

Estonian Forest Certification Council

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PEFC EST 2

**The procedure requirements for the certification of forest
management and chain of custody**

1. Aim of the document

This document defines the requirements for the forest owners or managers, or forest owner group managers and members to ensure Forest Management certification in accordance with PEFC Estonian Scheme.

2. Scope of the document

This document specifies the minimum requirements for forest owners or managers, or forest owner group managers and members for Forest Management certification in accordance with PEFC Forest management standard for Estonia and defines the certification applicant/certificate holder rights and obligations.

In this document are included general requirements for forest management planning (for Individual Forest Management certification and Forest owner group Forest Management certification).

3. Normative references

This part is established and approved by Estonian Forest Certification Council based on:

- PEFC Forest management standard for Estonia;
- PEFC Council Technical Document Annex 1 “Terms and Definitions”;
- PEFC EST 3 „Guidelines for PEFC notification of the Certification Organization”;
- PEFC EST 4 „Guidelines for Certification Organizations and Auditors to conduct Forest Management and Chain of Custody certification”;

4. Terms and Definitions

For the characterizing of the PEFC Estonia Scheme, the relevant definitions are given in PEFC Council Technical Document Annex 1 “Terms and Definitions”.

Forest owner – physical person or legal body owning the forestland;

Forest manager – the person who provides the forest management services;

Certificate of the forest management – the confirmation to the forest owner or manager, which affirms the following of principles of sustainable forest management;

Certificate of the forest management is divided:

- (i) **certificate of the forest owner** – confirmation to the forest owner which affirms the following of the principles of sustainable forest by him/her;
- (ii) **certificate of the forest manager** – confirmation to the forest manager, which affirms the following of the principles of sustainable forest management by him/her.

Company - the body who takes roundwood or processed timber for transportation, processing or marketing.

Group entity – An entity that represents the participants, with overall responsibility for ensuring the conformity of forest management in the certified area to the sustainable forest management standard and other applicable requirements of the forest certification scheme. For the purposes of the current procedure, it may be:

- 1) not-for-profit association or commercial co-operative founded by forest owners and which represents the woodland owners in the certification process;
- 2) legal body representing the forestry companies in the chain of custody certification process.

5. Forest Management certification forms

The Estonian PEFC Forest Management certification Scheme provides two forms of application for the certificate:

- * Individual Forest Management certification;
- * Forest owner group Forest Management certification.

5.1. The certification scheme embraced by the current document contains the following separate actions:

- 1) the certification of forest management using the group certification;
- 2) the certification of forest management by certifying the activities of forest owner using the individual certification;
- 3) the certification of forest management by certifying the action of forest manager using the individual certification;
- 4) the certification of the company participating in the timber purchasing or processing chain using the group certification;
- 5) the certification of the company participating in the timber purchasing or processing chain using the individual certification.

5.2. In the actions listed above the operations to be certified are following:

- 1) In the forest management certification using the group certification: the action of forest owners in the field of the forest management. The certificate will be issued to the group entity (applicant); the forest owner participating in the process receives the confirmation about the certification.
- 2) In the forest management certification using the individual certification, the action of forest owner or manager in the field of the forest management. The certificate is issued to the forest owner or manager.
- 3) In the certification of the wood chain using the group certification: the action of the forestry companies who participate in the certification process through a group entity with a purpose of obtaining and maintaining chain of custody certification. The certificate is issued to the group entity; enterprise participating in the process receives the confirmation about the certification of the wood chain.
- 4) In the certification of the wood chain using the individual certification the action of the company, who deals with procuring, transporting, supplying, processing or marketing of the wood. The certificate is issued to the company.

The issuing of the certificate to the group entities means that commonly are certified the activities of forest owners or managers or the companies dealing with the timber transportation/purchasing/processing/marketing and who participate in the certification process through a group entity.

5.3. Supplementary principles for the forest certification in Estonia

- 1) The object of the certification is the forest owners' or managers' activities in the forest. As all forests belonging to the ownership of the holder of the certificate are usually considered as covered by the certificate, all forest owners or managers have to follow the responsibilities, taken with the certification, in all units where the forest management operations are exercised (in all forest holdings and felling areas regardless of ownership or using relations).
- 2) The forest owner can exclude some forest areas from the certification process in the case of the vast forest plots or in the case when the non-comprehension of all forest areas

seems necessary for making the certification cost-efficient by justifying to the certification body the need to use the partial certification.

