

PEFC Certification Procedure

1. Introduction

This procedure outlines the PEFC Chain of Custody certification method, system, and processes starting from initial audit to recertification, transfer certificate, suspension/withdrawal of certificate etc.

2. Certification Process Requirements

2.1. Initial Communication

Operator may communicate GSCS by Email or phone or GSCS website for query for PEFC certification.

After completing initial query with the operator, GSCS shall send them PCF76 – PEFC Application Form. Along with Application Form, GSCS shall send PCOP02.a – PEFC Certification Procedure, PEFC ST 2002:2020 — Chain of Custody of Forest and Tree Based Products – Requirements & PEFC ST 2001:2020 — PEFC Trademarks Rules – Requirements.

2.2. Application

1. The client shall fill-up **Application** stating their Process Categories, Product details, Site details for Multisite Certification, Subcontractor details, and Number of employees. The client will make sure that all their data including product details, as well as the data of involved Multisite and Subcontractors, is fully listed in the application (address, number of employees, processing steps). GSCS shall ensure that the application related all documents are complete/ adequate and the client appears to be able to comply with all certification requirements.
2. Along with the filled-up Application Form, the operator shall submit the following:
 - a. Valid legal licenses
 - b. Entire processing steps/Process flow chart
 - c. Product details to identify the product groups.
 - d. Site details covered by the PEFC chain of custody in the case of multi-site certification (as defined in the Chain of Custody standard)
 - e. Documented procedures of the operator organization as defined in the PEFC Chain of Custody standard – Procedures on identification of material categories, physical separation of PEFC certified material, PEFC controlled sources material and other material, definition of product groups, calculation of certified content, management of credit accounts, transfer to outputs, sale/transfer of products and PEFC claims, including documentation in which PEFC claims are made, and other on- and off-product trademark use, record keeping, internal audits and non-conformity control, the Due Diligence System, complaints resolution, & outsourcing.

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- f. Their Chain of Custody methodology (Percentage, Separation, Credit Method)
 - g. Intended application of the PEFC trademarks
 - h. Previous PEFC certification history
3. GSCS shall identify when the client's request for certification includes a type of product, or a normative document, or a certification scheme with which GSCS has no prior experience. In these cases, GSCS shall ensure it has the competence and capability for all the certification activities through providing the relevant trainings to relevant staffs and all personnel related to certification. The applicant will be informed about the issue after reviewing the application to avail sufficient time to train relevant personnel involve in certification activities. A record will be maintained of the justification for such decision to undertake certification. A training need shall be added at once such situation come across to Annex02-1- Training Needs Assessment for further capacity building.
 4. During application review process, GSCS shall determine the means of certification and type of audit required to process the certification. In case of unavailable resource, GSCS shall decline the application.
 5. After having reviewed and approved (including man-day calculation, financial details, or any other special requirement etc.) client's application, by GSCS staff, client will receive quotation/invoice. In addition, GSCS will inform client about a rough timeframe which includes the audit at client's site and, if applicable, the site/s of subcontractors.

2.3. Audit Cycle in Short

6. Upon receiving a complete application with all required documentations, GSCS shall approve the application (including man-day calculation, financial details, or any other special requirement etc.) and operator will receive quotation/invoice.
7. If the client agrees with the offer made by quotation, they will further receive **PCWI01 – Client Agreement** and **PCF11.a – Processor Agreement** (if require). Once the payment is done and GSCS has received duly signed client agreement and processor agreement, audit shall be scheduled, and the client will receive audit plan and PEFC document checklist to prepare for the audit.
8. If the audit has been a recertification, the auditor shall review the previous PEFC audit report and certificate in the audit preparation phase, with other documents. Additionally, the lead auditor will make the audit plan and send it to the operator organization, along with a document checklist beforehand the audit date.
9. During the on-site Audit, the auditor shall check upon client's information based on stated in operator's profile as well as on the available documents. Also, documentation review, site tour and workers' interview will take place during the audit.

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10. The lead auditor is responsible to send the audit report along with relevant objective evidenced to decision maker to review and finalize the non-conformities and communicate with the lead auditor within 10 working days of audit to submit the corrective actions. During this process, if any query or feedback require for file reviewer, the lead auditor shall deliver the same accordingly.
11. Once lead auditor receives the NC closer evidence from operator, he/ she shall complete the primary review and forward to Certification Decision Maker for final review and making the final certification decision.
12. The effective date on a certificate shall not be before the date of the certification decision. A PEFC Certificate shall be issued for a period of 3 years. Surveillance audit shall be carried out in between the certification years on an annual basis.
13. If corrective actions have not been implemented and handed within the said time, the company will receive a Rejection Letter, and the Client Agreement will be terminated.

