

Direct Certification and Group Certification



**SWEDISH
PEFC STANDARD**
IN ENGLISH

Copyright notice

© PEFC Sweden

This standard is protected by copyright owned by PEFC Sweden. The document and its translations are freely available from the PEFC Sweden's website www.pefc.se or upon request.

No part of the document covered by the copyright may be changed or amended, reproduced or copied, in any form or by any means for commercial purposes without the permission of PEFC Sweden.

The official language of this is Swedish. If there are any inconsistencies between the Swedish version and the endorsed version in English the English version is the reference.

SLUTVER. MED MARKERINGAR 23-01-24

Document name: PEFC SWE 004:5 Direct Certification and Group Certification

Approved by: PEFC Sweden **Date:** 2022-12-05

Approved by: International PEFC **Date:**

Published: **Date:** 2023-01-16

Transition period: One year from **Date:**

Next periodic review: **Date:** 2027-12-05

Contents

1.	Introduction	4
2.	Scope	4
3.	Direct certification	4
3.1	Basic requirements at direct certification	5
3.2	Direct certification of forestry	5
3.2.2	Direct certification of forest owners	7
3.2.3	Direct certification of wood procurement organizations	7
3.3	Direct certification of contractors	7
4.	Group certification	7
4.1	Introduction	7
4.2	Basic requirements for umbrella organization	8
4.3	Responsibility of umbrella at group certification of forest owners	9
4.3.2	Special requirements at group certification of forest owners	10
4.3.3	Special requirements at group certification of wood procurement organizations	11
4.4	Responsibility of forest owners and wood procurement organizations at group certification	12
4.4.2	Responsibilities of affiliated forest owners	14
4.4.3	Responsibilities of affiliated wood procurement organizations	14
4.5	Responsibilities of the umbrella organization at group-certification of contractors	14
4.6	Responsibility of affiliated contractors at group certification	16
	Appendix 1. Nonconformities, corrective action, and termination regarding participants	17
	Appendix 2. Requirements on management systems of certified organizations	18

1. Introduction

The responsibility for meeting the requirements of the forestry standard falls upon the forest owner. To make it easier for the certified forest owner to comply with the standard's requirements, PEFC Sweden requires certification from the part of wood procurement organizations and contractors. This means that the implementation of individual operations within the forestry sector may be delegated to certified operator (wood procurement organization, contractor.)

Larger organizations are normally directly certified by a certification body. Forest owners, wood procurement organizations, and contractors have the possibility to affiliate with a group certification where a central entity, an umbrella organization, assists with expertise, administration, management, and follow-up of the participants.

The Swedish PEFC certification system is based on the use of management systems and therefore includes requirements for internal audits, which is the organization's own review to ensure that the business meets stipulated requirements. Depending on the type of certification, different requirements on management system and organization apply. Continual improvement work and continuous identification of nonconformities are cornerstones of the standard and certified organizations shall together aim for improvement of its implementation by informing each other about observed deficiencies.

2. Scope

The Swedish PEFC-system (TD V) refers to forest land, forestry business and forestry contract in Sweden. The standard consists of six parts which describe the system for PEFC-certification of forestry:

- PEFC SWE 001 PEFC's Certification System for Sustainable Forest Management in Sweden
- PEFC SWE 002 Forestry Standard
- PEFC SWE 003 Forestry Contractor Standard
- PEFC SWE 004 Direct Certification and Group certification
- PEFC SWE 005 Certification Bodies
- PEFC SWE 006 Notification of Certification Bodies

Terms and definitions are available in Appendix B in *PEFC SWE 001 PEFC's Certification System for Sustainable Forest Management in Sweden*.

The present document, *PEFC SWE 004 Direct Certification and Group Certification*, describes organizational requirements at direct certification and group certification of forest owners, wood procurement organizations and contractors.

3. Direct certification

Certified forest owners and wood procurement organizations performing operations on forest land of certified forest owners shall comply with *PEFC SWE 002 Forestry Standard* and applicable parts of *PEFC SWE 003 Forestry Contractor Standard*.

Certified contractors shall comply with the requirements in *PEFC SWE 003 Forestry Contractor Standard* and applicable parts of chapter 4 in *PEFC SWE 002 Forestry Standard*. At work on forest land of certified forest owners, applicable parts of *PEFC SWE 002 Forestry Standard* shall be complied with.