- 3) The forest management certificate is considered most of all as the responsibility of forest owner or manager to follow the principles of sustainable forest management today and in the future by managing the forests in accordance with the rules of National Forest Standard. Nevertheless, the previous activities of forest owner or manager in the field of forest management can be assessed in the course of certification. The intentional violation of forest law, before the submission of application for forest certification, excludes the possibility to acquire the certificate until the caused damages are removed and compensated. The activities of the owner or manager applying for the certificate can be retroactively assessed for the period of five years since submitting the application for the certificate.
- 4) Only the timber that originates from the forest holding whose owner has a valid forest management certificate can be regarded as certified timber.
- 5) Roundwood, which is harvested from the non-certified forest by the forest manager having forest management certificate, cannot be regarded as certified wood even if forest manager has long-term user right (i.e. rent or *usus fructus*) of this particular forest holding.
- 6) For the forest managers, the certificate of the forest management has mainly the meaning of as a quality label confirming that manager abides the principles of sustainable forestry.
- 7) When the forest holding, whose owner has a valid forest management certificate is sold to a person not having the forest management certificate, the forest holding is not regarded as embraced/covered by the certificate, but the person who acquired the holding could get the certificate in the simplified way according to the provision 5.3.1. of this document. The simplified acquisition is not allowed in the case of individual certification.
- 8) In case the forest owner, who has valid forest management certificate, purchases the forest holding, which is not covered with the certificate, the acquired holding is regarded as certified if the forest owner has informed the certification body about the purchasing of a new estate.
- 9) The forest owner can participate in the certification represented by an authorized person, but forest owner must be personally aware on the responsibilities imposed by the certification.
- 10) Only the forest owner can participate in the certification process. A person who is entitled subject in the terms of land reform has to accomplish the formation of the ownership status before applying for the certificate.

6. Implementation schemes of different certification models

6.1. Group certification

Group forest certification is the certification of forest management of a group of small and medium sized forest owners under one certificate.

If the model of group certification is applied, the forest owners participate in the process through the group entity regardless of the location of forest property. The entity applies for the certificate and represents forest owners in the certification process. The members of the entity as well as the forest owners associated with the entity in some other manner (for example, the owners collaborating with the entity merely in the purpose of certification) can participate in the group certification. The forest area being part of the certification has to be clearly defined.

6.1.1. Duties of group entity in the implementation of the group certification

The entity:

- 1) Determines the area to be certified;
- 2) Informs the forest owners about the opportunity of certification and collects the applications for carrying out the certification. Each forest owner decides himself the participation in the process. The decision of the majority of the entity to participate in the certification process is not binding for the forest owners who vote against the certification.
- 3) Concludes the contracts with all forest owners participating in the certification process. The forest owner takes responsibility to carry out all duties as stipulated in National Forest Standard.
- 4) Represents those forest owners who have submitted an application for certification in their relations with the certification body (composes and forwards the list of forest owners with enclosing data on size of their forest holdings and collects all other data needed for the accomplishment of certification and requested by the certification body).
- 5) Assists the forest owners in the compiling of Sustainable Forest Management Plan (SFMP) by helping to collect the relevant information, documents and if possible conducts the needed research works. The entity also represents forest owners in relation with the compiler of the management plan.
- 6) Provides the information and training to the forest owners for the fulfilment of the certification requirements.
- 7) Informs forest owners about the requirements of PEFC related to the timber selling transactions (i.e. the responsibility of the forest owner to convince when selling the cutting rights to assure that the buyer has a valid forest management certificate or that the buyer could secure the abiding by the of National Forest Standard in forest management operations by some other means.)
- 8) Administrates the database, which shows what the forests that are embraced with the certificates and issues the confirmations on the existence of the certificate to the forest owner who has participated in the certification process.
The database of certified forests has to contain at least following information:
 - the name of the forest owner and his/her contact data;
 - the date of the conclusion of the contract;
 - the area of the forestland;
 - the number of the forest holding and the cadastral code.
- 9) Informs and advises those forest owners, who have not complied with all demands of the certification standard and gives concrete advises/regulations for following the standards' requirements. The entity has to inform the certification body about the deficiencies, if non-conformity of existing regulations appears.
- 10) Informs the EMSN about the number of forest owners and the area of forests embraced by the certificate; and announces the EMSN about the results of the accomplished audits; and informs EMSN constantly about the cancellations of the confirmations of the certificates and about the issuance of the new confirmations.
- 11) Carries out internal audit on following the requirements of National Forest Standard by controlling the recognition of requirements of sustainable forest management (standard) in the concrete forest holdings, which have been chosen by using the sampling method. The sampling method is defined as a process of selecting forest holding for the purposes of conducting internal audit to verify compliance with the National Forest Standard and other applicable requirements. The sample shall represent:
 - a. no less than 1 forest holding in case the total number of certified holdings in the group is 5 or less;
 - b. no less than 2 forest holdings in case the total number of certified holdings in the group