2.4. Audit time and Man-day Calculation

No of Employee and processes	Man-day	Number of Worker Interviews	Personal Files to Review
1-500	1	15	15
500-1000	1.5	25	25
1000+	2	40	40

Deduction: If the client organization has been certified on any social management system audit/certification (SA 8000/BSCI/WRAP/SMETA/FWF etc.), 0.5 man-days will be deducted from the above table.

Reference Document(s):

PCF76 – PEFC Application Form
PCWI01 – Client Agreement
PCF11.a – Processor Agreement

3. On-site Audit & Reporting Criteria

After Application and Pre-audit Activities has been completed, GSCS shall start the onsite audit activities.

3.1. Planning and Team Selection

- a. GSCS shall ensure to appoint the competent audit team and /or technical experts (if necessary, to cover the scope). GSCS shall uphold requirements for impartiality. For deciding the size and composition of the audit team, the following factors shall be considered:

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- Audit objectives, scope including product category, criteria, and estimated audit duration.
 - Multi-site or Individual or Producer groups audit.
 - Overall competence of the Audit team needed to achieve the objectives of the inspection.
 - Certification requirements (including any applicable statutory, regulatory, or contractual requirements).
 - Language and culture.
- b. In the audit plan, activities of individual auditor shall be written. Lead auditor shall be responsible to conduct opening and closing meeting (in exception of training purpose). The audit plan shall be appropriate to the objectives and the scope of the evaluation. The audit plan shall be communicated through e-mail and confirmed by both parties.
- c. The audit plan shall be communicated, and the dates of the audit shall be agreed upon in advance with the client organization.
- d. In the case of multi-site certification, the audit plan shall list the sites to be visited as part of the sample, as per 6.2.2. & 6.2.3. and clause 2.4.
- e. Technical experts shall be used for certain inspection. The role of such experts is limited to provide expertise; they cannot replace the auditor. The person-day of the technical expert shall not be counted in the audit day calculation. The operator shall be asked beforehand if he/she agrees to the presence of such an expert. The expert must sign a confidentiality declaration before the visit. If any translator / interpreter used, the audit duration shall be increased at 10-20% of total calculated man-days.
- f. During on site audit, audit team shall be accompanied by a guide. The client will be responsible to assign the guide(s) to audit team. The audit team shall ensure that guides do not influence or interfere in the evaluation process or outcome of the evaluation result.

3.2. Onsite Evaluation

- 3.2.1.** The purpose of the onsite audit is to determine the conformity of the client organization's:
- a. chain of custody process with the requirements of the Chain of Custody standard and its effective implementation. There are three methods to implement the PEFC chain of custody, namely the physical separation method, the percentage method, and the credit method.
 - b. management system with the requirements of the Chain of Custody standard and its effective implementation

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- c. chain of custody process with requirements for the avoidance of procuring raw material from controversial sources where applicable, applicability to PEFC Due Diligence System requirements, and its effective implementation.
 - d. usage of the PEFC trademarks with the PEFC Trademarks standard and its effective implementation and that the trademarks license contract, which shall be signed between the client organization and the PEFC Council or a PEFC authorized body for the client organization to be allowed to use the PEFC trademarks, is valid.
 - e. The usage of the PEFC trademarks and PEFC claims is to be evaluated at the time of the surveillance and recertification audits. At initial audits, any proposed or intended use of the PEFC trademarks and PEFC claims is to be evaluated. Such PEFC claims and trademarks shall be evaluated from the usage of on-product labelling and off-product labelling for instance – marketing materials, websites, journals, visual posters etc.
 - f. Collect data as required by the PEFC notification contract.
- 3.2.2.** For operators that operate without physical possession, audits shall be conducted remotely with the use of Information and Communication Technologies.
- 3.2.3. Audit findings shall be classified as major nonconformities, minor nonconformities, and observations.**
- 3.2.4.** The auditors shall produce audit reports in accordance with **PCT28 – PEFC Audit Checklist.**
- Note 1:** Client organizations that operate with physical possession but have not sold any physical product with a PEFC claim since the previous audit, are not eligible to be audited remotely according to this requirement.
- 3.2.5.** On request, GSCS shall send a copy of the audit report and other necessary audit records requested by PEFC, in English language, to the PEFC Council and/or a PEFC National Governing Body.
- 3.2.6. Basic instruction for auditor**
- Remember that you are an auditor, neither a police officer, nor an advisor, nor the operator's friend. Your job is fact finding, objective documentation of these facts and correct assessment of compliance with the applicable standard. Be very careful to confine assessment to the scope of the respective standard.
 - You must conduct the audit in a transparent manner. Tell the operator what you want to see but do not be police.