3.1 Basic requirements at direct certification

Directly certified organizations shall:

- 3.1.1** Conclude an agreement with accredited certification body on certification and on continuing to maintain the certification.
- 3.1.2** Comply with Swedish legislation relevant to forestry. Have access to relevant legislation, e.g., through "*Regelrätt skogsbruk*".
- 3.1.3** For own forestry business/contract business, commit to conform to applicable parts of the PEFC-standard and continuously work for a sustainable forest management. The commitment shall be public on the website of the certificate holder.
- 3.1.4** Appoint internal auditors that shall be well versed in the Swedish PEFC certification system for sustainable forest management. The auditors shall conduct an independent and impartial audit of the forestry business/contract business.
- 3.1.5** Annually implement and document the management review. The management review shall review and ensure the system's continued suitability, adequacy, and effectiveness.
- 3.1.6** After every completed certification audit that leads to a decision on certification according to PEFC, as well as after every re-certification when the certificate is prolonged, a public summary made by the certification body shall be published on the website of the certificate holder.
- 3.1.7** Certified organizations shall make public what PEFC-certificates that have been issued to the organization, as well as which certification body that has issued the certificates.
- 3.1.8** In cases where certified organizations have information which indicates major nonconformities with the standard on the part of another party, they shall inform the other party. A routine for the handling of such cases shall be in place.

3.2 Direct certification of forestry

Forestry certification is confirmed by means of a certificate issued by an accredited certification body after independent third-party audit. The forest owner/wood procurement organization is responsible for:

- 3.2.1.1** Implementing a conservation value assessment, in line with evaluated and described method, at planned felling on all certified holdings where a forest management plan is not yet prepared. In those cases where the conservation value assessment indicates that the area may fall within the framework of requirements for voluntary set-aside, any planned operations shall be suspended until it is ensured that this is not the case.
- 3.2.1.2** For own forestry business, apply the Swedish PEFC requirements for management systems in accordance with Appendix 2 and to comply with applicable parts of *PEFC SWE 002 Forestry Standard*.

- 3.2.1.3 For own forestry business, meet applicable requirements of *PEFC SWE 003 Forestry Contractor Standard*.
- 3.2.1.4 Provide all the information needed to meet the Swedish PEFC requirements to hired contractor or other contractor, by establishing a site-specific work instruction in accordance with Appendix 2 in *PEFC SWE 002 Forestry Standard*.
- 3.2.1.5 Verify that wood procurement organizations that are engaged have, or are covered by, valid PEFC-forest certificate.
- 3.2.1.6 Verify that contractor that is engaged has, or is covered by, valid PEFC-contractor certificate.
- 3.2.1.7 For the purpose of promoting youths' interest in the forest sector, school classes, or organizations with youth activities, may be hired for forestry measures. The measures shall meet the requirements regarding young peoples' work environment according to the Work Environment Authority's provisions. The compensation may amount to a maximum of one price base amount per client for each respective contractor and year. The compensation shall follow market conditions in relation to the specific measure.

The client shall ensure that current legislation and provisions for hiring young people, as well as the PEFC-standard, is complied with.

- 3.2.1.8 In the case of external request about the certification, information on nature conservation set-asides/implemented nature conservation measures within the holding or requested local geographic area, shall be made available. Information on the economic conditions of the holding, such as growth and timber volumes, is not public, neither are results from conservation value assessments or information on vulnerable species.
- 3.2.1.9 Forest owners with $\geq 5\,000$ hectares of productive forest land shall at external request make available information within requested local geographic area concerning the following:
- Description of current situation, objectives and management including a map/register
 - Areas with special conservation values
 - Excerpt from current record on ancient remains for the holding
 - Sites of special significance for reindeer herding that have been identified in collaboration with concerned Sami community
 - Areas that have been subject to burning and areas where burning is planned
 - Areas where forest fertilization is planned
 - Areas on the forest holding that are of great significance for recreation and outdoor life according to 4.1.1. in *PEFC SWE 002 Forestry Standard*.
- 3.2.1.10 A basis for a systematic work to reduce fossil carbon dioxide emissions is knowledge about current state. Wood procurement organizations shall therefore establish goals and action plan for the reduction of climate impact and establish a yearly calculation of fossil carbon dioxide emissions from completed harvesting. The calculation shall cover the total fossil emissions from harvester and skidder from own machinery and from contractors hired by the organization. The organization shall establish its own routine for the emissions calculation. The routine shall include the calculation model, as well as any templates and assumptions.

3.2.1.11 The organization shall identify what interested stakeholders that are relevant to the business and determine the interested stakeholders' relevant expectations on the business.

3.2.2 Direct certification of forest owners

A forestry certificate is issued to the forest owner.

3.2.2.1 The company's/forest owner's total forest holding under the same ownership, as well as any forestry business, shall form the basis for certification.

3.2.2.2 A forest management plan adapted to certification shall be in place within two years from the certification at the latest. The plan shall be designed and updated as appropriate to the scale, scope, and intensity of the business (Appendix 1, *PEFC SWE 002 Forestry Standard*).