is from 6 to 20;

c. no less than 5 forest holdings in case the total number of certified holdings in the group exceeds 20 of the total. The discovered shortages will be documented; the forest owner will be informed about them and practical guidelines will be given to the forest owner by the entity in order to achieve better compliance with the requirements of the standard. The certification body shall be informed if the given recommendations will not be followed¹.

12) Issues a confirmation note to the forest owners about the existence of the certificate to the forest owners (more precise requirements for the confirmation will be established by the EMSN later).

6.2. Individual certification

In the case of individual certification, the applicant shall submit an application on certification directly to the certification body. The contract will be concluded between the forest owner and the certification body.

Forest owners are not allowed to have more than one valid PEFC forest management certificate per forest property.

6.3. The certification of the forest manager

6.3.1. If the forest manager has the forest owners' certificate, it does not mean the automatic warrant of the forest managers' certificate. The certificate of the forest manager has to be applied for separately.

6.3.2. The regulations of individual certification are used for certifying the activities of the forest manager (see p. 6.2.). The forest managers' certificate cannot be applied through the group certification. The forest manager takes with the certification full responsibility to follow all requirements of National Forest Standard, exclusive of those, which are meant only for the forest owners.

6.4. The chain-of-custody certification

6.4.1 All companies who take the roundwood or the processed timber for transport, processing or marketing can apply for the chain-of-custody (COC) certificate.

6.4.2 The small and medium size companies are entitled to use the model of group certification to obtain the COC certificate. In that case, the application will be sent directly by the company or the organization (i.e. group entity) representing the companies in the certification process. The certificate will be issued to the group entity. The confirmation about the certification will be given to the company who has taken part in the certification process.

6.4.3 The applicant for group certification in chain- of -custody is responsible:

- 1) to ensure the compliance of all participants with the chain- of- custody system and labelling rules,
- 2) to ensure that credible registers are kept of participants to certification and of their systems,
- 3) to define internal rules for group certification that describe e.g. internal auditing and reporting procedures and ensure that they are implemented.

6.4.4 The following aspects will be defined in the internal rules:

- 1) processes to become a member and to commit to the certification,
- 2) contractual connection between applicant organization and group members,

- 3) rights and responsibilities of applicant organization and group members;
- 4) procedures for expulsion of a member if rules are violated;
- 5) management system elements including procedures for internal audits, control of nonconformity and corrective actions.

7. Determination of the responsibilities of certification

7.1. Determination of the responsibilities in the case of the certification of forest management

In the case of the group certification, an agreement on forest certification between the entity and the forest owner with a validity period of at least 5 year will be concluded. The agreement shall contain at least the following responsibilities:

- 1) forest owners' duty to comply with Estonian legislation important for forestry and National Forest Standard. This includes obligation to correct the mistakes and deficiencies, if the non-conformities have been indicated by the certification body or the entity;
- 2) forest owners' obligation to inform the entity on reducing or increasing of area of forestland (and also the reasons of increase or decrease);
- 3) forest owners' acceptance to checking of the compatibility of the forest management with National Forest Standard both by the entity and the certification body;
- 4) forest owners' responsibility to prove, that logging contractors have a valid forest managers' certificate or guarantee by other means their compliance with certification requirements in the course of forest management;
- 5) forest owners' responsibility to make available all data concerning former forestry operations in a request of certification body or entity, if certification body has information about former illicit action by the forest owner;
- 6) forest owners' right to use the three-year respite period, after signing the contract, for gaining the SFMP.