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- Proceed systematically. Try to cover all relevant aspects of the respective standards, audit checklist, inspection forms, and standard control programs. Do not be distracted from your schedule.
- Your job is to verify if the operator complies with the respective standards. Address non-conformities clearly.
- Being distrustful and trusting your client - It is the key part of the auditor's job to not trust easily what the operator says: verify and crosscheck the information provided by audit triangulation through document/record review, interview, and facility tour.
- Recording everything and being brief - It is essential for the whole certification process to properly record all relevant aspects (both positive and negative).
- Covering everything and going into depth, we must see the operation as a whole. A frequent inspection error is to forget transport units, storage rooms, subcontractors, etc. It may make more sense identifying critical issues (risks), and going into depth there, rather than covering everything superficially.
- Make sure the operation is well prepared - although the operation may comply with the standard in general terms: if it is not prepared, e.g., in what refers to records, the inspection becomes very difficult and time consuming.
- Audit triangulation- Auditor shall follow proper audit triangulation through document/ record review, interview, and facility tour before concluding.
- Please cover the common area specially for storing to finishing if other factory (s) located in same premises. Please consider its as high risk.
- To ensure that auditor/inspector have all relevant documents for the respective inspection in the most recent version.
- Must have a copy of standard, manual or other relevant documents like local and international laws.
- Review thoroughly the pre-filled operator profile and/or previous inspection report, and any noncompliance communication related to the operation.
- Take auditor's photo with factory nameplate/gate to locate the presence of auditors onsite.
- All photos must contain date stamp.

Note 2: *The auditor must be familiar with the basic technical aspects of the operation to detect potentially critical issues.*

3.2.7. Opening meeting

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- a. During the opening meeting, auditor should explain again the scope and steps of the inspection. Agree with the operator on the schedule, including breaks, etc. Make sure relevant staffs will be present at the time you need them (e.g., office staff for document review, or workers for worker interviews).
- b. Reconfirm that all information will be handled confidentially.
- c. If auditor has other persons, accompanying him/her (trainees or others), please explain their role. Make sure such persons have signed confidentiality declarations before.
- d. Confirmation for taking photos either negative or positive aspects of operator.
- e. Study the floor plan of the operation together with the operator. This makes physical inspection easier, and less likely to forget important areas.
- f. Auditor shall follow the workers' languages for opening meeting. If the workers' language is different than auditor language, please use the interpreter/ translator.
- g. Auditor shall follow the **PCWI05-Opening Meeting Agenda** in detail. The allocated time may be 30-45 minutes for opening meeting which should be allocated in audit plan.
- h. Lead auditor is responsible for conducting the opening meeting and all other audit team members shall attend on the opening meeting.
- i. The lead auditor shall review with the operator any need for changes to the audit scope which becomes apparent as on-site inspection activities progress.

3.2.8. Audit Evidence:

During audit, the auditors shall collect and effectively evaluate the audit evidence through cross checking or audit triangulation among document/ record review, interviews, and physical tour.

During the audit, the audit team shall periodically assess inspection progress and exchange information. The Lead Inspector shall reassign work as needed between the inspection team members and periodically communicate the progress of the audit and any concerns to the operator.

3.2.9. Physical inspection

- a. After the opening meeting, auditor shall take a walk around the facility. Before going to facility tour, auditor may take floor plan/ layout plan to verify with the reality. While moving around, take notes. If necessary, up- date/correct/complete the floor plan/layout plan while conducting the onsite inspection.
- b. Auditor shall ensure visiting all relevant parts of an operation.

