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PEFC's Annual Activity Report to the European Commission - 2024



PEFC Council

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The official version of the document is in English. Translations of the document can be obtained from the PEFC Council or PEFC National Governing Bodies. When there is doubt in regard to language interpretation, the English version is the reference.

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1. Introduction

This annual activity report was created to fulfill the annual activity reporting requirements set forth by the European Commission for voluntary certification schemes recognised under the RED II Directive, in accordance with Article 30(5) of RED II and Implementing Regulation (EU) 2022/996 (IR 2022/996).

This document represents the PEFC RED II Activity Report for the period when it first achieved recognition as a RED II-compliant voluntary scheme on 20 December 2024 until 31 December 2024.

- PEFC received positive technical assessment by the European Commission on 12 October 2024, and it was definitively recognised RED II compliant voluntary scheme by the European Commission on 20 December 2024.

2. Reporting Scope

The minimum following information shall be included in the annual activity report to the European Commission:

- a) Rules on the independence, method and frequency of audits as approved by the Commission upon accreditation of the voluntary scheme and any changes to them over time to reflect Commission guidance, the modified regulatory framework, findings from internal monitoring on the auditing process of PEFC RED II notified **certification bodies** and evolving industry best practice.
- b) Rules and procedures for identifying and dealing with noncompliance by **economic operators**.
- c) Evidence of fulfilling the legal requirements on transparency and publication of information in line with Article 6 of Implementing Regulation (EU) 2022/996.
- d) Stakeholder involvement, in particular on the consultation of indigenous and local communities prior to decision-making during the drafting and review of the scheme as well as during audits and the response to their contributions.
- e) Overview of the activities carried out by the voluntary scheme authorised bodies in cooperation with the **certification bodies** in order to improve the overall certification process and the qualification and independence of auditors and relevant scheme bodies.
- f) Market updates of the scheme, the amount of feedstock, biofuels, bioliquids and biomass fuels certified, by country of origin and type, and the number of participants.
- g) Overview of the effectiveness of the implementing system put in place by the voluntary scheme in order to track proof of conformity with the sustainability criteria that the scheme gives to its member(s). This shall cover, in particular, how the system effectively prevents fraudulent activities by ensuring timely detection, treatment and follow-up of suspected fraud and other irregularities and where appropriate, the number of cases of fraud or irregularities detected.
- h) Criteria for the recognition of **certification bodies**.
- i) Rules on how the internal monitoring system is conducted and the results of its periodic review, specifically on oversight of the work of **certification bodies** and their auditors as well as on the system of handling complaints against **economic operators** and **certification bodies**.
- j) Possibilities to facilitate or improve the promotion of best practices.
- k) Voluntary schemes certifying forest biomass must include information on the way the risk assessment required in article 29 (6) and (7) of the Directive (EU) 2018/2011 is made.
- l) Summary of every complaint made against PEFC RED II-related decisions and/or activities

Note: From a) to k) of this document, the term “certification body” is understood as “PEFC RED II notified certification body” and the term “economic operator” is understood as “PEFC RED II certified **organisation**”.

3. Content of the Report

a) Independence, method and frequency of audits

Certification bodies are required to follow PEFC ST 5003, *Additional requirements for certification bodies providing certification against PEFC ST 5002 – RED II*. This standard provides interpretations and additional requirements to PEFC ST 2003, *Requirements for Certification Bodies Operating Certification against the PEFC International Chain of Custody Standard* that certification bodies shall implement to provide certification against PEFC ST 5002 for to ensure alignment with the system requirements stipulated in RED II.

To provide audits against the requirements laid out in PEFC ST 5002, *Additional requirements for organisations sourcing forest biomass – RED II*, certification body personnel shall be qualified to provide PEFC chain of custody audits as per PEFC ST 2003 and be qualified according to the additional requirements in this document.

PEFC RED II notified certification bodies shall conduct their audits in accordance with ISO/IEC 17065:2012 (E), PEFC ST 2003:2020 and PEFC ST 5003:2024.

b) Rules and procedures for identifying and dealing with noncompliance by economic operators.

Audit findings shall be classified as critical nonconformities, major nonconformities, minor nonconformities, and observations.