7.1.1. For the individual certification and the certification of forest manager/contractor, an agreement will be concluded between the applicant of the certificate and the certification body. The agreement has to contain all provisions indicated above.

7.1.2. A clear responsibility to follow all duties of certification in all management units regardless of the legal relations under which the forest holding is used or to whom the forest holding belongs, will be stipulated in the contracts to be concluded between the forest owners and the forest managers.

7.2. The determination of the responsibilities in the case of the certification of COC.

7.2.1. An agreement on certification between the applicant and the certification body with a validity period of at least 5 year will be concluded in the case of the COC certification.

The agreement shall contain at least the following responsibilities:

- 1) company's duty to comply with Estonian legislation and the requirements of Estonian Forest Certification Scheme. This includes obligation to correct the mistakes and deficiencies, if the non-conformities have been indicated by the certification body or the organization;
- 2) company's consent for checking its activities' compatibility with the requirements of certification both by the entity and by the certification body;

- 3) company's responsibility to apply all measures to convince, that timber having the PEFCs' logo really originates from the forest embraced by the certificate;
- 4) company's responsibility to apply all measures to convince, that any purchased timber (non-certified timber) is not a product of illegal logging;
- 5) company's responsibility to follow all requirements of the COC certification and logo usage prescribed by the PEFC.

7.2.2. In the case of a group certification, the above indicated agreement has to be concluded between the group entity and the certification body.

8. Certification process

The procedure requirements of certification are implemented in certifying of forest management and chain- of- custody of wood.

Besides this document, all requirements included in document PEFC EST 3 – “Guidelines for Certification Bodies and Auditors to conduct Forest Management and Chain of Custody certification” – of EFCS together with Annex 6, “Certification and Accreditation procedures”, of PEFCs' Technical Document, will be applied in certifying of forest management or chain – of – custody of wood and also for accreditation procedures.

The certification procedure consists of the following stages:

- 1) submitting of an application and concluding an agreement;
- 2) preparation of an audit;
- 3) voluntary pre-audit;
- 4) certification audit ;
- 5) decision on certification;
- 6) supervision and repeated audit.

8.1. Submitting of an application and concluding an agreement

The certification process starts by submission of the application for certification. The application has to be signed by the forest owner/manager/company or by an authorised agent of the applicant and to be sent to the certification body.

The application for the group certification has to be signed by an authorised agent of the entity.

8.1.1. The application for the group certification has to include at least the following information:

- 1) general information on the entity (the data on registration; the area of the activity of the entity and sphere of activity, number of members);
- 2) the range/extent of the certification process (region);
- 3) the list of forest owners/companies participating in the group certification including their identification and data on their forest properties and information on companies, that is indicated in provision 6.1.1.8.

8.1.2. An agreement concluded between the forest owner/company and the entity shall be added to the application.

8.1.3. The applicant has to add the documents proving the title and management rights on the forest holdings, if it is demanded by the certification body.

8.1.4. In the case of the individual certification the forest owner presents the data about his/her forest in the application and, if required by the certification body, adds the documents which prove the ownership or the rights of exploitation of the forest, and presents the needed supplementary documents such as:

- 1) copy of the decision on recording the reality or other documents stipulated in Estonian legislation;
- 2) cadastral maps;
- 3) forest management recommendations/plans or data of forest survey (if existing);
- 4) concluded treaties concerning the forest management (if existing);
- 5) documents relevant to forest management given by the state authorities such as an announcement on protection of environmental values etc. (if existing)

The forest manager shall show in the application the data about the forests managed by him, indicating also the names of the managed land units, their location, area, data of the owners and the title register numbers and cadastral codes. The certification body has the right to demand the submission of supplementary documents listed in provisions 1) – 5).

8.1.5. The application of certification of chain- of- custody of wood shall at least include information about:

- 1) registration data about the companies participating in the certification process (code, location and address, names of the members of the board and contact information);
- 2) fields of activities of the companies (purchasing or processing of timber etc.).

8.1.6. The agreement on certification is concluded between the applicant and the certification body after submission of the application and before the certification procedures following to this.

