act for Promotion of Distribution and Utilization of Legally Harvested Timber (“clean wood” act) was promulgated on May 20th, 2016 and enforced on May 20th, 2017. The act, aiming at promoting distribution and utilization of wood and wood products harvested in compliance with laws and regulations of Japan and other countries of origin, defines the scope of wood/wood products, companies/organizations related to wood/wood products which are subject to regulation under this act, as well as the procedures for registration. The act also determines measures taken by companies/organizations and the national governments respectively (refer the website of Forestry Agency of Ministry of Agriculture, Forestry and Fisheries).

4. Management system requirements

4.1 General requirements

4.1.1 The organization shall operate a management system in accordance with the requirements of this standard, to ensure correct implementation and maintenance of the SGEChain of custody process(es). The management system shall be appropriate to the type, range and volume of work performed, and cover outsourced activities relevant for the organization’s chain of custody and all sites in case of multi-site

organizations (see Appendix 2).

4.1.2 The organization shall define the scope of its SGEC chain of custody by specifying the SGEC product groups for which the requirements of the SGEC chain of custody are implemented.

4.1.3 The organization shall only make SGEC claims and SGEC related statements that are correct to the best of its knowledge and covered by its SGEC chain of custody.

4.2 Documented procedures

4.2.1 The organization shall establish written documented procedures for its SGEC chain of custody. The documented procedures shall include at least the following elements:

- a) responsibilities and authorities of the organization relating to the SGEC chain of custody
- b) description of the raw material flow within the production/trading process(es), including definition of product groups
- c) procedures for SGEC chain of custody process(es) covering all requirements of this standard, including:
 - i. identification of material categories
 - ii. physical separation of SGEC certified material, SGEC controlled sources material and other material
 - iii. definition of product groups, calculation of certified content, management of credit accounts, transfer to outputs (for organizations applying percentage or credit method)
 - iv. sale/transfer of products and SGEC claims, including documentation in which SGEC claims are made, and other on- and off-product trademark use
 - v. record keeping
 - vi. internal audits and non-conformity control
 - vii. the Due Diligence System
 - viii. complaints resolution
 - ix. outsourcing

4.3 Responsibilities and authorities

4.3.1 General responsibilities

4.3.1.1 The organization's management shall define and document its commitment to implement and maintain the chain of custody requirements in accordance with this standard. The organization's commitment shall be made available to the organization's personnel, suppliers, customers, and other interested parties.

4.3.1.2 The organization's management shall appoint a member of the management who, irrespective of other responsibilities, shall have overall responsibility and authority for the organization's SGEC chain of custody.

4.3.2 Responsibilities and authorities for chain of custody

The organization shall identify the personnel performing activities for the implementation and maintenance of its SGEC chain of custody and shall establish personnel responsibilities and authorities for the implementation of the procedures 4.2.1 c) i-viii.

Note: The responsibilities and authorities for the SGEC chain of custody given above can be cumulative.

4.4 Record keeping

4.4.1 To provide evidence of conformity with the requirements of this standard, the organization shall establish and maintain at least the following records relating to the product groups covered by its SGEC chain of custody:

- a) Records of all suppliers of input material delivered with a SGEC claim, including evidence of the suppliers' SGEC certified status.

Note: Evidence of SGEC certified status can be a print-out from the SGEC website.

- b) Records of all input material, including SGEC claims and documents associated to the delivery of the input material, and for recycled input material, information demonstrating that the definition of recycled material is met.
- c) Records of calculation of the certified content, transfer of the percentage to output products and management of the credit account, as applicable.
- d) Records of all products sold/transferred, including SGEC claims and documents associated to the delivery of the output products.
- e) Records of the Due Diligence System, including records of risk assessments and significant risk supplies management, as applicable.
- f) Records of internal audits, periodic chain of custody review, non-conformities and corrective actions.
- g) Records on complaints and their resolution.

4.4.2 The organization shall maintain the records for a minimum period of five years.

4.5 Resource management

4.5.1 Human resources/personnel

The organization shall ensure and demonstrate that all personnel performing activities affecting the implementation and maintenance of its SGEC chain of custody are competent on the basis of appropriate training, education, skills and experience.

4.5.2 Technical facilities

The organization shall identify, provide and maintain the infrastructure and technical facilities needed for effective implementation and maintenance of its SGEC chain of custody with the requirements of this standard.

4.6 Inspection and control

4.6.1 The organization shall conduct internal audits at least annually, and prior to the initial certification audit, covering its compliance with all requirements of this standard applicable to the organization, including activities covered by outsourcing, and establish corrective and preventive measures if required.

Note: Informative guidance for performing internal audits is given in ISO 19011.

4.6.2 The organization's management shall conduct the internal audit and review the result of implementation of the organization's SGEC chain of custody at least annually.

4.7 Complaints

4.7.1 The organization shall establish procedures for dealing with complaints from suppliers, customers and other parties relating to its chain of custody, reflecting the requirements of 4.7.2.

4.7.2 Upon receipt of a complaint in writing, the organization shall:

- a) formally acknowledge the complaint to the complainant within ten workdays
- b) gather and verify all necessary information to evaluate and validate the complaint and make a decision on the complaint
- c) formally communicate the decision on the complaint and of the complaint handling process to the complainant
- d) ensure that appropriate corrective and preventive actions are taken, if necessary

4.8 Nonconformity and corrective action

4.8.1 When a nonconformity with the requirements of this standard is identified through internal or external auditing, the organization shall:

- a) react to the nonconformity and:

- i. take action to control and correct it
 - ii. address the consequences by, for example, notify information on the consequences to related parties
 - b) 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
 - c) implement any action needed
 - d) review the effectiveness of any corrective action taken
 - e) make changes to the management system, if necessary
- 4.8.2** Corrective action shall be appropriate to the effects of the nonconformities encountered.
- 4.8.3** The organization shall retain documented information as evidence of:
- a) the nature of the nonconformities and any subsequent actions taken
 - b) assessment of the results of any corrective action

4.9 Outsourcing

- 4.9.1** The organization may outsource activities covered by its SGEC chain of custody to another entity.
- 4.9.2** Through all stages of outsourcing the organization shall be responsible for ensuring that all outsourced activities meet the requirements of this standard, including management system requirements. The organization shall have a written agreement with all entities to whom activities have been outsourced, ensuring that:
- a) The material/products covered by the organization's SGEC chain of custody are physically separated from other material or products. and
 - b) The organization has access to the entity's site(s) for internal and external auditing of outsourced activities for conformity with the requirements of this standard.

Note 1: A template for an outsourcing agreement can be obtained from the SGEC/PEFC Japan.

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

4.10 Social, health and safety requirements in chain of custody

This clause includes requirements relating to health, safety and labour issues that are based on ILO Declaration on Fundamental Principles and Rights at Work (1998), and compliance with related domestic laws and regulations such as Labour Standard Act.

4.10.1 The organization shall demonstrate its commitment to comply with the social, health and safety requirements defined in this standard.

4.10.2 The organization shall demonstrate that:

- a) workers are not prevented from associating freely, choosing their representatives and bargaining collectively with their employer
- b) forced labour is not used
- c) workers, who are under the minimum legal age, the age of 15, or the compulsory school attendance age, whichever is higher, are not used
- d) workers are not denied equal employment opportunities and treatment
- e) working conditions do not endanger safety or health

5. Identification of inputs and declaration of outputs

5.1 Identification of input material

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

- a) supplier identification
- b) material/product identification
- c) quantity of material/products
- d) delivery identification based on date of delivery, delivery period, or accounting period.

For inputs/products with a SGEC claim the document shall also include:

- e) the organization's name as the SGEC customer of the delivery
- f) the applicable SGEC claim specifically for each claimed product covered by the documentation
- g) the certificate number of the supplier's SGEC certificate

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

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

5.1.2 Identification at supplier level

5.1.2.1 For all inputs delivered with a SGEC claim the organization shall verify that the supplier is covered by a SGEC certificate on the SGEC/PEFC Japan website, .Note: As evidence that a supplier is covered by a SGEC certificate, the website of SGEC/PEFC Japan, SGEC information and registration system and a copy of the organization's SGEC certificate can be reference.

5.1.2.2 For each delivery of material used as input for a SGEC product group the organization shall classify the material category of the procured material.

5.1.3 Conversion of material/products with a SGEC claim to material/products with a PEFC claim

The organization may convert material/products with a SGEC claim delivered by a supplier as input into material/products with a PEFC claim as output. In this case, the organization shall convert each input with SGEC claim delivered with the document mentioned in the 5.1.10 above into material/products with PEFC claim.

Note: In case of conversion of material/products with SGEC claim into material/products with PEFC claim, detailed information on its origin shall be recorded in the document mentioned in the section 5.1.1f above or in other documents. In case of conversion, the material/products may be delivered with both SGEC claim and PEFC claim. However, material/products with PEFC claim shall not be converted to material/products with SGEC claim.

5.2 Declaration of outputs

5.2.1 For outputs from a SGEC product group for which the organization makes a SGEC claim to a SGEC customer, it shall provide the customer with documentation providing the following information for each delivery:

- a) SGEC customer identification
- b) the organization's name as the supplier of the material
- c) product identification
- d) quantity of product(s)
- e) date of delivery / delivery period / accounting period
- f) the applicable SGEC claim specifically for each claimed product covered by the documentation
- g) the certificate number of the organization's SGEC recognized certificate

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

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

5.3 Trademark use

5.3.1 The use of the SGEC trademarks i.e. SGEC logo and labels, chain of custody claims on-product and SGEC initials, shall be in compliance with SGEC Standard Document 6 “SGEC Trademark Rules – Requirements”.

5.3.2 In order to enable the organization to use the SGEC trademarks in accordance with the SGEC Trademarks Rules, the organization shall obtain a valid trademark license from SGEC/PEFC Japan.

5.4 Content of recycled material

5.4.1 For products covered by the organization’s SGEC chain of custody that include recycled material, the organization shall calculate the content of recycled material (in ratio or volume) based on ISO 14021 and inform about it upon request.

6. Chain of custody methods

6.1 General

6.1.1 There are three methods to implement the SGEC chain of custody, namely the physical separation method, the percentage method and the credit method. Depending on the nature of material flows and processes, the organization shall choose the appropriate method.

6.1.2 The organization shall implement the chosen chain of custody method(s) of this standard for specific SGEC product groups.

6.1.3 SGEC product groups shall be established for products with equivalent input material, with the same measurement unit or units that can be converted into a single measurement unit.

6.1.4 The organization shall only use SGEC certified material and SGEC controlled sources material as input for PEFC product groups.

6.2 Physical separation method

6.2.1 The organization applying the physical separation method shall ensure that

material with different material categories and different certified content are kept separate or clearly identifiable at all stages of the production or trading process.

Note: Physical separation can be achieved by any means ensuring that material category and certified content can be identified, for example, through separate storage, marking, distinguishing product characteristics or production time.

6.2.2 Where material with different certified content is used as input in the same SGEC product group, the organization shall use the lowest certified content of the input as certified content of the output.

Example: An organization using material with 100%, 75% and 70% certified content as input in the same SGEC product group under the physical separation method can claim the output as 70% PEFC certified.

6.2.2.1 Where SGEC certified material and SGEC controlled sources material is used as input in the same SGEC product group under the physical separation method, the organization shall claim the output as SGEC controlled sources.

6.3 Percentage method

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

6.3.2 Calculation of certified content

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

$$Cc [\%] = (Vc / (Vc + Vcm)) \times 100$$

(Cc: certified content; Vc: volume of SGEC certified material; Vcm: volume of SGEC controlled sources material)

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

6.3.2.2 The organization shall calculate the certified content based on a single measurement unit used for all material covered by the calculation. In case of conversion to a single measurement unit for calculation purposes, the organization shall only use generally recognized conversion ratios and methods. If a suitable, generally recognized conversion ratio does not exist, the organization shall define and use a reasonable and credible conversion ratio.

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

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

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

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

Note: This standard does not define a minimum threshold for the certified content that needs to be met in order to communicate the certified content of a SGEC certified product with the SGEC claim X% SGEC certified. However, minimum thresholds for the use of the SGEC trademarks on-product are defined in the SGEC Standard Document 6 “SGEC Trademarks Rules- Requirements”.

6.3.4 The organization may apply percentage calculated by the percentage method for calculation of rolling percentage.

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

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

6.4 Credit method

6.4.1 The credit method may be implemented to transfer credits gained from the input of SGEC certified material to SGEC controlled sources material within the same SGEC product group.

6.4.2 The organization shall create and manage a credit account for credits gained from

input of SGEC certified material. The credits shall be calculated in a single measurement unit. It may be required to define conversion factor(s) for the conversion of the measurement unit(s) of the input components to the output products.

- 6.4.3** The total quantity of credits accumulated in the credit account shall not exceed the sum of credits entered into the credit account during the last 24 months. The 24-month maximum period may be extended, where the organization can demonstrate that the average production period of the product in question is longer than 24 months.

Example: If the average production period of a product (including maturing, for example) is 36 months, the organization can extend the 24-month maximum period for the accumulation of credits to 36 months.

- 6.4.4** The organization shall apply the credit method for a single claim. The organization receiving a delivery of material with a SGEC claim and a claim against another certification scheme, shall either use it as a combined credit covering both claims or shall only use one of the received claims for calculating the volume credits.

Example: An organization receiving a delivery of material with two claims relating to two certification schemes either establishes a credit account for the multiple claim (e.g. “x% SGEC certified”/”x% of other scheme” and enter both credits to the account; or decides which single claim (either SGEC certified or certified by other scheme) will be entered into the respective volume credit account.

- 6.4.5** The organization shall calculate the credits using either:

- a) certified content and volume of output products (clause 6.4.7) or
- b) input material and input-to-output ratio (clause 6.4.8)

- 6.4.6** The organization applying the credit method shall calculate the credits by multiplying the volume of output products of the claim period with the certified content for the relevant claim period.

Example: If the certified content for the product group of the specific claim period, which consists of 100 tonnes of output products, is 54%, the organization achieves volume credits equal to 54 tonnes (100×0.54) of the output products.

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

Example: If the volume of SGEC certified material input is 70 m³ (e.g. 100 m³ with the SGEC claim “70% SGEC certified”) and the input-to-output ratio is 0.60 (e.g. 1 m³ of roundwood results in 0.60 m³ of sawnwood), the organization acquires volume credits equal to 42 m³ (i.e. $70 \text{ m}^3 \times 0.60$) of sawnwood.

6.4.8 The organization shall distribute the credits from the credit account to the output products covered by the credit account. The credits shall be distributed to the output products in a way that the certified products will be considered as either having 100% certified content or as having less than 100% certified content and meeting the organization's own threshold. The result of the volume of output products multiplied by the certified content of the output products shall be equal to the distributed credits withdrawn from the credit account.

Example: The organization can use 7 units of credits to sell 7 units as 100% SGEC certified, or sell 10 units as 70% SGEC certified.

6.4.9 Certified wooden construction

When percentage method is applied to the management of certified input material used for wooden construction, certified content of material used for the construction which is subject to certification may be calculated. In this case, material other than certified material shall be SGEC controlled sources.

Note: Percentage of certified material (certified content) of a certified house shall be calculated based on the method stipulated separately in "COC certification of SGEC designated projects".

7. Due Diligence System (DDS) requirements

7.1 General

7.1.1 For all material used as input for a SGEC product group, except recycled material, the organization shall exercise due diligence in line with the Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organization shall establish that for material used as input for SGEC product groups there is "negligible risk" that it originates from controversial sources and that it meets the definition of SGEC controlled sources material.

7.1.2 For SGEC product groups where only input material used was delivered with a SGEC claim by a supplier covered by a SGEC certificate, an organization may implement the SGEC DDS by meeting the following requirements:

- a) In order to enable SGEC certified and uncertified entities further down the supply chain to implement a DDS, the organization shall, upon request, provide the information specified in Appendix 1, 2.1 for material passed on with a SGEC claim. If the organization does not possess the requested information, the request

- shall be passed on to relevant supplier(s) of the organization (Appendix 1, 2.2).
- b) Where internal or external substantiated concerns on the origin of input material from controversial sources are raised, the organization shall follow up on these concerns following Appendix 1, 4.
 - c) The organization shall define, document and implement a commitment and a procedure, also covering forest and tree based material/products not covered by the organization's SGEC chain of custody, ensuring that where it is known to the organization, or where it has received substantiated concerns, that forest and tree based material/products originates in illegal sources (controversial sources, 3.7a), it shall not be placed on the market until the concern has been resolved in accordance with Appendix 1, 4.

Supplementary article

The next review of this standard shall be started on March 29th 2026 or before.

Appendix 1:

SGEC Due Diligence System (DDS) for the avoidance of material from controversial sources (SGEC-DDS)

1. General requirements

1.1 In order to help ensure that activities conducted by the organization under the scope of this standard conform to all applicable timber legality legislation, including trade and customs laws, and to minimize the risk that the procured material originates in controversial sources, the organization shall operate a SGEC Due Diligence System (SGEC-DDS), in accordance with the following elements.

1.2 The SGEC DDS shall be implemented for all input forest and tree based material covered by the organization's SGEC chain of custody and SGEC product groups, with the exception of recycled material.

Note: The SGEC DDS can be implemented by an organization for forest and tree based products from forests under its own management.

1.3 The organization shall implement the SGEC DDS in three steps relating to:

- a) gathering information
- b) risk assessment
- c) management of significant risk supplies

1.4 The organization procuring raw material originating from species listed in Appendix I to III of CITES shall comply with applicable legislation relating to CITES.

2. Access to information

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

- a) list of tree species included, or list of tree species potentially included, in the material/product by their common name and/or their scientific name where

applicable.

- b) Country of harvest of the material and where applicable sub-national region and/or concession of harvest.

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

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

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

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

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

2.2 In order to enable SGEC certified and uncertified entities further down the supply chain to implement a DDS, the organization shall, upon request, provide the information specified in 2.1 of this appendix for material passed on with a SGEC claim. If the organization does not possess the requested information, the request shall be passed on to relevant supplier(s) of the organization.

3. Risk assessment

3.1 The organization shall carry out a risk assessment, assessing the risk of procuring raw material from controversial sources for all input forest and tree based material covered by the organization’s SGEC chain of custody, with the exception of material/products delivered with a SGEC claim by a supplier with a SGEC certificate, as this material can be considered as having “negligible risk” of originating in controversial sources.

3.2 The organization’s risk assessment shall result in the classification of material into “negligible” or “significant” risk category.

3.3 The organization’s risk assessment shall be based on the indicators for risk at origin and supply chain level listed in tables 1- 3 below.

3.4 Where the organization’s risk assessment identifies indicators specified in table 1, the organization may consider the material as having “negligible risk” to originate in controversial sources, and conclude the risk assessment without having to consider the indicators outlined in tables 2 and 3.

3.5 Where the organization’s risk assessment does not identify indicators specified in table 1, the risk assessment shall be continued against indicators outlined in tables 2 and 3; and where any of these indicators apply, the organization shall consider the material as having “significant risk” to originate in controversial sources.

3.6 Where none of the indicators outlined in tables 2 and 3 are identified, the organization may consider the supplies as having “negligible risk” to originate in controversial sources, and conclude the risk assessment.

Table 1: List of indicators for negligible risk

Indicators
a) Supplies declared as certified against a forest certification scheme (other than PEFC endorsed), addressing the activities covered by the term controversial sources defined by SGEC, supported by a forest management, chain of custody or fibre sourcing certificate issued by a third party certification body. <i>Note:</i> “fibre” refers to material used not as solid wood, such as pulp, chip or papers.
b) Supplies verified by governmental or non-governmental verification or licensing mechanisms other than forest certification schemes, addressing the activities covered by the term controversial sources.
c) Supplies supported by verifiable documentation that clearly identifies: <ul style="list-style-type: none"> i. country of harvest and/or sub-national region where the timber was harvested, where the latest Transparency International (TI) Corruption Perception Index (CPI) score is higher than 50, or where the latest World Justice Project (WJP) Rule of Law Index is higher than 0,5, and ii. trade name and type of product as well as the common name of tree species and, where “Note” of 2.1 of this appendix is applicable, its full scientific name, and iii. all suppliers within the supply chain, and

- iv. the forest area of the supply origin, and
- v. documents, including contractual agreements and self-declarations, or other reliable information indicating that products do not originate from controversial sources.

Note: As for legal timber verified based on the Clean Wood Act, the item c)i to iv of this table shall be also verified in addition to the timber legality, because legal timber assessed by the criteria defined in Article 6 of the Clean Wood Act does not address all the activities covered by the term controversial sources defined in 3.7 of this standard.

Table 2: List of indicators for significant risk at origin level^{2,3}

Indicators
a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.
i. The latest Transparency International (TI) Corruption Perception Index (CPI) score of the country is lower than 50 or the latest World Justice Project (WJP) Rule of Law Index of the country is lower than 0,5. ⁴
ii. The country/region is known as a country with low level of forest governance and law enforcement.
iii. Tree species included in the material/product is known as species with prevalence of activities covered by the term controversial sources (a) or (b) in the country/region.
iv. The country is covered by UN, EU, other international organizations or national government sanctions restricting the export/import of such forest and tree based products.
b) Activities where the capability of forests to produce a range of wood and non-wood forest products and services on a sustainable basis is not maintained or harvesting levels exceed a rate that can be sustained in the long term.
i. According to publicly available data, such as FAO Forest Resource Assessments, the amount of annual harvest of industrial roundwood exceeds the amount of annual increment of growing stock of the country/region of origin.
c) Activities where forest management does not contribute to the maintenance,

<p>conservation or enhancement of biodiversity on landscape, ecosystem, species or genetic levels.</p> <p>d) Activities where environmentally important forest areas are not identified, protected, conserved or set aside by forest resources survey, mapping and forest management planning .</p> <p>i. The Environmental Performance Index (EPI) ⁵ score for “Biodiversity & Habitat” of the country is lower than 50. Where no EPI index exists for a certain country, other indicators may be utilized, such as legislation addressing controversial sources elements c and d, combined with evidence of reliable enforcement of legislation (TI CPI score >50, or WJP Rule of Law score >0.5).</p>
<p>e) Activities where forest conversions occur, in other than justified circumstances where the conversion:</p> <p>i. is in compliance with national and regional policy and legislation applicable for land use and forest management; and</p> <p>ii. does not have negative impacts on ecologically important forest areas, culturally and socially significant areas, or other protected areas; and</p> <p>iii. does not destroy areas of significantly high carbon stock; and</p> <p>iv. makes a contribution to maintenance of forest functions, and/or economic and social benefits in long-term.</p> <p>i. The country/region has been identified as having had a net loss of forest area >1% over the most recent ten years of available data, according to publicly available data or information, such as provided by the FAO.</p> <p>ii. In the country/region the net area with conversions from forests to forest plantations exceeds the forest area increase of the country/region, according to publicly available data or information, such as provided by the FAO.</p>
<p>f) Activities where the spirit of the ILO Declaration on Fundamental Principles and Rights at Work (1998) is not met.</p> <p>i. Substantiated studies demonstrate that the ILO Declaration on Fundamental Principles and Rights at Work (1998) is not respected in the country.</p>
<p>g) Activities where the spirit of the United Nations Declaration on the Rights of Indigenous Peoples (2007) is not met.</p> <p>i. Substantiated studies demonstrate that the spirit of the United Nations Declaration on the Rights of Indigenous Peoples (2007) is not met or FPIC is not required in the country.</p>
<p>h) Conflict timber.</p> <p>i. The country/region has a prevalence of armed conflict according to publicly available</p>

data sources such as Fragile State List.
i) Genetically modified trees.
i. According to publicly available data genetically modified forest and tree based organisms are produced in the country/region and placed on the commercial market.

² The rows a) - i) are elements of 3.7, controversial sources. The rows underneath each element, numbered with Roman numerals (i, ii, iii etc.) provide the indicators used for the risk assessment for this element. Where more than one indicator is listed per element, all indicators shall be applied.

³ Examples of external references and more detailed explanation can be found in the recent issue of PEFC GD 2001 Chain of custody of forest-based products – Guidance for use.

⁴ These indices might not always be appropriate for forestry. Where more appropriate indicators exist, these can be used with a prior agreement with the PEFC Council. These alternative indicators will be listed in the chain of custody guidance document.

⁵ The EPI is produced jointly by Yale University and Columbia University in collaboration with the World Economic Forum.

<https://epi.envirocenter.yale.edu/about-epi>

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

Indicators
a) Countries/regions where the products have been traded are unknown.
b) Species in the product are unknown.
c) Evidence of illegal practices concerning controversial sources by any company in the supply chain.

3.7 The risk assessment shall be carried out for the first delivery of every individual supplier, or for several suppliers, with the same characteristics listed in 2.1 of this appendix, and the same applicability of indicators according to tables 1-3 above.

Note: Where deliveries from suppliers from the same region share the same characteristics listed in 2.1, and the same applicability of indicators according to tables 1-3, the risk assessment can be implemented as an assessment for a whole region.

3.8 For all material that is subject to the organization's risk assessment, the organization shall keep an updated list of characteristics listed in 2.1 of this appendix and indicators

according to tables 1-3 for supplies of individual suppliers and suppliers that share the same characteristics.

3.9 The risk assessment shall be reviewed and if necessary revised at least annually, and when changes regarding the characteristics listed in 2.1 of this appendix occur.

4. Substantiated concerns

4.1 The organization shall ensure that substantiated concerns about the potential origin of material covered by the organization's DDS in controversial sources are promptly investigated, starting no later than ten workdays as of identification of the substantiated concern.

4.2 If the concern cannot be resolved by the organization's investigation, the risk of the relevant material being from controversial sources shall be determined as "significant" and managed in accordance with clause 5 of this appendix.

5. Management of significant risk supplies

5.1 General

5.1.1 For supplies identified as having "significant risk", the organization shall request the supplier to provide additional information and evidence that allows the organization to classify the supply as having "negligible risk". The organization shall request the supplier to:

- a) Provide the organization with necessary information to identify the forest area(s) of the raw material and the whole supply chain relating to the "significant risk" supply.
- b) Enable the organization to carry out a second party or a third party inspection of the supplier's operation as well as operations of the previous suppliers in the chain.