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- c. For Noncompliance auditor shall addressed directly, while talking to the operator. If possible, he/she shall tell the operator, which part (paragraph, annex, etc.) of the respective standard are being referred to.
- d. It may happen that auditor's attention might get distracted from critical points (e. g. storage areas containing the contamination) by surrounding. Auditor must be aware of this risk.
- e. Auditor may take note of workers' identification no. for calling to interview.
- f. Auditor shall take relevant Photographs/ picture or any record supporting of non-conformities.
- g. Auditor shall take own photo.
- h. Auditor shall inform to GSCS HQ if operator does not allow to access the auditor (s) e-mail, phone, and any means of communication before leaving from the operator's site.

3.2.10. Interviews

Make sure auditor does not rely entirely on information from the management or person accompanying him/her during the audit. Interviews with different people who may give different information are an essential part of most inspections. The interview shall involve all process person/ workers including of persons in charge of records and bookkeeping.

The purpose of such interviews is, on one side, to verify if workers and employees have been sufficiently trained for their job and standard requirements of PEFC, awareness and on the other side to cross check the information provided by management. For this purpose, it is important to conduct such interviews (privately/confidentially). Management should not be listening nor interfering. The certification contract obliges the operator to accept such interviews at any moment.

Auditor shall follow the PCWI15- Employee Interviews Instruction for Social and Annex18- Employee Interview Questionnaire for Social.

3.2.11. Document/Record review

Some general rules of thumb concerning document review during audit/ inspections:

- a. Overview tables are often useful but should not be accepted as the only source of information; at least for samples, always go back to the original documents, on which the overview is based.
- b. Try to cross check information from more than one documents as inconsistencies may lead the auditor to wrong direction.
- c. From year to year, change the type of documents in checklist, so that your inspection becomes less predictable.

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- d. Documents to be checked are listed in the respective Standard Inspection Programs.
- e. For many scopes, it is important to verify quantities: the quantities of produced/ purchased/ processed goods match quantities of sold products.
- f. Most certification programs require traceability checks. Please refer to the respective training materials developed by GSCS.
- g. In most cases, it is enough to check relevant documents and excerpt the necessary information. Only important documents need to be photocopied.
- h. Important documents are those that are referred as annex in MP respectively the audit report in the section that will be treated as "mandatory attachments". They are different for different scopes and in each case essential to the evaluation and the certification officer to have knowledge of for the decision-making and certification.
- i. Take along copies of invoices from suppliers for inputs to conduct cross checks with the supplier's certifiers particularly for suspicious or doubtful documents, but also as part of a random selection.
- j. Auditor shall as to operator for certified product complaint related information if available to verify the complaint solving mechanism of PEFC products.

3.2.12. Time Management

Time management is crucial for conducting a good audit. Make sure auditor:

- Plan for enough time, depending on size, complexity, and risk category of the operation
- Arrive and start in time
- keep an eye on time during the entire audit
- Do not let yourself distract by "stories" or "discussions" the operator wants to share with you
- Do not lose much time with lunch and coffee breaks
- Stay flexible – when you find e. g. that one activity, which you had planned, is less important and less critical than you had thought, reduce the time you had planned for that, and concentrate on the more critical things.
- Leave enough time for the closing meeting
- Do not lose time with very minor or irrelevant things

3.2.13. Audit Findings

Audit findings summarizing conformity and detailing nonconformity shall be identified, classified, and recorded to enable an informed certification decision to be made or the certification to be maintained.

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A finding of nonconformity shall be recorded against a specific requirement and shall contain a clear statement of the non-conformity, identifying in detail the objective evidence on which the non-conformity is based.

Nonconformities shall be discussed with the operator to ensure that the evidence is accurate and that the nonconformities are understood. The auditor however shall refrain from suggesting the cause of nonconformities or their solution.

The lead auditor shall attempt to resolve any diverging opinions between the audit team and the operator concerning inspection evidence or findings, and unresolved points shall be recorded.

3.2.14. Pre-Closing Meeting with Audit Team

- a. The lead auditor shall conduct a pre-closing meeting with audit team members to finalize and summarize the non-conformities. They shall discuss below:
- b. Review the audit findings, and any other appropriate information obtained during the audit, against the audit objectives and audit criteria and classify the nonconformities.
- c. The whole team will be agreed on final non-conformities and its classification based on severity/ risk that selected by the lead auditor.
- d. Agree on any necessary follow-up actions.
- e. Confirm the appropriateness of the audit program or identify any modification required for future audit (e. g. scope of certification, audit time or dates, sampling, audit team competence etc.)