8.2. Preparation of an audit

The submitted application will be examined by the certification body, which has to guarantee that:

- requirements for the certification are clearly stated, documented and understood;
- any misunderstanding between the certification body and the applicant has been solved;
- the certification body is able to provide certification services in the corresponding range of required certification.

8.2.1. The group of auditors

8.2.1.1. The certification body:

- 1) forms the group of auditors with the experts on the fields to be audited;
- 2) nominates the leading auditor;
- 3) gives to the group of auditors the documents submitted by the applicant and information collected independently;
- 4) informs the applicant and the EMSN about the personnel in the auditors' group;

8.2.1.2. The auditors must have sufficient competence and knowledge in the field of forest management and nature protection. Besides, the auditors must meet the criteria that are set out in the standards EN 45011 (General requirements for bodies carrying out product certification); EN 45012 (General requirements for bodies carrying out the assessment and certification/registration of quality systems) and ISO 19 011-2.

8.2.1.3. The team can be completed with technical experts having an advisory function.

8.2.2. The assessment (auditing) plan

8.2.2.1. The certification body has to prepare a plan of its evaluation activities in order to secure the smooth and proper assessment:

The plan should include:

- 1) objectives and scope of evaluation;
- 2) identification, which certification criteria will be fulfilled by the group entity and which by forest owners/companies;
- 3) identification, which institutions can provide sufficient information for carrying out the certification;
- 4) identification, whether there are some particular circumstances that must be taken into account in the certain region;
- 5) identification of existence of relevant documentation submitted by the applicant;
- 6) expected time and length of assessing;
- 7) terms and places where the audit is to be done;
- 8) identification of audit-team members;
- 9) the schedule and number of meetings to be held which are to be carried out with the applicant representative;
- 10) requirements for confidentiality;
- 11) the content and structure of the final report, expected terms of its publication.

8.2.2.2. The applicant for certification, EMSN and the team of auditors are to be acquainted with the plan of assessment. The applicant should review and approve the plan. If the applicant does not agree with some steps proposed in the plan of assessing, he/she should present his/her objections to the lead auditor. The objections should be resolved between the lead auditor, the applicant and the EMSN before conducting the audit. All corrected plans of assessment are to be approved by parties involved either before the assessment or in the course of the assessment.

8.3. Voluntary pre-audit

On the basis of the applicants' request, a voluntary pre-audit can be carried out by the certification body. Objective of the pre-audit is to assess if information collected by the applicant and evidence obtained meet the requirements and that there are no circumstances, which could evidently preclude the acquisition of the certificate by the applicant. The applicant has to indicate the request for the pre-audit in the application for the certification.

8.4. The certification audit

8.4.1. The extent and the purpose of the audit

8.4.1.1. The extent of the audit will be determined by the leading auditor in order to achieve the aims of the audit.

8.4.1.2. The purpose of the audit is to assess if the information collected by the applicant and the evidence obtained in the course of the audit fulfil the criteria of sustainable forest management.

8.4.1.3. On the ground of financial effectiveness and elimination of duplicities in data and evidence collection, existing information of independent bodies (e.g. Forest Register,

Environmental Inspection, Environmental Services etc.) relating to the subject of the audit has to be used as much as possible in the auditing process.

8.4.2. Audit stages

The audit consists of the following stages:

- a) collection of information and evidence;
- b) assessment of information and evidence;
- c) meeting with the applicant about the auditing results;
- d) final report

8.4.2.1. Collection of information and evidence

The certification body assesses if the data required in the application document are presented. The certification body may request the presentation of additional information, but it can request the presentation of only such information that is needful for carrying out the certification.

8.4.2.2. Assessment of information and evidence

The assessment on site is carried out for the purpose of verifying information and evidence presented by the applicant. Some forest holdings/plots chosen by using the method of random sampling are visited and assessed on site.

Within the assessment on site the team of auditors evaluates:

- 1) Correctness/rightness of collected data and evidence including the activities and works of forest owner or manager during the previous five years in order to be convinced that there has been no breach of forest law provisions which could preclude the issuing of the certificate.
- 2) The awareness of forest owner/manager on responsibilities to be taken with forest certification;
- 3) The relations between the forest owner and entity to assess how the follow-up of the fulfilling the certification criteria could be secured (is assessed in the case of group certification).