Note: These procedures can be ensured e.g. by contractual agreements or a written self-declaration by the supplier.

5.1.2 The organization shall establish a second or third party verification programme for supplies classified as "significant risk". The verification programme shall cover:

- a) identification of the whole supply chain and forest area(s) of the supply's origin
- b) on-site inspection as appropriate
- c) corrective measures as required

5.2 Identification of the supply chain

5.2.1 The organization shall require, from all suppliers of “significant risk” supplies, detailed information on the whole supply chain and forest area(s) of the supply's origin.

5.2.2 In cases where the supplies can be verified as “negligible risk” according to the indicators in table 1 at one step in the supply chain the organization is not required to track the whole supply chain to the forest area, except in case of substantiated concerns, which shall be addressed as outlined in appendix 1, clause 4.

5.2.3 The information submitted shall allow the organization to plan and execute on-site inspections.

5.3 On-site inspections

5.3.1 The organization's verification programme shall include on-site inspections of suppliers delivering “significant risk” supplies. The on-site inspections can be carried out by the organization itself (second party inspection) or by a third party on behalf of the organization. The organization may substitute the on-site inspection with documentation review where the documentation provides sufficient confidence in the material origin in non-controversial sources.

5.3.2 The organization shall demonstrate that personnel carrying out inspections has sufficient knowledge and competence in the local business, cultural and social customs, and applicable treaties, conventions, legislation, governance and law enforcement, relevant to the origin of “significant risk” supplies and to the risk(s) identified.

5.3.3 The organization shall determine a sample of “significant risk” supplies from the supplier to be verified by the verification programme. Identical deliveries by the same supplier shall be considered as a single supply. The size of the annual sample shall be at least the square root of the number of “significant” risk supplies per one year: ($y=\sqrt{x}$), rounded up to the nearest whole number. Where the previous on-site inspections proved to be effective in fulfilling the objective of this document, the size of the sample may be reduced to $y=0.8 \sqrt{x}$, rounded up to the next whole number.

5.3.4 The on-site inspections shall cover:

- a) The direct supplier and all previous suppliers in the supply chain in order to

- assess compliance with the supplier claims on the origin of the raw material.
- b) The forest owner/manager of the forest area of the supply origin, or any other party responsible for management activities on that forest area, in order to assess their compliance with legal requirements.

5.4 Corrective measures

5.4.1 The organization shall define written procedures for implementing corrective measures for noncompliance for suppliers identified by the organization's verification programme.

5.4.2 The range of corrective measures shall be determined with emphasis on the scale and seriousness of the risk that forest and tree based product(s) may be from controversial sources and shall include at least one or more of the following:

- a) Clear communication of the risk identified with a request for addressing the risk identified within a specific timeline so as to ensure that forest and tree based product(s) from controversial sources is not supplied to the organization.
- b) Requiring suppliers to define risk mitigation measures relating to compliance with legal requirements in the forest area(s) or efficiency of the information flow in the supply chain.
- c) Cancellation or suspension of any contract or order for forest and tree based product(s) until the supplier can demonstrate that appropriate risk mitigation measures have been implemented.

6. No placement on the market

6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a SGEC product group.

6.2 Where it is known to the organization that forest and tree based materials/products not covered by the organization's SGEC chain of custody originate in illegal sources (3.7a of "controversial sources" defined in Standard Document 4), it shall not be included in a SGEC-COC and shall not be placed on the market.

6.3 Where the organization has received substantiated concerns that forest and tree based materials/products not covered by the organization's SGEC chain of custody originate in illegal sources (3.7a of "controversial sources" of Standard Document 4), it shall not be placed on the market until the concern has been resolved in accordance with clause 4 of this appendix.

Appendix 2:

Implementation of the chain of custody standard by multi-site organizations

1. Introduction

This appendix defines requirements for multi-site organization defined in Section 4 of SGEC Standard Document 1 “Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)”.

The aim of this appendix is to establish guidance for the implementation of the SGEC chain of custody requirements in an organization with a network of sites, thus ensuring on the one hand, that the assessment provides adequate confidence in the conformity of the chain of custody, and on the other, that the certification of the chain of custody is practical and feasible in economic and operative terms. Certification of multi-site organizations also allows implementation and certification of the chain of custody in a group of typically small independent companies.

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

Note: The multi-site organization is defined as an organization having an identified central function (normally, and hereafter referred to as a “central office”) at which certain activities are planned, controlled and managed, and sites (referred as “sites” or “group members”) at which COC activities administered by the central office are fully or partially carried out.

2. Eligibility criteria for the multi-site organization

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

2.2 The multi-site organization may cover:

- a) Organizations operating with franchises or companies where the sites are linked

through a common ownership, management or other organizational link.

- b) Groups of independent legal enterprises established and functioning for the purposes of the chain of custody certification (producer group).

Note 1: Membership in an association is not covered by the term “management or other organizational link”.

Note 2: “Franchise “is a type of continuous business relationship where an entity (franchiser) gives other entities (franchisees) rights to operate sales of goods and other businesses under the unified image using business symbols such as trademarks, service marks and trade names, as well as using certain business know-hows, based on contracts between the franchiser and franchisees, while franchisees pay fee to the franchiser and operate their businesses on their own investment under the guidance and support by the franchiser. (definition by Japan Franchise Chain Association)

2.3 A producer group is a network of typically small independent enterprises that have associated together for the purpose of obtaining and maintaining chain of custody certification.

The central office may be an industry organization nominated by the members of the producer group, an appropriate trade association providing management service to the group according to the purpose of this standard, or any other properly experienced legal entity. The central office can also be administered by one member of the group.

Note: The central office in the case of the producer group can be called the “group entity” and sites can be called “group members”.

2.4 A site is a location at which activities relating to the organization’s chain of custody are carried out.

2.5 The producer group is limited to participation of sites that are domiciled in Japan and that:

- a) have no more than 50 employees (full-time employees equivalent),
- b) have a turnover of maximum of 1 billion yen, or equivalent

2.6 When a member of the producer group exceeds the threshold stipulate in the above 2.5, the member shall exit the producer group after two consecutive surveillance

audits implemented after the time the member exceeds the threshold.

3. Requirements for multi-site organizations

3.1 General

3.1.1 The organization's chain of custody shall be centrally administered and be subject to central review.

All the relevant sites (including the central office with the central administration function) shall be subject to the organization's internal audit programme and shall have been audited in accordance with that programme prior to the certification body starting its assessment.

3.1.2 It shall be demonstrated that the central office of the organization has established a chain of custody in accordance with this standard and that the whole organization (including all the sites) meets the requirements of this standard.

3.1.3 The organization shall be able to demonstrate its ability to collect and analyze data from all sites, including the central office authority and its ability to initiate changes in the chain of custody operating in the sites if required.

3.2 Function and responsibilities of the central office

3.2.1 The central office shall:

- a) Represent the multi-site organization in the certification process, including communication and relationship with the certification body.
- b) Submit an application for the certification and its scope, including a list of participating sites.
- c) Ensure contractual relationship with the certification body.
- d) Submit to the certification body a request for extension or reduction of the certification scope, including coverage of participating sites.
- e) Provide a commitment on behalf of the whole organization to establish and maintain a chain of custody in accordance with the requirements of this standard.
- f) Provide all the sites with information and guidance needed for effective implementation and maintenance of the chain of custody in accordance with this standard; The central office shall provide the sites with the following information or access to the following information:
 - A copy of this standard and any guidance relating to the implementation of the requirements of this standard.
 - PEFC Trademarks Rules and any guidance relating to their implementation.

- The central office’s procedures for the management of the multi-site organization.
- Conditions of the contract with the certification body relating to the rights of the certification body or accreditation body to access the sites’ documentation and installations for the purposes of evaluation and surveillance, and disclosure of information about the sites to a third party.
- Explanation of the principle of the mutual responsibility of sites in the multi-site certification.
- Results of the internal audit programme and the certification body’s evaluation and surveillance and relating corrective and preventive measures applicable to individual sites.
- The multi-site certificate and any of its parts relating to the scope of the certification and coverage of sites.

Note: The term “mutual responsibility” means that nonconformities found in one site or the central office may result in corrective actions to be performed at all sites; an increase in internal audits or withdrawal of the multi-site certificate.

- g) Provide organizational or contractual connection with all the sites, which shall include commitments by the sites to implement and maintain the chain of custody in accordance with this standard. The central office shall have a written contract or other written agreement with all the sites which covers the right of the central office to implement and enforce any corrective or preventive measures and to initiate the exclusion of any site from the scope of certification in case of nonconformities with this standard.
- h) Establish written procedures for the management of the multi-site organization.
- i) Keep records relating to the central office and sites compliance with the requirements of this standard.
- j) Operate an internal audit programme as outlined in 3.2.2.
- k) Operate a review of the central office and sites conformity, including review of results of the internal audits programme and certification body’s evaluations and surveillance; shall establish corrective and preventive measures if required; and shall evaluate the effectiveness of corrective actions taken.

3.2.2 Internal audit programme

3.2.2.1 The internal audit programme shall provide for:

- a) Audit of all the sites (including its own central administration function), on site

or remotely, where a remote verification of the implementation of chain of custody processes is feasible, prior to the certification body starting its evaluation.

- b) Audit of any new site prior to the certification body starting the process of the certification scope extension.

3.3 Function and responsibilities of sites

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

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

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

Standard requirements	Central office	Site
Requirements for chain of custody process – physical separation method		Yes
Requirements for chain of custody process – percentage method		Yes
Requirements for chain of custody process – credit method		Yes
Management system requirements	Yes	
Responsibilities and authorities	Yes	Yes
General responsibilities	Yes	Yes
Responsibilities and authorities for chain of custody	Yes (for d and e)	Yes

Documented procedures	Yes (for a, e and f)	Yes
Record keeping	Yes (for f and g)	Yes
Resource management	Yes (only for activities provided)	Yes
Human resources/personnel		
Technical facilities		
Inspection and control	Yes	Yes
Complaints	Yes	Yes

(end of the document)

SGEC Standard Document 5-1

Approved by the Board of Directors on March 30, 2021

Date of Entry into Force: June 1st, 2021

Transition Period: until August 14, 2022

Requirements for Certification Bodies operating certification under SGEC forest management certification standard

Contents

Normative references

Preface

1. General requirements

2. Forest management

Appendix 1 Requirements for Accreditation of SGEC Certification Body

Appendix 2 Requirements for Notification of SGEC Certification Body

Appendix 3 Qualification requirements for personnel of evaluation team

Normative references

- SGEC Standard Document 1:2021 “Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)”
- SGEC Standard Document 3: 2021 “SGEC Sustainable Forest Management – Requirements”
- SGEC Standard Document 3-1: 2021 “SGEC Group Forest Certification – Requirements”
- SGEC Standard Document 4: 2021 “SGEC Chain of Custody of Forest and Tree Based Products —Requirements”
- PEFC ST 1003: 2018 “Sustainable Forest Management – Requirements”

- PEFC ST 1002:2018 “Group Forest Management — Requirements”
- SGEC Standard Document 5-2 “Requirements for Certification Bodies operating certification under SGEC COC certification standard”
- PEFC ST 2003:2020 “Requirements for Certification Bodies operating Certification against the PEFC International Chain of Custody Standard”
- SGEC Standard Document 5-3 “Procedures for SGEC COC Certification and Accreditation”
- PEFC Standard: Annex 6 “Certification and Accreditation Procedures”
- SGEC Standard Document 6: 2021 “SGEC Trademarks Rules — Requirements”
- SGEC Standard Document 6-1: 2011 “Issuance of SGEC trademark usage licenses by SGEC/PEFC Japan”
- IAF MD 2 “Mandatory Document for the Transfer of Accredited Certification of Management Systems”
- IAF MD 4 “IAF Mandatory Document for the Use of Information and Communication Technology (ICT) for Auditing/Assessment Purposes”
- ISO/IEC 17000 “Conformity assessment – Vocabulary and general principles”
- ISO/IEC 17065 “Conformity assessment – Requirements for bodies certifying products, processes and services”
- ISO 19011 “Guidelines for auditing management systems”
- ISO/IEC Guide 2:2004 “Standardization and related activities – General vocabulary”

Preface

This document stipulates the requirements for Certification Bodies operating certification under SGEC certification scheme stipulated in Article 3 of SGEC Standard Document 1:2021 “Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)”, and SGEC Standard Document 3: 2021 “SGEC Sustainable Forest Management – Requirements”.

1. General requirements

1.1 Scope

1.1.1 Certification Bodies

This Attachment shall be applied to certification bodies carrying out forest

management certification under the SGEC certification scheme (hereinafter referred to as “FM certification bodies”)

This Attachment shall define the specific requirements in addition to the requirements defined in ISO/IEC 17065.

1.1.2 Scope of products

1.1.2.1 Scope of forest management certification shall be the certified forests as well as the standing trees growing in the certified forests, the logs produced from the certified forests and other forest products and services from the certified forests.

1.1.3 Evaluation of products to be certified

Standard for products evaluation by the FM certification bodies shall be SGEC Standard Document 3: 2021 and others related standards.

1.1.4 Requirements of Certification Bodies

The FM Certification Bodies shall meet the requirements stipulated in SGEC Standard Document 3:2021 and other related standards.

1.1.5 Applicants for FM certification

1.1.5.1 The applicants for FM certification shall be the individuals who have the legal management right of forest area and have submitted its application of the forest to be certified. The applicants, who meet the requirements in SGEC Standard Document 3-1:2021 shall also be included.

1.1.6 Partial outsourcing of evaluation activities of the Certification Bodies

1.1.6.1 In case that the Certification Body will outsource a part of its evaluation activities to the third party, the Certification Body shall meet the requirements stipulated in ISO/IEC 17065.

In this connection, the eligibility of the third party shall be evaluated by the condition that the third party meets the requirements stipulated in Section 2.2.1 “Qualifications and education/training of certification body personnel” of this document for FM certification body and secures personnel with knowledge and experiences associated with requirements stipulated in other related standards.

1.1.7 Confidentiality

In order to comply with the ISO/IEC 17065 for confidentiality, the certification

body shall have the written consent of the COC organization for the information disclosed to SGEC.

1.2 Major nonconformity, minor nonconformity and observation

1.2.1 Major nonconformity

The absence of, or failure to implement and maintain, one or more requirements of the forest management standard that may result in a systemic risk to the function and effectiveness of the chain of custody and/or effects confidence in the claims on forest products produced from certified forests by forest owners/managers with forest management certificates.

Note: A major nonconformity may be an individual nonconformity or a number of minor but related nonconformities, that when considered in total are judged to constitute a major nonconformity.

1.2.2 Minor nonconformity

A single failure to fulfil the requirements of forest management standard that may neither result in no systemic risk to the function and effectiveness of the chain of custody nor effects confidence in the claims on forest products produced from certified forests by forest owners/managers with forest management certificates..

1.2.3 Observation

An evaluation finding that does not warrant nonconformity but is identified by the audit team as a evaluation judgement of the future possibility of nonconformity.

2. Forest management

2.1 General requirements

2.1.1 Usage of trademarks

2.1.1.1 Trademark usage license

Usage of SGEC trademarks by certification bodies shall be in compliance with the Section 6 “SGEC trademarks” of SGEC Standard Document 3:2021 “SGEC Trademarks Rules —Requirements”, and SGEC Standard Document 6-1 “Issuance of SGEC/PEFC Trademarks Usage Licenses by SGEC/PEFC Japan”.

In case where PEFC trademark is used, PEFC ST 2001:2020 “PEFC Trademarks Rules – Requirements” and PEFC GD 1005 “ Issuance of PEFC Logo Use Licenses

by the PEFC Council” apply.

2.1.1.2 Clarification of caution on trademark usage to applicants

Clarification of caution on trademark usage to applicants shall be in compliance with the same documents stipulated in the previous clause.

2.1.1.3 Caution to certified forest owners/managers on trademark usage

Where the certification body makes use of the SGEC/PEFC trademark on the certification document, it shall inform and make clear that the trademark on the certificate only refers to the certified forest owners/managers’ compliance with the certification scheme and does not provide the certified forest owners/managers with the right to use the SGEC/PEFC trademarks.

2.2 Resources requirements

2.2.1 Qualifications and education/training of certification auditors

2.2.1.1 Qualification and experience of audit teams

Members of forest management audit teams are required to have knowledge of 1) the certification standard (forest management standard) and 2) certification audit and shall include those who are qualified under either of the following categories a) –f) with more than two years of working experience, or the category g).

- a) Ph.D. in agriculture
- b) Professional Engineer in forest management
- c) Forestry supervisor (forester)
- d) Forestry Engineer (general supervision)
- e) Persons who have experiences as Registered forester for extension services
- f) Persons who have experiences as Forestry Extension Agents (AG)
- g) Persons who have experiences as Forestry Technological Specialists (SP)
- h) Veterans in forest management, extension and research who meet the following criteria:
 - More than 4 years’ experience with Master degree
 - More than 6 years’ experience with Bachelor degree
 - More than 8 years’ experience with Associate degree
 - More than 12 years’ experience with High school certificate

2.2.1.2 Education/training of auditing capability

The Certification Body shall conduct its educational programs to enhancing auditing roles and skills for the personnel of audit team in line with its standards based upon ISO 19011. A person who completed the SGEC-FM certification training (person with the training certificate) is qualified to provide training to deliver the

content of SGEC training within the organization the person belongs.

2.1.3 Requirements for reviewers or certification decision makers of certification evaluation

Reviewers of evaluation of certification application shall have ample knowledge on items of evaluation, criteria of conformity and non-conformity and methodologies of evaluation for appropriateness, thoroughness and effectiveness of the results of evaluation activities. Certification decision makers shall have ample knowledge on items of certification criteria, certification scheme and conformity evaluation system. Reviewers can concurrently serve as certification decision makers.

2.3 Process requirements

2.3.1 Application of certification

2.3.1.1 Information from client forest owners

The client forest owners, as a minimum, shall provide the following information necessary for evaluation of FM certification;

- a) Area of forest to be certified
- b) Compositions of forest
- c) Forest management plan (including manuals/guidelines of operations)
- d) Group entity and the list of participants as well as a written agreement between group entity and participants including participants' commitment in case of group FM certification

2.3.1.2 Provision of the information relating to the application of the optional requirements and the notification of the audit plan

2.3.1.2.1 Client forest owners shall provide the information necessary for evaluation of FM certification in accordance with SGEC Standard Document 3:2021 "SGEC Sustainable Forest Management Standard - Requirements". Such information shall include the items necessary for document based and on-site based surveillance.

2.3.1.2.2 The certification body shall have documented procedures to ensure that an audit plan is established for each audit to provide basis for agreement regarding the conduct and scheduling of the audit activities. The audit plan shall be communicated and the dates of the audit shall be agreed with the applicant organization in advance.

2.3.1.2.3 The certification body shall review the applicant organization's documents before on-site based surveillance in order to evaluate conformity between the forest management certification principles and the evaluation standard according to Clause 6.3 of ISO19011.

2.3.1.3 Group FM certificate

Requirements given in SGEC Standard Document 3-1:2021 “SGE Group Forest Certification Section - Requirements” apply.

2.3.2 Evaluation

The certification body shall conduct the initial audit of forest management certification in accordance with the relevant guidance provided in clause 6.4 of ISO 19011. The initial audit and re-certification audits shall be conducted on-site.

2.3.2.1 Document review (initial and re-certification audits)

Documents provided by the applicant shall be reviewed, prior to the on-site review, within the necessary scope of audits and evaluation stipulated in SGEC operational rules and SGEC FM certification standard.

2.3.2.2 Number of personnel necessary for evaluation (initial and re-certification audits)

Certification body shall decide the number of personnel necessary for document review and on-site review stipulated in SGEC Standard Document 3: “SGEC Sustainable Forest Management Standard - Requirements”.

2.3.2.3 Evaluation report

2.3.2.3.1 Identification of the scope of the evaluation

The evaluation report shall identify the applied part of the forests covered by the forest management certification and the organization of the applicant.

2.3.2.3.2 Identification of the applied certification criteria

The evaluation report shall identify the applied certification criteria; i.e. the under-mentioned forest management standard or a part of it that are applicable to the organizations’ forest management:

- a) Forest management certification requirements (SGEC Document 3: 2021)
- b) Trademark usage rules (SGEC Standard Document 6: 2021 and 6-1: 2021)

In case where PEFC trademark is used, PEFC ST 2001:2020 “PEFC Trademarks Rules – Requirements” applies.

- c) Other necessary standards

2.3.2.3.3 Review

All requirements given in Clause 7.5 of ISO/IEC 17065 apply.

2.3.2.4 Decision on certification

2.3.2.4.1 Audit findings shall be classified into major non-conformities, minor non-conformities and observations.

2.3.2.4.2 Major and minor nonconformities shall be corrected and the corrective

action(s) shall be verified by the certification body before granting a certification and recertification.

2.3.2.4.3 Major and minor nonconformities identified in the surveillance audits shall result in corrective action(s) by the client organization resolving the nonconformities. The corrective action plan, including a timeframe, shall be reviewed and accepted by the certification body. The time period for completion of the corrective action(s) for major nonconformities identified in surveillance audits and their verification by the certification body shall follow the rules set by the certification body but not exceed 3 months. Corrective action(s) for minor nonconformities shall be verified no later than during the next audit.

2.3.2.4.4 Corrective action(s) for all nonconformities identified in initial, surveillance and re-certification audits shall be verified by the certification body by site visit or other appropriate forms of verification.

2.3.3 Certificate

2.3.3.1 Issuance of certificate

The certification body shall issue the FM certificate documents to the applicant in accordance with Section 3 of the SGEC Standard Document 1:2021. When the certification body cancels a FM certificate, the certification body shall inform the cancellation to the forest owner/manager concerned.

2.3.3.2 Items mentioned in certificate

The certificate document as official certification under the certification requirements shall carry necessary items including at least the following items:

- a) the certification body
- b) name and address of forest owner/manager
- c) location and size of forest certified
- d) term of validity

2.3.3.3 Term of validity

The term of validity of FM certificate shall be based on Section 3 of SGEC Standard Document 3:2021.

2.3.3.4 Scope of FM certification

- a) FM certification standard applied
- b) location and size of forest certified
- c) other products and services stipulated in 1.1.2.1

2.3.4 Report of evaluation result to SGEC/PEFC Japan

The certification body shall report its evaluation result and status of certification to SGEC/PEFC Japan as stipulated in Section 3 of SGEC Standard Document 1: 2021.

2.3.5 Surveillance audit

2.3.5.1 Frequency of surveillance audits

Frequency of surveillance audits shall be stipulated in Section 3 of SGEC Standard Document 1: 2021.

2.3.5.2 Number of personnel necessary for surveillance audits

The certification body shall decide the number of personnel necessary for document review and on-site review in surveillance audits. Items related to on-site audits shall be implemented in order to confirm necessary information on-site.

Supplementary article

The next review of this standard shall be started on March 29th 2026 or before.

Appendix 1

Requirements for Accreditation of SGEC Certification Body

SGEC/PEFC Japan requires that forest management certification and COC certification shall be carried out by certification bodies fulfilling the following requirements.

- (1) The certification bodies shall be accredited by accreditation bodies that are signatories of the Multilateral Recognition Arrangement (MLA) for product certification of International Accreditation Forum (IAF) as being in conformity with the international standard for the product certification body (ISO/IEC 17065).
- (2) The scope of the accreditation shall explicitly cover SGEC Standard Document 3:2021, and SGEC Standard Document 3-1:2021 and related documents, in their valid version and/or with reference to any future changes and amendments adopted by SGEC/PEFC Japan and presented at SGEC/PEFC Japan website.
The scope of accreditation shall also explicitly state ISO/IEC 17065 and other requirements against which the certification body has been assessed.
- (3) The certification bodies shall be registered as a corporation in Japan.

Appendix 2

Requirements for Notification of SGEC Certification Body

A SGEC certification body shall be notified by SGEC/PEFC Japan. The SGEC notification requires that the certification body shall have a valid accreditation recognized by SGEC/PEFC Japan. The certification body shall provide SGEC/PEFC Japan with information on granted certifications as specified by SGEC/PEFC Japan.

Note: The information on granted certifications usually includes identification of the certificate holder, scope of the granted certifications and certified area of forest management certification used for determination of the SGEC notification fee.

SGEC notification may require the certification body to pay a SGEC notification fee as specified by SGEC/PEFC Japan.

Appendix 3

Qualification requirements for personnel of evaluation team

1. Scope

This document shall define the additional qualification requirements for auditors and other personnel of certification bodies in addition to the requirements defined in SGEC Standard Document 5-2 and 5-3.

Requirements for qualification of auditors of PEFC certification organization shall be based on PEFC ST 2003:2020 and Annex 6.

In addition, all the requirements for personnel of certification bodies stipulated in ILO/IEC 17065 apply.

2. Personnel engaged in evaluation

The certification bodies shall ensure to use competent personnel who have adequate technical know-how on all important certification processes such as review of contracts, audits, provision of certificates and supervision of auditors.

3. Auditors

The certification bodies shall ensure auditors shall have adequate knowledge and skill associated with the requirements defined in ISO 19011.

3.1 Education

The certification bodies shall ensure that auditors shall participate in an education program stipulated in Appendix of SGEC Standard Document 5-3. After initial participation in the above program, the certification bodies shall ensure that auditors shall participate in subsequent program at least once in every two years.

3.2 Audit training or experience

The certification bodies shall ensure that auditors have participated in the training or have experiences as auditors as shown below.

3.2.1 Audit training

The certification bodies shall ensure that auditors have participated in the training program stipulated in SGEC Standard Document 5-3.

3.2.2 Audit experience

The certification bodies shall ensure that auditors have experiences as auditors as stipulated in Appendix of SGEC Standard Document 5-2 to be required to acquire or maintain qualification as auditors.