3.2.15. Closing Meeting

A formal closing meeting, where attendance shall be recorded, shall be held with the operator's management and, where appropriate, those responsible for the functions or processes inspected.

The purpose of the closing meeting, usually conducted by the inspection team leader, is to present the inspection conclusions, including the recommendation regarding certification.

Any nonconformities shall be presented in such a manner that they are understood, and the timeframe for responding shall be agreed.

The closing meeting shall also include the following elements where the degree of detail shall be consistent with the familiarity of the operator with the audit process (**please see PCWI11-Closing Meeting Agenda**).

Reference Document(s):

PCT28 – PEFC Audit Checklist

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PCWI05-Opening Meeting Agenda
PCWI11-Closing Meeting Agenda

3.3. Audit Report

The report ownership shall be maintained by GSCS. GSCS shall provide a written report for each audit to the client following the type of operation inspected, and to facilitate a non-discriminatory, objective, and comprehensive analysis of the respective processing, manufacturing, or trading system.

The report shall cover all relevant aspects of the standards, and adequately validate the information provided by the clients. It shall include

- A statement of any observations relating to conformity with the certification requirements.
- Date and duration of the inspection, persons interviewed, facilities visited; and
- Type of documents reviewed.
- Details including responsible person, type of audit, certification history, process details, non-conformities along with the severity, a disclaimer statement indicating as based on a sampling process, corrective action timeline, list of annexes documents etc.

The lead auditor shall ensure that the audit report is prepared correctly with all applicable requirement and with accurate, concise, and clear record or information.

Lead Auditor shall present any non-conformity to be resolved to comply with applicable certification requirements and provide the signed non-conformity report/ audit result with recommendation immediate after closing meeting.

The lead auditor/ inspector will be responsible to submit the report to GSCS Certification Decision Maker within maximum 10 days from audit date including all required documents/ records, annexes etc.

3.4. Report Review

GSCS shall assign at least one person Decision Maker to review all information and results related to the evaluation. The review shall be carried out by person(s) who have not been involved in the evaluation process.

Once audit has been completed, GSCS shall request to operator for corrective action evidence against each non-conformity. Auditor shall primarily review the corrective actions evidence and shall send to decision maker for final decision.

3.4.1. Handling non-conformities

Before granting initial certification, as a minimum, all major and minor nonconformities shall be corrected, and the corrective action(s) verified by GSCS.

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Before granting recertification, as a minimum, all major nonconformities shall be corrected, and the corrective action(s) verified by GSCS.

The client organization must take corrective action(s) to address any major or minor nonconformities found during the audits. GSCS shall examine and approve the corrective action plan, which includes a timeline.

The below timeline shall be followed by the client organization to close all non-conformities:

Audit type	Type of non-conformity	CA Period	Impact
Initial Certification	Major Non-conformity	60 days	<ul style="list-style-type: none"> Must be corrected prior to certification Certificate will not be issued without closing this non-conformity
	Minor Non-conformity	90 days	<ul style="list-style-type: none"> Must be corrected prior to certification Certificate will not be issued without closing this non-conformity
For Surveillance Audit	Major Non-conformity	90 days	<ul style="list-style-type: none"> Must be corrected to continue the certification. If not closed, the certification shall be suspended.
	Minor Non-conformity	Up to Surveillance Audit/ Re-certification Audit	<ul style="list-style-type: none"> Must be corrected to continue the certification. For Surveillance – 1, it must be corrected by next Surveillance. For Surveillance – 2, it must be corrected by next recertification audit. If not corrected within time, the non-conformity will be upgraded to Major, during recertification audit.
For Re-certification	Major Non-conformity	60 days	<ul style="list-style-type: none"> Must be corrected prior to certification. If not closed, the current certification shall be suspended, new certificate shall not be issued.
	Minor Non-conformity	Up to Re-certification Audit	<ul style="list-style-type: none"> Must be corrected to continue the certification. If not closed within next surveillance audit, the non-conformity will be upgraded to Major, during surveillance audit.

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Other than above mentioned non-conformity classification, auditor may raise **observation** for the client organization, which shall be treated as opportunities for improvements, and will not impact on certification if not upgraded to non-conformity, at any stage of the certification period.