3.2.3 Direct certification of wood procurement organizations

Concerns wood procurement organizations that are performing forestry operations on forest land of certified forest owners. A forestry certificate is issued to the wood procurement organization. The certification shall cover the entire wood procurement organization's forestry business.

3.3 Direct certification of contractors

Concerns contractor businesses or parts of contractor businesses that are performing forestry operations on forest land of certified forest owners. The contractor is responsible for complying with the requirements of *PEFC SWE 003 Forestry Contractor Standard* and applicable parts of chapter 4 Social requirements in *PEFC SWE 002 Forestry Standard*.

At work on forest land of certified forest owners, applicable parts of *PEFC SWE 002 Forestry Standard* shall be complied with. Contractor certification is confirmed by means of a certificate which is issued by an accredited certification body after independent third-party audit. The certificate is issued to the contractor business. Contractor certification requires that all employees and/or machinery used in the forest-related business form the basis for the certification.

3.3.1.1 For own contract business, apply PEFC Sweden's requirements on management system in accordance with Appendix 2.

4. Group certification

4.1 Introduction

Half of the Swedish forest land is owned by private individuals (family forestry). Characteristic to family forestry is that the size of forest holdings is generally small, which means that they have limited possibilities to take on the increased administration and increased costs which is associated with direct certification. The same is valid for smaller wood procurement organizations and contractors. To make it possible for forest owners, contractors, and wood procurement organizations to become certified, group certification through umbrella organizations has been elaborated within the framework of the Swedish system for PEFC-certification.

4.2 Basic requirements for umbrella organization

The certificate for the group is held by an umbrella organization which provides the participants with information and routines to ensure that the certification requirements are complied with. The umbrella organization commits, on behalf of its members, to comply with the requirements of the PEFC-standard. The certificate is issued by an accredited certification body after independent third-party audit. The umbrella organization conducts annually an internal audit of the umbrella administration and the participants in accordance with the requirements of this standard. A certified umbrella organization which holds a group certificate for forest owners, contractors, and/or wood procurement organizations, shall comply with the following requirements:

- 4.2.1.1 Approved registration of the company as legal person.
- 4.2.1.2 Responsible board of directors and executive management.
- 4.2.1.3 Statutes/articles of association with business area specified.
- 4.2.1.4 Agreement with accredited and notified certification body regarding certification and maintenance of the certification.
- 4.2.1.5 Comply with Swedish legislation of relevance to forestry. Have access to relevant legislation, e.g., through "*Regelrätt skogsbruk*".
- 4.2.1.6 Management system in accordance with Appendix 2, including necessary routines for handling and improvement of the group.
- 4.2.1.7 Commitment to comply with applicable parts of the PEFC-standard, to comply with 4.2.1.6, as well as that the umbrella organization and its members continuously work for a sustainable forest management. The umbrella organization shall, upon request, provide this commitment.
- 4.2.1.8 Umbrella organizations shall, upon request, provide information on whether a named group-affiliated forest owner, wood procurement organization or contractor possesses proof of certification or not. Entire records of group-certified forest owners are however not provided.
- 4.2.1.9 After every completed certification audit that leads to a decision on forestry certification or contractor certification according to PEFC, as well as after every re-certification when the certificate is prolonged, a public summary made by the certification body shall be published on the website of the certificate holder (umbrella organization).
- 4.2.1.10 Certified organizations shall make public what PEFC-certificates that have been issued to the organization as well as which certification body that has issued the certificates.
- 4.2.1.11 In cases where certified organisations have information which indicates major nonconformities with the standard on the part of another party, they shall inform the other party. A routine for the handling of such cases shall be in place.
- 4.2.1.12 The umbrella organization shall have a routine for the handling of participants' feedback on application of the PEFC-standard, and the routine shall include how the umbrella organization informs participants of this possibility.

- 4.2.1.13 The umbrella organization shall identify what interested stakeholders that are relevant to the business and determine the interested stakeholders' relevant expectations on the business.