3.3 Competencies

3.3.1 The certification bodies shall ensure that auditors demonstrate ability to apply terminologies, knowledge, understanding and skills related to Document 1, 3 and 4.

3.3.2 The certification bodies shall ensure that auditors demonstrate ability to apply knowledge and skills in the following areas in particular:

- a) audit principles, procedures and techniques: to ensure that audits are conducted in a consistent and systematic manner.
- b) organization's situations including organizational size, structure, functions and relationships, general business processes and knowledge of the client organization: to enable the auditor to comprehend the organization's operational context.
- c) Section 2 "International conventions, domestic laws and other documents related to SGEC/PEFC" of SGEC Standard Document 3 and Section 3.7 #Controversial sources" of SGEC Standard Document 4: to enable the auditors to review the procedures to minimize the risk that the client organization's procured material originates in controversial sources through recognizing international conventions and domestic acts related.

3.3.3 The certification bodies shall provide SGEC/PEFC Japan upon its request with documentation to verify annual monitoring of auditors by applying methods such as audit witness, reviewing audit reports or client organizations' feedback, etc. based on the frequency of audits by auditors and the level of risk linked to their activities. In particular, the certification bodies shall review the competence of its personnel in the light of their performance in order to identify training needs.

4. Audit team:

The audit team shall be comprised of by auditor(s) fulfilling the requirements defined in 3 above.

(end of the document)

SGEC Standard Document 5-2

Approved by the Board of Directors on March 30, 2021

Date of Entry into Force: June 1st, 2021

Transition Period: until August 14, 2022

Requirements for Certification Bodies operating certification under SGEC COC certification standard

Content

Foreword

Introduction

1. Scope
2. Normative references
3. Terms and definitions
4. General requirements
5. Structural requirements
6. Resource requirements
7. Process requirements
8. Management system requirements

Appendix 1: SGEC notification of certification bodies

Appendix 2: Accreditations accepted by SGEC/PEFC Japan for SGEC notification

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

Appendix 4: Minimum content of audit reports

Foreword

This standard is [endorsed by the PEFC Council (the Programme for the Endorsement of Forest Certification Schemes) according to conformity assessment

based on PEFC ST 2003: 2020 “Requirements for Certification Bodies operating Certification against the PEFC International Chain of Custody Standard”].

This standard defines requirements for certification bodies operating against SGEC Standard Document 4 “Chain of Custody of Forest and Tree Based Products — Requirements” with respect to SGEC COC certification.

This standard stipulate “requirements of certification bodies operating certification under SGEC certification standard”, and certification bodies covered by this standard shall also fulfill PEFC ST 2003: 2020 “Requirements for Certification Bodies operating Certification against the PEFC International Chain of Custody Standard” when operating PEC COC certification.

SGEC COC certification shall be carried out by certification bodies who are accredited by accreditation bodies that are signatories of the Multilateral Recognition Arrangement (MLA) for product certification of IAF (IAF member).

Accreditation of certification bodies by accreditation bodies reduces the risk for businesses and their customers by assuring that accredited certification bodies are competent to carry out the work they undertake. Accreditation bodies that are members of IAF are required to operate to the highest standard and to require the certification bodies they accredit to comply with appropriate international standards and IAF Guidance to the application of those standards.

Accreditations granted by IAF accreditation body members, based on regular peer evaluations to assure the equivalence of their accreditation programmes, allow companies with an accredited conformity assessment certificate in one part of the world to have that certificate recognized everywhere else in the world.

This standard cancels and replaces “III” of SGEC Attachment 2-10 2014 and SGEC Attachment 2-10-2.

Introduction

The certification bodies operating SGEC COC certification are required to meet the requirements of ISO/IEC 17065, SGEC documentation and the relevant provisions of ISO 19011 specified in this standard. The certification bodies operating PEFC COC certification shall meet requirements stipulated in PEFC international certification scheme.

ISO/IEC 17065 is an International Standard that sets out criteria for bodies operating certification of products, services and processes.

The chain of custody certification is considered as a process certification of

production, manufacturing and distribution from forests to consumers whereby the chain of custody is a set of interrelated or interacting activities that transforms input information on the origin of procured raw material into output information on the origin of sold/transferred products.

The requirements for the SGEC COC are described in SGEC Standard Document 4 “Chain of Custody of Forest and Tree Based Products - Requirements” and SGEC Standard Document 6 “SGEC Trademarks Rules - Requirements”.

The requirements for the PEFC COC are describe in PEFC ST 2002 “Chain of Custody of Forest and Tree Based Products - Requirements” and PEFC ST 2001 “PEFC Trademarks Rules – Requirements”.

The term “shall” is used throughout this document to indicate those provisions that, reflecting the requirements of ISO/IEC 17065 and requirements specific for SGEC chain of custody certification, are mandatory. The term “should” is used to indicate guidance that, although not mandatory, is provided by IAF and SGEC/PEFC Japan as a recognized means of meeting the requirements.

This document does not include the text of ISO/IEC 17065 and ISO 19011. These documents can be obtained from ISO.

1. Scope

This standard defines requirements for certification bodies operating SGEC-COC certification among certification bodies defined in Section 5 of SGEC Standard Document 1 “Operational Rules of SGEC Certification Schemes”.

This standard also provides additional scheme specific requirements for certification bodies operating chain of custody certification against SGEC Standard Document 4 in compliance with ISO/IEC17065 and other international standards.

This standard stipulates “requirements for certification bodies operating certification under SGEC COC standard”. The scope of certification as the condition of accreditation of certification bodies covers the PEFC COC standard in addition to the SGEC COC standard and the scope of application includes PEFC ST 2002:2020 “Requirements for Certification Bodies operating Certification against the PEFC International Chain of Custody Standard”.

2. Normative references

For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

- SGEC Standard Document 4: 2021 “SGEC Chain of Custody of Forest and Tree Based Products — Requirements”
- PEFC ST 2002:2020 “Chain of Custody of Forest and Tree Based Products – Requirements”
- SGEC Standard Document 5-1:2021 “Requirements for Certification Bodies operating certification under SGEC forest management certification standard”
- PEFC ST 2003:2020 “Requirements for Certification Bodies operating Certification against the PEFC International Chain of Custody Standard”
- SGEC Standard Document 6: 2021 “SGEC Trademarks Rules — Requirements”
- PEFC ST 2001:2020 “PEFC Trademarks Rules – Requirements”
- SGEC Standard Document 5-3 “Procedures for SGEC/PEFC Certification and Accreditation”
- PEFC Standard: Annex 6 “Certification and Accreditation Procedures”

IAF MD 2, Mandatory Document for the Transfer of Accredited Certification of Management Systems

IAF MD 4, Mandatory Document for the use of Information and Communication Technology (ICT) for auditing/assessment purposes

ISO/IEC 17000, Conformity assessment – Vocabulary and general principles

ISO/IEC 17065, Conformity assessment – Requirements for bodies certifying products, processes

and services

ISO 19011, Guidelines for auditing management systems

ISO/IEC Guide 2:2004, Standardization and related activities – General vocabulary

3. Terms and definitions

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

3.1 Audit

Systematic, independent and documented process for obtaining objective evidence and evaluating it objectively to determine the extent to which the audit criteria are fulfilled.

Note: The term “audit” used in this document is equivalent to the term “evaluation” used in ISO/IEC 17065.

3.2 Certification decision maker

A person or a group of persons (e.g. a committee) that has not been involved in the audit process and is assigned by the certification body to make the certification decision.

3.3 Chain of Custody standard

SGEC Standard Document 4: 2021 “SGEC Chain of Custody of Forest and Tree Based Products — Requirements” and PEFC ST 2002 “Chain of Custody of Forest and Tree Based Products – Requirements”.

3.4 Client organization

Organization, including a multi-site organization, that is applying for chain of custody, or whose chain of custody has been certified.

Note: The term “client organization” used in this document is equivalent to the term “supplier” used in ISO/IEC 17065.

3.5 Major nonconformity

The absence of, or failure to implement and maintain, one or more requirements of the Chain of Custody standard, that may result in a systemic risk to the function and effectiveness of the chain of custody and/or affect confidence in the client organization’s claims on certified raw material.

Note: A major nonconformity may be an individual nonconformity, or a number of minor but related nonconformities that when considered in total are judged to constitute a major nonconformity.

3.6 Minor nonconformity

A single failure to fulfil the requirements of the Chain of Custody standard that may result in no systemic risk to the function and effectiveness of the chain of custody and/or affect confidence in the supplier’s claims on certified raw material.

3.7 Observation

An audit finding that does not indicate nonconformity. It may be identified by the

audit team as an opportunity for improvement.

3.8 Technical expert

Person who provides specific knowledge or expertise to the audit team. The technical expert is not considered an auditor.

4. General requirements

The criteria against which the client organization's chain of custody is evaluated are those outlined in the latest version of the Chain of Custody standard, as well as Appendix of this standard and the SGEC/PEFC Trademarks standard which define related requirements.

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

4.1 Legal and contractual matters

All the requirements given in clause 4.1 of ISO/IEC 17065:2012(E) apply.

4.1.1 Where the certification body makes use of the SGEC trademarks on the certification document, or for any other purposes linked to the SGEC certification scheme, the use shall only be carried out based on a valid license issued by SGEC/PEFC Japan, and in accordance with the SGEC Trademarks rules.

SGEC/PEFC Japan is also authorized by the PEFC Council in issuance of PEFC trademarks license to COC organizations located in Japan based on the "management contract of the PEFC certification scheme".

4.1.2 The certification body shall make clear to the client organization that the SGEC trademarks on the issued certificate only refers to the client organization's compliance with the SGEC certification scheme and does not provide the client organization with the right to use the SGEC trademarks. In order for the client organization to earn rights to use the trademarks, is shall acquire trademarks usage license based on SGEC trademarks rules.

Note: The client organization with a valid SGEC chain of custody certificate can only use the SGEC trademarks with a unique SGEC trademarks license number for "on-product" as well as "off-product" purposes, based on a SGEC trademarks usage license contract made by SGEC/PEFC Japan and in accordance with the PEFC

Trademarks standard.

4.2 Management of impartiality

All the requirements given in clause 4.2 of ISO/IEC 17065:2012(E) apply.

4.3 Liability and financing

All the requirements given in clause 4.3 of ISO/IEC 17065:2012(E) apply.

4.4 Non-discriminatory conditions

All the requirements given in clause 4.4 of ISO/IEC 17065:2012(E) apply.

4.5 Confidentiality

All the requirements given in clause 4.5 of ISO/IEC 17065:2012(E) apply.

The certification body shall inform the client organization that it is obliged to provide SGEC/PEFC Japan with information including a copy of the audit reports upon request from SGEC/PEFC Japan.

The certification body shall have the written consent of the client organization for the information disclosed to SGEC/PEFC Japan in order to fulfill requirements with respect to confidentiality described in ISO/IEC 17065.

4.6 Publicly available information

All the requirements given in clause 4.6 of ISO/IEC 17065:2012(E) apply.

5. Structural requirements

All the requirements given in clause 5 of ISO/IEC 17065:2012(E) apply.

6. Resource requirements

6.1 Certification body personnel

6.1.1 General

All the requirements given in clause 6.1.1 of ISO/IEC 17065:2012(E) apply.

6.1.1.1 Personnel involved in the certification activities

6.1.1.1.1 The certification body shall ensure that all personnel carrying out the key activities, such as contract review, auditing, granting of certification, monitoring of

auditors, etc. have the relevant and appropriate knowledge and competencies corresponding to these activities.

6.1.1.1.2 Gender equality should be promoted.

6.1.1.2 Auditors

The certification body shall have a documented process to ensure that auditors have personal attributes, knowledge and skills in accordance with clauses 7.1, 7.2.1, 7.2.2, 7.2.3.1, 7.2.3.2 and 7.2.3.4 of ISO 19011:2018.

6.1.1.2.1 Education

6.1.1.2.1.1 The certification body shall ensure that auditors have at least either of the following qualifications:

- a) Ph.D. in agriculture (including forest and forestry)
- b) Professional Engineer in forest management
- c) Forestry supervisor (forester)
- d) Forestry Engineer (general supervision)
- e) Persons who have experiences as Registered forester for extension services
- f) Persons who have experiences as Forestry Extension Agents (AG)
- g) Persons who have experiences as Forestry Technological Specialists (SP)
- h) JAS inspectors who have experiences in inspection of forest products
- i) Veterans in forest products business, inspection and research

In addition to the above, certification organizations shall ensure that auditors to have knowledge corresponding to at least a secondary education that includes or is supplemented with courses related to forest and/or tree based and related industries where the auditor(s) conducts chain of custody audits.

Note: Secondary education is the part of the national education system that comes after the primary or elementary stage, but that is completed prior to entrance to tertiary education, e.g. university or similar educational institution.

6.1.1.2.1.2 The specific education relating to forest and/or tree based and related industries can be substituted by working experience in these sectors if the certification body can demonstrate it is equivalent to the required education.

Note: Forest and/or tree based and related industries include, for example, activities relating to manufacturing, transport, storage, distribution and recycling of forest and/or tree based products.

6.1.1.2.2 SGEC chain of custody training

The certification body shall ensure that new auditors have received initial training on the SGEC scheme and the SGEC Chain of Custody standard.

6.1.1.2.2.1 SGEC chain of custody training recognized by SGEC/PEFC Japan

The SGEC chain of custody training recognized by SGEC/PEFC Japan is implemented by trainers assigned by the president among members of the Councilors Committee defined in Article 52 of the SGEC Statute, members of the Standard Management Committee defined in Article 52-1 of the statute and other experts based on the training program using ISO/IEC 17065 and related international standards, SGEC Standard Document 4 and related standards, case studies of certification and other materials as training materials.

Persons who completed the SGEC COC training (who were given the training certificates) are recognized as qualified trainers who are able to deliver COC trainings using the same training materials within the organizations they belong.

Note: The website of SGEC/PEFC Japan provides further information on training options.

6.1.1.2.3 Audit training

The certification body shall ensure that auditors have successfully completed training in audit techniques based on ISO 19011.

6.1.1.2.4 Working experience

6.1.1.2.4.1 For a first qualification of an auditor, the certification body shall ensure that the auditor has a minimum of three years of full-time related working experience as staff or researchers in the forest and/or tree based and related industries or research institutes.

Note: Forest and/or tree based and related industries include, for example, activities relating to manufacturing, research, education, standards development, forest industry/product associations, forest law and regulation, transport, distribution and recycling or transport and storage of forest and tree based products.

6.1.1.2.4.2 The number of years of total work experience may be reduced by one year, if the auditor has qualifications a) - h) mentioned in 6.1.1.2.1.1 above or completed a tertiary education appropriate and relevant to forest and/or tree based and related industries.

Note: Tertiary education, also referred to as third stage, third level, and post-secondary education, is the educational level following the completion of a school providing a secondary education (junior high schools in the early stage and high schools in the late stage), and referred to the university or equivalent level of education in Japan.

6.1.1.2.4.3 The number of years of total work experience may be reduced by one year if the auditor has performed four chain of custody audits under the leadership of a qualified auditor.

6.1.1.2.5 Audit experience

6.1.1.2.5.1 For a first qualification of an auditor, the certification body shall ensure that the auditor within the last three years has performed four chain of custody audits (including audits of external organizations) under the leadership of a qualified auditor, including at least two SGEC/PEFC chain of custody audits. The number of chain of custody audits-in-training can be reduced to two SGEC chain of custody audits for auditors that are qualified for ISO 9001 or ISO 14001 from the required number of COC audits above.

6.1.1.2.6 Competencies

6.1.1.2.6.1 The certification body shall ensure that auditors demonstrate ability to apply knowledge and skills in the following areas:

- a) The objectives and core processes of the SGEC certification scheme including the requirements from the SGEC Sustainable Forest Management standard (SGEC Standard Document 3) covered in the SGEC chain of custody definition of controversial sources, (SGEC Standard Document 4, clause 3.7 paragraphs b, c, d and e).
- b) Audit principles, procedures and techniques (see 7.2.3.2.a of ISO 19011:2018): to enable the auditor to apply those appropriate to different audits and ensure that audits are conducted in a consistent and systematic manner.
- c) Organization situations (see 7.2.3.2.c of ISO 19011:2018), including organizational size, structure, functions and relationships, general business processes and related terminology, and cultural and social customs such as knowledge of the client organization working language, or language that the certification body and client can agree on: to enable the auditor to comprehend the organization's operational context.
- d) Applicable international legislation and country specific forest governance and law enforcement system relevant to forest and tree based raw material

procurement and avoidance of raw material from controversial sources: to enable the auditor to comprehend the client organization's contractual relationships with suppliers and evaluate the client organization's procedures for avoidance of raw material from controversial sources. Knowledge and understanding of this area shall cover:

- i. contracts and agreements, including labour contracts and or collective bargaining agreements
- ii. forest governance and law enforcement system of countries of the uncertified raw material origin, including those covering social, health and safety issues of workers
- iii. international conventions relating to worker rights (ILO core conventions) and relevant domestic laws and regulations, and
- iv. international treaties and conventions such as CITES relating to the trade of forest and tree based products

Note: CITES is the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

6.1.1.2.6.2 The certification body shall ensure that auditors demonstrate ability to apply terminology, knowledge, understanding and skills in the following areas of the SGEC chain of custody:

- a) principles and requirements of the SGEC Chain of Custody standard (SGEC Standard Document 4)
- b) products (including non-wood forest products and products from recycled material), processes and practices in the specific sector, applied raw material flow, measurements and control measures
- c) the application of management systems to forest and tree based and related industries and interaction between their components
- d) information systems and technology for authorization, security, distribution and control of documents, data and records
- e) application of SGEC/PEFC trademarks and other product labels and claims
- f) application of the measures to avoid procurement of raw material from controversial sources, including the relevant risk assessment methodology and indicators
- g) social, health and safety requirements

6.1.1.2.6.3 The certification body shall maintain evidence of annual monitoring of chain of custody auditors, applying methods such as reviewing audit reports or client organizations' feedback, etc. based on the frequency of their usage and the level of risk linked to their activities, and periodic witness audits.

In particular, the certification body shall review the competence of its personnel in the light of their performance in order to identify training needs.

6.1.1.3 Audit team

The audit team shall comprise auditor(s) fulfilling the requirements defined in 6.1.1.2 and gender balance should be considered.

6.1.1.3.1 Technical experts

In some cases, technical experts may be required to support the required auditor competency in a particular technical area by providing appropriate technical expertise. Technical experts shall be independent from the auditee, and their names and affiliations shall be included in the audit report.

6.1.1.4 Reviewer and certification decision maker

6.1.1.1.1 Requirements for reviewer and certification decision maker

The certification body shall ensure that the reviewer and the certification decision maker meet the following requirements. If the reviewer and/or the certification decision maker are composed by a group of people, at least one of the members meets the following requirements.

Note: The reviewer and the certification decision maker can be the same person. See note to clause 7.6.2 of ISO/IEC 17065:2012(E).

6.1.1.4.1.1 Education

6.1.1.4.1.1.1 The certification body shall ensure that the reviewer and certification decision maker have the following qualifications:

- a) Ph.D. in agriculture (including forest and forestry)
- b) Professional Engineer in forest management
- c) Forestry Engineer (general supervision)
- d) Forestry supervisor (forester)
- e) Persons who have experiences as Registered forester for extension services
- f) Persons who have experiences as Forestry Extension Agents (AG)
- g) Persons who have experiences as Forestry Technological Specialists (SP)

- h) JAS inspectors who have experiences in inspection of forest products
- i) Veterans in forest products business, inspection and research

In addition to the above, certification organizations shall ensure that reviewers and certification decision makers to have knowledge corresponding to at least a secondary education that includes or is supplemented with courses related to forest and/or tree based and related industries.

Note: Secondary education is the part of the national education system that comes after the primary or elementary stage, but that is completed prior to entrance to tertiary education, e.g. university or similar educational institution.

6.1.1.4.1.1.2 The specific education relating to forest and/or tree based and related industries can be substituted by working experience in these sectors if the certification body can demonstrate it is equivalent to the required education.

Note: Forest and/or tree based and related industries include, for example, activities relating to manufacturing, transport, storage, distribution and recycling of forest and tree based products.

6.1.1.4.1.2 SGEC chain of custody training

The certification body shall ensure that the reviewer and certification decision maker have received initial training on the SGEC system and the SGEC Chain of Custody standard.

Note: The website of SGEC/PEFC Japan provides further information on training options.

6.1.1.4.1.3 Audit training

The certification body shall ensure that the reviewer and certification decision maker have successfully completed training in audit techniques based on ISO 19011.

6.1.1.4.1.4 Working experience

6.1.1.4.1.4.1 To qualify as a reviewer or certification decision maker, the certification body shall ensure a minimum of three years full-time related working experience in conformity assessment.

6.1.1.4.1.4.2 The number of years of total work experience may be reduced by one

year, if the reviewer or certification decision maker has completed a appropriate tertiary education as mentioned in “a” to “h” of 6.1.1.3.1.1.1 above and relevant to forest and/or tree based and related industries.

Note: Tertiary education, also referred to as third stage, third level, and post-secondary education, is the educational level following the completion of a school providing a secondary education.

6.1.1.4.1.4.3 The number of years of total work experience may be reduced by one year, if the reviewer or certification decision maker conduct COC audits as the qualified auditor.

6.1.1.4.1.4.4 A qualified SGEC chain of custody auditor shall be considered as already meeting the minimum working experience required.

6.1.1.4.1.5 Competencies

The certification body shall ensure that the reviewer and certification decision maker demonstrate ability to apply knowledge and skills in the following areas:

- a) The objectives and core processes of the SGEC scheme including the requirements from the SGEC Sustainable Forest Management standard (SGEC Standard Document 3) covered in the SGEC chain of custody definition of controversial sources, (SGEC Standard Document 4, clause 3.7 paragraphs b, c, d and e).
- b) Audit principles, procedures and techniques (see 7.2.3.2.a of ISO 19011:2018).
- c) Organization situations (see 7.2.3.2.c of ISO 19011:2018), including organizational size, structure, functions and relationships, general business processes and related terminology, and cultural and social customs. and
- d) Applicable international legislation and country specific forest governance and law enforcement system relevant to forest and tree based raw material procurement and avoidance of raw material from controversial sources.

Knowledge and understanding of this area shall cover:

- i. contracts and agreements, including labour contracts and or collective bargaining agreements
- ii. forest governance and law enforcement system of countries of the uncertified raw material origin, including those covering social, health and safety issues of workers
- iii. international conventions relating to worker rights (ILO core conventions) and relevant domestic laws and regulations, and

- iv. international treaties and conventions relating to the trade of forest and tree based products such as CITES

6.1.2 Management of competence for personnel involved in the certification process

All the requirements given in clause 6.1.2 of ISO/IEC 17065:2012(E) apply.

6.1.2.1 The certification body shall ensure that qualified reviewers, certification decision makers and auditors, every two calendar years, have participated in a refresher training in chain of custody of forest and tree based products that is recognized by SGEC/PEFC Japan.

6.1.2.1.1 The SGEC chain of custody training described in the previous clause is implemented by trainers assigned by the president among members of the Councilors Committee defined in Article 52 of the SGEC Statute, members of the Standard Management Committee defined in Article 52-1 of the statute and other experts based on the training program using ISO/IEC 17065 and related international standards, SGEC Standard Document 4 and related standards and the latest version of domestic laws and regulations.

Note: The website of SGEC/PEFC Japan provides further information on training options.

6.1.2.2 When there is a new issuance of the SGEC Chain of Custody standard or/and the SGEC Trademarks standard, the certification body shall ensure that qualified reviewers, certification decision makers and auditors have participated in refresher training recognized by SGEC/PEFC Japan that covers the new version of the standards, before starting operating against them.

Note: The website of SGEC/PEFC Japan provides further information on training options.

6.1.2.3 For maintaining the qualification of the auditor, the certification body shall ensure that the auditor has performed a minimum of five external audits in chain of custody standards, ISO 9001 or ISO 14001 in forest and/or tree based and related sectors per year, where the sum of these audits should cover at least seven days of audit work, including at least two SGEC chain of custody audits.

Note: The seven days of audit work may include reporting time.

6.1.2.4 In exceptional circumstances, such as statutory leave or long term illness, auditors unable to comply with 6.1.2.3 shall perform at least two SGEC chain of custody audits under the leadership of a qualified auditor.

6.1.2.5 Reviewers and certification decision makers shall observe at least one SGEC chain of custody audit per calendar year.

Table: Overview of qualification requirements

	Auditor	Reviewer and certification decision maker
Education	<ul style="list-style-type: none"> • Knowledge corresponding to at least a secondary education that includes or is supplemented with courses related to forest and/or tree based and related industries. • Specific education relating to forest and/or tree based and related industries can be substituted by working experience in these sectors if the certification body can demonstrate it is equivalent to the required education. 	
Working experience	<ul style="list-style-type: none"> • Minimum of 3 years full-time related working experience in the forest and/or tree based and related industries. • May be reduced by 1 year, if the auditor has completed a tertiary education appropriate and relevant to forest and/or tree based and related industries. • May be reduced by 1 year if the auditor has performed, as auditor-in-training, 4 chain of custody audits under the leadership of a qualified auditor, in addition to the 	<ul style="list-style-type: none"> • Minimum of 3 years full-time related working experience in conformity assessment. • May be reduced by 1 year, if the reviewer or certification decision maker has completed a tertiary education appropriate and relevant to forest and/or tree based and related industries. • A qualified SGEC chain of custody auditor shall be considered as already meeting the minimum working experience required.

	chain of custody audits required as audit experience under 6.1.1.2.5.1.	
Training	<ul style="list-style-type: none"> • Initial training recognized by SGEC/PEFC Japan • ISO/IEC 19011 	
Audit experience	<ul style="list-style-type: none"> • The auditor, within the last 3 years has performed, as auditor-in-training, chain of custody audits for at least 4 organizations under the leadership of a qualified auditor, including at least 2 SGEC chain of custody audits. • Number of chain of custody audits in training can be reduced to 2 SGEC chain of custody audits for auditors that are qualified for chain of custody standards, ISO 9001 or ISO 14001 in forest and/or tree related sectors. 	<ul style="list-style-type: none"> • The certification body shall ensure that the reviewer or certification decision maker, within the last 3 years, has observed at least 1 SGEC chain of custody audit.
Competencies	See requirement 6.1.1.2.6	See requirement 6.1.1.4.6
Maintenance of the qualification		
Training	<ul style="list-style-type: none"> • Refresher training recognized by SGEC/PEFC Japan • every two years. and • When new issuance of SGEC Chain of Custody or Trademarks standards. 	
Audit experience	<ul style="list-style-type: none"> • Minimum of 5 external audits in chain of custody standards, ISO 9001 or ISO 14001 in forest and/or tree based and related sectors per year, where the sum of these audits should cover at least 7 	<ul style="list-style-type: none"> • Observe at least 1 SGEC chain of custody audit per calendar year

	<p>days of audit work, including at least 2 SGEC chain of custody audits.</p> <ul style="list-style-type: none"> • In exceptional circumstances, such as statutory leave or long term illness, auditors unable to comply with 6.1.2.3 shall perform at least 2 SGEC chain of custody audits under the leadership of a qualified auditor. 	
--	---	--

Note: This table is a summary of the qualification requirements for auditors, reviewers and certification decision makers.

