



PEFC Chain of Custody ST – Introduction to changes

Foreword

The foreword now includes information on the “transition date”, after which all PEFC chain of custody certification is expected to be carried out against the new standard. The transition date is proposed as 18 months as of approval of the standard and 12 months as of entry into force of the new standard.

Introduction

1 Scope

Due to the recent extension of scope of PEFC forest management certification from forests to trees outside forests (e.g. “Agroforestry”), the scope of the chain of custody standard was also extended to reflect this change.

The option of other certification system adopting this standard and defining scheme specific chain of custody claims in an appendix to this document was removed. As a result, PEFC chain of custody claims are now defined in the main body of the standard instead in a separate appendix as before.

2 Normative references

Two additional documents that are still under development are proposed to be included as normative reference, if their development has been finalised at the point in time this standard is approved:

PEFC ST 2004, Requirements for Accreditation Bodies accrediting Certification Bodies operating Certification against the PEFC International Chain of Custody Standard [under development]

PEFC IGD 3001, PEFC Glossary of Terms [under development]

3 Terms and Definitions

3.2 Authorised body

New term and definition added to provide clarity.

3.3 Certified content

New term and definition added to provide clarity.

3.6 Controversial sources

The definition of “controversial sources” was extended from covering mainly legal compliance as well as conflict timber, material from uncertified conversions and GMOs, to address additional issues beyond legality, related to sustainability of production and harvest levels; biodiversity; ecologically important forest areas; fundamental principles and rights at work; and rights of indigenous peoples.

This extension is proposed on explicit request by the PEFC Board of Directors, due to PEFC customers’ concerns regarding potentially very low levels of legality in these areas.

3.7 Credit method

For clarity the credit method is now considered a separate a chain of custody method next to physical separation and percentage based method and therefore a definition was added.

3.9 Equivalent input material

This definition was added to give more guidance which input material can be used in the same product group than under current standard, where it reads *“The product group shall be associated with (i) a single product type or (ii) a group of products, which consist of the same or similar input material according to, for example species, sort, etc.”*.

3.10 Forest

PEFC’s definition of “forest” from the revised SFM benchmark standard was added here as it is relevant for the scope of the standard.

3.11 Forest and tree based material

Due to the extension of the scope of PEFC SFM and CoC certification (see “1 Scope”) the previous definition of “forest based material” was extended.

3.12 Forest and tree based products

Ditto. In addition, a clarification was added that measurable but non- tangible products are covered by the term.

3.13 Material category

Minor change by now specifying “PEFC certified” vs. “certified material” due to changed scope (see “1 Scope”) and adding “PEFC controlled material” as material category.

3.14 Multi-site organisation

Definition added to provide clarity.

3.15 Neutral material

The note that PEFC endorsed schemes could define “neutral material” for scheme specific claims used together with this standard was removed due to the amended scope of this standard (see “1 Scope”)

3.16 Organisation

The definition of this term was updated to reflect the new definition of this term in revised PEFC benchmark standards, where the definition was aligned with ISO. An additional note was added in order to specify the meaning of this term in the context of this standard.

3.18 Outsourcing

Definition added to provide more clarity what is covered by the term, and that it only refers to CoC related activities in the context of this standard.

A note on transportation, (un-), loading and warehousing of materials/products was added for clarification that these activities are generally not considered outsourcing.

3.19 PEFC certified material

Due to the amended scope of this standard (see “1 Scope”) the term “certified material” was replaced with the more specific term and definition of “PEFC certified material” taken from the appendix with claim definitions, which is removed in the revised standard.

The note refers to scheme specific, PEFC endorsed, forest management claims, not scheme specific chain of custody claims. This might have to be clarified further.

3.20 PEFC certified product

Due to the change of scope of this standard (see “1 Scope”) the previous term “certified product” was replaced by the more specific term “PEFC certified product” and the definition now includes the specific PEFC claim “x% PEFC Certified”.

3.21 PEFC chain of custody

Due to the change of scope of this standard (see “1 Scope”) the previous term “chain of custody of forest based products” was replaced with “PEFC chain of custody”.

3.22 PEFC claim

Due to the change of scope of this standard (see “1 Scope”) the previous term “claim” was replaced by the more specific term “PEFC claim” and the two official PEFC claims, “x% PEFC Certified” and “PEFC Controlled Sources” are defined.

Note 1 and 2 provide additional options for 1) “pure” material coming from PEFC certified forests, which has never been mixed with any “other material” throughout the previous supply chain, and 2) material consisting 100% out of recycled material.

Both these claim options are relevant under revised trademark use (see *“Enquiry Draft PEFC ST 2001:201Y, Trademark Rules – Requirements”*), where there is now a label option for “pure” products and a revised content requirement for the recycled label of 100% recycled material.

Note 3 refers to PEFC accepted abbreviations and translations of PEFC claims.

3.23 PEFC controlled material

Added as addition material category of material for which the PEFC DDS has been implemented to establish negligible risk that material is from “controversial sources” and for which the PEFC claim “PEFC Controlled Sources” may be used.

3.24 PEFC customer

The previous term “customer” was replaced by this more specific term to differentiate from the colloquial understanding of the term customer.