- Critical nonconformities identified during surveillance or re-certification audits, or through PEFC's internal monitoring or complaints process, shall lead to the immediate withdrawal of the organization's certificate.
- In the case of critical nonconformities identified during an initial audit, the certification body shall not issue a certificate to the applicant organization. Organizations may re-apply for certification after two years.
- Major nonconformities identified during surveillance or re-certification audits, or through PEFC's internal monitoring or complaints process, shall lead to the suspension of the client organization's certificate.
- In the case of minor nonconformities, the certification body may define the time period for their resolution, not exceeding 12 months from their notification and the date of the next surveillance or re-certification audit.

The above listed audit findings classification is in line with the RED II and the complementary IR 2022/996.

c) Transparency and publication of information

PEFC is committed to transparency and public access to information. The following describes the information available to stakeholders.

Information on the list of economic operators, their certification status, and the dates of certificate issuance, suspension, withdrawal, termination, or expiry is available on the [PEFC website](#). This information is maintained on the website for at least 24 months after the withdrawal, termination, or expiration date. The PEFC database is updated promptly upon receiving information from certification bodies regarding any changes in certification.

Figure 1: PEFC RED database interface for searching certified economic operators

PEFC

Welcome to FREDII

The PEFC RED Database

Certified Entities
 Certification Bodies

Search for certified Entities 🔍

<input type="text" value="Name of the entity"/>	<input type="text" value="Country of origin"/>
<input type="text" value="Certificate number"/>	<input type="text" value="Certificate status"/>
<input type="text" value="Biomass type"/>	<input type="text" value="Certification body"/>

Show results

Summary audit reports of RED II certified organizations are published as per the requirements of PEFC ST 5003. These reports include details such as input/output materials handled by certified sites, audit dates, GHG data type, place of issuance, and any non-conformities identified, along with corrective action plans and timelines.

The [PEFC RED II website](#) provides access to all RED II related documentation and guidelines for audits, including the latest versions of documents, reports, and approved risk assessments. Contact details for the scheme are also published on the website.

A dedicated section for certification bodies and accreditation bodies is available on the PEFC RED II website. This section includes a list of certification bodies carrying out PEFC RED II audit services, their accrediting or recognizing authorities, and supervising entities. The PEFC RED II website publish a list of certification bodies that are no longer entitled to conduct independent auditing under the PEFC RED II scheme. The suspended certification bodies will be listed for at least 12 months after the last audit. The status of their accreditation and notification contract with PEFC appears as “Expired” on the PEFC RED II database public search.

As of 31 December 2024, there is no PEFC RED II compliant economic operators.

Figure 2: PEFC RED database interface for searching PEFC RED II notified certification bodies.

The website also publishes the results of the PEFC’s annual monitoring activities, summarized in this annual activity report.

As of 31 December 2024, there is no PEFC RED II certification bodies. PEFC was newly recognised and is actively working to engage economic operators and certification bodies in the RED II certification process.

d) Stakeholder involvement

PEFC’s standard development activity follows requirements in PEFC GD 1003, *PEFC Council technical documents development procedures – requirements*. With requirements set out in PEFC GD 1003, PEFC is committed to stakeholder involvement and ensuring open and transparent participation throughout the development and revision of our technical documentation.. This commitment is particularly evident in our procedures for consulting with affected stakeholders, including indigenous and local communities.

The following aspects of our procedure ensure the consultation of different stakeholders:

- **Standard-setting requirements:** To develop the PEFC endorsed standards, the standardising body is required to conduct an identification of stakeholders groups and publicly communicate about the process. Concretely the standard-setting requirements for our PEFC endorsed Sustainable Forest Management Systems requires that the standardising body identification of stakeholders is based on nine major stakeholder groups as defined by Agenda 21 of the *United Nations Conference on Environment and Development (UNCED)* in Rio de Janeiro in 1992. At least the following groups shall be included in the stakeholder mapping:
 - forest owners,
 - business and industry,
 - indigenous people,
 - non-government organizations,

- scientific and technological community,
- workers and trade unions.

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

The standardizing body shall identify disadvantaged stakeholders and key stakeholders, such as indigenous peoples or local communities, and address any constraints to their participation in standard-setting activities.