6.1.3 Contract with the personnel

All the requirements given in clause 6.1.2 of ISO/IEC 17065:2012(E) apply.

6.2 Resources for evaluation

All the requirements given in clause 6.2 of ISO/IEC 17065:2012(E) apply.

In case of partial outsourcing of evaluation activities by the certification body, clause 6.2.2. of ISO/IEC 17065(E) applies.

Note: Partial outsourcing of evaluation activities by the certification body

The certification body shall fulfil requirements defined in clause 6.2.2. of ISO/IEC 17065 when it outsources part of its evaluation activities. In assessing the qualification of the outsourced organization, personnel engaging in audits shall fulfil requirements defined in Section 6.1 of this standard.

7. Process requirements

7.1 General

All the requirements given in clause 7.1 of ISO/IEC 17065:2012(E) apply.

7.1.1 Additionally to ISO/IEC 17065:2012(E) clause 7.1.3, the certification body may provide publicly available documents, such as guidance, clarifications, and interpretations

published by SGEC/PEFC Japan.

7.2 Application

All the requirements given in clause 7.2 of ISO/IEC 17065:2012(E) apply.

7.2.1 The certification body shall obtain from the client organization, as a minimum, the following information as a part of the application for certification:

- a) corporate entity, name, address and legal status
- b) documented procedures of the client organization as defined in SGEC Chain of Custody standard
- c) descriptive identification of the products covered by the SGEC chain of custody sufficient to identify product group, and
- d) sites covered by the SGEC chain of custody in the case of multi-site certification (as defined in the SGEC Chain of Custody standard)

Note: The information does not have to be obtained at the moment of first contact with the client organization, but at least before activities under clauses 7.3 and 7.4 are carried out.

7.2.2 The certification body shall obtain from the client organization, as a minimum, for products covered by the SGEC chain of custody, the following information relating to the application of the optional requirements of the Chain of Custody standard, for each site and/or product group as applicable:

- a) chain of custody method
- b) intended application of the SGEC trademarks

Note: The information does not have to be obtained at the moment of first contact with the client organization, but at least before activities under clauses 7.3 and 7.4 are carried out.

7.2.3 The certification body shall obtain from the client organization sufficient information to assess if the application is to be treated as a transfer of certification instead of a new application. See also requirement 7.4.10.

7.3 Application review

All the requirements given in clause 7.3 of ISO/IEC 17065:2012(E) apply.

7.3.1 The certification body shall carry out a review of the client organization's

documentation (see 7.2.1 b) prior to the audit, to determine the conformity of the documentation with the certification criteria.

7.4 Audit

All the requirements given in clause 7.4 of ISO/IEC 17065:2012(E) apply.

7.4.1 The certification body shall have documented procedures to ensure that an audit plan is established for each audit, to provide a basis for agreement regarding the scheduling of the audit activities. The audit plan shall be communicated and the dates of the audit shall be agreed upon in advance with the client organization.

Note: Guidance for preparing the audit plan is provided by ISO 19011:2018, clause 6.3.2.

7.4.2 In the case of multi-site certification, the audit plan shall list the sites to be visited as part of the sample. The certification body shall refer to the normative Appendix 3.

7.4.3 The certification body shall have documented procedures for selecting and appointing the audit team, including the audit team leader.

Note: Guidance for selecting the audit team and audit team leader is provided by ISO 19011:2018, clauses 5.5.4.

7.4.4 The purpose of the audit is to:

- a) Determine the conformity of the client organization's:
 - i. chain of custody process with the requirements of the SGEC Chain of Custody standard and its effective implementation
 - ii. management system with the requirements of the SGEC Chain of Custody standard and its effective implementation
 - iii. chain of custody process with requirements for the avoidance of procuring raw material from controversial sources where applicable (SGEC DDS requirements) and its effective implementation
 - iv. usage of the SGEC trademarks with the SGEC Trademarks standard and its effective implementation and that the trademarks license contract, which shall be signed between the client organization and SGEC/PEFC Japan in order for the client organization to be allowed to use SGEC trademarks, is valid

Note: The usage of the SGEC trademarks and SGEC claims is to be evaluated at the time of the surveillance and recertification audits. At initial audits, any proposed or intended use of the SGEC trademarks and SGEC claims is to be evaluated.

b) Collect data as required by the SGEC notification contract.

7.4.5 The certification body shall conduct the audit following the relevant guidance provided in ISO 19011:2018, clause 6.4. In general, audits (initial, surveillance and recertification) shall be conducted on-site.

7.4.6 For client organizations that operate without physical possession, audits may be conducted remotely with the use of ICT tools in accordance with IAF MD 4. The certification body shall demonstrate that the full scope of the audit can be covered using ICT tools.

Note 1: Client organizations that operate with physical possession but have not sold any physical product with a PEFC claim since the previous audit, are not eligible to be audited remotely according to this requirement.

Note 2: For cases where client organizations have not procured raw material and have not sold any product with a SGEC claim since the last audit, requirement 7.9.2 of this standard may apply.

Note 3: ICT tools include smartphones, mobile terminal, rap-top computers, desk-top computers, drones, video-cameras, wearable device technology, AI and other software and hardware.

7.4.7 The certification body shall have documented procedures for determining audit time, and for each client organization the certification body shall determine, with input from the audit team, the time needed to plan and accomplish a complete and effective audit of the client organization's SGEC chain of custody. The audit time determined by the certification body, and the justification for the determination, shall be recorded. The minimum time for the on-site audit is four hours (0.5 day).

Note: The minimum time for the on-site audit shall not include reporting activities, unless under extraordinary conditions.

7.4.8 The certification body shall have documented procedures for sampling within the

audit in accordance with the guidance provided in ISO 19011:2018, A.6.

7.4.9 In determining the audit time and sampling within the audit, the certification body shall as a minimum, consider the following aspects:

- a) the requirements of the Chain of Custody standard
- b) size and complexity of the client organization's operations within the scope of the SGEC chain of custody
- c) extent of supplies that could create a significant risk of procuring raw material from controversial sources
- d) extent of SGEC trademarks usage activities
- e) any outsourcing of any activities included in the scope of the organization's chain of custody
- f) the results of any prior audits, including those of client organization's management systems
- g) number of sites and multi-site considerations

7.4.10 In the case of transfer of certification, the certification body shall operate according to ISO/IEC 17065 clause 7.4.5 and IAF MD2:2017.

Note: IAF MD2:2017 "IAF Mandatory Document for the Transfer of Accredited Certification of Management Systems" provides the standard for transferring accredited certification of management system between certification bodies.

7.4.11 Audit reports

7.4.11.1 The audit report shall include at least the information specified in Appendix 4.

7.4.11.2 On request, the certification body shall send a copy of the audit report and other necessary audit records requested by SGEC/PEFC Japan.

7.5 Review

All the requirements given in clause 7.5 of ISO/IEC 17065:2012(E) apply.

7.6 Certification decision

All the requirements given in clause 7.6 of ISO/IEC 17065:2012(E) apply.

7.6.1 Audit findings shall be classified as major nonconformities, minor nonconformities and observations.

7.6.2 Before granting initial certification, as a minimum, major and minor nonconformities shall be corrected and the corrective action(s) verified by the certification body.

7.6.3 Before granting recertification, as a minimum, major nonconformities shall be corrected and the corrective action(s) verified by the certification body.

7.6.4 Major and minor nonconformities identified in the audits shall result in corrective action(s) by the client organization resolving the nonconformities. The corrective action plan, including a timeframe, shall be reviewed and accepted by the certification body. The time period for completion of the corrective action(s) for major nonconformities identified in surveillance audits and their verification by the certification body shall follow the rules of the certification body but not exceed three months. Corrective action(s) for minor nonconformities identified during recertification and surveillance audits shall be verified no later than during the next audit.

7.7 Certification documentation

All the requirements given in clause 7.7 of ISO/IEC 17065:2012(E) apply.

7.7.1 The certification document shall include at least the following information:

- a) identification of the certification body
- b) name and address of the client organization, and where applicable its sites/legal entities, whose chain of custody is subject to certification

Note 1: The name and address of the client organization may be the name and address of a legal entity where no SGEC chain of custody activities are taking place (e.g. a mailbox address). The name and address of the client organization whose chain of custody is subject to certification shall be included on the certification document as well.

Note 2: In the case of SGEC chain of custody certification for specified projects, or ‘project certification’ (refer to SGEC Standard Document 4, Appendix 3), “name and address” refers to the name and address of the controlling entity. The name of the project can be included in the scope of the project certificate.

- c) type of certificate (individual, multi-site or producer group)
- d) scope of the certification granted (see 7.7.2)
- e) the SGEC trademarks logo with the certification body’s SGEC trademarks license number
- f) accreditation mark of the accreditation body (including accreditation number where applicable)
- g) the date of granting, extending or renewing certification and the expiry date or

recertification due date (see 7.7.6). The effective date on a certification document shall not be before the date of the certification decision

7.7.2 The scope of certification shall include the following information:

- a) reference to SGEC Standard Document 4 “SGEC Chain of Custody of Forest and Tree Based Products — Requirements” and /or PEFC ST 2002:2020 “Chain of Custody of Forest and Tree Based Products – Requirements”
- b) reference to SGEC Standard Document 6-1 “SGEC Trademarks Rules”
- c) applied chain of custody method
- d) products covered by the chain of custody, according to the SGEC product categories

Note: In the case of SGEC chain of custody certification for specified projects, or ‘project certification’ (refer to SGEC Standard Document 4, Appendix 3), the name of the project can be included in the scope of the project certificate.

7.7.3 Where the scope of the certification is included in an appendix to the certificate, the certificate shall include a reference to the appendix as an essential element.

7.7.4 The certification body shall issue the certification document in Japanese and, when necessary, English.

7.7.5 The certification shall be granted for a maximum of five years by certification bodies.

7.7.6 Certification bodies shall immediately inform SGEC/PEFC Japan, when certification is granted, suspended, withdrawn, its scope is changed or any other changes affecting the certification.

7.8 Directory of certified products

All the requirements given in clause 7.8 of ISO/IEC 17065:2012(E) apply.

7.9 Surveillance

All the requirements given in clause 7.9 of ISO/IEC 17065:2012(E) apply.

7.9.1 The surveillance audits shall be carried out annually. The certification body shall carry out at least four surveillance audits before the expiry date of the certificate.

Note 1: Annually means once every twelve months, plus or minus three months.

Note 2: If the certificate is valid for less than five years, the number of surveillance audits can be reduced accordingly.

7.9.2 The on-site surveillance audit may be replaced by other audit techniques, such as documentation and records review, and the period between on-site surveillance audits shall not exceed two years (plus three months) where:

- a) the certification body can justify that the audit techniques used deliver sufficient confidence in the certified entity's compliance with the certification criteria; and
- b) no nonconformity was raised during the previous initial, surveillance or recertification audit; and
- c) the client organization procurement does not include significant risk supplies; and
- d) the client organization provides the certification body with all the records required to be kept by the Chain of Custody standard or a list of all the records that allow the certification body to establish an independent sampling; or
- e) the submitted records provide sufficient evidence that the client organization or client organization's site has not procured raw material and has not sold any product with a SGEC claim since the last audit.

Note: "Not procured raw material with a SGEC claim" means that input material with a SGEC claim is not classified into certified material and/or other material.

7.10 Changes affecting certification

All the requirements given in clause 7.10 of ISO/IEC 17065:2012(E) apply.

7.11 Termination, reduction, suspension or withdrawal of certification

All the requirements given in clause 7.11 of ISO/IEC 17065:2012(E) apply.

7.11.1 If certification is terminated, suspended or withdrawn, the certification body shall inform the client organization that any further use of SGEC trademarks and claims is not allowed. In case of suspension, the certification body shall monitor whether the client is in compliance with related standards with respect to the operation of COC by the client in order to determine how to handle the certification concerned.

7.12 Records

All the requirements given in clause 7.12 of ISO/IEC 17065:2012(E) apply.

7.13 Complaints and appeals

All the requirements given in clause 7.13 of ISO/IEC 17065:2012(E) apply.

7.13.1 The certification body shall notify SGEC/PEFC Japan, within 30 days, of any substantiated claims of noncompliance with certification requirements by client organizations, or complaints against client organizations it receives or about which it becomes aware.

7.13.2 The certification body shall provide SGEC/PEFC Japan with summary reports for resolved complaints and appeals, including at minimum:

- a) identification of the appellant/complainant (subject to disclosure)
- b) identification of the client organization
- c) subject of the complaint
- d) summary of the complaint handling process
- e) outcome/resolution of the complaint

8. Management system requirements

All the requirements given in clause 8 of ISO/IEC 17065:2012(E) apply.

8.1 Internal audits of the certification body

8.1.1 On request, the results of annual internal audits, limited to the performance of SGEC chain of custody certification activities, shall be provided to SGEC/PEFC Japan.

Supplementary article

The next review of this standard shall be started on March 29th 2026 or before.

Appendix 1

SGEC notification of certification bodies

(Additional requirements for accreditation of the certification body)

The certification body operating the SGEC chain of custody certification shall be notified by SGEC/PEFC Japan.

The SGEC notification requires that the certification body shall have a valid accreditation recognized by SGEC/PEFC Japan (see Appendix 2 of this document).

The certification body shall provide SGEC/PEFC Japan with information on granted certifications as specified by SGEC/PEFC Japan.

Note: The information on granted certifications includes (but it is not limited to) identification of the client organization, scope of the granted certifications and the client organization's turnover where used for determination of the SGEC notification fee.

The SGEC notification may require the certification body to pay a SGEC notification fee as specified by SGEC/PEFC Japan.

Appendix 2

Accreditations accepted by SGEC/PEFC Japan for SGEC notification

SGEC/PEFC Japan requires SGEC COC certification to be carried out by certification bodies accredited by accreditation bodies who are signatories to the Multilateral Recognition Arrangement for products certification of IAF(MLA), or regional accreditation groups of IAF such as European Cooperation for Accreditation (EA), Interamerican Accreditation Cooperation (IAAC), Asia Pacific Accreditation Cooperation (APAC). Southern African Development Community Accreditation (SADCA), African Accreditation Cooperation (AFRAC) and Arab Accreditation Cooperation (ARAC)

The certification body notified by SGEC/PEFC Japan and operating SGEC COC certification shall be registered as a legal entity in Japan.

The certification body's scope of accreditation shall explicitly cover SGEC Standard Document 4 "SGEC Chain of Custody of Forest and Tree Based Products — Requirements", SGEC Standard Document 6 "SGEC Trademarks Rules — Requirements", PEFC ST 2002:2020 "Chain of Custody of Forest and Tree Based Products — Requirements" and PEFC ST 2001:2020 "PEFC Trademarks Rules — Requirements" in their valid versions.

Note: Since SGEC claims of products can be converted to PEFC claims based on endorsement of the SGEC certification scheme by the PEFC, relevant PEFC standards shall be included in the scope of accreditation of the certification body.

The certification body's scope of accreditation shall also explicitly state ISO/IEC 17065, this Appendix and Appendix 2 of PEFC ST 2003:2020 and other requirements against which the certification body has been assessed.

The accreditation certificate shall be available in Japan, as well as in English when needed.

Appendix 3

Multi-site chain of custody certification

1. Introduction

1.1 This appendix defines requirements for certification bodies who implement certification of multi-sites organizations having multiple sites fulfilling requirements stipulated in Appendix 2 “Implementation of the chain of custody standard by multi-site organizations” of SGEC Standard Document 4.

1.2 This appendix is for the audit and certification of PEFC chain of custody in client organizations with a network of sites, to ensure that the audit provides adequate confidence in the conformity of the client organization’s chain of custody with the Chain of Custody standard across all sites listed in the scope of the certificate and that the audit is practical and feasible in both economic and operative terms.

2. Eligibility criteria for the multi-site client organization

2.1 Eligibility criteria for the multi-site client organization are defined in Appendix 2 of SGEC Standard Document 4.

2.2 In addition to requirements of Appendix 2 to the SGEC Chain of Custody standard, the multi-site client organization shall demonstrate its ability to collect and analyze data (including but not limited to items below) from all sites including the central office and its authority over all sites and its authority to initiate change if required:

- a) chain of custody documentation and chain of custody changes
- b) management review
- c) complaints
- d) evaluation of corrective actions
- e) internal audit planning and evaluation of the results
- f) different legal requirements in relation to the avoidance of raw material from controversial sources

2.3 With reference to Appendix 2 of the Chain of Custody standard, a multi-site client organization, which is established as a group of independent legal entities only for the purpose of obtaining and maintaining chain of custody certification, shall only consist of typically small enterprises.

3. Eligibility criteria for the certification body

3.1 General

3.1.1 The certification body shall provide information to the client organization about the eligibility criteria laid down herein and in Appendix 2 to the Chain of Custody standard before starting the audit process, and should not proceed with the audit if any of the eligibility criteria for the multi-site organization are not met. Before starting the audit process, the certification body should inform the client organization that the certificate will not be issued if, during the audit, nonconformities in relation to these eligibility criteria are found.

3.2 Contract review

3.2.1 The certification body's procedures shall ensure that the initial contract review identifies the complexity of the activities covered by the chain of custody subject to certification and any differences between sites as the basis for determining the level of sampling.

3.2.2 The certification body shall identify the central function of the client organization that is its contractual partner for the performance of the certification. The agreement shall allow the certification body to carry out the certification activities at all sites of the multi-site client organization.

3.2.3 The certification body shall analyze, in each individual case, to what extent sites of an organization have similar raw material flow that enables the chain of custody to be applied in a similar manner. The similarity of the sites included in the multi-site client organization shall be taken into consideration when applying the sampling procedures.

3.2.4 The certification body shall retain a record to demonstrate that the required activities in 3.2.1, 3.2.2 and 3.2.3 have been implemented.

3.3 Audit

3.3.1 The certification body shall have documented procedures to deal with audits under its multi-site procedure. Such written audit procedures shall include

documentation and records review, on-site audits, etc., and establish the way the certification body satisfies itself, inter alia, that the chain of custody requirements are actually applied to all the sites and that all the criteria in SGEN Standard Document 4, the Chain of Custody standard, including its Appendix 2, are met.

- 3.3.2** If more than one audit team is involved in the audit of the network, the certification body shall designate a unique audit leader whose responsibility is to consolidate the findings from all the audit teams and to produce a synthesis report.

3.4 Nonconformities

- 3.4.1** When nonconformities are found at any individual site, either through the client organization's internal auditing or from auditing by the certification body, an investigation shall take place to determine whether the other sites may be affected. Therefore, the certification body shall require the client organization to review the nonconformities to determine whether they indicate an overall chain of custody deficiency applicable to all sites or not. If they are found to do so, corrective action should be performed both at the central office and at the individual sites. If they are found not to do so, the client organization shall be able to demonstrate to the certification body the justification for limiting its follow-up action to the individual sites.

- 3.4.2** The certification body shall require evidence of these corrective actions with respect to nonconformities found on sites by internal audits of the organization and audits by the certification body. The certification body may increase its sampling frequency until it is satisfied that control is re-established.

- 3.4.3** In the decision making process of the certification of the multi-site client organization, if any site has a nonconformity, certification shall be denied to the whole multi-site client organization pending satisfactory corrective action.

- 3.4.4** It shall not be admissible that, in order to overcome the obstacle raised by the existence of a nonconformity raised by the certification body at a single site, the client organization seeks to exclude from the scope the "problematic" site during the certification process.

3.5 Certificates

- 3.5.1** One single certificate shall be issued with the name and address of the central office of the client organization. A list of all the sites that the certificate relates to shall be issued, either on the certificate itself or in an appendix or as otherwise referred to in the certificate. The scope or other reference on the certificate shall make

clear that the certified activities are performed by the network of sites in the list. The appendix or other reference is an integral part of the certificate and shall not be separated from the certificate.

3.5.2 If the individual sites are applying different chain of custody methods, the application of the Chain of Custody standard shall be clearly stated in the certificate and any appendix for the individual sites.

3.5.3 A sub-certificate may be issued to the client organization for each site covered by the certification, on condition that it contains the same scope, or a sub-scope of that scope, and includes a clear reference to the main certificate. The sub-certificate shall include a statement saying “the validity of this certificate depends on the validity of the main certificate”.

3.5.4 The certificate will be withdrawn in its entirety, if the central office or any of the sites does not/do not fulfil the necessary criteria for the maintaining of the certificate (see 3.2 above).

3.5.5 The list of sites shall be kept updated by the certification body. To this effect, the certification body shall request the client organization to inform it about the closure, establishment, or change in activities of sites. Failure to provide such information will be considered by the certification body as a misuse of the certificate, and it will act consequently according to its procedures.

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

- a) The certification body shall be informed by the client organization in advance of the client organization’s desire to add new sites between audits to be covered by the chain of custody certificate and shall be provided with the number of sites.
- b) The certification body shall obtain from the client organization the chain of custody procedures covering the additional sites, including the applied chain of custody method and the products covered by the chain of custody.
- c) The certification body shall obtain the internal audit report for the site(s) being considered for inclusion in the certificate.
- d) The certification body shall review results of the internal audit and determine if additional information is needed while considering the request of the client organization.
- e) Based on the result of the review in (d), the certification body shall determine if an on-site audit of the additional site(s) is required or if the review as per (b), (c)

and (d) shows sufficient evidence that the sites can be added.

- f) If an on-site audit is not required before adding the additional site(s) to the chain of custody certificate, these new site(s) shall be subject to on-site visit no later than the next scheduled audit. The certification body may determine whether a sample of the new sites is required based on chapter 3 “Eligibility criteria for the certification body” of this appendix.

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

4. Sampling for on-site audits

4.1 Methodology

4.1.1 The certification body can apply sampling of sites for on-site audits where the site sampling is appropriate to gain sufficient confidence in the compliance of the multi-site client organization with the chain of custody requirements. The certification body shall be able to demonstrate its justification for the selection of sites for the on-site audits to ensure that all differences across the sites and implementation of chain of custody have been assessed.

4.1.2 The sample shall be representative concerning differences in site processes and activities that are subject to the chain of custody certification. The sample shall be determined separately for sites using different chain of custody methods (physical separation, percentage or credit methods).

4.1.3 The different samples from those selected in the latest audit shall be determined, if sites were added between audits and no on-site audit was required (as per Appendix 2, subclause 3.5.5, paragraph e).

Note 1: “Determined separately” means that the sample is determined after the sites are separated.

Note 2: Subclause 4.1.2 also applies to 4.1.3. That means difference among samples and difference of COC shall be considered.

4.1.4 The sample should be partly selective based on the factors set out below and partly non selective, and should result in a range of different sites being selected, without excluding the random element of sampling.

4.1.5 At least 25% of the sample should be selected at random.

Note: In the context of risk based auditing, the selection of sample sites should avoid visiting sites from the previous sample, unless it is justified by the identified risk, because this may lead to sampling where less than 25% of the sample could be selected at random.

4.1.6 Taking into account the criteria mentioned hereafter, the remainder of the sample should be selected so that the differences among the sites selected over the period of validity of the certificate is as large as possible.

4.1.7 The site selection criteria shall include among others the following aspects:

- a) results of internal audits or previous certification audits
- b) records of complaints and other relevant aspects of corrective and preventive action
- c) significant variations in the size of the sites and in production processes of the sites
- d) variations in the applied chain of custody methods
- e) modifications since the last certification audit
- f) geographical dispersion
- g) sites added since the last external audit

4.1.8 This selection does not have to be done at the start of the audit process. It can also be done once the audit at the central office has been completed. In any case, the central office shall be informed of the sites to be part of the sample. This can be on relatively short notice, but should allow adequate time for preparation for the audit.

4.1.9 The central office shall be audited during every initial, surveillance and recertification audit as a part of the sample.

4.2 Size of sample

4.2.1 The certification body shall have documented procedures for determining the sample to be taken when auditing sites as part of the audit and certification of a multi-site client organization. This should take into account all the factors described in this appendix.

4.2.2 In the event that application of the certification body's procedure results in a smaller sample than would result from the application of the guidance set out below, the certification body shall record the reasons justifying this and demonstrate that it is operating in accordance with its approved procedure.

4.2.3 The minimum number of sites to be visited per audit shall be for:

- a) Initial audits and sites added since the last audit where no on-site audit was required (as per subclause 3.4.5, paragraph e): the square root of the total number of sites, rounded up to the next whole number:

$$y = \sqrt{x}$$

y = number of sites to be visited

x = total number of sites

- b) Surveillance audits: the square root of the total number of current sites reduced by a factor 0.6, rounded up to the next whole number:

$$y = 0.6 \sqrt{x}$$

y = number of sites to be visited

x = total number of sites

- c) Recertification audits: the square root of the number of current sites, rounded up to the next whole number:

$$y = \sqrt{x}$$

Where the central office did not receive any major nonconformities over the certification cycle, the size of the sample could be reduced by a factor 0.8, rounded to the upper whole number:

$$y = 0.8 \sqrt{x}$$

y = number of sites to be visited

x = total number of sites

Note: For sites added since the last audit where no on-site audit was required (as per subclause 3.4.5, paragraph e), the reduction factors shall not be used.

