SGEC Standard Document 3-1
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SGEC Group Forest Certification - Requirements

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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
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”

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

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