

Requirements for group certification of sustainable forest management



PEFC
Normative document

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Contents:

1. INTRODUCTION.....	4
2. SCOPE	4
3. REFERENCES.....	4
4. DEFINITIONS.....	4
5. REQUIREMENTS FOR THE GROUP ENTITY.....	5
5.1 FORMAL REQUIREMENTS FOR THE GROUP ENTITY	5
5.2 MINIMUM MANAGEMENT SYSTEM REQUIREMENTS	5
5.3 THE GROUP ENTITY'S ACTIVITIES	5
5.4 AGREEMENT ON PARTICIPATION IN GROUP CERTIFICATION.....	7
5.5 DOCUMENT CONTROL.....	7
5.6 INTERNAL AUDIT.....	8
5.7 MANAGEMENT CONTROL	9
5.8 TERMINATION OF AGREEMENT ON PARTICIPATION IN GROUP CERTIFICATION.....	9
5.9 SUSPENSION AND WITHDRAWAL OF AGREEMENT ON PARTICIPATION IN GROUP CERTIFICATION.....	9
6. REQUIREMENTS FOR GROUP MEMBERS INCLUDED IN A GROUP CERTIFICATION	9
6.1 TERMINATION OF AGREEMENT	10
6.2 REVIEW OF SUSPENSION AND WITHDRAWAL OF AGREEMENTS	10
ANNEX 1 – GUIDANCE ON HANDLING OBSERVATIONS AND NON-CONFORMANCES IN RESPECT OF PEFC DENMARK'S FOREST MANAGEMENT STANDARD – PEFC DK 001-4.....	11
ANNEX 2 – EXAMPLE OF FILING RULES	13

1. Introduction

This document is a part of the Danish PEFC certification system for sustainable forest management (referred to below as “the Danish scheme”). The requirements are normative for group entities who administer group certification of forest owners in Denmark pursuant to the Danish scheme.

The rationale for group certification is to spread the cost of certification over a group of forest owners for whom the cost of individual certification might otherwise be disproportionate to the benefits. The premise for this cost reduction is that only a certain percentage of the forest area subject to the group certification needs to be audited each year by the certification body. The group entity also has the opportunity to provide advice and otherwise ensure compliance with requirements, which makes group certification attractive to smaller properties without independent forest management.

Administration, policy and planning of relevance to the entire group can be organised by the group entity.

This document replaces *PEFC Denmark’s Requirements for group certification of sustainable forest management – PEFC DK 003-4*.

2. Scope

This document defines requirements for group entities, as well as the forest properties that participate in a group certification pursuant to the Danish scheme.

3. References

PEFC Denmark’s Forest Management Standard – PEFC DK 001-4
Terms and definitions – PEFC DK 007-3

4. Definitions

Definitions given in *Terms and definitions – PEFC DK 007-3* are used for the purposes of this standard. However, it highlights:

Group organisation: 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.

Group entity: An organisation that organises and manages group certification of forest properties pursuant to the Danish PEFC scheme. The group entity represents all the group members in the group in relation to the certification body and is responsible for ensuring compliance with PEFC Denmark’s requirements.

Group members: Forest properties that have signed a written agreement with a group entity on participation in a group certification and are prepared to comply with the requirements in the Danish PEFC scheme.

5. Requirements for the group entity

5.1 Formal requirements for the group entity

For an enterprise to be designated as a group entity, it shall:

- Be registered as a legal entity
- Have a day-to-day management

The group entity shall ensure that decisions on the inclusion of group members in the group and conducting the internal audit are carried out by a forest management expert with professional expertise in forest management and the environmental impact of forest management and three years of practical experience with Danish forest management.

Note: Professional expertise in forest management and the environmental impact of forest management can be documented by staff who have relevant training and professional experience in forest management in relation to forest management. Master of Forestry, Forest and Landscape Engineer, Biologist, Forest technician or similar are all potentially relevant programmes.

5.2 Minimum management system requirements

PEFC certification of group entities requires the use of a management system. The system shall at least be able to handle and manage the routine and documentation requirements imposed on the group entity in this document.