4.2.4 The size of sample shall be increased where the certification body's risk analysis of the activities covered by the multi-site client organization subject to certification indicates increased risk due to factors like:

- a) size of the sites and number of employees
- b) variations of raw material flow and chain of custody methods
- c) variations in the application of chain of custody methods and definitions of the raw material origin
- d) level of risk of procurement of raw material from controversial sources
- e) records of complaints and other relevant aspects of corrective and preventive action
- f) any multinational aspects
- g) results of internal and external audits

h) the type of multi-site (multi-site or producer group)

4.3 Audit times

4.3.1 The certification body shall be able to demonstrate its justification for the time spent on multi-site audits in terms of its overall policy for allocation of audit time.

4.3.2 The minimum audit time to spend for each individual site as a part of the initial, surveillance and recertification audits is the same as for the audit defined in clause 7.4.7. of SGEN Standard 5-2. Reductions can be applied to take into account the clauses of the Chain of Custody standard that are not relevant to sites and are only examined at the central office.

4.3.3 No reduction is permitted for the central office.

Appendix 4

Minimum content of audit reports

Audit reports shall include, as a minimum, the following content:

- 1. Front page**
- 2. Description of client organization**
- 3. Description of client organization's SGEC chain of custody, including:**
 - a) management system
 - b) parts of the organization and/or sites
 - c) processes/activities including outsourcing
 - d) product groups and their products covered by the SGEC chain of custody, including for each site and/or product group as applicable:
 - i. chain of custody method
 - ii. intended application of the SGEC trademarks
- 4. Scope of the audit**
 - a) applied certification criteria from SGEC Standard Document 4 and SGEC Standard Document 6, including for each product group and/or site as applicable:
 - i. chain of custody method
 - ii. the SGEC trademarks rules
 - iii. SGEC Due Diligence System requirements
 - b) sites visited
 - c) for remote audits:
 - i. justification for conducting audit remotely
 - ii. applied techniques and their justification
 - d) for multi-site audits:
 - i. calculation of the sample size according to clause Appendix 3, 3.2.3
 - ii. justification of the sampling
 - iii. audited sites

5. Audit findings

- a) presentation of findings demonstrating conformity or nonconformity to all the applicable clauses of the certification requirements
- b) issued corrective actions and time frames for reporting of corrective actions and close-out
- c) evaluation of previously issued corrective actions
- d) recommended certification decision

(end of the document)

SGEC Standard Document 5-3

Approved by the Board of Directors on March 30, 2021

Date of Entry into Force: June 1st, 2021

Transition Period: until August 14, 2022

Certification and Accreditation Procedures

Contents

Preface

Normative references

1. Scope

2. SGEC Certification bodies

3. Certification procedures

4. Accreditation

5. Notification of certification bodies

Appendix Educational programs for SGEC/PEFC auditors and auditing training and experience

Preface

FM certificate and COC certificate issued by SGEC rely on international certification and accreditation procedures as defined by the International Standard Organization (ISO) and the International Accreditation Forum (IAF).

This document defines the certification and accreditation procedures for FM and COC certifications adopted by SGEC/PEFC Japan.

Certification and accreditation procedures of PEFC certification shall follow Annex 6 “Certification and Accreditation Procedures”.

Normative references

- SGEC Standard Document 1:2021 “Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable

Green Ecosystem Council (SGEC)”

- SGEC Standard Document 5-1:2021 “Requirements for Certification Bodies operating Certification under SGEC Forest Management Certification Standard”
- SGEC Standard Document 5-2: 2021 “Requirements for Certification Bodies operating Certification under SGEC COC Certification Standard”

1. Scope

This document specifies the general competence requirements and tasks of certification bodies when applied to FM and COC certification.

2. SGEC Certification bodies

2.1 Competence of SGEC certification bodies

2.1.1 Certifications shall be carried out by impartial, independent third parties that cannot be involved in the standard setting process as governing or decision making bodies, or in the forest management and are independent of certified entity.

2.1.2 Certification bodies shall fulfill the following qualifications:

- a) requirements defined in ISO/IEC 17065 Conformity assessment – Requirements for bodies certifying products, processes and services within the scope of SGEC scheme.
- b) requirements defined in Chapter 5 of SGEC Standard Document 1 “Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)””; SGEC Standard Document 5-1:2021 “Requirements for Certification Bodies operating Certification under SGEC Forest Management Certification Standard” and SGEC Standard Document 5-2:2021 “Requirements for Certification Bodies operating Certification under SGEC COC Certification Standard”.
- c) a good understanding of the SGEC scheme against which it carries out FM or COC certification.
- d) a good understanding of the PEFC scheme such as PEFC requirements which are necessary for operating SGEC certification scheme under endorsement and mutual recognition by PEFC.
- e) a good understanding of forest management, on its economic, social and environmental impacts, of forest based product procurement and processing, material flows and wood used constructions as well as of relevant acts and regulations (in case of Hokkaido region, Ainu groups are included).

2.2 Auditors

2.2.1 Certification bodies have the responsibility to use competent auditors that have adequate technical know-how on the certification process and issues related to FM or COC certification. The auditors shall fulfill the requirement stipulated in “Requirements for Certification Bodies operating Certification under SGEC Certification Standard”.

2.2.2 In addition to fulfill general criteria for quality and environmental management system auditors as defined in ISO 19011 and criteria defined in the “Requirements for Certification Bodies operating Certification under SGEC Certification Standard”, the auditors shall fulfill the following additional requirements:

a) participation to educational programs related to certification standards

The certification bodies shall ensure that auditors engaged in FM certification have participated FM certification educational programs acknowledged by SGEC within last two years and that auditors engaged in COC certification have participated COC certification educational programs acknowledged by SGEC within last two years.

b) auditing training and experiences

The certification bodies shall ensure that auditors engaged in FM certification have participated FM certification training courses or actual FM certification process acknowledged by SGEC and that auditors engaged in COC certification have participated COC certification training courses or actual COC certification process acknowledged by SGEC.

3. Certification procedures

3.1 Certification procedures

The certification body, stipulated in Chapter 5 of SEC Standard Document 1 “Operational Rules,” shall have established internal procedures for FM certification against Chapter 3 of the Operational Rules and “Requirements for Certification Bodies operating Certification under SGEC Certification Standard”.

3.2 Notice of the status of certification

The certification body shall inform SGEC/PEFC Japan about all issued FM and COC certificates and changes concerning validity and scope of these certificates.

3.3 Certification audit

Audits related to the conformity with the FM standard and COC standard shall include relevant information from external parties (e.g. government agencies, community groups, conservations organizations, etc.) as appropriate.

3.4 Publication of summary of certification reports

Summary of certification reports, as stipulated in Appendix 1 “Formant of report of certification audits” of SGEC/PEFC FM, COC or Project Certification” of Standard Document 1 “SGEC Operational Rules”, written by the certification body, shall be made available to the public. However, the personal information shall be excluded from the summary above.

4. Accreditation

4.1 Accreditation bodies

The certification bodies, carrying out FM or COC certification, shall be accredited by meeting requirements stipulated in Section 5 of SGEC Standard Document 1 “SGEC Operational Rules” and other related documents so as to ensure the credibility of the certification work. A certificate issued by the accredited certification body shall bear an accreditation symbol of the relevant accreditation body.

4.2 Accreditation standard

The certification bodies, carrying out FM or COC certification, shall be accredited based on ISO/IEC 17065 in accordance with Article 5.1 of SGEC Standard Document 1 “SGEC Operational Rules” and the relevant FM or COC standards shall be covered by the SGEC accreditation scope.

4.3 Accreditation

The certification bodies, in carrying out FM or COC certification in compliance with SGEC Standard Document 3 and 4, shall be accredited based on ISO/IEC 17065 for bodies certifying products processes and services.

5. Notification of certification bodies

5.1 Notification of certification bodies

Certification bodies operating certification stipulated in Section 4 above shall apply to SGEC/PEFC Japan for notification according to Clause 5.2 of SGEC Standard Document 1 “SGEC Operational Rules” and be notified by SGEC/PEFC Japan.

5.2 Independence of certification bodies

In order to ensure the independence of certification bodies, the SGEC notification conditions shall only cover the following items in addition to those stipulated in

Section 5 of SGEC Standard Document 1 “SGEC Operational Rules”. The SGEC notification conditions shall not discriminate against certification bodies or create trade obstacles.

- a) administrative conditions
- b) financial conditions (fees imposed on certified entities),
- c) compliance with requirements for certification bodies verified through accreditation as described in 4 above.

Supplementary article

The next review of this standard shall be started on March 29th 2026 or before.

Appendix

Educational programs for SGEC/PEFC auditors and auditing training and experience

This appendix defines the additional requirements for educational programs, auditing training and audit experiences for auditors defined in 2-2-2 of this SGEC Standard Document 5-3.

1. Educational programs

1.1 Qualifications of participants to educational programs

Participants to the educational programs shall meet the qualifications and requirements stipulated in II 2.1.1 of SGEC Standard Document 5-1 and in 6.1.1.2.1.1 of SGEC Standard Document 5-2.

1.2 Educational programs

The programs shall cover the following items:

- a) requirements defined in ISO/IEC 17065 Conformity assessment – Requirements for bodies certifying products, processes and services and ISO 19011 for auditors of management system
- b) requirements for operation of SGEC certification system
- c) requirements related to SGEC FM certification
- d) requirements related to SGEC/PEFC COC certification

1.3 Certificate of educational programs

The certificate is given to those participants who have completed the educational program defined above.

1.4 Qualification for personnel to transfer the content of the education programs within certification bodies

Those participants who have certificates stipulated in 1.3 above as well as meet the requirements stipulated in Section 2 “Audit training and audit experiences” below are

qualified to deliver training to transfer the content of the educational programs with in the certification bodies.

2 Audit training and audit experience

2.1 Audit training

Audit training for FM and COC certification shall be conducted based on programs equivalent to the educational programs defined in 1.2 above with training materials including certification cases by trainers appointed by President among members of Councilors Committee and Certification Management Committee defined in Article 52 and 52-1 of SGE Statute respectively, or other experts.

2.2 Audit experience

2.2.1 Audit experience for qualification of an auditor

For a first qualification of an FM or COC auditor, the certification bodies shall ensure that the (candidate) auditor within the last three years has performed relevant audits for at least four client organizations under the leadership of a qualified auditor in line with the requirements for SGEC FM certification or the requirements for SGEC COC certification. The number of FM audits in training can be reduced to two audits for auditors that are qualified for ISO 9001 or 14001 auditing in the forestry sector.

Note 1: Audit experiences for auditors of FM certification shall be those implemented against SGEC Standard Document 3 and 3-1.

Note 2: Audit experiences for auditors of COC certification shall be those implemented against SGEC Standard Document 4.

2.2.2 Audit experience for maintain the qualification of the auditor

For maintain the qualification of the auditor of FM and COC certification, the certification bodies shall ensure that the auditor has performed a minimum of five external audits in principle per year against certification standards stipulated above. The sum of these audits should cover at least seven man-day of audit work in principle.

The number of FM audits in training can be reduced to three audits for auditors that are qualified for ISO 9001 or 14001 auditing in the forestry sector.

(end of the document)

SGEC Standard Document 5-4

Approved by the Board of Directors on March 30, 2021

Date of Entry into Force: June 1st, 2021

Transition Period: until August 14, 2022

Notification of Certification Bodies operating Certification of SGEC and/or PEFC

Regarding the above, the guidelines are determined for SGEC and PEFC separately as bellow:

- Notification of Certification Bodies conducting SGEC certification
- Notification of Certification Bodies conducting PEFC certification

Notification of SGEC certification bodies shall be implemented based on SGEC Standard Document 1 “Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)”, SGEC Standard Document 5-1:202x “Requirements for Certification Bodies operating certification under SGEC forest management certification standard”, SGEC Standard Document 5-2:202x “Requirements for Certification Bodies operating certification under SGEC/PEFC COC certification standard” and SGEC Standard Document 5-3:202x “Certification and Accreditation Procedures”.

Notification of PEFC certification bodies operating PEFC COC certification in Japan is implemented by SGEC/PEFC Japan according to the standards mentioned above as the National Governing Body in Japan commissioned from the PEFC Council by the contract between SGEC/PEFC Japan and the PEFC Council on management of PEFC certification scheme based on PEFC GD 1004:2009 “Administration of PEFC scheme”.

Certification bodies applying for notification as SGEC/PEFC certification bodies shall submit SGEC/PEFC Japan two copies of application documents including documents demonstrating compliance with “requirements for notification of certification bodies” defined in Clause 5.1 of SGEC Standard Document 1 “SGEC Operational Rules” or compliance with criteria required by the PEFC Council; documents describing “application of notification” defined in Clause 5.2 of “SGEC Operational Rules” or items

required by the PEFC Council; and the “SGEC Notification Contract” or the “PEFC Notification Contract” shown in Attachment 1 and 2 of this document respectively with signature.

○ **Notification of Certification Bodies conducting SGEC certification**

1. Objectives

This guideline describes the rules for the SGEC notification of certification bodies which undertake SGEC forest management certification and/or COC certification.

2. Normative references

- SGEC Standard Document 1:2021 “Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)”
- SGEC Standard Document 3: 2021 “SGEC Sustainable Forest Management – Requirements”
- SGEC Standard Document 3-1: 2021 “SGEC Group Forest Certification – Requirements”
- SGEC Standard Document 4: 2021 “SGEC Chain of Custody of Forest and Tree Based Products – Requirements”
- SGEC Standard Document 5-1:2021 “Requirements for Certification Bodies operating Certification under SGEC Forest Management Certification Standard”
- SGEC Standard Document 5-2: 2021 “Requirements for Certification Bodies operating Certification under SGEC/PEFC COC Certification Standard”
- SGEC Standard Document 6: 2021 “SGEC Trademarks Rules - Requirements”
- PEFC ST 2001:2020 “PEFC Trademarks Rules – Requirements”
- SGEC Guide Document 7:2021 “SGEC Information and Registration System – Data Requirements”
- PEFC GD 1008:2021 “PEFC Information and Registration System – Data Requirements”

3. Scope

This guideline covers the SGEC notification of the certification bodies operating forest management certification and COC certification as stipulated in the Chapter 3 “Forest management Certification” and/or the Chapter 4 “Certified Products and Chain

of Custody” of SGEC Standard Document 1:202X “Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)”.

4. Conditions for Notification

The certification body applying for SGEC notification shall meet the following conditions in addition to Section 5 of SGEC Standard Document 1:2021, SGEC Standard Document 5-1:2021, SGEC Standard Document 5-2:2021 and other relevant standards.

4.1 Organization

The certification body applying for SGEC notification shall be a legal entity defined in Clause 5.1 of SGEC Standard Document 1:2021.

4.2 Information disclosure

The certification body applying for SGEC notification shall agree to be listed on the publicly available internet database of SGEC website including the identification data of the certification body and/or other data as specified in the SGEC Guide Document 7:2021 and PEFC GD 1008:2019.

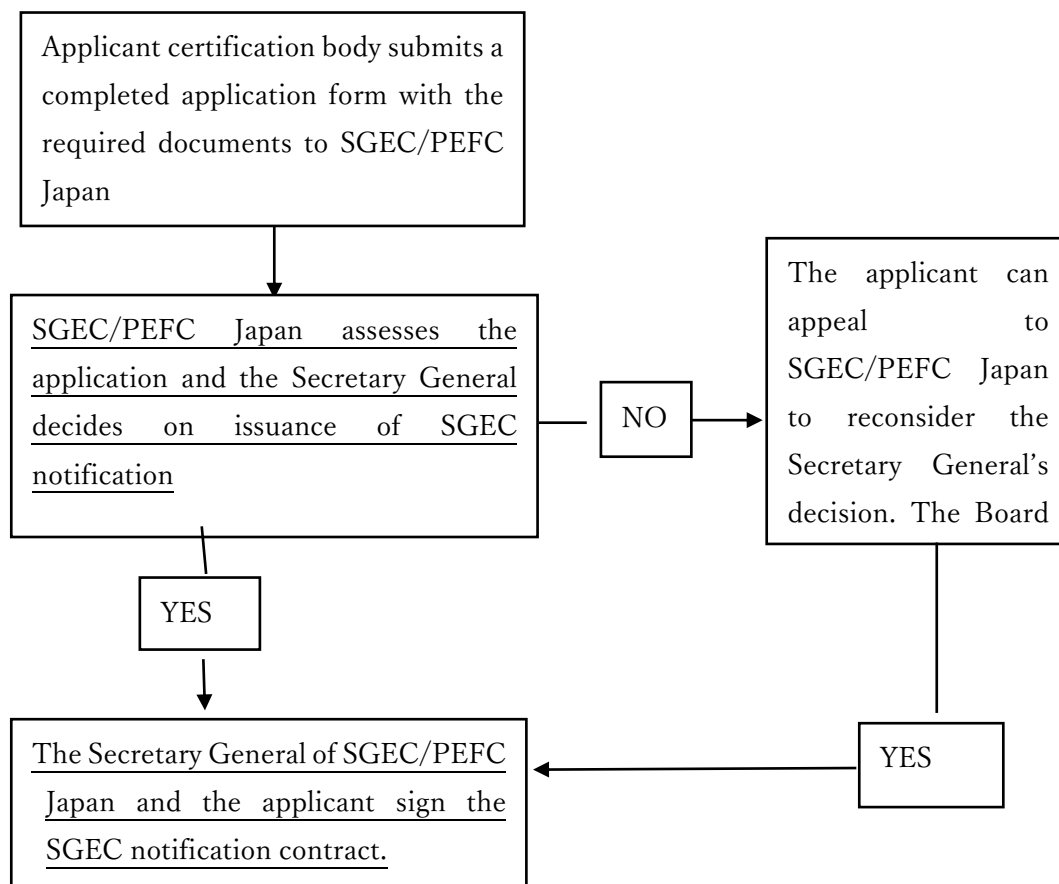
4.3 Accreditation of Certification Bodies

4.3.1 The certification bodies applying for SGEC forest management certification and COC certification shall have valid accreditation issued by the accreditation body by meeting the requirements given in Section 5 of SGEC Standard Document 1:2021.

4.4 Notification Contract

4.4.1 The certification bodies applying for SGEC forest management certification and COC certification shall sign a SGEC notification contract with the SGEC/PEFC Japan (attached sheet 1).

5. Notification issuance procedures



6 Obligations of the certification body with SGEC notification

The certification body with SGEC notification shall;

- 6.1 carry out the forest management certification and/or COC certification within the valid accreditation in accordance with Section 5 of SGEC Standard Document 1:20XX.
- 6.2 inform SGEC/PEFC Japan of any changes of the content of accreditation or scope of application of the forest management certification and COC certification.
- 6.3 provide SGEC/PEFC Japan with information, without delay, on every forest management and/or COC certificate issued to an organization in Japan and/or any changes to already issued certificates covered by the SGEC notification.
- 6.4 pay SGEC/PEFC Japan the annual SGEC notification fee defined in another document.

The annual SGEC notification fee defined in another document may be amended by the decision of the Board of Directors of SGEC/PEFC Japan. Payment shall be

carried out based on the invoice issued by SGEC/PEFC Japan, which covers all the certificates issued by the certification body concerned.

7. Validity of the SGEC notification

- 7.1** The SGEC notification shall be valid during the valid accreditation period of the certification body.
- 7.2** SGEC/PEFC Japan may terminate or suspend the SGEC notification, if the contract of the notification is violated.

Supplementary article

The next review of this standard shall be started on March 29th 2026 or before.

Attached Sheet 1

SGEC Notification Contract

Between

- (1) **Sustainable Green Ecosystem Council**, hereafter the “SGEC/PEFC Japan”,

And

- (2) *Name and registered address of the certification body (hereafter the notified certification body)*

Whereas name of the certification body is a SGEC Notified Certification Body operating forest management and/or chain of custody certification which is recognized by SGEC/PEFC Japan;

Whereas SGEC/PEFC Japan is the governing bodies of the SGEC certification scheme and is the owner of the SGEC logo and SGEC claims.;

Whereas the Certification Body is to be allowed to issue the SGEC forest management certificates and SGEC chain of custody certificates to organizations registered in Japan within the scope of the valid accreditation, as presented at the website of SGEC/PEFC Japan.

Now, therefore the above said parties agree to the following:

Article 1 Definitions:

1.1 Requirements

1.1.1 Forest Management Certification

The relevant documents are SGEC Standard Document 3:2021 and SGEC Standard Document 3-1:2021, which form part of the contractual documentation and is found in the annex of this contract. SGEC Standard Documents are valid as stated now and as may be from time to time altered by SGEC/PEFC Japan..

1.1.2 COC Certification

The relevant document is SGEC Document 4:2021, which forms part of the contractual documentation and is found in the annex of this contract. SGEC Document 4 is valid as stated now and as may be from time to time altered by SGEC/PEFC Japan.

1.2 Certification and Accreditation Procedures

The relevant documents are SGEC Standard Document 5-1:2021 and SGEC

Standard Document 5-2:2021, which form part of the contractual documentation and is found in the annex of this contract. SGEC Standard Document 5-1 and 5-2 are valid as stated now and as may be from time to time altered by SGEC/PEFC Japan.

1.3 Tariffs of Notification Fee

The relevant document is the document “Tariffs of Notification Fee of Forest Management Certification and/or COC Certification”, which forms part of the contractual documentation and is found in the annex of this contract.

Article 2: Responsibilities of the Certification Body

- 2.1** The Certification Body is obliged to have and keep valid accreditation issued in compliance with Section 5 of SGEC Standard Document 1:2021 and to inform SGEC/PEFC Japan immediately about any changes in the accreditation. The Certification Body will provide, at the beginning of each year as well as each time it is so requested, updated evidence that it still meets the requirements of valid accreditation.
- 2.2** The Certification Body shall carry out the forest management certification or COC certification against SGEC Standard Document 3:2021 and SGEC Standard Document 4:2021 within the scope of the valid accreditation.
- 2.3** The Certification Body shall provide SGEC/PEFC Japan immediately with information on every forest management and/or COC certificates issued to a forest manager, organization or company in Japan as well as on any changes to already issued certificates within the range of date as specified by SGEC/PEFC Japan.
- 2.4** The Certification Body shall pay SGEC/PEFC Japan the annual notification fee for every certificate issued based on an invoice issued by SGEC/PEFC Japan. The amount of the fees is specified in the Tariffs of SGEC Notification Fee, which is determined separately, and can be changed by SGEC/PEFC Japan during the validity of the contract. The change concerning the fees takes effect from the date identified in a written report sent by SGEC/PEFC Japan to the certification body.
- 2.5** The Certification Body agrees to be listed on the publicly available internet database of SGEC/PEFC Japan including the certification body’s identification data and/or other data as specified in SGEC Guide Document 7:2021.

Article 3 Responsibilities of SGEC/PEFC Japan

- 3.1** SGEC recognizes the certificates issued by the Certification Body in compliance with this contract and accepts SGEC logo use applications from holders of the certificates under the conditions defined in SGEC Standard Document 6:202X.specified by SGEC.

SGEC accepts PEFC logo use applications from holders of the SGEC certificates under the conditions specified by SGEC/PEFC Japan and the PEFC Council.

3.2 SGEC is obliged to inform the Certification Body of any changes to the SGEC regulations and documentation which affect this contract.

Article 4 Contract termination

4.1 SGEC/PEFC Japan can terminate this contract with three-months prior notice by registered letter.

4.2 SGEC/PEFC Japan may suspend the contract with the immediate effect if there are reasons to believe that any provision of the SGEC notification contract is not being adhered to.

4.3 Withdrawal, suspension or the end of the validity of the Certification Body's accreditation will result in automatic termination of the contract with effect on the same date as the withdrawal, suspension or the end of the validity of the accreditation.

4.4 The notification fee will not be refunded to the Certification Body in case of temporary suspension or termination of the contract according to the Article 4.1, 4.2 or 4.3.

4.5 SGEC/ PEFC Japan is not obliged to pay compensation for any costs or other damages which any temporary suspension or termination causes to the Certification Body.

Article 5: Governing Law - Jurisdiction

This contract is subject to the law of Japan. Any disputes, or lawsuits concerning this contract may be brought before the courts in the judicial district of Japan.

Signed in Duplicate

In Japan on DD.MM.YYYY
DD.MM.YYYY

In _____ on _____

○ Notification of Certification Bodies conducting PEFC certification

1 Objectives

This guideline describes the rules for the notification of certification bodies which undertake PEC COC certification.

2. Normative references

- PEFC GD 1004:2009 “Administration of PEFC scheme”
- SGEC Standard Document 1:202x ““Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)”
- PEFC ST 1003: 2018 “Sustainable Forest Management – Requirements”
- PEFC ST 1002:2018 “Group Forest Management – Requirements”
- PEFC ST 2002: 2020 “Chain of Custody of Forest and Tree Based Products– Requirements”
- PEFC ST 2001:2020 “PEFC Trademarks Rules – Requirements”
- PEFC GD 1008:2019 “PEFC Information and Registration System – Data Requirements”

3. Scope

This guideline covers the PEFC notification of the certification bodies operating PEFC COC certification (PEFC ST 2002: “Chain of Custody of Forest Based Products –Requirements”).

SGEC/PEFC Japan carries out the operation of the notification of the certification bodies operating PEFC COC certification in Japan on behalf of PEFC based on the contract between SGEC/PEFC Japan and PEFC Council.

4. Conditions for Notification

The certification body applying for PEFC notification shall meet the following conditions:

4.1 Organization

The certification body applying for PEFC notification shall be a legal entity.

4.2 Information disclosure;

The certification body applying for PEFC notification shall agree to be listed on the publicly available internet database of PEFC Council home page including the

identification data of the certification body and/or other data as specified in PEFC GD 1008:2019.