Note 1 was added to provide more clarity for situations where buyer and recipient of material differ.

3.25 PEFC product group

The previous term “product group” was replaced by this more PEFC specific term and defining characteristics were added in the definition.

Note 3 was added to highlight that product groups under this revised standard may cover several sites under multi-site certification (other than producer group certification), as the limitation to a single site was removed from the chapter on CoC methods.

3.26 PEFC recognised certificate

A note covering participants/sites in group/multi-site certification in both forest management and chain of custody certification was added for clarification.

3.27 Percentage method

A definition was added.

3.28 Physical separation

Minor rewording for clarity and removal of now unnecessary note.

3.29 Recycled material

Forest and tree based material that is

A note referring to examples provided in the CoC guidance document (PEFC GD 2001) was added.

3.30 Rolling percentage calculation

Minor rewording to clarify.

3.31 Supplier

Minor rewording and additional note for clarification.

3.32 Trademark use

New term and definition replacing those for “labelling”, also covering the initials “PEFC”.

4 Management system requirements

Due to its fundamental role in CoC certification and its applicability to all users of the standard this chapter was moved to the beginning of the standard.

4.1. General requirements

4.1.1 Clarification added that outsourced activities are covered by an organisation's management system.

4.1.2 Scope of an organisation's PEFC CoC and PEFC product groups need to be defined.

4.1.3 Requirement added for clarity that an organisation shall only make correct PEFC claims covered by the scope of its PEFC CoC.

4.2 Documented procedures

Slightly changed numbering.

4.3.1 General responsibilities

Deletion of requirement for regular review due to redundancy (covered by inspection and control)

4.3.2 Responsibilities and authorities for chain of custody

Added reference to procedures and removal of now redundant wording.

4.4 Record keeping

4.4.1a) The requirement that copies of certificates are kept was replaced with a requirement for "evidence of certified status" together with a clarifying note.

4.6 Inspection and control

4.6.1 Added clarification on scope, i.e. requirements applicable to the organisation and outsourced activities.

4.7 Complaints

4.7.2a) New requirement that complaints received are to be acknowledged within ten days.

4.8 Nonconformity and corrective action

A whole new clause on nonconformity and corrective action was added. Same requirements as in new revised PEFC benchmark standards was used.

4.8.2 / 4.8.3 The wording "the standard requires that" is benchmark specific wording that should have been removed and will be removed in the next draft of this standard.

4.9 Outsourcing

The chapter on “Subcontracting” was renamed “outsourcing”.

The wording and structure of requirements was revised for better clarity, but no major changes to the content were made.

A note was added concerning the availability of templates for outsource agreements.

4.10 Social, health and safety requirements in Chain of Custody

The social, health and safety requirements were integrated in the chapter for management system requirements, but remain unchanged otherwise.

5 Identification of inputs and declaration of outputs

The two separate chapters on “identification at delivery (incoming) level” and on “sale and communication on claimed products” were combined in a single chapter.

5.1 Identification of input material

5.1.1e-g) Specification of organisation by supplier as PEFC customer, claim and certificate code only required for input delivered with a PEFC claim.

5.1.1g) “Certificate code of PEFC recognised certificate” instead of “identifier of etc.” and removal of notes on “formal claim”, “certificate identifier” and “delivery documentation”.

5.1.2 Identification at supplier level

5.1.2.1 Instead of copy/access to certificate, now evidence of supplier’s certified status required. Also removal of redundant wording and combination remaining wording in a single clause instead of two.

5.1.2.2 Classification of material according to “material categories” required, without individually listing all material categories (neutral, other, PEFC certified, PEFC controlled).

5.2 Declaration of outputs

5.2.1 Removal of requirement that “document associated with the delivery” is issued to a single customer.

5.2.1g) “Certificate code of PEFC recognised certificate” instead of “identifier of etc.” and removal of notes on “formal claim”, “certificate identifier”.

5.3 Trademark use

The term “trademark” is used instead of “logos and labels”.

5.3.1 Specification of trademarks as i.e. PEFC logo and labels and chain of custody claims on-product and PEFC initials.

5.3.2 To obtain a trademark license from PEFC is now a requirement of the standard.

6 Chain of custody methods

6.1 General

6.1.1 Three CoC methods (physical separation, percentage, credit) as percentage method and credit method are defined as separate CoC methods instead of different methods of transfer of calculated percentage to outputs under the percentage method.

6.1.2 Requirements for the definition of the product group previously under percentage method are now integrated in general requirements for all CoC methods.

6.1.3 The defined term “equivalent input material” is used instead of “(i) a single product type or (ii) a group of products, which consist of the same or similar input material according to, for example species, sort, etc.”.

6.1.4 Requirement to excluded material potentially from “controversial sources”.

6.2 Physical separation method

6.2.1 Removal of suggestion that companies not mixing material categories “should use the physical separation method as the preferred option.” Means of separation are now explained in a note.

6.2.2 New requirement and additional example, clarifying that material with different certified content may be combined under the physical separation method.

