Q&A from Webinars on Revised PEFC Chain of Custody Standard

This document presents all the answers to the questions asked during the series of Chain of Custody webinars provided by PEFC in June 2013.

These webinars are part of PEFC’s extensive support for certificate holders and stakeholders to ensure their smooth transition to the revised Chain of Custody requirements and compliance with the European Union Timber Regulation (EUTR).
General

**When will translations of ST 2002:2013 be available?**
PEFC International provides the standard in English only. The National PEFC offices should provide translations. If you need a translation please refer to the PEFC organization in your country.

**Does the new certificate verify that all the wood that a company sells would comply with the law? Even when the wood is not under the scope?**
No. First, the certificate doesn’t verify whether timber complies with the law. Just as the EUTR requires, it verifies whether there is a negligible risk of controversial (illegal) origin. Second, the certificate only applies to timber under the scope of the certificate/Chain of Custody. If an organization would like to use the PEFC Due Diligence System for all the wood they sell, they need to make sure that all the wood is covered in the scope of their PEFC Chain of Custody.

**We make cases and crates and buy our wood from Dutch and Belgium trading companies. What means DDS for us? What should we do?**
Difficult to give short answer without being too general. Still, these are the most important changes:
- If you buy PEFC Certified /PEFC Controlled Sources wood: you will need additionally the information on tree species and origin of the wood.
- If you buy uncertified wood: You will need additionally the information on tree species and origin of the wood plus the risk assessment procedure has to be modified to meet ST 2002:2013: only “negligible risk” is acceptable and there are new indicators to assess the risk.

PEFC is developing a short transition guide to be published shortly

**The Chain of Custody of Forest Based Products of our organization is implemented in the production and sales of paper bags. We buy PEFC certified paper, how do these changes affect us?**
Generally speaking you will need to have access to the information on tree species and origin for every PEFC Certified paper purchased within the scope of your Chain of Custody certificate. E.g. make an arrangement with your paper supplier how he can provide this info. See also above answer.

**Does the CoC begin in the defined area or with a particular block of timber within the defined area?**
The CoC ‘begins’ when a forest owner with PEFC Forest Management Certificate sells timber from his PEFC Certified forest to an organization which has a PEFC Chain of Custody certificate.

**What feedback have you had from the EU with regard to the new standard complying with EUTR?**
The EU does not approve/disapprove standards. PEFC has analyzed the gaps between ST 2002:2010 and the EUTR and has adopted the standard accordingly into the current ST 2002:2013. PEFC is confident that any company using the PEFC Chain of Custody standard is exercising due diligence in accordance with the EU Timber Regulation requirements.

**How will PEFC communicate / advertise the fact that the PEFC DDS demonstrates compliance with the EUTR?**
Through all suitable means, starting with the PEFC website.
Are viscose suppliers exempt from EUTR?
Viscose doesn’t seem to be listed in the Annex of Regulation No 995/2010. To be sure, please check this with the Competent Authority in your country.

You seem very confident that your DDS will deliver compliance with the new law. What is the basis for your confidence?
The PEFC Chain of Custody and specially the PEFC Due Diligence System have been changed specifically to be aligned with the EUTR. Further, PEFC meets the EU requirements on certification as listed in the Commission Implementing Regulation No 607/201, Article 4.

Has this been discussed with the national Monitoring Organizations for alignment?
No. The PEFC Chain of Custody has been aligned with the EU Timber Regulation. It would not make sense to align our standard with all potential systems being developed by Monitoring Organizations in the Member States.

Was there any NGO involvement in the process and revision of the CoC standard?
Yes, there was representation of trade unions in the Chain of Custody Working Group unions through BWI. The public consultation was open to any interested stakeholders.

If a European converting facility is PEFC CoC certified to the 2013 standard will they be considered to be in compliance with the EUTR?
No. The PEFC Chain of Custody is no proof of the organization as a whole being in compliance with EUTR. The PEFC Chain of Custody has an integral due diligence system in line with EUTR requirements. It demonstrates that, for the products within the scope of the certificate, the organization exercised due diligence according to EUTR requirements.