4.3 Responsibility of umbrella at group certification of forest owners

The umbrella organization is responsible for:

- 4.3.1.1 Handling applications from forest owners/wood procurement organizations regarding forest certification in accordance with PEFC Sweden. The applications shall be examined and approved, and affiliation shall be confirmed by means of a signed agreement between the umbrella organization and the forest owner/wood procurement organization. All part-owners, or qualified representative with authorization or other verification, shall sign the agreement.
- 4.3.1.2 Making sure, prior to making an agreement, that the forest owner, or an authorized representative for the forest owner/wood procurement organization, is well informed of the contents of the agreement and that the business meets applicable requirements of the PEFC-standard. Routines for this control shall be elaborated by the umbrella organization.
- 4.3.1.3 Issuing proof of forest certification, with a period of validity of at least one year, to affiliated forest owners/wood procurement organizations.
- 4.3.1.4 Informing, on a regular basis, the forest owner/wood procurement organization, and/or authorized representative, about applicable requirements and suitable training, for these to be able to maintain their forest certification.
- 4.3.1.5 Controlling annually, through internal audit, that the business meets the requirements of the PEFC-standard. The audit shall cover both the umbrella organization and its participants. The arrangement of the audit for group certified forest owners and wood procurement organizations is described in the paragraphs 4.3.2 and 4.3.3.
- 4.3.1.6 Appointing internal auditors that shall be:
- Well versed in the Swedish PEFC certification system for sustainable forest management
 - Independent of the business subject to audit
 - Familiar with the conditions of forest owners'/wood procurement organizations' business
 - Qualified as regards environmental-, social and forestry-related issues
 - Have appropriate basic competence, e.g., via course approved by MIS (Environmental auditors in Sweden).
- 4.3.1.7 The umbrella organization shall analyse the outcome of internal and external audit and based on that, formulate necessary corrective action. Analysis and actions shall cover the entire group and be documented. The umbrella organization shall review the effectiveness of the actions.
- 4.3.1.8 Annual review of the umbrella organization's management system with the management to ensure the system's continued suitability, adequacy, and effectiveness. The management review shall review and approve the work of the umbrella organization in accordance with 4.3.1.7. The management review shall be documented.

- 4.3.1.9 Issuing nonconformities to group-certified forest owners/wood procurement organizations which do not comply with the requirements of the forestry standard and inform and advise to correct the shortcomings (see Appendix 1).

When handling nonconformities, the umbrella organization may, based on observations that affect other certified party, provide external feedback to that party. This is to prevent nonconformities and to strengthen PEFC as certification system.

- 4.3.1.10 In the case of major nonconformities, and if the forest owner/wood procurement organization is affiliated to more than one umbrella organization, observed nonconformity shall without delay be communicated to such other party.
- 4.3.1.11 Handling nonconformities identified in other umbrella organization for forest owners/wood procurement organizations that are affiliated to more than one umbrella organization.
- 4.3.1.12 The umbrella organization shall publish a summary of the outcome of the internal audit on its website.

4.3.2 Special requirements at group certification of forest owners

The umbrella organization shall at group certification of forest owners, in addition to the requirements in 4.3.1.1 – 4.3.1.12, also comply with the following:

- 4.3.2.1 Offer affiliated forest owners the possibility to order a forest management plan and, while awaiting the completion of a forest management plan, to have a conservation value assessment made. A forest management plan shall be in place within two years at the latest from the date a proof of certification was issued.
- 4.3.2.2 Inform affiliated forest owners about their responsibility to make sure that hired forestry contractors and/or wood procurement organizations are holders of contractor certificates and forestry certificates respectively.
- 4.3.2.3 Register and keep up to date relevant information on every affiliated forest owner, specified by:
- Property designation/-s
 - Name and address to forest owner/representative of the forest holding/-s
 - Date of entering into the agreement
 - Area of forest land
 - Compliance with the requirements of the PEFC standard, and preventive and/or corrective actions taken
- 4.3.2.4 Control that every forest holding under the same ownership of an affiliated forest owner, and associated forestry business, are covered by certification according to the PEFC-standard.
- 4.3.2.5 Reporting, on a regular basis, statistics to the PEFC Sweden, in accordance with specific instructions.
- 4.3.2.6 Routines for internal audit shall be elaborated and documented by the umbrella organization. The design shall be risk-based regarding the scope and complexity of the business. Previous results and experiences from completed internal audits shall be given special consideration.

In the case of internal audits based on random sample, the following apply:

- Participants with $\geq 50\,000$ ha of productive forest land shall be subject to internal audit every year.
- Participants with $\geq 5\,000$ ha, $< 50\,000$ ha of productive forest land shall be subject to internal audit at least once every fifth year.
- Among participants with $< 5\,000$ ha of productive forest land, at least 25% of the total sample shall be randomly chosen.

The total sample shall at least include numbers according to Table 1 and Figure 1 below.

Table 1. Functions for sample sizes

Interval	Function (n)
$0 < n \leq 100$	$0,2 \times n$
$100 < n \leq 500$	$16,25 + 0,0375 \times n$
$500 < n \leq 1000$	$20 + 0,03 \times n$
$1000 < n \leq 5000$	$37,5 + 0,0125 \times n$
$5000 < n \leq 10000$	100
$10000 < n$	\sqrt{n}

Where n is the number of proofs of certification in the group.