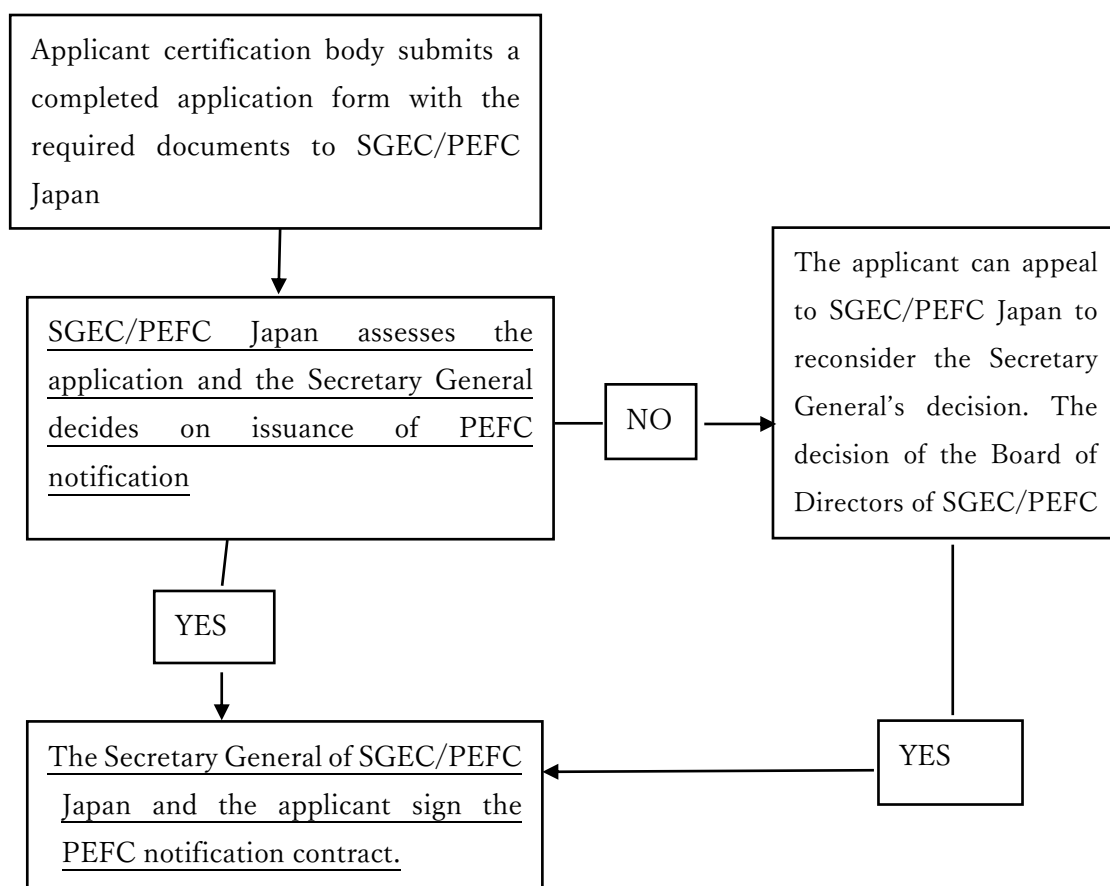
4.3 Accreditation of Certification Bodies

The certification bodies applying for COC certification shall have valid accreditation issued by the accreditation body by meeting the requirements given in PEFC 2003:2020.

4.4 Notification Contract

The certification bodies applying for PEFC COC certification shall sign a PEFC notification contract signed by SGEC/PEFC Japan on behalf of PEFC (attached sheet 2).

5. Notification issuance procedures



6. Obligations of the certification body with PEFC notification

The certification body with PEFC notification shall;

6.1 carry out the PEFC COC certification within the valid accreditation in accordance

with PEFC 2003:2020.

- 6.2 inform SGEC/PEFC Japan of any changes of the content of accreditation or scope of application of the COC certification.
- 6.3 provide SGEC/PEFC Japan with information, without delay, on every COC certificate issued to an organization in Japan and/or any changes to already issued certificates covered by the PEFC notification.
- 6.4 pay SGEC/PEFC Japan the annual PEFC notification fee defined in another document.

Notwithstanding the above, the PEFC notification fee can be changed based on the decision of the Board of Directors of SGEC/PEFC Japan.

Payment shall be carried out based on the invoice issued by SGEC/PEFC Japan, which covers all the certificates issued by the certification body concerned.

7. Validity of the PEFC notification

- 7.1 The PEFC notification shall be valid during the valid accreditation period of the certification body.

Notwithstanding the above, validity of the PEFC notification shall be applied the shorter one of the either of the valid accreditation period of the certification body or the period of the contract between SGEC/PEFC Japan and PEFC Council.

- 7.2 SGEC/PEFC Japan may terminate or suspend the PEFC notification, if the contract of the notification is violated.

Attached Sheet 2

PEFC Notification Contract

Between

(1) **Sustainable Green Ecosystem Council**, hereafter the “SGEC”,

And

(2) *Name and registered address of the certification body (hereafter the notified certification body)*

Whereas name of the certification body is a PEFC Notified Certification Body operating forest chain of custody certification which is recognized by PEFC Council;

Whereas PEFC Council is the governing bodies of the PEFC certification scheme and is the owner of the PEFC logo and PEFC claims.;

Whereas SGEC/PEFC Japan is authorized by the PEFC Council to issue PEFC Notification to certification bodies operating PEFC recognized chain of custody certification in Japan.

Whereas the Certification Body is to be allowed to issue the PEFC recognized chain of custody certificates within the scope of the valid accreditation to organizations which are registered in Japan, as presented at the PEFC website;

Now, therefore the above said parties agree to the following:

Article 1 Definitions:

1.1 COC Certification Requirements

The relevant document is PEFC ST 2002: 2020 “Chain of Custody of Forest and Tree Based Products– Requirements”, which form part of the contractual documentation and are found in the annex of this contract. PEFC ST 2002 is valid as stated now and as may be from time to time altered by PEFC Council.

1.2 Certification and Accreditation Procedures

The relevant document is PEFC ST 2003:2020 “Requirements for Certification Bodies operating Certification against the PEFC International Chain of Custody Standard”, which forms part of the contractual documentation and is found in the annex of this contract. PEFC ST 2003:2020 is valid as stated now and as may be from time to

time altered by PEFC Council.

1.3 Tariffs of Notification Fee

This is the document “Tariffs of COC Notification Fee”, which forms part of the contractual documentation and is found in the annex of this contract.

Article 2: Responsibilities of the Certification Body

- 2.1** The Certification Body is obliged to have and keep valid accreditation issued in compliance with PEFC ST 2003:2020 and to inform SGEC/PEFC Japan immediately about any changes in the accreditation. The Certification Body will provide SGEC/PEFC Japan, at the beginning of each year as well as each time it is so requested, with updated evidence that it still meets the requirements of valid accreditation.
- 2.2** The Certification Body shall carry out the COC certification against PEFC ST 2002:2020 within the scope of the valid accreditation.
- 2.3** The Certification Body shall provide SGEC/PEFC Japan immediately with information on every COC certificates issued to an organization or company in Japan as well as on any changes to already issued certificates within the range of date as specified by SGEC/PEFC Japan.
- 2.4** The Certification Body shall pay SGEC/PEFC Japan the annual notification fee for every certificate issued based on an invoice issued by SGEC/PEFC Japan. The amount of the fees is specified in the Tariffs of PEFC Notification Fee and can be changed by SGEC/PEFC Japan during the validity of the contract. The change concerning the fees takes effect from the date identified in a written report sent by SGEC/PEFC Japan to the certification body.
- 2.5** The Certification Body agrees to be listed on the publicly available database in the website of SGEC/PEFC Japan and the PEFC Council including the certification body’s identification data and/or other data as specified in PEFC GD 1008:2019.

Article 3 Responsibilities of SGEC/PEFC Japan

- 3.1** SGEC/PEFC Japan recognizes the certificates issued by the Certification Body in compliance with this contract and accepts PEFC logo use applications from holders of the certificates under the conditions specified by PEFC Council.
- 3.2** SGEC/PEFC Japan is obliged to inform the Certification Body of any changes to the PEFC regulations and documentation which affect this contract.

Article 4 Contract termination

- 4.1** SGEC/PEFC Japan can terminate this contract with three-months prior notice by

registered letter.

- 4.2** SGEC/PEFC Japan may suspend the contract with the immediate effect if there are reasons to believe that any provision of the PEFC notification contract is not being adhered to.
- 4.3** Withdrawal, suspension or the end of the validity of the Certification Body's accreditation will result in automatic termination of the contract with effect on the same date as the withdrawal, suspension or the end of the validity of the accreditation.
- 4.4** The notification fee will not be refunded to the Certification Body in case of temporary suspension or termination of the contract according to the Article 4.1, 4.2 or 4.3.
- 4.5** SGEC/PEFC Japan is not obliged to pay compensation for any costs or other damages which any temporary suspension or termination causes to the Certification Body.

Article 5: Governing Law - Jurisdiction

This contract is subject to the law of Japan. Any disputes, or lawsuits concerning this contract may be brought before the courts in the judicial district of Japan.

Signed in Duplicate

In Japan on DD.MM.YYYY
DD.MM.YYYY

In on

(end of the document)

SGEC Standard Document 6

Approved by the Board of Directors on March 30, 2021

Date of Entry into Force: June 1st, 2021

Transition Period: until August 14, 2023

PEFC Trademarks Rules –Requirements

Contents

Foreword

Introduction

1. Scope
2. Normative references
3. Terms and definitions
4. Ownership of the PEFC trademarks
5. Scope of the SGEC trademarks
6. SGEC trademarks usage requirements
7. PEFC trademarks technical requirements
8. Graphic requirements of the PEFC labels

Appendix 1 Alternative promotional label messages

Appendix 2 Examples of wrong SGEC label usages

Foreword

Sustainable Green Ecosystem Council (SGEC/PEFC Japan) administers SGEC and PEFC certification schemes (as for PEFC scheme, SGEC/PEFC Japan administers PEFC scheme as the national governing body commissioned from the PEFC Council) in Japan through forest management (FM) and chain of custody (COC) certification in order to promote sustainable forest management.

This standard is endorsed by the PEFC Council (the Programme for the Endorsement

of Forest Certification Schemes) as being assessed to be in conformity with PEFC ST 2001:2020 “PEFC Trademarks Rules – Requirements” and other relevant PEFC documents.

This standard had been developed in an open, transparent, consultative and consensus based process covering a broad range of stakeholders.

This standard cancels and replaces SGEC Attachment 2-1 “SGEC Logomark” and 2-2 “SGEC Logomark Usage Guide”. For the SGEC logo users with a SGEC logo license issued before the publication of this document, an eighteen-month transition period applies from the requirements of SGEC Attachment 2-1 and 2-2 to those in this document.

Introduction

The SGEC trademarks provide information relating to the origin of forest based products in sustainably managed forest and other non-controversial sources. Trademarks information drives citizens and consumers to choose products based on environmental, as well as other considerations with respect to sustainable forest management. By invigorate demand and supply of certified forest products originated from sustainably managed forests, SGEC trademarks contribute to market-driven improvement of forest resources in a sustainable manner.

Organizations can download the SGEC trademarks, with their own unique logo license number, using the SGEC Label Generator. The SGEC Label Generator is a free to use, online tool that enables the quick and simple creation of SGEC trademarks. All organizations with a valid logo usage license have access to the Label Generator.

This standard is based on the general principles for environmental labels and declarations defined in ISO 14020:2000.

1. Scope

This standard defines SGEC trademarks (logo) usage rules as stipulated in Article 2 of SGEC Standard Document 2 “Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)”.

This standard covers the requirements for users of the SGEC trademarks to ensure accurate, verifiable, relevant and non-misleading usage of the SGEC logo, the SGEC initials, related claims and/or declarations.

This standard defines the legal protection of the SGEC trademarks; rights to use the SGEC trademarks; trademarks usage categories; and the requirements for on and

off-product usage of the SGEC trademarks, both technical and graphic.

The term “shall” is used throughout this standard to indicate those provisions that are mandatory. The term “should” is used to indicate those provisions that, although not mandatory, are expected to be adopted and implemented. The term “may” used throughout this standard indicates permission expressed by this standard whereas “can” refers to the ability of a user of this standard or to a possibility open to the user.

In order to clarify the ambiguous points if any, the Japanese version of related SGEC documents are reference with respect to SGEC scheme, and the English version of related PEFC documents are reference with respect to PEFC scheme.

2. Normative references

The following referenced documents are indispensable for the application of this standard. For both dated and undated references, the latest edition of the referenced document (including any amendment) applies.

- SGEC Standard Document 4:2021 “SGEC Chain of Custody of Forest and Tree Based Products — Requirements”
- PEFC ST 2002:2020 “Chain of Custody of Forest and Tree Based Products – Requirements”
- PEFC ST 2001:2020 “PEFC Trademarks Rules – Requirements”
- SGEC Guide Document 7: 2021 “SGEC Information and Registration System – Data Requirements”
- PEFC GD 1008:2019 “PEFC Information and Registration System – Data Requirements”

3. Terms and definitions

For the purposes of this document, the terms and definitions given in SGEC Standard Document 4:2021 “SGEC Chain of Custody of Forest and Tree Based Products — Requirements” apply.

3.1 Finished product

The product obtained at the end of a manufacturing process, ready to be sold or distributed to consumers (but not yet sold or distributed).

3.2 Forest and tree based material

Material originating in SGEC certified forests based on SGEC standards, such as Trees outside Forests, including wood based and non-wood based material, such as

edible wild plants, mushrooms, sap etc., generally referred to as non-wood forest products.

3.3 Forest and tree based products

Products from forest and tree based material, including measurable but non-tangible products, such as energy generated from forest and tree based material.

3.4 Off-product usage

The use of the SGEC trademarks, other than on-product usage, that is not referring to a specific product or the origin of raw material in a SGEC certified forest. See also chapter 5 “Scope of the SGEC trademarks” of this standard.

3.5 On-product usage

The use of the SGEC trademarks in reference to the SGEC certified material of a product or that can be perceived or understood by buyers or the public as referring to specific SGEC certified products. On-product usage can be direct (when the SGEC trademarks are placed on tangible products) or indirect (the trademarks refer to tangible products although they are not placed directly on the product). See also chapter 5 “Scope of the PEFC trademarks”.

Note: On-product usage of SGEC trademarks is applied to SGEC certified products or cases specifically referring to SGEC certified products, including cases such as

i) direct use to tangible products (without packaging)

Cases trademarks are put on individually packaged or wrapped products, or on freight boxes or wooded frames used for transporting

ii) use on documents in a form referring specific products (invoice, delivery slips, advertisement, brochure, etc.)

Use of trademarks in a way purchasers or consumers perceive that they are referring specific products is regarded as on-product usage

3.6 PEFC authorized body

The authorized body is an entity that has permission from the PEFC Council to issue PEFC trademarks licenses and to notify certification bodies on behalf of the PEFC Council. Usually the authorized bodies are the PEFC National Governing Bodies. In Japan, the PEFC National Governing Body is SGEC/PEFC Japan.

3.7 SGEC certified material

Material category for:

- a) Forest and tree based material delivered by a supplier covered by a SGEC certificate, with the SGEC claim “x% SGEC certified”.
- b) Recycled material not delivered with the SGEC claim “x% SGEC certified”.

3.8 SGEC certified product

Product sold/transferred by an organization with the SGEC claim “x% SGEC certified”.

3.9 SGEC chain of custody

Processes of an organization for handling forest and tree based products and information related to their material category, and making accurate and verifiable SGEC claims.

3.10 SGEC controlled sources

Material category covering forest and tree based material for which an organization has determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.

Note: “SGEC Controlled Sources” is also the SGEC claim that may be used by the organization for material from this material category.

3.11 SGEC labels

The SGEC labels comprise the SGEC logo plus additional elements such as the label name, the message, the website and the frame. The additional elements complement the logo providing information about what the SGEC logo stands for. The SGEC logo shall be always used within the SGEC labels. Under certain circumstances described in this document, some elements of the SGEC labels may be omitted in such a way that the final design of the label is the SGEC logo itself, with no additional elements.

3.12 PEFC National Governing Bodies (PEFC NGBs)

The PEFC National Governing Bodies (PEFC NGB) are independent, national organizations established to develop and implement a PEFC endorsed system within their country. A list of the PEFC NGBs and their contact details can be found at the

PEFC website. PEFC NGBs are often also the “PEFC authorized body”. See 3.6.

3.13 SGEC forest management and COC certificate

- a) A valid accredited SGEC forest management certificate issued by a SGEC notified certification body against SGEC forest management system/standard.
- b) A valid accredited SGEC chain of custody certificate issued by a SGEC notified certification body against SGEC Chain of Custody standard (SGEC Standard Document 4).

Note 1: SGEC forest certification systems and SGEC chain of custody standards are found at the website of SGEC/PEFC Japan.

Note 2: In case of a group or multi-site certificate where it is confirmed in a separate document, such as an appendix to the certificate or a sub-certificate, that a site or a group participant is covered by the certificate, the separate document and the certificate together are considered the site’s/participant’s SGEC certificate.

3.14 SGEC trademarks

The SGEC trademarks are symbols that represent the visual identity of SGEC. They are registered and belong to SGEC/PEFC Japan. There are two SGEC trademarks:

- a) The initials “SGEC”; and
- b) The SGEC logo shown in Appendix of this standard. The SGEC logo shall always be used within the SGEC labels (refer to the definition of SGEC label in 3.11 below).



The SGEC logo, visually represents, with its design and color, the SGEC identity that SGEC certification scheme contributes to conservation of natural environment and development of local recycling societies through “sustainable forest management”.

3.15 Recycled material

Forest and tree based material that is:

- a) Recovered from waste during a manufacturing process. Excluded is reutilization

of materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process that generated it. Excluded are by-products resulting from primary production processes, such as sawmilling by-products (sawdust, chips, bark, etc.) or forestry residues (bark, chips from branches, roots, etc.) as they are not considered waste.

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

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

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

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

3.16 Retailer

Entity procuring SGEC certified finished products from SGEC certified companies and selling them to consumers.

3.17 Trees outside Forests (TOF)

Trees growing outside areas of nationally designated forest land. Such areas will normally be classified as “agriculture” or “settlement”.

4. Ownership of the PEFC trademarks

4.1 Ownership

4.1.1 The SGEC logo and the SGEC initials are copyrighted material and are internationally registered trademarks owned by SGEC/PEFC Japan. Unauthorised use of this copyrighted material is prohibited and may lead to legal action.

4.1.2 The SGEC logo and the SGEC initials shall not be used accompanied by any symbols to indicate that they are registered trademarks, such as the TM or the R.

5. Scope of the SGEC trademarks

5.1 General scope of the SGEC trademarks

- 5.1.1** The SGEC trademarks and related claims indicate that the forest and tree based material contained in labelled and/or claimed products comes from sustainably managed forest, recycled and/or controlled sources.
- 5.1.2** The SGEC trademarks also show that the company that produces a product labelled or claimed as certified, is managed in compliance with a set of social requirements defined by SGEC certification standards and has a management system in place.
- 5.1.3** In addition, the SGEC trademarks communicate an organization's status of SGEC certification.

5.2 Scope of the on-product usage of the SGEC trademarks

- 5.2.1** The scope of the on-product usage of the SGEC trademarks covers:

- a) Direct on-product usage of the trademarks referring to the SGEC certified material on tangible products or on their packaging.
- b) Indirect on-product usage through any reference that can be interpreted or understood as if the product itself is certified or contains SGEC certified material, such as on media or marketing materials to communicate that the product is SGEC certified.

Example 1: Use of the SGEC trademarks in advertisements, on brochures, websites, or packing lists referring to actual products to indicate that they are SGEC certified.

Example 2: Reference to the certified status of the supplier or producer of a product as certified, such as: "This magazine was printed by a SGEC certified printer", or "this journal was printed on SGEC certified paper".

- c) Direct or indirect on-product usage in reference to the SGEC certified material used as part of the production process of a product. See also 7.1.1.3.

Example: "This brandy was matured in oak barrels from sustainably managed forests, recycled and controlled sources" or "this plant was grown from seeds from sustainably managed forests and controlled sources".

- 5.2.2** The SGEC trademarks cover the complete forest and tree based product labelled or claimed and not only one of its parts. The packaging is not considered as part of the product. The packaging of a SGEC certified product may also include forest or tree based material and may also be eligible itself to carry the SGEC trademark. If

both the product and the packaging are SGEC certified, the packaging may include two SGEC labels. See also 7.1.1.1.

5.3 Scope of the off-product usage of the SGEC trademarks

5.3.1 The scope of the off-product usage of the SGEC trademarks covers any usage of the SGEC trademarks that is not covered under the scope of on-product usage, such as:

- a) communication on certified status (this usage refers to SGEC trademarks under Groups B and C, according to the description of user groups under bullet 6.3 of this standard)
- b) communication on SGEC recognition of certificates (certification bodies)
- c) communication on SGEC accreditation activities (accreditation bodies)
- d) communication on procurement of SGEC certified products or commitment to procurement of PEFC certified products (end users of PEFC certified products)
- e) communication on projects and initiatives focused on development and promotion of SGEC systems and certifications
- f) other educational and promotional usage of the SGEC trademarks (PEFC Council, NGB, certified organizations, certification bodies, accreditation bodies, other organizations to sell SGEC certified products, etc.)
- g) communication in general on the availability of SGEC certified products in store and/or online, without referring to a concrete product or the SGEC certified material included in a product

6. SGEC trademarks usage requirements

6.1 General

- 6.1.1** The SGEC trademarks shall be used with correct reference to SGEC/PEFC Japan and SGEC certification scheme.
- 6.1.2** The SGEC logo and labels shall be obtained from the SGEC Label Generator.
- 6.1.3** The GEC trademarks or any of its elements shall not be used as part of, or integrated into, other trademarks or labels or in combination with other images, words or symbols in a way that could create another mark or that could mislead the public as to what the SGEC trademarks stand for.
- 6.1.4** The SGEC trademarks shall not be used in a manner that could be misinterpreted or generate confusion with regard to the SGEC scheme, or that implies that SGEC participates in, supports, or is responsible for an activity by a certified entity outside

the scope of its certification. The SGEC trademarks shall not be used in a manner that could result in erroneous interpretation or understanding of the entities operations with respect to its SGEC certificate, or diminished credibility of PEFC.

6.1.5 The SGEC trademarks shall not be used within product brand names, company names or website domain names, unless explicitly authorized by SGEC/PEFC Japan.

6.1.6 The SGEC trademarks shall not be used together with other claims, messages or labels that can be misunderstood or misleading with regard to the qualities, characteristics, content, production process, etc. of the product they are accompanying, SGEC certification or SGEC in general.

6.1.7 If other messages, claims or labels are used on the same product as the SGEC trademarks, it shall be clearly identified which characteristics of the product the SGEC trademarks refer to and which characteristics are outside the scope of certification.

6.1.8 The SGEC trademarks shall be used only with the messages provided by SGEC/PEFC Japan. Any usage of the trademarks not foreseen in SGEC/PEFC Japan documentation shall be approved by SGEC/PEFC Japan.

6.1.9 Any usage of the SGEC trademarks shall be accurate and consistent with applicable legal requirements and law. Organizations are responsible for compliance with the applicable legislation when using the SGEC trademarks.

6.1.10 SGEC/PEFC Japan reserves the right to refuse the use of any SGEC trademarks that does not align with SGEC's strategic vision and mission.

6.2 SGEC trademarks usage license

6.2.1 The SGEC trademarks shall be used under the authority of a SGEC trademarks usage license that is issued by SGEC/PEFC Japan. The SGEC trademarks usage license includes the issuance of a unique license number.

6.2.2 The license shall be obtained through the signature of a licensing agreement (trademarks usage contract) between the organization applying for trademarks usage and SGEC/PEFC Japan.

6.2.3 The license number of the organization using the SGEC trademarks shall accompany the SGEC trademarks whenever they are used, except for certified organizations when passing on claims for the implementation of the SGEC chain of custody.

Example: We procure SGEC certified material (SGEC/XX-XX-XX)".

Note 1: When using the SGEC initials for promotional purposes within a text where

the SGEC initials are used more than one time, the SGEC license number may appear only the first time the SGEC initials are used. In cases where a SGEC label with the license number is used next to the text or in the same page as the text in such a way that the organization using the initials is clearly identifiable, the initials may be used without the license number.

Note 2: When using the SGEC trademarks in press articles or for scientific research articles it is not necessary to use and/or hold a SGEC license number.

6.2.4 For the purposes of off-product SGEC trademarks usage, SGEC/PEFC Japan may issue permission for one-off trademarks usage. This license shall be limited to one use. The disclaimer: “Reproduced with the permission of SGEC/PEFC Japan” shall be visibly placed together with the SGEC trademarks.

6.2.5 The SGEC labels may be used exceptionally without the license number, with prior approval by SGEC/PEFC Japan under the following circumstances:

- a) where the size of the SGEC label would result in the license number being illegible
- b) the applied technology would not allow the license number to be used together with the SGEC label
- c) in addition to that, for on-product usage, where:
 - the SGEC trademarks with the license number is used on other parts of the product (e.g. packaging, larger boxes, a leaflet or manual on the product)
 - the user of the SGEC trademarks can be clearly and unambiguously identified from other on-product information

6.3 PEFC trademarks users classification

6.3.1 Group A: National Governing Bodies and PEFC authorized bodies
(SGEC/PEFC Japan is the national governing body in Japan.)

6.3.1.1 SGEC/PEFC Japan uses the SGEC trademarks only for off-product purposes.

6.3.2 Group B: Entities certified against a SGEC forest management (FM) standard

6.3.2.1 Any entity eligible for SFM certification shall hold a valid forest management certificate in order to obtain a SGEC trademarks license.