Do you plan to change PEFC logo use rule to reflect the CoC requirement change?
The logo usage procedures will not be generally revised, but they will be made formally compatible with the revised chain of custody standard.

Will we receive something as evidence of this training?
No, this webinar is just an informative session on the changes. It does not formally qualify as training.

If a company has both DDS and PEFC do they have 2 separate certificates or is the scope all on one?
There is only one certificate. By having the PEFC Chain of Custody certificate the company is by default also certified for the PEFC DDS because the DDS is part (chapter 5) of the Chain of Custody standard.

Chapter 3 - Definitions

Has PEFC identified any gaps or room for interpretation in the EUTR definition?
PEFC identified the gaps between the definition of “controversial sources” in ST 2002:2010 and the EUTR definition of “illegally harvested”. The definition of “controversial sources” has been changed accordingly in ST 2002:2013 to be in line with the EU Timber Regulation.
Would you please give examples of forest conversion that is acceptable e.g. conversion of forestland to logging roads, house lots. In the DDS there’s a general rule not to include any wood from conversion.

Definition 3.14 for plantations seems to create a controversial source for some forests that are currently legitimately certified under PEFC endorsed SFM standards. Is this intentional? PEFC certified forest management is not considered as a controversial source.

Usually logs are either from permanent forest (sustainable) or other forest type (usually conversion to other use like development or non-forest plantation). So where then can we get controlled sources as it is already considered controversial? There are no other types of forest. It is either permanent or forest for conversion. You can procure any “controlled sources” logs from forest that is not PEFC certified and which are not from controversial sources. On the global scale not all permanent forest is PEFC certified.

Chapter 5 - DDS requirements

5.1

Does the new standard require species declaration for recycled material?
No. Recycled material is not subject to the DDS.

Does the DDS apply to all products in a company’s range (all input materials)?
The DDS applies only to products covered by the scope of the organization’s PEFC Chain of Custody System. For any products outside the scope of the Chain of Custody the implementation of the DDS is not verified. If an organization wants to use the DDS for all/additional products, they need to extend the scope of their current certificate.

Is it always necessary to perform a DDS procedure even if the company only buys inside the EU and there is no risk?
Yes, the DDS ensures that the information on origin and trees species is accessible. This information has to be available at any point in the PEFC certified supply chain.

In section 5 DDS requirements, why are the material listed in CITES exempted from the PEFC DDS?
Materials that comply with CITES are also complying with the PEFC requirements on non-controversial sources.

Is the organization using the Physical Separation Method able to implement PEFC DDS for non-certified materials (in their CoC system) and sell them as ‘PEFC Controlled Sources’ material? Even though they do not ‘mix’ certified and controlled sources materials?
Yes, this is possible with the new standard. It requires their scope to be extended to include the purchase of non-certified material for the purpose of selling “PEFC Controlled Sources” material. This is actually the exact intention of the new PEFC claim. To let companies use the PEFC Chain of Custody standard for the purpose of demonstrating due diligence.
5.2 Gathering information

1) Can an organization ask supplier for species and origin and accept the answer without further investigation/evidence? 2) Does "access to ... information" mean they actually have to have information, or do they have to potentially get it?

1) Yes. Still, this issue will be discussed in the next Chain of Custody Working Group meeting, and might be addressed in the guidance. 2) "Access to" does not necessarily mean they need to have it ‘physically’ available. But they should have the access to it at any time. During an audit for example, the organization shall be able to provide the information to the auditor.

Is it sufficient to demonstrate the origin and species for the first supply only (to "similar" supplies of each supplier)?
Multiple identical shipments can be considered as one supply.

Where should species, origin and Risk Assessment information be kept?
Wherever it is suitable for the organization to be kept, bearing in mind that access has to be provided to auditors, competent authorities and the information on species and origin has to be accessible to (PEFC Certified) customers. Important: access to the information is sufficient. That means no permanent physical availability is required.

We buy folding box board for food packing within the UK to print on. Should our board supplier give us species and origin info? Do we need it?
Yes, under the Chain of Custody requirements you will need to get the access to this information from your suppliers. You need it because this information has to be available at any point in the PEFC certified supply chain. This can be organized by the paper supplier e.g. by available product specifications.