6.2.2.1 New requirement clarifying that certified material and controlled material are combined in same product group under the physical separation method, then the output claim is “PEFC Controlled Sources”. (Currently it reads the claim should be “PEFC controlled material” instead. This is a needs to be corrected to “PEFC Controlled Sources”, as that is the claim for PEFC controlled material.)

6.3 Percentage method

Previous “simple percentage” calculation method and “average percentage” transfer method are now combined and just called “percentage method”, with “rolling percentage” being specified as option under it.

6.3.1 Minor re-wording without content change.

6.3.2 New requirement preventing “virtual” mixing of material by organisations without actual physical possession of material.

6.3.3 Calculation of certified content

Use of defined term “certified content”.

6.3.3.1 “Certified content”/”Cc” is used instead of “Certification percentage”/”Pc”; “Volume of PEFC certified material” instead of “Volume of certified material”; “Volume of PEFC controlled material”/”Vcm” instead of “Volume of other material”/”Vo”; Note is simplified.

6.3.3.3 Re-wording to reflect newly defined terms without change of contents; added example.

6.3.3.4 Wording, note and example from previous transfer method “average percentage method” with only minor re-wording.

6.3.4 Rolling percentage is now option under percentage method, instead of being a calculation option next to the simple percentage (which is now the default).

6.4 Credit method

The credit method is now specified as separate CoC method, instead as method of transferring a calculated percentage to outputs.

6.4.1 New sub-clause added for clarification.

6.4.2 New requirement preventing use of credit method by organisations without actual physical processing of material.

6.4.3 Slightly revised wording to reflect revised definition of “product group”.

6.4.4 The validity of credits was extended from 12 to 24 months.

6.4.5 – 6.4.9 Minor revision of wording and example without change of content.

7 Due Diligence System (DDS) requirements

This chapter was added in addition to the complete DDS in Appendix 1, with the intent to highlight that for product groups where organisations are only using material that came with PEFC claims from PEFC certified suppliers, the DDS requirements can be easily and without having to open the whole Appendix 1.

Appendix 1: PEFC Due Diligence System (DDS) for the Avoidance of Material from Controversial Sources

1 General requirements

1.1 Slightly re-worded

1.2 Deletion of exemption for CITES material. Added note clarifying scope of DDS.

Material from countries covered by EU, UN or other governmental ban, conflict timber, material from conversions and GMOs are still considered controversial sources, but instead of listing them separately as material which shall not be included under general requirements, they are now considered like all other elements of controversial sources (i.e. 3.6, a-i) and are addressed through a risk assessment using indicators in tables 1-3.

2 Gathering of information

2.1 No major changes proposed.

2.2 New requirement ensuring “access to information” from organisations certified against this standard up the supply chain.

3 Risk assessment

3.1 The exception of material with a PEFC claim was removed due to formal inconsistency with regard to EUTR compliance. Nevertheless, material delivered with a PEFC claim will remain to have “negligible risk”.

3.3-3.6 Added for clarification how risk assessment is conducted.

Table 1: List of indicators for negligible risk

All indicators are now numbered (a-d) for better reference.

a) Single indicator for material delivered with “PEFC claim”, i.e. x% PEFC Certified and PEFC Controlled Sources.

d) This indicator is now proposed to be only applicable for material originating from countries with TI CPI >50.

Table 2: List of indicators for significant risk at origin level

All elements of the “controversial sources” definition are now included in the table as rows a) to i), with corresponding indicators for high risk concerning these elements underneath.

Indicators for controversial sources element a), i-iv: These are the indicators for high risk concerning “legality” taken directly from the previous table 2, and an UN, EU etc. ban was added as another indicator

Indicator for controversial sources element b): Latest FAO or other data on harvest vs. growing stock.

Indicator for controversial sources elements c) and d): Environmental Performance Index (EPI) score for “Biodiversity & Habitat”.

Indicator for controversial sources element e): Net loss of forest area and increase of forest plantations compared to forests according to public data such as FAO.

Indicator for controversial sources element f): No ratification of ILO Declaration or studies indicating that “spirit” of declaration is not met.

Indicator for controversial sources element g): Studies indicating that “spirit” of UNDRIP is not met.

Indicator for controversial sources element h): Ongoing armed conflicts according to publicly available data.

Indicator for controversial sources element i): Production and sale of GMOs according to publicly available data.

Table 3: List of indicators for significant risk at origin level

Table remains unchanged.

3.7-3.9 Slightly reworded and re-structured without major change of content.

4 Substantiated concerns

4.1-4.2 Slightly re-worded for clarification

5 Management of significant risk supplies

5.1-5.4 No major changes

5.5 No placement on the market

5.5.3 Additional requirement for a commitment and procedure concerning material outside an organisation's CoC, to prevent that organisations are selling material they know/suspect to be from "controversial sources" outside their PEFC CoC.

Appendix 2: Implementation of the chain of custody standard by multi-site organisations

2 Eligibility criteria for the multi-site organisation

Slightly revised wording due to definition of the term "multi-site organisation" in 3.14.

3.2.2 Internal audit programme

Separate sub-clause added for requirements on internal auditing.

a) Option of remote auditing added.