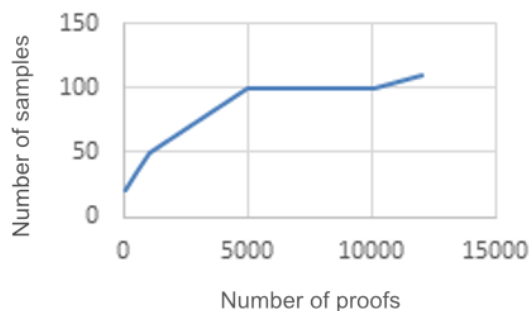


Figure 1. Sample size for different sizes of group certificates

4.3.3 Special requirements at group certification of wood procurement organizations

The umbrella organization shall at group certification of wood procurement organizations, in addition to the requirements in 4.3.1.1 -4.3.1.12, also comply with the following:

- 4.3.3.1 Offer group-certified wood procurement organizations training in performing conservation value assessments.

- 4.3.3.2 Offer, and/or refer affiliated wood procurement organizations to management systems to ensure forestry certification according to PEFC.
- 4.3.3.3 Inform affiliated wood procurement organizations about responsibility for control of contractor certificates or proof of contractor certification for hired contractors.
- 4.3.3.4 Register and keep up to date relevant information on every affiliated wood procurement organization, specified by:
 - Name of company
 - Organization number
 - Contact person
 - Address
 - Date of entering into the agreement
- 4.3.3.5 The umbrella organization shall show affiliated wood procurement organizations on its website.
- 4.3.3.6 Routines for internal audit shall be elaborated and documented by the umbrella organization. The design shall be risk-based regarding the scope and complexity of the business. Previous results and experiences from completed internal audits shall be given special consideration.
 - At least 30% of affiliated wood procurement organizations shall be subject to audit annually and during a three-year period, all affiliated organization shall have been subject to audit at least once.

4.4 Responsibility of forest owners and wood procurement organizations at group certification

The affiliated forest owner or wood procurement organization is, through the agreement, responsible for:

- 4.4.1.1 Complying with Swedish legislation of relevance to the forestry sector.
- 4.4.1.2 Complying with relevant parts of *PEFC SWE 002 Forestry Standard* and *PEFC SWE 003 Forestry Contractor Standard* and apply routines assigned by the umbrella organization.
- 4.4.1.3 At application, inform about any memberships in, and/or exclusions from other PEFC-group certificates.
- 4.4.1.4 On forest holdings where a forest management plan is lacking, a conservation value assessment made in accordance with evaluated and described method, shall form the basis for planned thinning and regeneration felling, and a plan for consideration to be shown shall precede all other measures. In cases where the conservation value assessment indicates that the area may fall within the framework of requirements for voluntary set-asides, any planned operations shall be suspended until it is ensured that this is not the case.
- 4.4.1.5 Only hire wood procurement organizations that have, or are covered by, valid PEFC-forest certificate.
- 4.4.1.6 Only hire contractors that have, or are covered by, valid contractor certificate.

4.4.1.7 For the purpose of promoting youths' interest in the forest sector, school classes, or organizations with youth activities, may be hired for forestry measures. The measures shall meet the requirements regarding young peoples' work environment according to the Work Environment Authority's provisions. The compensation may amount to a maximum of one price base amount per client for each respective contractor and year. The compensation shall follow market conditions in relation to the specific measure.

The client shall ensure that current legislation and provisions for hiring young people, as well as the PEFC-standard, is complied with.

4.4.1.8 Providing all information to hired wood procurement organization or forestry contractor or other contractors for work on forest land, for the Swedish PEFC requirements to be met, by means of establishing a site-specific work instruction (in accordance with Appendix 2 in *PEFC SWE 002 Forestry Standard*).

4.4.1.9 For own forestry business, meet applicable parts of *PEFC SWE 003 Forestry Contractor Standard*. Exempted are family businesses without employees in forestry business.

4.4.1.10 At collaboration between individual landowners on any of the landowners' holdings, provide special information, guidance, and surveillance to ensure that applicable parts of the standard requirements are met, as well as to follow up and document this.

4.4.1.11 Accepting that the umbrella organization and the certification body perform inspections of compliance with the requirements of the PEFC-standard. The umbrella organization, the certification body, and, where applicable, the PEFC Sweden or PEFC International, shall be given access to relevant documentation and information as well as access to relevant facilities.

4.4.1.12 Handling nonconformities and take corrective and preventive actions in accordance with instructions from the umbrella organization (see Appendix 1).

4.4.1.13 Inform the umbrella organisation about any major nonconformities with the PEFC-standard that have been issued by other umbrella organization.