We are a print company and in general we use certified paper, meanwhile some time there isn’t certified paper and we need to use other papers... it is very hard to follow the DDS procedure for paper.. There is any advice note or simplified system? Sometimes it is completed impossible to have the tree species. How to solve this?
Your suppliers should be able provide access to the information on the tree species (if not exactly, then at least a list of species POTENTIALLY in the product). If you do not have access to this information, you cannot use the paper in the PEFC Chain of Custody.

When is required just the access to the information on the tree species and the country of origin and when is required the information itself?
The requirement 5.2.1 specifically requires “access to”, not restricting it to having ‘physical possession’ necessarily. However, the information should at all times be accessible.

If I hold PEFC Chain of Custody, as a printer but also use recycled pallets, sourced within the UK but their origin is not known to us, according to the revised standard and the EUTR, which came into force, do I need to insist my supplier provides me with a declaration with regards to where he has sourced the pallets from, in order to satisfy the DDS?
First, the PEFC DDS covers only products in the scope of your Chain of Custody. Unless you produce or trade pallets they will not be covered by your Chain of Custody. Instead they just support the products that you source and sell. Second, recycled products are exempt from the PEFC DDS. Third, from the EUTR perspective “packing material used exclusively as packing material to support, protect or carry another product placed on the market” is NOT subject to the EUTR requirements for due diligence. (See the Annex to Regulation No 995/2010)
Gathering of information - is it enough to have this information on a yearly basis, even if the origin might differ between winter and summer?
Yes, if you specify all potential species encompassing both the winter and summer deliveries.

When a printer buys PEFC paper in order to print on it, what information about species and origin does he have to collect?
The information as required in clause 5.2.1: amongst others the (scientific) name of the tree species and the country/region/FMU of harvesting. Collecting stands for “having access”.

The log yard is a black box because after grading the wood (grading of dimension and tree species) nobody knows from which country of harvest the wood is. How should we give the information about the country of harvest? In my opinion it is not possible. We can only say about a period of time from which country of harvest the wood is. PEFC wants more information than the EUTR.
The information on tree species and origin may be given at a ‘higher’ level. In this case you would state all the species and origins that are potentially on the log yard and consequently in your deliveries.

For DDS, can we also have approach that for PEFC certified material, let’s say a printer company the information on tree species will be very difficult to obtained....can a self-declaration served?
Sure. Even though the self-declaration is no longer a mandatory requirement, it can still be a helpful tool for getting access to information from the supplier.

5.3 Risk Assessment

Can a Risk Assessment be obtained as negligible risk for a board mill that is certified against PEFC but does not sell material with PEFC Certified or PEFC Controlled Sources claim?
Just the fact that the supplier is PEFC certified is no indicator for negligible risk. They may still supply products that are not covered by their certificate. In case no PEFC claim is made, the full risk assessment is necessary.

5.3.5

If my supplier is PEFC certified and I buy 100% PEFC certified paper do I need to perform the risk assessment?
No. PEFC Certified products have by default a negligible risk and are therefore exempt from the risk assessment.

How do we know what region of origin has a high risk?
The CPI is an indicator for a whole country. Normally you would consider the risk on the country level, unless you have information that a certain region in a country has a different risk level. It is assumed that timber importers have some basic knowledge e.g. about different Malaysian regions.

Is there a list of every country, where there are high risk areas?
PEFC does not provide such a list. The standard provides the indicators to make an assessment of the countries’ level of corruption and forest governance. The guidance will list the external sources for the verification at national level.
Why is PEFC certified material included in Table 1 when the risk assessment is not applicable for PEFC certified material?
To demonstrate that PEFC Certified material is negligible risk and therefore no risk assessment is needed. The risk level is already known.

The note to clause 5.3.5 says indicators indicating "low likelihood" always overrules a "high likelihood" indicator - is this a typo??
To be very precise the note states "The indicators for "low likelihood" on origin as well as supply chain level (table 1)", and specifically refers to the indicators in table 1. The table 1 indicators indeed overrule any "high likelihood" indicators from tables 2 and 3.