4. Certification Decision

GSCS shall ensure that the Decision Maker for each standard, who reviews and makes the decisions for granting or refusing certification, expanding or reducing the scope of certification, suspending or restoring certification, withdrawing certification or renewing certification are different from those who carried out the inspections. All File Reviewer/Decision Maker appointed to conduct the file review shall have appropriate competence. Certification decisions taken are not influenced by any commercial, financial and/or other interest.

All person(s) assigned to make a certification decision shall be employed by or shall be under contract with GSCS. GSCS shall document and apply measures to verify effectiveness of corrective actions taken by operators to meet the requirements.

GSCS shall record each certification decision including any additional information or clarification sought from the inspection team or other sources. GSCS shall notify the operator of a decision not to grant certification/ suspension/withdrawal of certification and shall identify the reasons for the decision.

Certification decision shall be recorded in **PCF30-Clients Directory**.

Reference Document(s):

PCF30-Clients Directory

5. Certification Documentation

The certification document shall include at least the following information:

- a. identification of the certification body
- b. name and address of the client organization, and where applicable its sites/legal entities, whose chain of custody is subject to certification. (The name and address of the client organization may be the name and address of a legal entity where no PEFC chain of custody activities are taking place (e.g., a mailbox address). The name and address of the client organization whose chain of custody is subject to certification shall be included on the certification document as well).
- c. type of certificate (individual, multi-site or producer group)
- d. scope of the certification granted (see section 5.1)
- e. the PEFC logo with GSCS's PEFC trademarks license number
- f. accreditation mark of the accreditation body (including accreditation number where applicable)
- g. the date of granting, extending or renewing certification and the expiry date or recertification due date. The effective date on a certificate shall not be before the date of the certification decision

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5.1. Scope of Certification

- a. reference to PEFC ST 2002, Chain of Custody of Forest and Tree Based Products – Requirements, and where relevant the national identification of this standard as adopted by a PEFC endorsed national forest certification system. The identification of the Chain of Custody standard shall refer to the version of the Chain of Custody standard against which the audit was carried out and that was valid at the time when the certification was granted.
- b. reference to PEFC ST 2001, PEFC Trademarks Rules – Requirements, and where relevant the national identification of this standard as adopted by a PEFC endorsed national forest certification system. The identification of the PEFC Trademarks standard shall refer to the version of the PEFC Trademarks standard against which the audit was carried out and that was valid at the time when the certification was granted.
- c. Applied chain of custody method.
- d. products covered by the chain of custody, according to the PEFC product categories.
- e. Where the scope of the certification is included in an appendix to the certificate, the certificate shall include a reference to the appendix, and the appendix shall be considered as part of the certificate.
- f. The number of the certificate shall be comprised, in this order that the prefix of GSCS name shall appear followed by a dash (-), the abbreviation of the Chain of Custody standard: PEFC-COC followed by a dash (-), and the corresponding number starting by 2070, containing eight digits. For example: **GSCS-PEFC-COC-2070000X**.
- g. If the original is a digital version, GSCS shall be added at the bottom of the certificate: "This electronically issued document is the valid, original version".
- a. GSCS shall use letterhead at the top of the SC with contact details. All digital versions of SCs shall be prepared in pdf mode with password protection, and QR codes and specification of the domain name in the URL.
- h. The certification shall be granted for three years.
- i. GSCS shall immediately inform the **PEFC National Governing Body**, or the **PEFC Council** where the PEFC National Governing Body does not exist when certification is granted, suspended, terminated, withdrawn, its scope is changed or any other changes affecting the certification or the information that certification bodies shall report to PEFC.

5.2. Directory of Certified Products

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GSCS shall maintain directory on certified products including of below information at least:

- Product identification,
- the standard(s) and other normative document(s) to which has been certified,
- Name of the certified operator/ client,
- Client country name,
- Certificate issue and expire date.

6. Multi-site chain of custody certification

Multi-site audit and certification of PEFC chain of custody in client organizations with a network of sites, to ensure that the audit provides adequate confidence in the conformity of the client organization's chain of custody with the Chain of Custody standard across all sites listed in the scope of the certificate and that the audit is practical and feasible in both economic and operative terms.

6.1. Eligibility criteria for the multi-site client organization

The multi-site organization is defined as an organization having an identified central function (normally, and hereafter referred to as a "central office") at which certain activities are planned, controlled, and managed and a network of local offices or branches (sites) at which such activities are fully or partially carried out.