4.4.1.14 In the case of external request about the certification, information on nature conservation set-asides/implemented nature conservation measures within the holding or requested local geographic area, shall be made available either directly or via the umbrella organization. Information on the economic conditions of the holding, such as growth and timber volumes, is not public, neither are results from conservation value assessments or information on vulnerable species.

4.4.1.15 Forest owners with $\geq 5\,000$ hectares of productive forest land shall at external request make available information within requested local geographic area concerning the following:

- Description of current situation, objectives and management including a map/register.
- Areas with special conservation values.
- Excerpt from current record on ancient remains for the holding.
- Sites of special significance for reindeer herding that have been identified in collaboration with concerned Sami community.
- Areas that have been subject to burning and areas where burning is planned.
- Areas where forest fertilization is planned.

- Areas on the forest holding that are of great significance for recreation and outdoor life according to 4.1.1. in *PEFC SWE 002 Forestry Standard*.

4.4.2 Responsibilities of affiliated forest owners

For group-certified forest owners, in addition to the requirements in 4.4.1-4.4.1.16, the following apply:

- 4.4.2.1 A forest owner's total forest holding under the same ownership shall form the basis for certification.
- 4.4.2.2 For holdings of 20 ha of productive forest land or more, a forest management plan (according to Appendix 1, *PEFC SWE 002 Forestry Standard*) shall be demonstrated to the umbrella organisation within two years.
- 4.4.2.3 For holdings smaller than 20 ha of productive forest land, an overview map of protected areas, key-habitats, and sites with conservation values, as well as ancient- and cultural remains registered by concerned authority, shall be demonstrated.
- 4.4.2.4 Inform the umbrella organization in case of any changes in area or ownership that affect the certification.
- 4.4.2.5 Make a special agreement about the PEFC-requirements at the selling of standing timber or at felling commissions.

4.4.3 Responsibilities of affiliated wood procurement organizations

- 4.4.3.1 The entire wood procurement organization shall be covered by the certification.
- 4.4.3.2 Inform the umbrella organization about changes in the business that are of relevance to the certification.
- 4.4.3.3 Group-certified wood procurement organization shall, in addition to the requirements in 4.4.1-4.4.1.16, meet the requirements on management system as specified by the umbrella organization.
- 4.4.3.4 A basis for a systematic work to reduce fossil carbon dioxide emissions is knowledge about current state. Wood procurement organizations shall therefore establish goals and action plan for the reduction of climate impact and establish a yearly calculation of fossil carbon dioxide emissions from completed harvesting. The calculation shall cover the total fossil emissions from harvester and skidder from own machinery and from contractors hired by the organization. The organization shall establish its own documented routine for the emissions calculation. The routine shall include the calculation model, as well as any templates and assumptions.

4.5 Responsibilities of the umbrella organization at group-certification of contractors

The umbrella organisation is, within its business, responsible for:

- 4.5.1.1 Handling applications for forestry contractor certification in accordance with PEFC Sweden.
- 4.5.1.2 Making sure, prior to signing an agreement, that the contractor is well informed about the contents of the agreement and what it takes to comply with the Swedish PEFC standard.
- 4.5.1.3 Signing agreement on group certification. The agreement shall be valid for at least one year.

- 4.5.1.4 Informing, on a regular basis, the contractor about applicable requirements and suitable training, for the contractor to maintain the contractor certification.
- 4.5.1.5 Offering and/or directing affiliated contractors to routines in support of compliance with PEFC-requirements.
- 4.5.1.6 When the contractor complies with all requirements of the PEFC-standard that are applicable to the business, confirm this by issuing a proof of group certification according to PEFC.
- 4.5.1.7 A procedure for the affiliation process shall be elaborated by the umbrella organization.
- 4.5.1.8 Registering and keeping up to date information on affiliated contractors that form part of the group for contractor certification, specified by:
- Name of company
 - Organization number
 - Contact person
 - Address
 - Date of entering into the agreement
 - Information on what main category the contractor belongs to
- 4.5.1.9 The umbrella organization shall show affiliated contractors, and information on what main category they belong to, on its website. Entire lists of group-certified contractors need not be handed out.
- 4.5.1.10 Requesting answers from the contractors' annual self-assessments and following up of the results.
- 4.5.1.11 Controlling annually through internal audit that the business meets the requirements according to *PEFC SWE 003 Forestry Contractor Standard*. The audit shall cover both the umbrella organization and its participants. Routines for internal audit shall be elaborated and documented. The design shall be risk-based regarding the scope and complexity of the business. Previous results and experiences from completed internal audits and evaluation of the annual self-assessment, shall be given special consideration. When random sampling is used, the following apply:
- The sample shall be chosen randomly to ensure that the result is valid for the group.
 - At least 10% of the affiliated contractor companies in each affiliated category shall be subject to audit annually.
- 4.5.1.12 Appointing internal auditors that shall be:
- Well versed in the Swedish PEFC forest certification system for sustainable forest management
 - Independent of the area audited
 - Familiar with the conditions of forestry contractors' business
 - Qualified as regards environmental-, social and forestry-related issues
 - Appropriate basic qualification is e.g., a course approved by *MIS* (Environmental auditors in Sweden).