So when does CPI apply and when not?
By default, the CPI is the index to be used to assess the risk at country level. Other indexes may be used, but these would need the approval of PEFC International in cooperation with Transparency International. More information will be provided in the Guidance document.

Do we need specific permission every time from PEFC Council to overrule CPI?
PEFC International will need to approve any other mechanisms than CPI to be used. Once this approval has been given this new mechanism may be used in the specified situation.

Which species are included in the Table 2 indicator?
PEFC will publish a list of 'risk associated' tree species in the Guidance document.

Please elaborate on actors and steps in Table 3
The guidance document will elaborate on all tables of the risk assessment indicators.

5.3.6

Does the organization have to be re-audited when they revise a Risk Assessment?
No. There's no requirement to audit every single risk assessment an organization conducts.

5.3.8

Can the company propose any geographical area - even if it seems too broad to the auditor?
In principle, yes. But the area shall meet all applicable conditions of clause 5.3.8.

In order to activate 5.3.8, (b), CPI has to be dealt otherwise not function as a solution
True, areas with an indicator for significant risk cannot be subject to the 'specific area risk assessment'. PEFC is working on some additional explanations and interpretations which will be available by February 2014.

5.5 Risk Mitigation

1) Do CBs have to audit the Company audit? In the field? (2) 5.5.3.4 "Supplies" - is this suppliers or shipments? FMU or country? (3) 5.5.1.2-verification programme shall include on-site inspection "whenever relevant" - what does this mean? When would it not be relevant?
(4) 5.5.4.2(a) re: "request for addressing the risk" - so a request from a company "please do within 100 years" would be ok?

PEFC will provide additional guidance on the risk mitigation procedures in the Guidance document.

1) The inspection is a requirement in the standards, so the CB could include the records on the inspection in the audit as well as the competence of the assigned people.

2) The sampling is about supplies of one supplier. If several suppliers have supplied significant risk supplies then all of them are subject to the inspections. Identical shipments can be considered as one supply (see also 5.3.6 and 5.3.7)

3) See 5.5.1.3: the on-site inspection may be substituted by a document review if the documentation provides sufficient confidence in the non-controversial origin.

4) In any case the organization cannot use the supplier's material in the PEFC Chain of Custody. So it would be in both parties' interest to specify a timely term.

5.5.2

5.5.2 says that if any indicator from Table 1 applies, no need to track the whole supply chain to the FMU. This seems contradictory because the actors and steps in the supply chain / country or region there harvested would remain 'unknown' as described in table 3. Could you clarify?

With the third party certification and other appropriate mechanism there is already tracking to the forest area. It basically means you need to track back the supply to the level where there is again transparency. (Table 1 overrules table 2 and table 3)

What are the requirements for CBs to assess 2nd party audits of supply chains?
These are the requirements in the clauses under 5.5.3.

5.5.3.3

There is no clause 5.2.6. in the standard!?

The reference to clause 5.2.6 in clause 5.5.3.3 is referring to clause 5.2.6 of PEFC ST 2003:2012, Requirements for Certification Bodies operating Certification against the PEFC International Chain of Custody Standards.

Chapter 7 - Sales and Communication

May I confirm that to officially sell as PEFC Controlled Sources, the organization has to write down PEFC Certification code and the PEFC claim "PEFC Controlled Sources" for the material?
Yes, just as with selling “PEFC Certified” the communication on “PEFC Controlled Sources” requires stating the PEFC claim and the certificate number. See clause 7.1.3 and note that it states “of all claimed products”, not just certified products.

Related to the first answer, if the organization carries out PEFC DDS, then the 'other material' will be 'PEFC controlled sources', and could be sold with PEFC claim?
Yes. To be precise, all the material not sold with PEFC Certified claim can be sold as “PEFC Controlled Sources”.