6.3.2.2 Group B entities with a SGEC forest management certificate are authorized to use the SGEC trademarks only for off-product purposes, unless they are also certified against the SGEC Chain of Custody standard. However, log production is generally considered to be within the scope of forest practices of sustainable forest

management, logs produced from the certified forests as the result of forestry practices implemented by forest management certificate holders with respect to forest management of the certified forest concerned may be subject to on-product SGEC trademarks usage even if the entity do not have a SGEC COC certificate.

Note: Chapter 5 “certification bodies” of SGEC Standard Document 2 stipulate as follows:

The forest management (FM) and COC certification bodies shall be accredited by an accreditation body that is a signatory of the Multilateral Recognition Arrangement (MLA) of International Accreditation Forum (IAF) as being in conformity with the international standard for the product certification body (ISO/IEC 17065).

6.3.2.3 If the certification is suspended, withdrawn or terminated, the SGEC trademarks license will be automatically suspended (until the suspension is lifted) or terminated.

6.3.3 Group C: Entities certified against the SGEC Chain of Custody standard

6.3.3.1 Any entity eligible for SGEC chain of custody certification shall hold a valid SGEC COC certificate in order to obtain a SGEC trademarks license.

6.3.3.2 Group C trademarks users are authorized to use the SGEC trademarks for off and on-product purposes.

6.3.3.3 If the certification is suspended, withdrawn or terminated, the SGEC trademarks license will be automatically suspended (until the suspension is lifted) or terminated.

6.3.4 Group D: Other users

6.3.4.1 Organizations and other entities not classified under SGEC trademarks Groups A, B and C.

6.3.4.2 Group D covers organizations such as trade and industry associations, retailers, research and educational institutions, certification bodies, accreditation bodies, governmental organizations, NGOs, etc. Group D also covers organizations within the forest and tree based products chain, where the chain of custody certification does not apply as they are end users of forest and tree based products or are selling the products with claims and/or labels placed on the product without any changes by their suppliers.

6.3.4.3 Group D trademarks users are authorized to use the SGEC trademarks only for off-product purposes.

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

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

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

Table 1: Overview of the usage

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

Note 1: Group B certificate holders that also hold a SGEC chain of custody certificate and therefore belong also to Group C, can use the SGEC trademarks on-product. However, Group B certificate holders without a SGEC COC certificate can use the on-product SGEC trademarks only on “logs”.

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

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

7. PEFC trademarks technical requirements

7.1 Technical requirements for the usage of the SGEC trademarks on-product

7.1.1 General requirements

7.1.1.1 The product the SGEC trademarks refer to shall be clearly identified. If the product cannot be clearly identified, the label message or at least the name of the product (see 8.3.3) shall clarify the link between trademarks and product.

Example: If SGEC certified pencils are wrapped in packaging made from forest based material not SGEC certified, the SGEC label message that accompanies the logo in the packaging clarifies which product the label refers to, replacing “this product” by “these pencils” in the label message.

7.1.1.2 To determine the percentage of certified material contained in a product to be eligible to carry the SGEC trademarks, the complete product shall be considered. See also 5.2.2.

Example: A book may carry the SGEC trademarks whenever the complete book (the pages plus the covers) contains at least 70% of certified material.

7.1.1.3 Indirect on-product usage in reference to the SGEC certified material used as part of the production process of a product (as described in 5.2.1, c) shall be approved by SGEC/PEFC Japan.

7.1.2 The PEFC on-product labels

7.1.2.1 The SGEC certified label

7.1.2.1.1 The SGEC certified label is the generic label to be used on-product:



7.1.2.1.1.1 The following modified designs may be also used as the SGEC certified label.

Usage of the SGEC certified labels with different designs except for shown below shall be approved by SGEC/PEFC Japan prior to the usage. The font of the letters shall be “New Gothic M”. (“HG Round Gothic M-PRO is also allowed in case of publishing in small number using PC.)



Under the SGEC logomark, the message “This logomark is the trademark of Sustainable Green Ecosystem Council (SGEC/PEFC Japan) may be placed.

7.1.2.1.2 The SGEC certified label may be used whenever at least 70% of the forest and tree based material included in the product is SGEC certified material and the content of recycled material is lower than 100%.

Note: Recycled content is included in forest and tree based products material categories. See definition 3.7.

7.1.2.1.3 The label message that shall accompany the SGEC certified label is: “[This product] is from sustainably managed forests, recycled and controlled sources”. The wording [this product] may be replaced by the name of the certified product or the

certified material included in the product to which the label refers, using the PEFC Label Generator. See also 7.1.1.1. and 8.3.

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



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



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

7.1.2.2 The SGEC recycled label

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

SGEC Label Generator.



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

Label name	SGEC Certified	SGEC Recycled
Requirements of usage	Minimum 70% SGEC certified material content and less than 100% recycled material content	100% recycled material content
Generic label messages	<p>“[This product] is from sustainably managed forests, recycled and controlled sources”</p> <p>“This product” shall be replaced by the name of the certified product or certified material when it is not clear to what the label refers</p> <p>Where the product does not</p>	<p>“[This product] is from recycled sources”.</p> <p>“This product” shall be replaced by the name of the certified product or certified material when it is not clear to what the label refers</p>

	<p>include recycled material, the label message may be used without the word “recycled”</p> <p>Where the product only includes material from SGEC certified forests, the label message may be used without “recycled and controlled sources”</p>	
--	--	--

7.1.3 The SGEC initials

7.1.3.1 The SGEC initials may be used directly on a product whenever the product contains a minimum of 70% SGEC certified material.

Example 1: This product was made with SGEC certified wood (SGEC/XX-XX-XXX)

Example 2: This journal was printed on SGEC certified paper (SGEC/XX-XX-XXX)

7.1.3.2 The SGEC trademarks license number of the organization shall always be used with the SGEC initials whenever the product does not carry a SGEC label with the license number in the same product.

7.1.3.3 The certified product or the certified material included in the product to which the SGEC initials refer shall be clearly identified. When it is not clear what product the SGEC initials refer to, the product shall be specified. See requirement 7.1.1.1.

7.1.3.4 Any usage of the SGEC initials on-product different from that mentioned above shall be approved by SGEC/PEFC Japan.

7.1.3.5 The requirements outlined in this section are not applicable for the usage of the SGEC initials with the purpose of passing on chain of custody claims by certified organizations as described in and in compliance with the SGEC Chain of Custody Standard, SGEC Standard Document 4.

7.2 Technical requirements for the usage of the SGEC trademarks off-product

7.2.1 The SGEC off-product label

7.2.1.1 The SGEC promotional label is:



7.2.1.2 The generic label message that shall accompany the SGEC promotional label is:

“Promoting Sustainable Forest Management”.

7.2.1.3 Additional label messages for promotional purposes can be found on the Appendix A to this standard.

7.2.1.4 The SGEC off-product label messages may be used for promotional purposes without the SGEC label under the same requirements as the label. In those cases, and whenever the SGEC label is not used close to the message, the SGEC trademarks license number shall be placed next to the message.

7.2.1.5 Organizations holding a SGEC forest management or SGEC chain of custody certificate (SGEC trademarks user Groups B and C) may use the SGEC promotional label on:

- a) Letterheads, catalogues or any other promotional material, as long as there is no ambiguity as to what is certified. See also 7.2.1.6.
- b) Invoices or delivery documents. The products that are delivered with a SGEC claim shall be clearly identified.

7.2.1.6 The SGEC label may be used for promotional purposes on non-commercial products. It shall be clear what the SGEC label refers to on the non-commercial products. The promotional label message shall be included.

Note: For the usage of the SGEC label on catalogues, brochures or products lists by non-certified retailers, see 6.3.4.4.

7.2.2 The SGEC initials

7.2.2.1 The usage of the SGEC initials off-product is allowed under the same conditions and requirements as the SGEC promotional label. It shall always be accurate and

refer to SGEC in the correct terms.

8. Graphic requirements of the PEFC labels

8.1 Elements of the PEFC label



8.1.1 SGEC logo (A)

8.1.1.1 The SGEC logo consists of a horizontally arranged spiral figure symbolizing sustainable forest management and the “SGEC” initials placed underneath it.

8.1.2 SGEC trademarks license number (B)

8.1.2.1 In order to identify the organization using the SGEC trademarks, the SGEC logo shall be used together with the organization’s SGEC license number. See requirement 6.2.1.

8.1.3 Label name (C)

8.1.3.1 The label name communicates the meaning of the logo.

8.1.3.2 The official SGEC label names are in Japanese.

8.1.3.3 The SGEC label is provided in the SGEC Label Generator.

8.1.4 Label message (D)

8.1.4.1 The label message communicates the meaning of the logo.

8.1.4.2 The official SGEC label messages are in Japanese.

8.1.4.3 The SGEC label may including label name in multiple languages. The SGEC label is provided in the SGEC Label Generator.

8.1.5 SGEC/PEFC Japan website (E)

8.1.5.1 The SGEC/PEFC Japan website

8.1.6 SGEC label frame (F)

8.1.6.1 When using the frame, the frame shall always respect the proportions and dimensions within the different elements of the label.

8.2 Graphic specifications

8.2.1 Colours

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

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

In principle, colours of the design provided by “SGEC label generator” is used.

Colour specification: pantone 328

Ratio of colour composition when printed in 4 colours

C=100% M=0% Y=47% K=30%

Black is also allowed.



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

8.2.2 Label orientation

8.2.2.1 The SGEC label may be used in portrait or landscape orientation.



Landscape orientation



Portrait orientation

8.2.3 Dimensions

8.2.3.1 The ratio between height and width shall always be maintained. The proportions between the different elements of the SGEC label shall also be respected.

8.2.4 Minimum size

8.2.4.1 The minimum size of the SGEC label shall be:



27mm width



15mm width



11mm width

8.2.5 Placement

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



8.3 Optional usage of the label

8.3.1 The following elements may optionally be omitted from the SGEC labels:

	SGEC certified label	SGEC recycled label	SGEC off-product label
SGEC logo	No	No	No
Label name	Yes	No	<u>適用なし</u>
Label message	Yes*	Yes*	Yes*
SGEC/PEFC Japan website	Yes	Yes	Yes
Frame	Yes	Yes	Yes

* The usage shall always comply with the requirement 7.1.1.1. See also requirements 8.3.2 and 8.3.3.

8.3.2 When using the SGEC labels without the message, the label may include the name of the product, as in the example below.



8.3.3 When it is not clear what the SGEC label refers to (see requirement 7.1.1), the label message may be replaced by the name of the product.

8.3.4 The SGEC label can be used without the label message for promotional purposes whenever it is clear from the context in which the label appears what SGEC stands for.

8.3.5 Where the design does not allow the usage of the normal SGEC label designs, the SGEC label may be optionally used as follows, with prior approval by SGEC/PEFC Japan that issued the license. When used for on-product purposes, the product or material the SGEC label refers to shall be clear. When used for promotional purposes, it shall be clear what SGEC stands for.

- a) With the SGEC logo split into the horizontally arranged spiral figure, “SGEC” initials and the trademarks license number and placed beside each other. The minimum size of this format of the SGEC label shall ensure that the license number is readable. (Note: “SGEC” accompanied to the horizontally arranged spiral figure is deleted.)



- b) With the SGEC logo split into the horizontally arranged spiral figure, “SGEC” initials and the trademarks license number, and the trademarks license number underneath the SGEC initials. The minimum size of this format of the SGEC label shall ensure that the SGEC initials and license number are readable. (Note: “SGEC” accompanied to the horizontally arranged spiral figure is deleted.)



8.4 Modifications

8.4.1 The SGEC labels obtained from the SGEC Label Generator shall not be altered or re-created.

8.4.2 Using the SGEC label in non-standard colours or any other adjustments requires prior approval by SGEC/PEFC Japan.

Supplementary article

The next review of this standard shall be started on March 29th 2026 or before.

Appendix 1

Alternative promotional label messages

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

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

Note 1: Organizations belonging to more than one group may use the label messages for any of the user group they belong (for instance, international stakeholder members that are also certified companies can use either the label messages

described for Group D: stakeholder members, or Group C: certified companies).

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

Appendix 2

Examples of wrong SGEC label usages

Followings are examples of wrong SGEC label usages:

1. Change the font of the label elements
2. Change the proportions of the label elements
3. Change the colour of any of the elements of the label
4. Stretch or compress the labels
5. Use the PEFC labels with other messages, claims or labels that can be misunderstood or misleading with regard to SGEC
6. Too short distance between the elements of the label
7. Remove elements that are not allowed to be removed
8. Use the promotional label on-product
9. Use blurred labels
10. Too little space between the PEFC label and other labels and elements around the SGEC label

(end of the document)

SGEC Standard Document 6-1

Approved by the Board of Directors on March 30, 2021

Date of Entry into Force: June 1st, 2021

Transition Period: until August 14, 2023

Issuance of the SGEC Trademarks License by SGEC/PEFC Japan

Contents

Foreword

Preface:

1. Scope
2. Normative references
3. Terms and definitions
4. Requirements for issuance of the SGEC trademarks usage license
5. Procedures of issuance of the license
6. Fees for usage of the trademarks
7. Duration of validity of the license
8. Temporary / one time usage of the logomark
9. Issuance of SGEC logo use license

Attachment 1 Format of SGEC Trademarks Use Contract

Foreword

SGEC/PEFC Japan is an organization to promote sustainable forest management through operation of forest certification and labeling system of forest products. Products carrying SGEC claims or SGEC labels ensure credibility regarding the source of raw materials of the products originating from sustainably managed forests.

Preface

The SGEC label provides accurate and verifiable information relating to the origin of forest based product in sustainably managed forest, recycled raw material and other environmental sound non-controversial sources. Through such information dissemination, it aims that citizens and consumers are encouraged to purchase the products from sustainably managed forests and environmentally friendly products selectively,

The SGEC trademarks shall be only used according to a valid SGEC trademarks usage license issued by SGEC/PEFC Japan.

SGEC/PEFC Japan undertakes the procedures related to the issuance of PEFC logo license to the SGEC/PEFC-COC certificate holders in Japan as the national governing body (NGB) of Japan, based upon the contract for administration of PEFC scheme agreed by both PEFC Council and SGEC according to PEFC GD 1004:2009 “Administration of PEFC Scheme”.

1. Scope

The document covers requirements for issuance of the SGEC logomark usage license for proper use of the SGEC logomark based upon SGEC Standard Document 5: 2021 “SGEC Trademarks Rules – Requirements”.

Issuance of PEFC trademarks license is carried out according to PEFC GD 1005:2012 “Issuance of PEFC logo use license by the PEFC Council”.

Note: PEFC logo license in Japan are issued only by SGEC/PEFC Japan as the national governing body in Japan commissioned from the PEFC Council.

2. Normative references

- SGEC Standard Document 4:2021 “SGEC Chain of Custody of Forest and Tree Based Products – Requirements”
- SGEC Standard Document 1:2021 “Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)”
- SGEC Standard Document 6:2021 “SGEC Trademarks Rules – Requirements”
- PEFC GD 1005:2012 “Issuance of PEFC logo use license by the PEFC Council”

3. Terms and definitions

3.1 Certificate

Certificates shall be issued by certification bodies which are accredited within the scope of SGEC scheme and shall be sealed by the accreditation body's symbol.

3.2 Certificates recognized by SGEC/PEFC Japan

Certificates recognized by SGEC/PEFC Japan shall meet the following requirements:

- a) Valid FM certificate issued by the certification bodies notified by SGEC/PEFC Japan in accordance with the SGEC scheme within the scope of SGEC forest management certification requirements
- b) Valid COC certificate issued by the certification bodies notified by SGEC/PEFC Japan in accordance with the SGEC scheme within the scope of SGEC COC certification requirements

Note: SGEC forest management and COC standards are available at the SGEC/PEFC Japan website.

4. Requirements for issuance of the SGEC trademarks usage license

4.1 General requirements

The COC organization who apply for issuance of the license shall meet the following

- a) The applicant shall be a legal entity

Note: A “legal entity” also includes an “entity having organized structure equivalent to a legal entity”, which includes a “group entity” defined in 3.7 of SGEC Standard Document 3-1, a “central office” defined in 3.2 of SGEC Standard Document 4, a forest management certificate holder defined in 3.3 of SGEC Standard Document 1, a COC certificate holder defined in 4.3 of SGEC Standard Document 1.

- b) The applicant (corporate entity) shall agree that SGEC/PEFC Japan collects the identification information and other information SGEC/EFC Japan specifies and make them open to the public.

4.2 Specific requirements

FM certificate and COC certificate shall meet the requirements shown in 3 above.

- Trademarks User Group A: SGEC/PEFC Japan

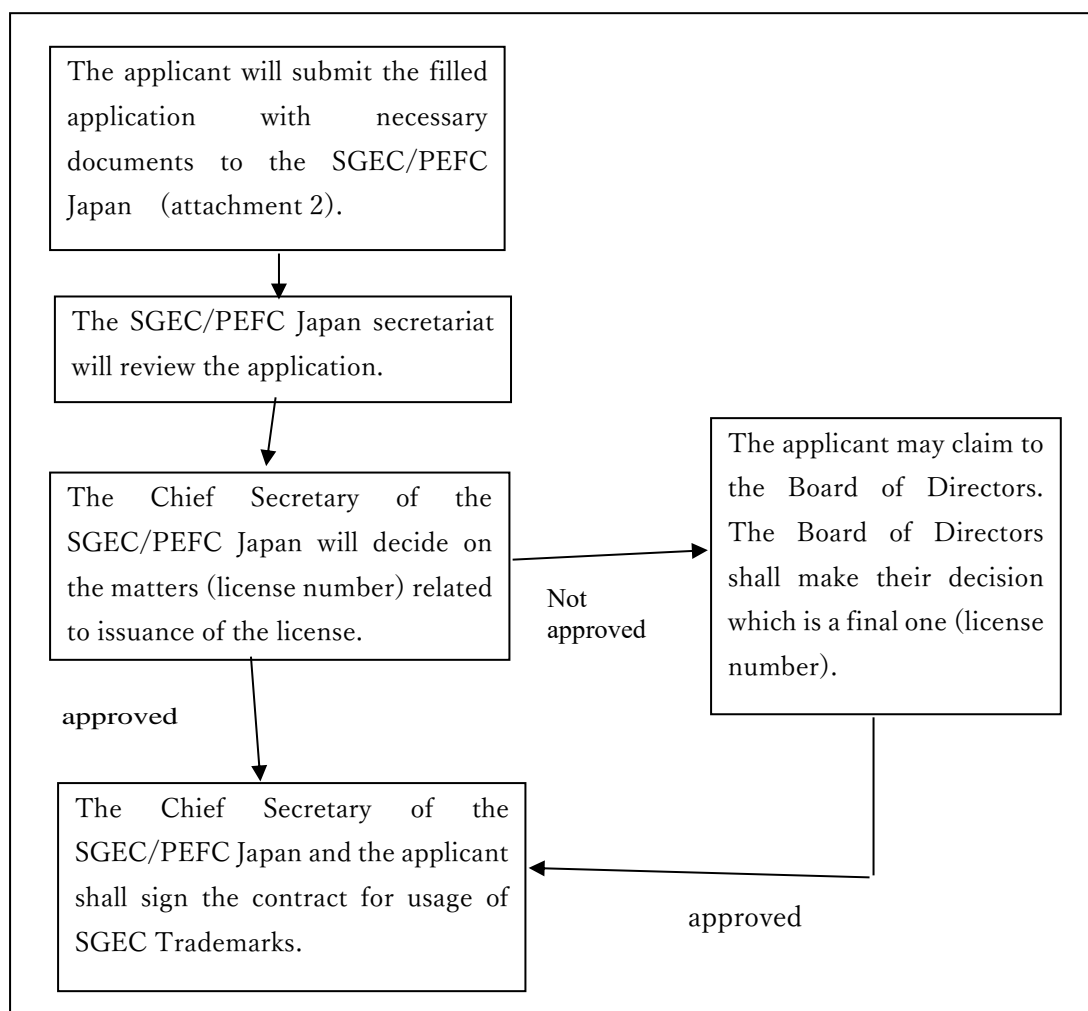
- Trademarks User Group B: Forest owners/managers fulfilling the following conditions:
 - a) having a valid SGEC forest management certificate recognized by SGEC/PEFC Japan
 - b) having a valid SGEC trademarks contract with SGEC/PEFC Japan (attachment 1)

- Trademarks User Group C: Organizations related to forest products industries fulfilling the following conditions:
 - a) having a valid SGEC COC certificate recognized by SGEC/PEFC Japan or a specific SGEC project in a planning stage recognized by certification bodies
 - b) having a valid SGEC trademarks contract with SGEC/PEFC Japan (attachment 1)

- Trademarks User Group D: Other organizations fulfilling the following conditions:
 - a) Usage of the SGEC Logo shall meet the objective of the SGEC
 - b) having a valid SGEC trademarks contract SGEC/PEFC Japan (appendix 1)

5. Procedures of issuance of the license

Figure 1: Process of issuance of the license



6. Fees for usage of the trademarks

For the time being, fees are not charged.

7. Duration of validity of the license

Durations of validity of each user group are as follows:

- a) User group A: valid period of contract
- b) User group B: valid period of the SGEC forest management certificate
- c) User group C: valid period of the SGEC COC certificate
- d) User group D: valid period of the contract

8. Temporary / one time usage of the logomark

Temporary / one time usage of the trademarks may be permitted in off-product usage for those who does not have valid SGEC logomark license with the following requirements.

(ex. trademarks on newspapers, reports, publication, etc.)

- a) The usage of SGEC trademarks shall meet the objectives of the SGEC
- b) The number associated with the use of SGEC trademarks shall be temporary / one time license number by the SGEC/PEFC Japan (SGEC/31-01-10).
- c) The message “This logomark is used by the permission by SGEC/PEFC Japan” shall be accompanied.

Those who want to use temporary / one time usage of the SGEC trademarks hall apply for the SGEC/PEFC Japan with the documents shown in annex 3.

9. Issuance of SGEC logo use license

In case of issuance of PEFC trademarks use licenses to SGEC certified products, the issuance shall follow PEFC GD 1004:2009 "Administration of PEFC Scheme", PEFC ST 2001:2020 “PEFC Trademarks Rules – Requirements” and GD 1005:2012 “Issuance of PEFC logo use license by the PEFC Council” .

Supplementary article

The next review of this standard shall be started on March 29th 2026 or before.

Attachment 1

Format of SGEC Trademarks Use Contract

Sustainable Green Ecosystem Council, a general incorporated association (hereinafter referred to as SGEC/PEFC Japan) and

xxxx Company Limited (hereinafter referred to as the Trademarks User)

have agreed upon the articles listed below under the following conditions:

- a) The Trademarks User shall be a trademarks user which belongs to the user group stipulated in Section 6 of SGEC Standard Document 6 “SGEC Trademarks Rules” and includes the following site(s) (Name of the site(s))
- b) SGE/PEFC Japan is the owner of the registered SGEC trademarks and holds its copyright.
- c) The Trademarks User is approved the SGEC trademarks usage license with the trademarks usage license number SGEC/ and permitted to use the SGEC trademarks in accordance with the “SGEC Trademarks Rules” and other relevant documents.

Article 1: Definitions

1. The SGEC Trademarks Usage Rules

This is set of requirements for the use of the SGEC trademarks defined in SGEC Standard Document 6 “SGEC Trademarks Rules” which forms part of the contractual documentation and is found in the annex of this contract.

2. Tariffs of PEFC trademarks fees

SGEC logo trademarks fee is not charged for the time being.

Article 2: Copyrights to the PEFC trademarks

- 1. For the avoidance of any doubt, the SGEC trademarks is copyright material and is a registered trademarks owned by SGEC/PEFC Japan. The initials “SGEC” are covered by copyright and are registered. Unauthorized use of this copyright material is prohibited. The use of the SGEC trademarks is regulated and governed by SGEC/PEFC

Japan.

Article 3: Responsibilities of the SGEC logomark User

1. The Trademarks User is obliged to use the SGEC trademarks in accordance with the SGEC Trademarks Rules and together with a registration number issued by SGEC/PEFC Japan so as to ensure that the trademarks user is identifiable on its basis.
2. Issuance fee of SGEC trademarks license number and annual SGEC trademarks usage fee are not set for the time being.
3. The Trademarks User is obliged to inform SGEC/PEFC Japan immediately and truthfully on any changes concerning the Trademark User's identification data and certified status, the latter in case of trademarks user of forest management certification holder or COC certification holder (user group B and C).

Article 4: Responsibilities of SGEC/PEFC Japan

1. SGEC/PEFC Japan is obliged to inform the Trademarks User any changes made in SGEC Trademarks Rules and other documents which affect this contract.

Article 5: Penalty

1. SGEC/PEFC Japan may impose, in case of user group B or C, a contractual penalty of a Japanese yen amount being one-fifth the market value of the products to which unauthorized on- or off-product logo use relates, unless the Trademarks User proves that such unauthorized use was unintentional. In the latter case the penalty will be limited to 1,500,000 yen.
2. SGEC/PEFC Japan has the right to alter the amount of penalty demanded for use of the SGEC trademarks in contravention of the contract. The change shall come into effect in the contract between SGEC/PEFC Japan and the Trademarks User three months and five days after the former has informed the latter, in writing, of the change.

Article 6: Contract Termination

1. Either party may terminate the contract with three-month prior notice by registered letter.
2. SGEC/PEFC Japan may revoke the contract temporarily with immediate effect while a suspicion of contravention of the contract or the SGEC Trademarks Rules is being investigated. In case of suspicion, SGEC/PEFC Japan shall send the Trademarks User a written request for an explanation and notification of the temporary revocation of the contract. The temporary revocation shall remain in effect for a maximum period of one

- (1) month after the trademarks User has provided an explanation concerning the suspected misuse to SGEC/PEFC Japan, which will examine the matter. SGEC/PEFC Japan reverse a decision on the temporary revocation of the contract when the Logo User has implemented corrective measures approved by the SGEC/PEFC Japan and given SGEC/PEFC Japan notification that this has been done.
3. SGEC/PEFC Japan may terminate the contract with immediate effect if there are reasons to believe that any of the terms of the contract or the SGEC Trademarks Use Rules are not being adhered to.
 4. Withdrawal, suspension or the end of the validity of the SGEC forest management certificate (group B), SGEC COC certificate (group C) will result in automatic termination of the contract with effect on the same date as the withdrawal, suspension or the end of the validity of the certificate when these certificates are conditions of the contract.
 5. No SGEC trademarks fee, if paid, is refunded to the Trademarks User in case of temporary revocation or termination of the contract according to the Article 6, bullet 1, 2, 3 and 4.
However, the trademarks fee is not set for the time being.
 6. SGEC/PEFC Japan is not obliged to pay compensation for any costs or other damages which the temporary revocation or termination above causes to the Trademarks User.