The multi-site organization does not need to be a unique entity, but all sites shall have a legal or contractual link (Majority owned companies/ common ownership) with the central office and be subject to a common chain of custody that is subject to continuous surveillance by the central office. This means that the central office has the right to implement corrective actions when needed at any site.

The multi-site organization may cover:

- a. Organizations operating with franchises or companies where the sites are linked through a common ownership, management, or other organizational link.
- b. Groups of independent legal enterprises established and functioning for the purposes of the chain of custody certification (producer group).

6.1.1. Producer Group: A producer group is a network of typically small independent enterprises that have associated together for the purpose of obtaining and maintaining chain of custody certification. The central office may be an appropriate trade association, or any other properly experienced legal entity that is either nominated for the purpose by a group of intending members or offers a group service managed for the purposes of and consistently with this standard. The central office can also be administered by one member of the group. The central office in the case of the producer group can be called the "group entity" and sites can be called "group members".

The producer group is limited to participation of sites that are domiciled in a single country and that:

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1. have no more than 50 employees (full-time employees equivalent),
2. have a turnover of maximum of 10,000,000 EUR, or equivalent

6.1.2. Site: A site is a location at which activities relating to the organization's chain of custody are carried out.

6.2. Evaluation of Multi-site Organization

Prior to proceeding with any multi-site audit, GSCS shall provide information to the client organization about the eligibility criteria laid down herein and shall not proceed with the audit if any of the eligibility criteria for the multi-site organization are not met. Before starting the audit process, GSCS shall inform the client organization that the certificate will not be issued if, during the audit, nonconformities in relation to these eligibility criteria are found.

6.2.1. Application & Client Agreement

- a. The application and client agreement for the multi-site organization shall identify the number of sites required to be audited and get into the scope of certification, sampling of sites, and level of sampling.
- b. GSCS shall identify the central function of the client organization and the central office in the application and client agreement.
- c. While applying the sampling as per 6.2.2. and 6.2.3., GSCS shall consider the similarity of sites and their activities, raw material flow etc.

6.2.2. Sampling of sites

- a. The sample shall be representative concerning differences in site processes and activities that are subject to the chain of custody certification. The sample shall be determined separately for sites using different chain of custody methods (physical separation, percentage, or credit methods). Samples shall be determined after the sites are separated.
- b. The sample shall be determined separately if the sites were added between audits and no on-site audit was required, as per 6.2.4. (b).
- c. At least 25% of the sample should be selected at random.

Note: The selection of sites should avoid visiting sites from the previous sample, unless it is justified by the identified risk. This may lead to sampling where less than 25% of the sample could be selected at random.

- d. Sample should be selected so that the differences among the sites selected over the period of validity of the certificate is as large as possible.
- e. The site selection criteria shall include among others the following aspects:

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- results of internal audits or previous certification audits
 - records of complaints and other relevant aspects of corrective and preventive action
 - significant variations in the size of the sites and in production processes of the sites
 - variations in the applied chain of custody methods
 - modifications since the last certification audit
 - geographical dispersion
 - sites added since the last external audit
- f. The central office shall be audited during every initial, surveillance and recertification audit as a part of the sample.

6.2.3. Size of Sample

The minimum number of sites to be visited per audit shall be for:

- a. Initial audits and sites added since the last audit where no on-site audit was required, the square root of the total number of sites, rounded up to the next whole number:

$$y = \sqrt{x}$$

y = number of sites to be visited, x = total number of sites

- b. Surveillance audits: the square root of the total number of current sites reduced by a factor 0.6, rounded up to the next whole number:

$$y = 0.6 \times \sqrt{x}$$

y = number of sites to be visited

x = total number of sites

- c. Recertification audits: the square root of the number of current sites, rounded up to the next whole number:

$$y = \sqrt{x}$$

Where the central office did not receive any major nonconformities over the certification cycle, the size of the sample could be reduced by a factor 0.8, rounded to the upper whole number:

$$y = 0.8 \times \sqrt{x}$$

y = number of sites to be visited

x = total number of sites

The size of sample shall be increased where risk analysis of the activities covered by the multi-site client organization subject to certification indicates increased risk due to factors like:

- size of the sites and number of employees
- complexity and variations of raw material flow and chain of custody methods

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- variations in the application of chain of custody methods and definitions of the raw material origin
- level of risk of procurement of raw material from controversial sources
- records of complaints and other relevant aspects of corrective and preventive action
- any multinational aspects
- results of internal and external audits
- the type of multi-site (multi-site or producer group)