Can PEFC Controlled Sources claim be used for finished products sold to consumers?
Yes, it may be claimed to consumers (labeling is no option).
Please clarify: does 7.1.2 require the organization to include the PEFC claim in both invoice and delivery document? Or does it allow them to choose one or more document to use for communicating their PEFC claim? The claim COULD be on both invoice and delivery note. Clause 7.1.2 reads: “the organization shall identify the type of document(s) associated with the delivery”. So, the organization may choose to use one or more documents for communication of the claim.

Isn’t it difficult to understand for general consumers the difference between ‘PEFC certified’ product and ‘PEFC controlled sources’ claimed product? It may be also confusing for certified companies also. People would easily misunderstand the claim. Was this matter discussed at the WG or board meeting, and what are they? In general, consumers are not very likely to see the official PEFC Claims on invoices etc. In most cases consumers are made aware of PEFC Certified products through on-product labeling, which is not an option for PEFC Controlled Sources.

Appendix 1 PEFC Claims

We need clarified if the minimum quantity to use the claim x% PEFC certified is 70%? The minimum quantity of 70% PEFC Certified ONLY applies to using the PEFC Logo and Labels. The PEFC claim can be made on ANY percentage, e.g. 65% PEFC Certified.

Appendix 1; 1.3. According to STD still not allowed to make another claim, e.g. "PEFC certified x%", or just "x% PEFC". Must this be interpreted as a confirmation that any alternative claim than “x% PEFC certified” is not allowed? Any interpretations made by the Chain of Custody and Labeling Working Group will be taken up in the Guidance document. The issue on the shortened PEFC Certified claim is one of those.

Is it eligible for PEFC certified material to be mixed with PEFC Controlled Sources under Percentage System? How is it claimed? X% PEFC certified?? For inputs under the percentage bases method, PEFC Controlled Sources is considered as ‘other material’ and can be mixed just like any other non-certified material with certified material. It does not count towards the certification percentage! (The company can use the claim “PEFC Controlled Sources” on all products that cannot be sold with the “PEFC Certified” claim. There’s no percentage attached to the controlled sources claim)

Please give an example of a claim with PEFC Controlled Sources, for example, if you have 80 % PEFC Certified material, how would you add PEFC Controlled Sources. The PEFC Claim “PEFC Controlled Sources” is intended to be used on all materials that cannot be sold with PEFC Certified claim. For example when using the volume credit method: one part of the production batch can be sold as “100% PEFC Certified” the remaining part of the batch can be sold with the PEFC Controlled Sources claim. In the case you sell products as “80% PEFC Certified” you do not additionally make the PEFC Controlled Sources claim

Does PEFC Controlled Sources material include GMO or Conversion? If it is considered as ‘other material’ then it cannot be separated from other DDS material and could include GMO etc.? No. The PEFC Controlled Sources claim can only be used on material for which the PEFC DDS has been implemented. The PEFC DDS does not allow the inclusion of GMO’s and material from conversions (see PEFC’s definition of controversial sources!).
Is it required for certificate holders to choose which PEFC claim specification they wish to use, Appendix 1 section 1 (no use of PEFC Controlled Sources claim) or section 2 (wish to use PEFC Controlled Sources)?
The organization should decide which claims are going to be used, as these should be stated in the scope of the certificate. They can choose to use both.

If so, and the organization choose to use section 2 specification, does ‘other material’ always refer to ‘PEFC Controlled Sources’, or are there any other materials which could be classified as ‘other material’ other than PEFC controlled sources?
As in definition 3.19, ‘other material’ is all non-certified forest based material, including PEFC Controlled Sources.

Transition

Can a company certified to 2010 state PEFC Controlled Sources on their product?
No. Using the claim “PEFC Controlled Sources” requires certification according to PEFC ST 2002:2013.

If one has existing full CoC according to 2002:2010, what is needed to be able to use the claim “PEFC Controlled Sources”? Change of scope? A surveillance audit according to the new standard?
Both. The claim “PEFC Controlled Sources” is only a possibility when certified against the new ST 2002:2013 and the scope is expanded to include the use of the new claim.

Will organizations need to have a transition audit?
No. The transition of the certificate can be made during the (next) scheduled surveillance or re-certification audit. After 24th February 2014 the organizations need to operate in compliance with PEFC ST 2002:2013.