It shall be demonstrated that the enterprise has established a management system in accordance with this standard (sections 5.3 – 5.9) and that all group members meet the requirements of PEFC Denmark's Forest Management Standard – PEFC DK 001-4. The enterprise is also committed to continuously improve and evaluate the management system based on the results of an ongoing internal monitoring programme and ensuring that the members of the group continuously improve their forest management.

The enterprise shall be capable of demonstrating its ability to collect and analyse data from all group members, including the enterprise's authority and ability to initiate changes among individual group members if necessary.

The group entity shall have a described organisational structure and commitment in relation to their enterprise as a group administrator; in the form of an organisation chart, for example. The group entity shall define and communicate roles, procedures, rights and duties in the work of a group entity. If a group organisation plans any changes in the group management system, these changes shall be included in a group management plan. The group entity is obliged, upon request, to publish the group's general policy in relation to group members' obligations.

The management shall ensure sufficient resources are available to allow the work to be carried out.

5.3 The group entity's activities

Group entities organise and manage group certification of forest properties and shall perform the following functions in that respect:

1. The group entity shall provide a commitment to comply with *PEFC Denmark's Forest Management Standard PEFC DK 001-4*, and other applicable requirements of the certification system and to integrate the group certification requirements PEFC DK 003-5 in the group management system;
The commitment of the group entity may be part of a group management policy and shall be publicly available as documented information upon request.

2. Consider and approve requests from forest owners wishing to participate in PEFC group certification
3. Ensure that all applicants receive the information and guidance necessary to meet the requirements in *PEFC Denmark's Forest Management Standard – PEFC DK 001-4*
4. Regularly notify group members about changes to *PEFC Denmark's Forest Management Standard PEFC DK 001-4*
5. Use a contractual obligation and control to ensure that management of group members' forests meets the requirements in *PEFC Denmark's Forest Management Standard – PEFC DK 001-4*
6. If the group entity sells raw wood from group members, a description of this procedure shall be provided which indicates the division of responsibilities between the parties. A certified PEFC chain of custody system shall be in place if a group entity acts as a trader of forest based material not covered by group certificate
7. Develop and implement an annual internal audit programme for group members, as well as the group entity's own central administrative function prior to the assessment by the certification body
8. Based on the results of the internal and external audits, analyze non-conformance in order to determine possible causes and to initiate corrective and preventive measures in the event of identified non-conformances in the associated forests and the group entity's administrative system. The analyses and effectiveness of corrective and preventive measures is subsequently evaluated and retained
9. Collect comments received from external parties, which are passed on uncensored to the certification body in the case of external audits
10. Identification of relevant stakeholders and their legitimate needs and expectations in relation to the group management system.
11. Submit a summary of the plan for the forest property in question upon request: see *PEFC Denmark's Forest Management Standard – PEFC DK 001-4*, section 7.5, which includes the minimum management objective as defined in section 5.1 of *PEFC Denmark's Forest Management Standard – PEFC DK 001-4*. Confidential business and personal data may be omitted in the summary. Similarly, other information may be omitted in order to protect cultural values or delicate habitats
12. Provide full co-operation and assistance in responding effectively to all requests from the certification body, accreditation body, PEFC International or PEFC Denmark for relevant data, documentation or other information; allowing access to the forest area covered by the group organisation and other facilities, whether in connection with formal audits or reviews or otherwise related or with implications for the management system
13. Regularly notify the certification body and PEFC Denmark in writing of issued, terminated, suspended and withdrawn group memberships
14. Represent the group organisation 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
15. Establish procedures and mechanisms for resolving complaints and disputes to group management and sustainable forest management operations and for suspension and withdrawal of agreements
16. Maintain a register of certified forest properties, containing the following information for each individual group member:
 - Name of the forest property
 - The legal owner's name and address

- Name of a contact person
- Email (contact person)
- Date of group membership
- Membership expiry date
- Membership number
- Certified area

If accepted by the individual group members, it is possible for the group entity to establish a policy and objectives for forest management as required in section 7.5 of *PEFC Denmark's Forest Management Standard – PEFC DK 001-4*, applicable in general to the members of a group.