- **Public Consultation:** We conduct public consultations where draft documents are made available to stakeholders and the public.
- **Consideration of Comments:** All comments and views submitted by any participating member of the task force, as well as those received during public consultations, are considered in an open and transparent manner. The resolution of these comments and any proposed changes to the working draft are recorded.
- **Accessibility of Documents:** Working drafts are made available to all members of the task force, interested stakeholders, and PEFC members upon request.
- **Records of the Development Process:** We maintain records of all comments received during consultations and how they were addressed, ensuring transparency and accountability in our stakeholder engagement efforts.
- **Consensus Building:** Our decision-making process relies on consensus building, which involves taking into account the views of all stakeholders concerned and reconciling any conflicting arguments. The vote in the PEFC General Assembly is a final step in the PEFC standard setting process, which adheres to robust and stringent requirements in a participatory and inclusive way.

Moreover, we have in place mechanisms for stakeholders to raise complaints and concerns at any moment. The details to contact the PEFC Secretariat and the PEFC members are publicly available from the PEFC website.

e) Overview of the activities carried out by the voluntary scheme authorised bodies

To improve the overall certification process, qualification and independence of auditors and relevant scheme bodies, PEFC has taken the following steps:

- Shares clarifications, interpretations, guidance, and information with relevant stakeholders and issue technical guidance as needed. Certification bodies will receive guidance from PEFC, as required, on relevant aspects of the certification process, such as regulatory updates and findings from PEFC's internal monitoring.
- Organises annual meetings with accreditation bodies and competent authorities. In addition, meetings with all certification bodies to discuss performance, scheme effectiveness, harmonization, conflict of interest, performance of certified organizations, non-conformities, and complaints. PEFC will also discuss key issues with certification bodies and auditors during regular meetings and training sessions to improve scheme effectiveness and verification activities.
- Maintains a training program for certification bodies and monitor the training status of the auditors providing PEFC RED II audits. PEFC will also revise and develop training materials to improve the PEFC RED II training framework.
- Reviews annual internal audit reports (focused on PEFC RED II activities) and will ensure these reports include information on the declaration of freedom from conflict of interest for auditors, certification reviewers, and decision-makers. PEFC will also monitor the

submission of audit reports, summaries, relevant documents, and GHG emission calculations.

- Implements corrective measures, including suspension or termination of contracts, if necessary.
- Uses internal monitoring results to strengthen PEFC governance, structure, and technical framework for continuous improvement, and will report and establish relevant resolutions to the PEFC Board of Directors and members.

f) Market updates of the scheme

Since PEFC was recognised by the European Commission on 19 December 2024, we do not have any market updates for 2024 because there were no PEFC RED II compliant economic operators.

g) Implementing system to track proof of conformity with the sustainability criteria

PEFC ST 5003, *Additional requirements for certification bodies providing certification against PEFC ST 5002 – RED II* sets strict requirements on legal and contractual matters, managing impartiality and management system requirement to ensure robust documentation and verification as well as the independence of audit and inspections.

In addition, certification bodies are required to conduct a cross-check of the applicant economic operators against other recognised voluntary schemes or recognised national systems and undertake Customer Due Diligence.

The PEFC RED database has been built to implement automated checks for inconsistencies and anomalies in submitted data submitted directly by the certification bodies and economic operators.

Economic operators are required to enter their declared trading data and certification bodies are required to verify this trading data during an audit to check whether it is correct and consistent before admitting the audit report to PEFC.

As part of our data quality exercise, PEFC also does cross reference data and use data analytics tools to identify pattern that may indicate fraudulent activity.

To report fraudulent activities, PEFC has a procedure in place for the investigation and resolution of complaints related to the PEFC RED II scheme. The procedure outlines how PEFC and the PEFC RED III authorized bodies handle complaints against: PEFC RED II certified organizations, PEFC RED II notified certification bodies, PEFC RED II authorized bodies and PEFC

The complaint procedure is accessible on the PEFC RED III website. Anyone can submit a complaint online, via email, or by post using a submission form.

The process ensures the protection of those who report infringements or lodge complaints in good faith, in accordance with Directive (EU) 2019/1937 of the European Parliament and of the Council.