If my supplier is certified to 2010, and the next surveillance audit is in April 2014, how should I act? Since my surveillance audit (toward 2013) is planned to November 2013. Do I need to do a risk assessment myself? Since my supplier cannot sell his product as PEFC controlled sources. Yes. For supplies without PEFC Certified or PEFC Controlled Sources claim the risk assessment is necessary. This is one reason the transition period is shorter than usual.

Can companies have a certificate according to the old standard until 24 Feb 2015?
Yes, this situation could occur, although the organization should already be in compliance with ST 2002:2013 from 24 Feb 2014 onwards. Having the “old” certificate is only an administrative relief.

So we could issue a new certificate to in January 2015 if this is the first time they are audited to it?
After 24 February 2014 only certificates according to PEFC ST 2002:2013 can be issued. Nevertheless, an organization may be certified against ST 2002:2010 in January 2014 (they will need to be in compliance with ST 2002:2013 after 24 February 2014) and could receive the certificate stating PEFC ST 2002:2013 after their scheduled surveillance audit in January 2015.
When do all certificate holders have to have transferred to the 2013 version of the standard? What is the final deadline?
From 24 February 2014 all certificate holders are required to comply with ST 2002:2013. The certificate shall be updated to ST 2002:2013 during the first audit after 24 February 2014. After 24 February 2015 certificates issued against PEFC ST 2002:2010 are no longer recognized.

The transition period is not even 9 months; in Portugal we cannot carry audits according to the 2013 standard while PEFC Portugal does not define the necessary training for auditors; this hasn’t happened to date. This means that for existing clients whose audit is scheduled for the period from 24th February to probably end July 2014, they will have to anticipate their audit to February.

No, the training requirements (we assume you refer to clause 5.2.2 of PEFC ST 2003:2012) are not a prerequisite to carry out audits against PEFC ST 2002:2013. In fact these requirements on training will be mandatory only from 2nd July 2014. Naturally CB’s will need to adapt to the new standard too.

Can you confirm that it is possible to update certificates to the new standard after February 2014 as the first audit against the new standard will probably performed after that date?

Certification/Auditing issues

Is it necessary to describe the handling of PEFC Controlled Sources in the scope of CoC certificate?
Yes, just as the handling of “PEFC Certified” material is described in the scope it should also be mentioned in case “PEFC Controlled Sources” products are being sold.

In your slide 22, what means chain of custody certificate with different scope (no sale of PEFC certified products)?
If a company chooses to use the PEFC Chain of Custody to sell “PEFC Controlled Sources” products this should be mentioned in the scope of the certificate. Just as the scope currently has a statement on the sales of PEFC Certified products.

In terms of auditor competencies, are you saying that if an auditor is evaluating a client who is using timber from a different country, then that auditor needs to know the legal background of that other country, regardless of where this may be?
PEFC ST 2003:2012, 5.2.6 requires:
- applicable international legislation and country specific forest governance and law enforcement system relevant to forest based raw material procurement and avoidance of raw material from controversial sources: to enable the auditor to comprehend the client organization’s contractual relationships with suppliers and evaluate the client organization’s procedures for avoidance of raw material from controversial sources. Knowledge and understanding of this area shall cover:
  - contracts and agreements,
  - forest governance and law enforcement system of countries of the uncertified raw material origin, international treaties and conventions relating to forest products trade (CITES).
That means e.g.: if the auditor does not have the knowledge to decide whether the timber originates from controversial sources he cannot be assigned to carry out the audit.

What are the requirements for certification bodies to assess risk assessments?
The CB’s shall verify whether the risk assessment complies with PEFC DDS requirements.
Do You Require Further Information?

Your national PEFC member¹ or Johan Vlieger at PEFC International will be able to provide you with any additional information you require.

Contact

Johan Vlieger
Technical Officer

Email: johan.vlieger@pefc.org
Skype: johan.vlieger
Tel: +41 (0)22 799 45 40

¹ A list of national PEFC members is available at pefc.org/about-pefc_membership/national-members