- 4.5.1.13 The umbrella organization shall analyse the outcome from internal and external audit, and based on that, formulate necessary corrective actions. The analysis and actions shall include the entire group and be documented. The umbrella organization shall review the effectiveness of the actions.
- 4.3.1.14 Annual review of the umbrella organization's management system with the management to ensure the system's continued suitability, adequacy, and effectiveness. The management review shall review and approve the work of the umbrella organization in accordance with 4.5.1.13. The management review shall be documented.
- 4.5.1.15 Issuing nonconformities to contractors that are not meeting the requirements of the contractor standard and inform and advise to correct the shortcomings (see Appendix 1).

When handling nonconformities, the umbrella organization may, based on observations that affect other certified party, provide external feedback to that party. This is to prevent nonconformities within the umbrella organization and to strengthen PEFC as certification system.

- 4.5.1.16 The umbrella organization shall publish a summary of the outcome of the internal audit on its website.

4.6 Responsibility of affiliated contractors at group certification

The affiliated contractor is through the agreement responsible for:

- 4.6.1.1 Meeting the requirements of *PEFC SWE 003 Forestry Contractor Standard*, as well as applicable parts of chapter 4 Social requirements in *PEFC SWE 002 Forestry Standard*.
- 4.6.1.2 At work on forest land of certified forest owners, applicable parts of *PEFC SWE 002 Forestry Standard* shall be complied with.
- 4.6.1.3 Contractor certification requires that all employees and/or machinery in the forest-related business form the basis for certification.

Appendix 1. Nonconformities, corrective action, and termination regarding participants

The instructions below describe how nonconformities, corrective action, and termination shall be handled regarding group-certified forest owners, wood procurement organizations and forestry contractors.

Handling of nonconformities is an important part of improvement work of participants. The umbrella organization determines that nonconformity with the standard is at hand.

Instructions

- *Observation*: Remark which if not corrected may lead to a nonconformity.
- *Minor nonconformity*: Nonconformity with applicable standard/management system routines which does not imply any significant risk of negative environmental- and/or effects on production, impairment of work environment, or function and efficiency of the management system.
 - *Action*: Written information to the participant regarding the nonconformity with requirement for corrective action. The action is followed-up by the umbrella. Recurring or not corrected minor nonconformities lead to major nonconformity.
- *Major nonconformity*: Nonconformity with applicable standard/system routines which imply significant risk of negative environmental- and/or effects on production, impairment of work environment, or function and efficiency of the management system.
 - *Action*: Information to the participant regarding the nonconformity with requirement for corrective action. The umbrella organization is responsible for seeing to it that a causal analysis and action plan is made, either by the umbrella or by the participant. The action is followed-up by the umbrella. If corrective action is not taken within the agreed period, there are reasons for termination.

The umbrella organisation shall document the nonconformities.

Termination

Termination shall be approved by the umbrella organization, after probation of the grounds for termination. Ground for termination is not corrected major nonconformity or if the participant in any other way has grossly disregarded its obligations. The participant shall be notified in writing about termination of group certification. Any party whose agreement on group certification has been terminated may request that probation is made in accordance with the Swedish PEFC routines for dispute settlement (chapter 13, *PEFC SWE 001 PEFC's Certification System for Sustainable Forest Management in Sweden*).

In the case of termination grounded on major nonconformity where evidence for corrected nonconformity cannot be demonstrated, a forest owner that has been terminated may not be affiliated to any umbrella organization for group-certification according to PEFC within 12 months from termination.

The umbrella organization shall establish routines for nonconformities, terminations, and re-affiliations.