PEFC will register each complaint in the PEFC complaint register form. A summary of the complaints will be provided to the European Commission in the annual activity report.

h) Criteria for the recognition of certification bodies.

As of 31 December 2024, the accreditation and recognition for certification body was still postponed till 1 January 2025 by the European Commission. Therefore, at the day of this report, in

order to be recognised by PEFC as PEFC RED II notified certification body, certification bodies must fulfil the following criteria:

- Accredited against ISO 17065 to provide PEFC chain of custody certification service
- Has a valid notification for PEFC chain of custody with PEFC authorised body
- Is a legal entity and can legally operate in the country/ies where they want to operate PEFC RED II certification
- Sign the PEFC RED II notification contract with the PEFC Council, covering the scope of its accreditation
- Certification body's auditors to take the PEFC RED II General training and pass the knowledge test

i) Rules on the internal monitoring system of certification bodies and their auditors

How the internal monitoring system is conducted and the results of its periodic review

PEFC has in place an internal monitoring system to ensure the quality of work carried out by the certification body auditors. PEFC oversees certification bodies and auditors at several levels:

- **Multi-level interaction:** PEFC's internal monitoring system operates through interactions at the accreditation body, certification body, and PEFC certified organization levels.
- **Accreditation body and competent authorities level:** PEFC maintains regular contact with accreditation bodies and competent authorities of the EU's Member States through meetings, and participation in forums. PEFC is an active member of the European Accreditation Environmental Working Group, and International Accreditation Forum, where we co-chair the Forestry Working Group. PEFC National Governing Bodies are in close contact with the competent authorities to exchange information and keep them updated.
- **Certification body level:**
 - PEFC monitors certification bodies through measures like RED II notification contracts, internal monitoring systems.
 - PEFC has measures to ensure the competence of auditors, audit teams, reviewers, and certification decision-makers. This includes training programs, qualification requirements, and supervision of auditors.
 - PEFC collects and analyses feedback from training participants and other stakeholders to improve training materials, processes, and the overall effectiveness of the scheme.
 - PEFC reviews certification body performance, including annual internal audit reports, and communicates with them through regular meetings and other channels.
 - PEFC provides guidance and interpretations on certification requirements to certification bodies. It also maintains regular communication through various channels, such as webinars, calls, email exchanges, and a dedicated section on the PEFC RED II website.

System of handling complaints

PEFC has a procedure in place for the investigation and resolution of complaints related to the PEFC RED II scheme. The procedure outlines how the PEFC Council and the PEFC RED II authorized bodies handle complaints against: PEFC RED II certified organizations, PEFC RED II notified certification bodies, PEFC RED II authorized bodies and the PEFC Council

The complaint procedure is accessible on the PEFC RED II website. Anyone can submit a complaint online, via email, or by post using a submission form.

The process ensures the protection of those who report infringements or lodge complaints in good faith, in accordance with Directive (EU) 2019/1937 of the European Parliament and of the Council.

The PEFC Council will register each complaint in the PEFC complaint register form. A summary of the complaints will be provided to the European Commission in the annual activity report.

j) Possibilities to facilitate or improve the promotion of best practices.

- PEFC organises a bi-yearly member survey to identify innovative and effective approaches that our PEFC members are using to meet and exceed sustainability criteria.
- During meetings with certification bodies, we also ask auditors to identify and report on exemplary practices observed during audits.
- During meeting with the PEFC members, we always encourage them to share any best practices that they learnt.
- Best practices and case study will be reported and shared with public on PEFC RED II website. As of 31 December 2024, there was no PEFC RED II certificate issued, thus there was no case study to share.

k) Information on the way the risk assessment required in article 29 (6) and (7) of the Directive (EU) 2018/2011 is made.

The PEFC standard addresses the requirement for voluntary schemes to include information on how the risk assessment is made through several key requirements outlined under PEFC ST 5004, Requirements for the Development of Level A Risk Assessments and its Recognition by PEFC as per Article 29 (6a) and (7a) of the RED II Directive

l) Summary of complaint made against PEFC RED II-related decisions and/or activities

There is no complaint registered as of 31 December 2024.