5.4 Agreement on participation in group certification

For each group member, there shall be a written agreement between the forest owner (or an authorised representative of the forest owner) and the group entity to participate in group certification, thereby ensuring an organisational or contractual obligation to comply with *PEFC Denmark's Forest Management Standard – PEFC DK 001-4*. The following matters shall be observed in connection with the agreement:

1. The agreement shall be signed by the forest owner or an authorised representative of the forest owner
2. The group member shall be in possession of information that indicates what certification involves
3. The group member shall undertake to comply with Danish legislation of significance to forest management, *PEFC Denmark's Forest Management Standard – PEFC DK 001-4*, and follow the group entity's other instructions in order to maintain membership of the group
4. The agreement shall be valid for at least one year
5. The agreement shall describe rights for the group entity to exclude the group member from participation in the group certification in the event of repeated major non-conformances in respect of *PEFC Denmark's Forest Management Standard – PEFC DK 001-4*
6. The group entity shall collect information from the group member at appropriate intervals concerning matters relating to the management of the forest. This information shall be collected before renewal of the agreement, as a minimum
7. The group member shall agree to third-party inspections
8. Two copies of the agreement are compiled; one for the group member and one for the group entity

The group entity may impose requirements for participation in the group other than those set out in this standard and in *PEFC Denmark's Forest Management Standard – PEFC DK 001-4*.

5.5 Monitoring, measurement, analysis and evaluation

The group entity shall initiate and maintain procedures to control all documents and records required according to this standard so that including determining the information to be included in the audit as well as methods of monitoring, measurement and evaluation, where appropriate, to ensure valid results; and when these shall be assessed and analyzed so that:

- a) They can be located
- b) They are reviewed periodically and updated by an employee designated for the purpose, if necessary

- c) The current version of relevant documents is available in all locations where operations essential to the functioning of the system are performed
- d) The storage is done so that they can not be compromised or misused

The documents shall be readily legible, dated (with update dates) and easily recognisable. Procedures and responsibilities shall be established and maintained, taking into account the creation and amendment of various documents.

The following procedures/routines shall be described as a minimum:

- Conclusion of agreements on participation in group certification (membership of the group)
- Guidelines for obtaining documentation from group members as required in *PEFC Denmark's Forest Management Standard – PEFC DK 001-4*, section 7.5
- Procedure in connection with the transfer of forest properties or parts of forest properties
- Termination of an agreement on participation in the group
- Collection of comments received from external parties
- Planning and implementation of internal audits
- Dealing with non-conformances and corrective measures (Annex 1)
- Document management and filing, including a register of group members, as required in section 5.3, regular reporting of new agreements to PEFC Denmark and filing of documents that are or may be of significance to the implementation of certification (see the example in *Annex 2 – Example of filing rules*)
- Other routines of significance to administration of group certification

5.6 Internal audit

Of the management system:

The group entity shall conduct internal audits of their own management system at least once a year, covering all the requirements in these guidelines, as well as implementing corrective and preventive measures if required. The management review shall evaluate the group management performance and the effectiveness of the group management system and at least include:

- Changes in external and internal issues
- Trends in nonconformities and corrective actions
- Audit results

The group entity shall determine documentation for the internal audit.

Of the group members:

The group entity shall conduct internal audits of group members at least once a year to make it likely that the individual group members will meet the requirements of *PEFC Denmark's Forest Management Standard – PEFC DK 001-4*. If a pre-existing organization is implementing an internal audit system, it should report annually to the group entity.

The internal audit may be based on a sample of group members. The group entity shall establish a sampling strategy so that at least the square root of the number of group members is included in each internal audit. The minimum number of group members included in the internal audit may be changed if this can be verified on the basis of a risk assessment that takes into account defined risks among the members of the group. At least 25% of the sample shall be selected at random. These factors, if relevant, should reflect the sample size for the possible different samples and the distribution to the categories. The group entity shall define, which factors to be considered in constituting risklevel and shall have a procedure for how the sample for internal audit is taken and how risk is included.

The following shall be taken into account when planning the internal audits and selecting group members in this context:

- Results from previous internal and external audits
- Comments received
- Variation in the size of forest properties
- Geographical distribution
- Seasonal variations

- Other risk factors
- The forest's association with the group in general
- Internal audit shall not be performed by the day-to-day operations manager
- The internal audit procedures of the pre-existing organisation

The reports from the internal audits shall be reviewed annually by the senior management at the enterprise.