Appendix 2. Requirements on management systems of certified organizations

Chapter	Management system requirements group	Management system requirements direct
Terms and definitions	Definitions for the Swedish PEFC-standard in <i>PEFC SWE 001 PEFC's Certification System for Sustainable Forest Management in Sweden</i> , Appendix B.	
Context of the organization	<p>Scope</p> <p>Applicability for and delimitations of the umbrella organization's/organization's management system shall be determined and documented.</p> <p>Group certification and its conditions are described in <i>PEFC SWE 004</i>, chapter 4, and definitions in <i>PEFC SWE 001</i>, Appendix B.</p>	<p>Scope</p> <p>Applicability for and delimitations of the organization's management system shall be determined and documented.</p> <p>Requirements for direct certification in <i>PEFC SWE 004 Direct Certification and Group Certification</i>, chapter 3, and definitions in <i>PEFC SWE 001</i>, Appendix B.</p>
Leadership	<p>The umbrella organization shall design its business and provide the group members with information and procedures to secure compliance with the standard. If nonconformities occur, the umbrella organization is responsible for the handling of nonconformities. Measuring and evaluation of compliance with the standard is made by means of the umbrella organization conducting annual internal audit of the umbrella organization and its participants.</p> <p><i>The umbrella organization shall run its business in accordance with PEFC SWE 004 (chapters 4.2, 4.4 and 4.5).</i></p> <p><i>The responsibility of participants in PEFC SWE 004 (chapters 4.4, 4.6 and for contractors also in PEFC SWE 003).</i></p>	<p>The organization shall define the roles and responsibilities that are of relevance for the business compliance with the PEFC-standard.</p> <p><i>Requirements for direct certification in PEFC SWE 004, chapter 3.</i></p>

Planning	Planning Changes in the umbrella organization's management system shall be considered in the handling of the group.	
	Risks and opportunities The organization shall, in relation to frequency and scope of the measures, consider risks and opportunities for compliance with the PEFC-standard.	
	Legality, health, and security <i>Requirements regarding legality, health and security are to be found in chapter 4 in PEFC SWE 002.</i>	
Support	Resources The organization shall determine and allocate the resources needed to introduce, maintain, and continuously improve the certified business.	
	External communication The organization shall have routines for: <ul style="list-style-type: none"> • information on certified status, • trademark usage, • public summary of issued audit reports, and • handling of feedback/complaints. 	
	Document management The organization shall maintain routines for identification, maintenance, filing, confidentiality, and usage of the governing and reporting documents that are necessary to the certified business.	
	Disputes <i>Handling of disputes and complaints in chapter 13, PEFC SWE 001.</i>	
	Qualifications It is central to the PEFC-system that all actors in the PEFC-certified forestry have adequate competence. <i>Requirements on competence in PEFC SWE 002.</i>	
Operation	PEFC-certified forestry The umbrella organization shall define the processes needed for the operation to be run in accordance with the requirements of the PEFC-standard. The organization is	PEFC-certified forestry The organization shall apply the requirements for forestry described in <i>PEFC SWE 002 Forestry Standard</i>

	<p>responsible for planning and implementation of these in the operation. The organization shall verify that these processes are observed and that decided changes are incorporated. The control shall be adjusted so that defined processes and compliance with the requirements of the PEFC-standard can be followed up. Processes and implemented control shall be documented.</p> <p><i>Requirements for forestry and contractor businesses in PEFC SWE 002 and PEFC SWE 003.</i></p>	<p>and in <i>PEFC SWE 003 Contractor Standard</i>.</p>
Performance evaluation	<p>The umbrella organization shall annually implement an internal audit of the umbrella organization and its participants to measure and evaluate compliance with the PEFC-standard. The umbrella organization shall define the procedure for the internal audit. This includes to define how the internal audit is planned, implemented, and evaluated, as well as associated documentation of completed audit.</p> <p><i>Measuring/monitoring and internal audit, management review is described in PEFC SWE 004, chapter 4.</i></p>	<p>The organization shall annually conduct an internal audit of the business and its management system to measure and evaluate compliance with the PEFC-standard, the suitability, adequacy, and effectiveness of the management system. The umbrella organization shall define the procedure for the internal audit and, where applicable, associated samples. This includes to define how the internal audit is planned, implemented, and evaluated, as well as associated documentation of completed audit. The outcome of the internal audit shall be analysed and evaluated to provide a basis for governing of the business.</p> <p><i>Basic requirements for direct certification in PEFC SWE 004, chapter 3.1.</i></p>
	<p>Management review</p> <p>The management review shall be implemented annually and aims at reviewing and securing the umbrella organization's/organization's work with auditing and continuously improve the business and its management system. At the management review, the following issues shall be covered:</p> <ul style="list-style-type: none"> • Follow up of previous year's review 	

	<ul style="list-style-type: none"> • Changes of significance for the business and associated management system • Outcome of internal and external audit as well as associated analysis • Handling of nonconformities within the business • Corrective action for the business to be run in accordance with requirements of the PEFC-standard. <p>At the management review, the management shall ensure the continued suitability, adequacy, and effectiveness of the system. The management review shall be documented.</p>
--	---