Article 7: Reporting and Presentation

1. SGEC/PEFC Japan is permitted to present publicly logomark user's identification data and information concerning the certification status provided by the Logo User.
2. The Trademarks User, in case of user group B or C, shall undertake to provide SGEC/PEFC Japan, immediately after each audit of the forest management or COC certification, with a notification, verified by the certification body, of the on-product use of the SGEC trademarks, e.g. broken down by product, product category, production unit or similar, to the degree of accuracy that the certification system used by the Trademarks User permits. In the same conjunction, the Trademarks User shall supply SGEC/PEFC Japan with a detailed, free form account of any off-product use of the SGEC Trademarks.
3. The logomark user, in case of user group D, shall give SGEC/PEFC Japan an annual report containing an itemized, free form account of the SGEC Trademarks' off-product use.

Article 8: Validity of the Contract

1. The contract enters into force when it has been signed by both parties.

Article 9: Other terms of the contract

1. SGEC/PEFC Japan reserves the right to carry out (by itself or to commission a third party to act on its behalf) an on-site inspection of the Trademarks User's operations if it has received a complaint by third party or if SGEC/PEFC Japan has reasons to believe that the contract is being contravened. The Trademarks User shall bear responsibility for the costs of said inspection and any other detrimental effects.
2. The Trademarks User, in case of the group B or C, undertakes to enter an agreement with the certification body within three months of signing this contract (a copy to be sent to the SGEC) to that effect that, in conjunction with the audits conducted subsequent to signing this contract, certification body will examine the system by means of which the Trademarks User keeps records of the production volumes marked with the Trademarks and how the Trademarks is used on them. The certification body shall have a right to inform SGEC/PEFC Japan of changes of which it is aware, without consulting the Trademarks User.

Article 10: Arbitration

1. This contract is subject to Japanese law.
2. All disputes arising out of this agreement shall be finally and exclusively settled by the courts in Japan.

Signed in duplicate.

Date

For and on behalf of SGEC/PEFC Japan

Date

For and on behalf of The Trademarks
User

(end of the document)

SGEC Standard Document 6-2

Approved by the Board of Directors on March 30, 2021

Date of Entry into Force: June 1st, 2021

Transition Period: until August 14, 2023

Issuance of PEFC Trademarks Usage License by the PEFC Council

Contents

Foreword

Introduction

1. Scope
2. Normative references
3. Terms and definitions
4. Conditions for issuance of license
5. License issuance process
6. Trademarks use fee
7. Validity of license
8. One-off use of the PEFC Trademarks

Attached sheet 1 Format of PEFC Trademarks Use Contract

Foreword

This document stipulates rules for issuance of PEFC Trademarks usage license to SGEC certified forest owners/managers, SGEC COC organizations, PEFC COC organizations or other users, by SGEC/PEFC Japan as the National Governing Body in Japan under authorization from the PEFC Council based on a contract between SGEC/PEFC Japan and the PEFC Council for administration of PEFC scheme in accordance with PEFC DG 1004:2009 “Administration of PEFC scheme”. (Currently, PEFC GD 1005:2012 “Issuance of PEFC logo use license by the PEFC Council” in under the process of revision, and this standard may be revised subject to the revision

of the PEFC standard.

Introduction

The PEFC Trademarks provides information relating to the origin of forest based product in sustainably managed forest and other non controversial sources. Purchasers and potential purchasers can use this information in choosing the product based on environmental, as well as other considerations.

Within Japan, PEFC trademarks license shall be issued only by SGEC/PEFC Japan which is authorized by PEFC Council for issuance of PEFC trademarks license.

1. Scope

In order to secure the legitimate use of PEFC Trademarks under PEFC ST 2001: :2020 “PEFC Trademarks Rules – Requirements”, this document stipulates rules which shall be followed in case of issuance of PEFC Trademarks usage license by SGEC/PEFC Japan.

2. Normative references

- PEFC ST 2002:2020 “Chain of Custody of Forest and Tree Based Products – Requirements”
- PEFC ST 2001:2020 “PEFC Trademarks Rules – Requirements”
- PEFC GD 1004:2009 “Administration of PEFC Scheme”
- PEFC GD 1005:2012 “Issuance of PEFC logo use license by the PEFC Council”

3. Terms and definitions

3.1 Accredited certificate issued by a certification body

The certification body shall be accredited by an accreditation body within the SGEC or PEFC accreditation scope, and the accredited certificate shall bear an accreditation symbol of the relevant accreditation body.

3.2 Accredited certificate recognized by SGEC/PEFC Japan or PEFC

Certificates recognized by SGEC/PEFC Japan shall meet the following requirements:

- a) Valid FM certificate issued by the certification bodies notified by SGEC/PEFC Japan in accordance with the SGEC scheme within the scope of SGEC forest

- management certification requirements
- b) Valid COC certificate issued by the certification bodies notified by SGEC/PEFC Japan in accordance with the SGEC or PEFC COC certification requirements

Note: SGEC forest management and COC standards, and PEFC COC standards are available at the SGEC/PEFC Japan website and PEFC website.

4. Conditions for issuance of license

4.1 General conditions

An entity applying for the license shall

- a) be a legal entity,
- b) agree that the PEFC Council and SGEC/PEFC Japan collect and make publicly available the entity's identification and other information as specified by SGEC/PEFC Japan and the PEFC Council.

4.2 Special conditions

An entity which belongs to any of the following user groups shall be registered in Japan.

User group A: PEFC National Governing Bodies, shall

- a) be members of the PEFC Council
- b) the contract between the PEFC Council (attachment 1)

User group B: Forest owner/manager, shall

- a) hold a valid, SGEC forest management certificate fulfilling the conditions defined in Clause 3.2 above,
- b) sign the PEFC Trademarks Use Contract with the PEFC Council (attachment 1).

The PEFC Trademarks Use Contract is signed by SGEC/PEFC Japan on behalf of the PEFC Council as the authorized body in Japan. The same for the conditions below.

User group C: Forest related industries, shall

- a) hold a valid, SGEC or PEFC COC certificate fulfilling the conditions defined in Clause 3.2 above,
- b) sign the PEFC Trademarks Use Contract with the PEFC Council (attachment 1).

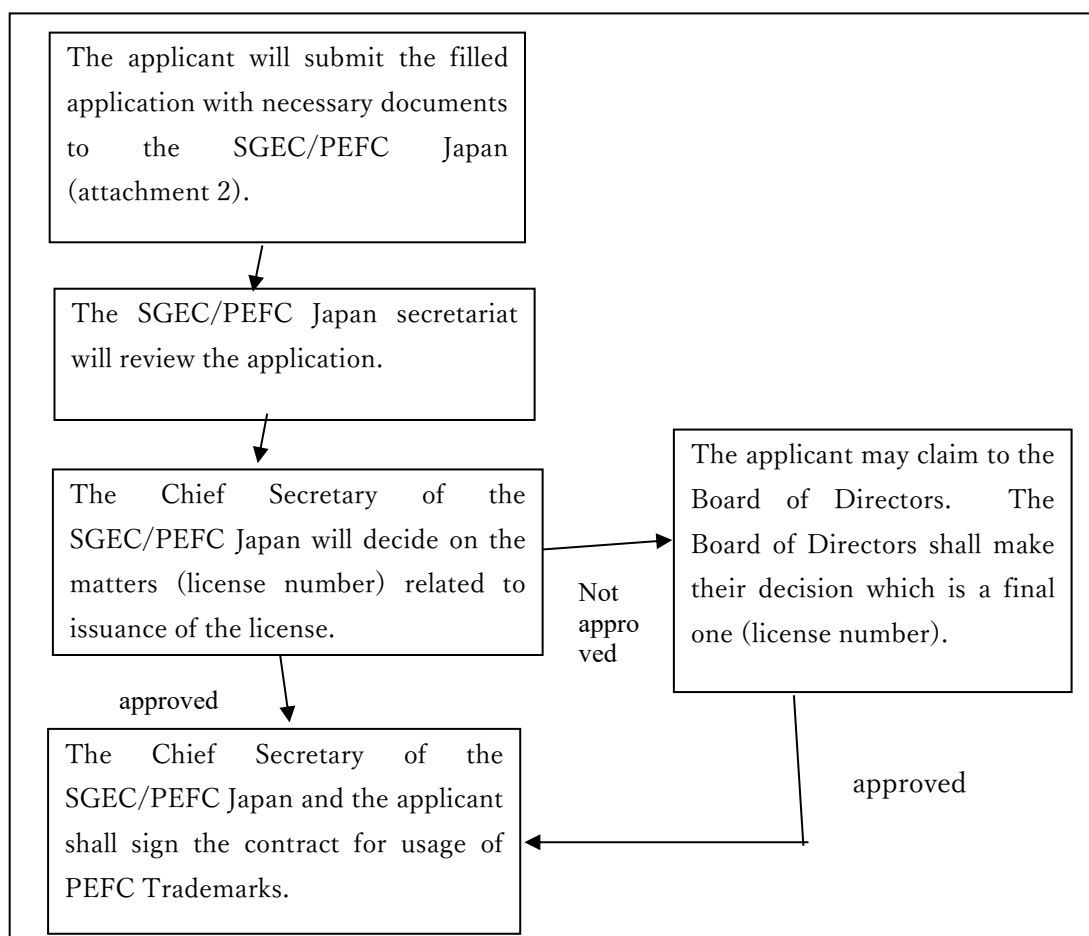
User group D: Other users, shall

- a) identify the purpose of the PEFC trademarks use that does not conflict with the objectives and good name of the PEFC Council,
- b) sign the PEFC Trademarks Use Contract with SGEC as a licensing body of PEFC Logo usage.

5. License issuance process

SGEC/PEFC Japan carries out issuance of PEFC Trademarks usage license as the National Governing Body in Japan under authorization from the PEFC Council based on a contract between SGEC/PEFC Japan and the PEFC Council for administration of the PEFC scheme in accordance with PEFC GD 1004:2009 “Administration of PEFC scheme”.

Figure 1 Diagram of license issuance process



6. Trademarks use fee

Trademarks use fees are not incurred for the time being.

7. Validity of license

Licenses are valid for the following time periods:

- a) User group A: Validity period of the contract
- b) User group B: Validity of the SGEC forest management certificate
- c) User group C: Validity of the PEFC COC certificate or SGEC COC certificate
- d) User group D: Validity of the contract

8. One-off use of the PEFC Trademarks

SGEC/PEFC Japan, as a licensing body authorized by the PEFC Council, may allow a one-off usage of the PEFC Trademarks for off-product purposes to users without an individual license under the following conditions (ex. On newspapers, reports, publications, etc.):

- a) the use shall not conflict the objectives and good name of the PEFC Council
- b) the PEFC Trademarks shall be used with the license number given by SGEC/PEFC Japan (on behalf of the PEFC Council under authorization by the PEFC Council) (PEFC/xx-xx-xx)
- c) the disclaimer “Reproduced with the permission of the PEFC Council” shall be used.

The applicant of the one-off use of the PEFC Trademarks shall submit an application form to SGEC/PEFC Japan (which is commissioned from the PEFC Council) following the attachment 3

Supplementary article

The next review of this standard shall be started on March 29th 2026 or before.

Attached sheet 1

Format of PEFC Trademarks Use Contract

This document defines the format of PEFC Trademarks Use Contract between SGEC/PEFC Japan and a PEFC Trademarks User to be used for issuance of PEFC Trademarks usage license to SGEC forest management organizations and COC organizations, PEFC COC organizations and others, by SGEC/PEFC Japan as the National Governing Body in Japan under authorization from the PEFC Council based on the contract between SGEC/PEFC Japan and PEFC Council for administration of PEFC scheme in accordance with PEFC DG 1004:2009 “Administration of PEFC scheme”.

PEFC Logo Use Contract

Sustainable Green Ecosystem Council (SGEC/PEFC Japan), a general incorporated association (hereinafter referred to as SGEC), on behalf of the PEFC Council,

and xxxx Company Limited (hereinafter referred to as the Logo User)

have agreed upon the articles listed below under the following conditions:

- a) The Trademarks User shall be a trademarks user which belongs to the PEFC user groups defined in Section 6 of PEFC ST 2001:2020 “PEFC Trademarks Rules – Requirements” including the following site(s):
(name of site(s))
- b) The PEFC Council is the owner of PEFC Trademarks as a registered trademark and holds its copyright.
- c) PEFC Trademarks User is authorized to use PEFC Trademarks accompanied by the Trademarks License Number (PEFC/) in accordance with “PEFC Trademarks Rules” under the license given by this contract, under the following conditions.

Article 1: Definitions:

1. The PEFC Trademarks Usage Rules

This is set of requirements for the use of the PEFC Trademarks defined in PEFC ST 2001:2020 “PEFC Trademarks Rules – Requirements”, which forms part of the contractual documentation and is found in the annex of this contract.

2. Tariffs of PEFC trademarks fees

PEFC trademarks fees are not determined in the time being.

Article 2: Copyrights to the PEFC Trademarks

1. For the avoidance of any doubt, the PEFC Trademarks is copyright material and is a registered trademark owned by the PEFC Council. The initials “PEFC” are covered by copyright and are registered. Unauthorized use of this copyright material is prohibited and may lead to legal action. The use of the PEFC Trademarks is regulated and governed by SGEC/PEFC Japan under authorization by the PEFC Council.

Article 3: Responsibilities of the Trademarks User

1. The Trademarks User is obliged to use the PEFC Trademarks in accordance with the PEFC Trademarks Rules and designs specified by PEFC Logo Generator together with a registration number issued by SGEC/PEFC Japan under authorization by the PEFC Council so as to ensure that the Trademarks User is identifiable on its basis.
2. PEFC Trademarks license issuance fee and annual PEFC Trademarks use fee are included in PEFC or SGEC notification fee paid by a certification body. The tariff system of the PEFC Trademarks fees can be changed by SGEC/PEFC Japan during the validity of the contract. SGECPEF Japan shall inform the Trademarks User of the corresponding change in the contract between SGEC/PEFC Japan and the Trademarks User concerning the fees in writing in the previous year.
3. The Trademarks User is obliged to inform SGEC/PEFC Japan immediately and truthfully on any changes concerning Trademarks User's identification data and certified status, the latter in case of Trademarks User group B (forest management certification holder) or group C (COC certification holder).

Article 4: Responsibilities of SGEC/PEFC Japan

1. SGEC/PEFC Japan is obliged to provide the Trademarks User with PEFC logo use tool kit two weeks following the signing the contract.
2. SGEC/PEFC Japan is obliged to inform the Trademarks User on any changes of the PEFC Council and SGEC regulations and documentation concerning the PEFC

Trademarks use which affect this contract.

Article 5: Penalty

1. SGEC/PEFC Japan may impose, in case of user group B or C, a contractual penalty of a Japanese yen amount being one-fifth the market value of the products to which unauthorized on- or off-product logo use relates, unless the Trademarks User proves that such unauthorized use was unintentional. In the latter case the penalty will be limited to 1,500,000 yen.
2. SGEC/PEFC Japan has the right to alter the amount of penalty demanded for use of the PEFC Trademarks in contravention of the contract. The change shall come into effect in the contract between SGEC/PEFC Japan and the Trademarks User three months and five days after the former has informed the latter, in writing, of the change.

Article 6: Contract Termination

1. Either party may terminate the contract with three-month prior notice by registered letter.
2. SGEC/PEFC Japan may revoke the contract temporarily with immediate effect while a suspicion of contravention of the contract or the PEFC Trademarks is being investigated. In case of suspicion, SGEC/PEFC Japan shall send the Trademarks User a written request for an explanation and notification of the temporary revocation of the contract. The temporary revocation shall remain in effect for a maximum period of one (1) month after the Trademarks User has provided an explanation concerning the suspected misuse to SGEC/PEFC Japan, which will examine the matter. PEFC reverse a decision on the temporary revocation of the contract when the Trademarks User has implemented corrective measures approved by the SGEC/PEFC Japan and given PEFC notification that this has been done.
3. SGEC/PEFC Japan may terminate the contract with immediate effect if there are reasons to believe that any of the terms of the contract or the PEFC Trademarks Rules are not being adhered to.
4. Withdrawal, suspension or the end of the validity of the SGEC forest management certificate, SGEC COC certificate or COC certificate approved by SGEC/PEFC Japan will result in automatic termination of the contract with effect on the same date as the withdrawal, suspension or the end of the validity of the certificate.
5. Withdrawal, suspension or the end of the contract between the PEFC Council and SGEC/PEFC Japan as an authorized body of the PEFC Council will result in automatic termination of the contract between SGEC/PEFC Japan and the Trademarks User with

effect on the same date as the withdrawal, suspension or the end of the contract between the PEFC Council and SGEC/PEFC Japan.

6. No PEFC Trademarks fee, if paid, is refunded to the Trademarks User in case of temporary revocation or termination of the contract according to the Article 6, bullet 1, 2, 3, 4 and 5.

The PEFC Trademarks fee is not determined for the time being.

7. SGEC/PEFC Japan and the PEFC Council is not obliged to pay compensation for any costs or other damages which the temporary revocation or termination above causes to the Trademarks User.

Article 7: Reporting and Presentation

1. The PEFC Council and SGEC/PEFC Japan are permitted to present publicly Trademarks User's identification data and information concerning the certification status provided by the Trademarks User.
2. The Trademarks User, in case of user group B or C, shall undertake to provide SGEC/PEFC Japan or the PEFC Council upon request, immediately after each audit of the forest management or COC certification, with a notification, verified by the certification body, of the on-product use of the PEFC logo, e.g. broken down by product, product category, production unit or similar, to the degree of accuracy that the certification system used by the Trademarks User permits. In the same conjunction, the Trademarks User shall supply SGEC/PEFC Japan with a detailed, free form account of any off-product use of the PEFC logo.
3. The Trademarks User, in case of user group D, shall give SGEC/PEFC Japan an annual report containing an itemized, free form account of the PEFC Trademarks' off-product use.

Article 8: Validity of the Contract

1. The contract enters into force when it has been signed by both parties.

Article 9: Other terms of the contract

1. SGEC/PEFC Japan reserves the right to carry out (by itself or to commission a third party to act on its behalf) an on-site inspection of the Trademarks User's operations if it has received a complaint by third party or if SGEC/PEFC Japan has reasons to believe that the contract is being contravened. The Trademarks User shall bear responsibility for the costs of said inspection and any other detrimental effects.

2. The Trademarks User, in case of forest management certificate holders (group B) or COC certificate holders (group C), undertakes to enter an agreement with the certification body within three months of signing this contract (a copy to be sent to the SGEC/PEFC Japan) to that effect that, in conjunction with the audits conducted subsequent to signing this contract, certification body will examine the system by means of which the Trademarks User keeps records of the production volumes marked with the PEFC Trademarks and how the Trademarks is used on them. The certification body shall have a right to inform SGEC/PEFC Japan of changes of which it is aware, without consulting the Trademarks User.

Article 10: Arbitration

1. This contract is subject to Japanese law.
2. All disputes arising out of this agreement shall be finally and exclusively settled by the courts in Japan.

signed in duplicate.

Date

For and on behalf of SGEC

SGEC/PEFC Japan, Secretary General

Date

For and on behalf of
The Trademarks User

(end of the document)

SGEC Guide Document 8

Approved by the Board of Directors on March 30, 2021

Date of Entry into Force: June 1st, 2021

Procedures for dealing with complaints and disputes against SGEC scheme

1. General principles

1.1 In addition to the articles stipulated in Chapter 8 “Complaints and correction measures” of SGEC Standard Document 1 “SGEC Operational Rules”, the procedures for dealing with complaints and disputes against SGEC scheme shall be stipulated in this standard.

Complaints and disputes against PEFC scheme in Japan conducted by SGEC/PEFC Japan, as the National Governing Body of PEFC in Japan under the authorization based on the contract between SGEC/PEFC Japan and the PEFC Council, in consultation with the PEFC Council.

1.2 The objectives of this standard is to make clear the responsibilities of SGEC/PEFC Japan in surveying and resolving complaints, and to determine procedures for dealing with complaints. SGEC/PEFC Japan proactively engages in all disputes and complaints submitted to SGEC/PEFC Japan with its responsibilities under the notion that handling of complaints and disputes provides meaningful opportunities for continuous monitoring, correction and improvement of operation and services of the SGEC certification scheme.

1.3 This standard defines procedures for dealing with complaints and disputes against SGEC certification scheme in a prompt and fair manner.

2. Scope

2.1 This document is to explain procedures for auditors of SGEC/PEFC Japan to formulate corrective measures and submit them to the Board of Directors of SGEC/PEFC Japan for approval against complaints and disputes submitted to SGEC/PEFC Japan against decisions and activities by SGEC/PEFC Japan relating to

requirements of SGEC forest certification scheme and management of the SGEC scheme.

Note: “Complaints and disputes” are defined as those submitted in writing by individuals or organizations with respect to actions taken by SGEC/PEFC Japan.

2.2 Complaints and disputes against decisions and conducts of certified organizations, companies and entities; accredited certification bodies; or accreditation body shall be dealt in accordance with the procedures formulated by relevant certification bodies, the accreditation body or International Accreditation Forum.

3. Complaints and disputes

3.1 Complaints and disputes dealt by auditors of SGEC are limited to those related to the concerns or problems with respect to requirements of SGEC standards and compliance with them.

3.2 Those who file complaints or disputes bear responsibility to provide with supporting documentation on accuracy and correctness of the complaints or disputes verified by independent source.

3.3 Complaints submitted regarding a specific certified entity shall be referred to the relevant certification body’s own complaints / appeals resolution procedure.

3.4 Complaints submitted regarding a specific accredited certification body shall be referred to the relevant accreditation body’s own complaints / appeals resolution procedure.

3.5 Complaints submitted regarding a specific accreditation body shall be referred to the International Accreditation Forum’s complaints / appeals resolution procedure (www.iaf.nu).

3.6 Regardless of the outcome of any complaint, the complainant and the SGEC/PEFC Japan will each bear their own costs.

3.7 It is expected that any formally accepted complaint, not requiring an on-site investigation, should normally be resolved within 6 months.

4. Complaints and disputes acceptance

4.1 Procedures to deal with complaints and disputes are handled by the Secretariat of SGEC/PEFC Japan. The permanent contact point for complaints and disputes is set up

in the secretariat and made publicly available via the website of SGEC/PEFC Japan, etc. Versatile measures to access the points such as telephone, FAX, postal mails and e-mails) shall be available for accepting complaints and disputes.

4.2 All complaints and appeals shall be addressed in writing to the Secretary General of SGEC/PEFC Japan and shall include the following information:

- (1) Name of the complainant
- (2) Address of the complainant
- (3) Contact measures to the complainant
- (4) Description of the complaint or dispute
- (5) Events related to the complaint or dispute in chronological order

4.3 The Secretary General of SGEC/PEFC Japan decides on formal acceptance of the complaint provided that the complaint is in accordance with 3.1 and the supporting information is in accordance with 3.2 above.

4.4 The Secretary General of SGEC/PEFC Japan shall without delay:

- a) acknowledge to the complainant (in writing) the receipt, or rejection of acceptance with justification that it is not in accordance with clause 3.1
- b)) provide the complainant / appellant with details of the SGEC complaints and disputes procedures to ensure that they are clearly understood and refer the complainant / appellant to other parties responsible for resolving the matter as indicated in 3.3 – 3.5.

5. Process of investigation and resolution of complaints and disputes

5.1 SGEC/PEFC Japan shall deal with complaints and disputes in a faithful manner, hold accountability and thereby endeavor to create high credibility to the SGEC certification scheme.

5.2 In dealing with complaints and disputes, SGEC/PEFC Japan shall adequately handle personal information, and shall make effort to resolve them in a prompt, sincere and fair manner.

5.3 Auditors of SGEC/PEFC Japan are responsible persons in dealing with complaints and disputes. A working group to dealing with complaints consist of more than one experts shall be established under the direction of the auditors, and the working group shall investigate the complaints or disputes. The work of the working group is supported by the secretariat.

5.3.1 The working group defined above conducts investigation and deliberation with respect complaints and disputes related to SGEC/PEFC Japan. There shall be no

conflict of interest of members of the working group with respect to the complaint or dispute.

- 5.3.2** The working group shall propose corrective measures based on the thorough investigation. Auditors of SGEC/PEFC Japan shall formulate the report on deliberation by the working group within appropriate period. This report shall include verification and corrective/preventive measures on the complaint or dispute.

Note: Complaints or disputes which do not require on-site investigation shall be tried to conclude investigation by the working group within one month.

6. Approval of measures to be taken against complaints and disputes

- 6.1** Auditors of SGEC/PEFC Japan shall request approval of the report including corrective and preventive measures stipulated above by the Board of Directors.
- 6.2** The Secretary General shall inform the process to deal with the complaint or dispute including its corrective measures to the complainant and other relevant stakeholders.
- 6.3** The Secretary General shall record the process of the conflict or dispute resolution and report it to the Board of Directors, Auditors and the General Assembly of SGEC/PEFC Japan.

7. Termination of the complaints and disputes resolution process

- 7.1** The complaints and disputes resolution process terminates in either of the following case
- a) The complaint or dispute is resolved.
 - b) The complaint or dispute is recognized not be able to be resolved through the resolution process.
- 7.2** In case of b) above, the case of the complaint deems to be forwarded to the court in Japan as necessary.

Supplementary article

The next review of this standard shall be started on March 29th 2026 or before.

(end of the document)