Note: "The forest's association with the group in general" means that if the forest is associated with the group in another way, e.g. if the group entity carries out day-to-day administration of the forest property, this will normally lead to lower intensity in regard to selection for internal audits than if the forest property's only association with the group is its certification.

5.7 Management control

The enterprise's management shall review compliance with the applicable requirements from PEFC Denmark at least once a year.

5.8 Termination of agreement on participation in group certification

The group entity may terminate the agreement on participation in the group in writing at any time during the period of validity. The termination shall take effect from the date indicated in the written agreement, but no earlier than the date on which the forest owner receives the written termination.

The group entity shall notify the certification body and PEFC Denmark of terminated agreements.

5.9 Suspension and withdrawal of agreement on participation in group certification

The group entity may suspend or withdraw the agreement on participation in group certification if there is a confirmed reason to believe that membership is being misused or if major non-conformances in respect of *PEFC Denmark's Forest Management Standard – PEFC DK 001-4* are found that are not followed up. The group entity shall establish procedures and mechanisms for resolving complaints and disputes to group management and sustainable forest management operations and for suspension and withdrawal of agreements. Guidance on handling non-conformances is provided in *Annex 1 – Guidance on handling observations and non-conformances in respect of PEFC Denmark's Forest Management Standard – PEFC DK 001-4*

The group member shall be notified in writing of the suspension or withdrawal of the agreement.

The group entity shall immediately notify the certification body and PEFC Denmark of suspended and withdrawn group memberships.

The group entity shall maintain a register of suspended and withdrawn memberships.

Group members who have had their memberships withdrawn cannot be admitted to a group scheme within 12 months.

6. Requirements for group members included in a group certification

All owners of forest properties may apply for group certification under a group if they meet the group entity's requirements for participation in the group. A written agreement shall be concluded on participation in group certification.

As a basis, all the certifiable area of a forest property shall be included in the agreement.

By signing the agreement with the group entity, the group member undertakes to accept and comply with the following obligations as a minimum:

- 1) *PEFC Denmark's Forest Management Standard – PEFC DK 001-4*
- 2) Relevant legislation and provisions regulating forest management in Denmark
- 3) Control in the form of internal audits performed by the group entity and, where appropriate, third-party audits performed by a certification body
- 4) Responding effectively to all requests for relevant data, documents or other information from the group entity or certification body; allowing access to the forest area covered by the group organisation and other facilities whether in connection with formal audits, reviews or otherwise
- 5) Providing full cooperation and assistance with a view to satisfactory completion of internal audits, reviews, relevant routine questions or corrective measures
- 6) Implementation of relevant corrective and preventive measures established by the group entity
- 7) Upon request from stakeholders, the group entity must provide a summary of the forest property's plan – see *PEFC Denmark's Forest Management Standard – PEFC DK 001-4*, section 7.5 – which includes as a minimum the management objective defined in section 7.5.1.
- 8) Informing all group entities/the certification body with which the forest is certified in the event of participation in several PEFC groups or maintenance of an individual PEFC certificate
- 9) When participating in several groups or maintaining an individual PEFC certificate, all non-conformances identified during internal/external audits shall be reported to the other group entities/the certification body with which the forest is certified
- 10) Informing the group entity about previous group participation

6.1 Termination of agreement

The owner may terminate the agreement on participation in the group in writing at any time during the period of validity. Termination shall take effect from the time at which the group entity receives the written termination.

6.2 Review of suspension and withdrawal of agreements

Forest owners whose agreements have been suspended or withdrawn may appeal to the certification body with a request for the termination to be reviewed.

Annex 1 – Guidance on handling observations and non-conformances in respect of *PEFC Denmark's Forest Management Standard – PEFC DK 001-4*

The purpose of this guidance is to clarify which corrective measures can be implemented in respect of group-certified forest owners in the event of non-conformances in respect of *PEFC Denmark's Forest Management Standard – PEFC DK 001-4*.