In the certification of chain- of- custody, the evaluation identifies whether the company applies a system by which the meeting of certification criteria can be guaranteed.

8.4.2.3. Meeting to present auditing results

After performing the assessment a meeting of reporting the auditing results shall be organised. The leading auditor, the applicant and the representative of EMSN take part in the meeting.

The results of the audit will be presented to the applicant in a form that he could ask about the clarifications related to non-conformities. The results of the audit with all clarified non-conformities and mistakes/problems are included in the final report.

8.4.2.4. The final report

The team of auditors will present to the certification body a report from the audit describing all findings concerning the conformity of the system of forest management or chain of custody with the certification requirements.

The certification body will deliver a report on the results of the audit to the applicant for certification. The report describes all non-conformities which are to be removed in order to achieve conformity with all requirements for certification.

The applicant for the certificate can make his comments on the final report within the two weeks after receiving the final report. The applicant has to describe specific measures which he/she plans to implement to remove all non-conformities against the certification requirements.

The certification body sends the final report to the EMSN. A summary of the final report is public for all interested persons.

8.5. Decision on certification

8.5.1. A decision, if the system of management of forests of the given region, or of the members of given group entity, or given forest owner, or manager, or scheme used by company for verifying the origin of timber is in conformity with certification requirements, has to be adopted by the certification body on the basis of information obtained during the evaluation. Persons taking part in the audit must not decide on the certification.

8.5.2. Non-conformities with the certification requirements are classified as minor and major. Slight non-conformities are not an obstacle for obtaining the certificate. All non-conformities have to result in corrective measures according to certification requirements.

8.5.3. On the basis of a positive decision on certification the applicant for group certification can obtain a certificate stating the conformity of management in forests of the given region with certification requirements. The certificate will be allocated directly to the forest owner/manager if individual certification is used.

8.5.4. The certification body can make a conditional decision on certification. In the case of conditional decision, the allocating of the certificate may be tied to a request to remedy the non-conformity. The certification body gives to the forest owner/manager/entity/company a period up to the three months to remedy the non-conformities, if the non-conformities can be corrected. The certificate will be issued after the non-conformities have been resolved.

8.6. Supervision and repeated audit

8.6.1. The certification body has to carry out regular supervisions and repeated assessments in sufficiently short intervals, which may not exceed 365 days between the audits, in order to verify if that system of management in forests and the system of verifying the origin of wood permanently complies with the certification requirements. The interval between repeated assessments must not exceed 5 years.

8.6.2. The extent of supervision and repeated audits is smaller compared with certification audits being particularly orientated towards non-conformities found in the certification audit and to corrective measures resulting in the removal of deficiencies.

8.6.3. In the case of the serious breaching of certification requirements is being found in the course of the supervision or repeated audit, the certification body decides, whether the forest owner or company is allowed to sell the timber as certified wood. The certification body is obliged to withdraw the certificate if the principles of sustainable forest management are seriously breached or if it is a recurrent action (violation). If the violation of certification requirements takes place the first time or if it is a serious non-

conformity that is possible to remedy, the forest owner/manager or organization or company presents to the certification body a concept of measures to be applied for the correction of mistakes.

9. Appeals, Complaints and Dispute Procedures

- 9.1. The EMSN sets up an impartial and independent dispute settlement body (Commission for Settlement of Appeal) on a permanent basis.
- 9.2. The part 4 - “Guidelines for Certification Bodies and Auditors to conduct Forest Management and Chain of Custody certification” – of EFCS together with PEFC ST 1002:2010, “Group Forest Management Certification – Requirements” of PEFCs’ Technical Document will be applied on rights and responsibilities of the settlement body.

10. Logo Use Rules

The terms and conditions under which the right to use the PEFC Logo (hereinafter “the Logo”) may be granted are set forth in a contract between the Estonian Forest Certification Council (hereinafter “the EFCC”) and the PEFC Council. The contract stipulates that the EFCC is entitled to grant the right to use the Logo within the framework of the PEFC regulations set forth in PEFC ST 2001:2008, Second Edition – “PEFC Logo Usage Rules – Requirements” and PEFC Logo Usage Rules and PEFC ST 2001:2008, Amendment 1.

“PEFC Logo Usage Rules - requirements” of PEFCs’ Technical Document will be fully applied for forest certification in Estonia under this document.