Requirements:

Observations and non-conformances in respect of *PEFC Denmark's Forest Management Standard – PEFC DK 001-4* for certified forest owners participating in a group certification shall be noted by both internal and external audits in the group.

Corrective measures cannot be demanded for non-conformances due to circumstances beyond the control of the forest owner themselves, such as actions by the group entity, consequences of expropriations or military exercises, etc.

Guidance

It is generally necessary for the group entity to bear in mind that forests are biological systems that evolve slowly, and that they are production sites that are replaced only at 50 to 150-year intervals. Moreover, the specific soil and climate conditions, as well as the specific vegetation conditions, play an absolutely crucial part in what constitutes reasonable measures in forest management.

Forest management shall be assessed on the basis of the following:

- The general guidelines for forest management – *PEFC Denmark's Forest Management Standard – PEFC DK 001-4*, section 6
- The specific criteria and indicators for sustainable forest management – *PEFC Denmark's Forest Management Standard – PEFC DK 001-4*, section 7
- The individual objectives described for the property in question

In instances where a forest property is developing in an inappropriate direction in one or more areas, the audit report compiled shall assess whether this development is explicable and acceptable in relation to the specific situation at the property.

Observations and non-conformances shall be defined and handled as follows:

1. Observations

Observations are conditions recorded on the property that may develop into non-conformances in the long term.

2. Minor non-conformance

A minor non-conformance is a non-conformance resulting in an indicator developing in a decidedly negative direction, or where there are management conditions that are problematic in relation to the Forest Management Standard in general, or where previous observations have not been dealt with adequately.

Whether the non-conformance is reasonably justified by special circumstances at the property is assessed. Non-conformances shall be indicated in the audit report.

If the non-conformance cannot be justified as stated, this is pointed out to the owner in writing and the owner is ordered in writing to implement a corrective measure. Depending on the nature of the non-

conformance, the group entity may define a time limit for the corrective measure, which may be at the time of the next follow-up audit at the latest – but within no more than one year.

The minor non-conformance will be upgraded to a major non-conformance if corrective measures for a minor non-conformance are not followed up within the specified time limit.

3. Major non-conformance

A major non-conformance is where the group entity identifies forest management that significantly breaches the foundation and content of *PEFC Denmark's Forest Management Standard – PEFC DK 001-4*, or where previous requirements relating to corrective measures/non-conformances have not been followed up

The group entity cannot issue a membership if a major non-conformance is found in connection with admission to the group and the situation is not reasonably justified.

Non-conformances shall be indicated in the audit report.

If the non-conformance is identified after the membership has been issued, the group entity shall require corrective action from the group member with a time limit of a maximum of three months. In the event of repeated non-conformances, the group entity shall suspend membership until the corrective measure has been implemented.

There is a basis for withdrawal of the membership agreement if the corrective measures are not implemented or the non-conformance is considered to be in direct contravention of *PEFC Denmark's Forest Management Standard – PEFC DK 001-4*. The group member shall be notified in writing of the existence of the condition for withdrawal of the agreement on participation in the group. For example, the condition for withdrawal of a membership could involve failure to follow up on identified non-conformances, failure to cooperate with the planning and implementation of audits, or activities or allegations that could harm the reputation of PEFC Denmark or the certification body. The forest owner is asked to explain the conditions open to criticism within two months. If the explanation is considered unsatisfactory, the certification agreement shall be withdrawn by submission of written notification to the group member.

Group members who have had their memberships withdrawn due to non-conformances cannot be included in a group scheme within 12 months. A participant who was excluded from a group certification 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.

Annex 2 – Example of filing rules

Filing rules are defined for all documents that are of significance to the implementation of certification, internal control, handling of non-conformances and termination of certificates.

The filing method shall be compliant with reasonable security requirements.

Document:	Filing time:
Articles of association	One year after amendment
Register of group members in the group	Regular updates
Copy of PEFC certification agreements	Two years after termination of the agreement
Guidance documents for monitoring and control	Two years
Routines for registration of natural amenities, etc.	Two years
Reports of non-conformances and corrective measures	Two years
Termination of memberships	Five years
Audit plans, internal and external audits	Two years