6.2.4. Audit of Multi-site Organization

- a. GSCS shall do the sampling of multi-site organization as per sampling 6.2.2. and 6.2.3.
- b. For operators that operate without physical possession, audits shall be conducted remotely with the use of Information and Communication Technologies.
- c. The organization shall have an internal control system in place.
- d. The organization shall appoint a unique responsible person who is responsible for the management of the sites control system and for ensuring conformity to the Standard by all sites.
- e. To be certified as multi-site organization, the client organization shall demonstrate its ability to collect and analyze data (including but not limited) from all sites including the central office and its authority over all sites and its authority to initiate change if required:
 - chain of custody documentation and chain of custody changes
 - management review
 - complaints
 - evaluation of corrective actions
 - internal audit planning and evaluation of the results
 - different legal requirements in relation to the avoidance of raw material from controversial sources.

With reference to Appendix 2 of the PEFC Chain of Custody standard, a multi-site client organization, which is established as a group of independent legal entities only for the purpose of obtaining and maintaining chain of custody certification, shall only consist of typically small enterprises.

- f. If more than one audit team is involved in the audit of the network, GSCS shall designate a unique lead auditor whose responsibility is to consolidate the findings from all the audit teams and to produce a synthesis report.
- g. When nonconformities are found at any individual site, either through the client organization's internal auditing or from auditing by GSCS, the client shall conduct risk assessment to determine whether the other sites may be affected.

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- h. Client organization shall review the nonconformities to determine whether they indicate an overall chain of custody deficiency applicable to all sites or not. If they are found to do so, corrective action must be performed both at the central office and at the individual sites.
- i. GSCS shall determine based on the nonconformities, the sampling of upcoming surveillance audit.
- j. For initial and recertification audits, at the time of the decision-making process, if any site has a nonconformity pending satisfactory corrective action, certification shall be denied to the whole multi-site client organization.

6.2.5. Certification

- a. One single certificate shall be issued with the name and address of the central office of the client organization. A list of all the sites that the certificate relates to shall be issued, either on the certificate itself or in an appendix or as otherwise referred to in the certificate. The scope or other reference on the certificate shall make clear that the certified activities are performed by the network of sites in the list.
- b. If the individual sites are applying different chain of custody methods, the appendix of the Chain of Custody standard shall be clearly stated in the certificate and any appendix for the individual sites.
- c. A sub-certificate may be issued to the client organization for each site covered by the certification, on condition that it contains the same scope, or a sub-scope of that scope, and includes a clear reference to the main certificate. The sub-certificate shall include a statement saying, "the validity of this certificate depends on the validity of the main certificate".
- d. The certificate will be withdrawn in its entirety, if the central office or any of the sites does not/do not fulfil the necessary criteria for the maintaining of the certificate.
- e. The list of sites shall be kept updated by the certification body. To this effect, GSCS shall request the client organization to inform it about the closure, establishment, or change in activities of sites. Failure to provide such information will be considered by GSCS as a misuse of the certificate, and it will act consequently according to its procedures. GSCS shall inform the PEFC Council accordingly.

6.2.6. Adding new sites in between certification audits

Additional sites may be added by the certification body to an existing certificate between audits, provided it is within the scope of the certificate. The number of sites that may be added between audits is limited to 100% of the existing sites at the previous audit. The following requirements shall be met:

- a. GSCS shall be informed by the client organization in advance of the necessity to add new sites between audits to be covered by the chain of custody certificate

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and shall be provided with the number of sites, by PCF42 – Application for Change Request.

- b. GSCS shall obtain from the client organization the chain of custody procedures covering the additional sites, including the applied chain of custody method and the products covered by the chain of custody.
- c. GSCS shall obtain the internal audit report for the site(s) being considered for inclusion in the certificate.
- d. GSCS shall review results of the internal audit and determine if additional information is needed while considering the request of the client organization.
- e. Based on the result of the review in (d), GSCS shall determine if an on-site audit of the additional site(s) is required or if the review as per (b), (c) and (d) shows sufficient evidence that the sites can be added.
- f. If an on-site audit is not required before adding the additional site(s) to the chain of custody certificate, these new site(s) shall be subject to on-site visit no later than the next scheduled audit. GSCS shall determine whether a sample of the new sites is required.

7. Surveillance

- The surveillance audits shall be carried out annually. GSCS shall carry out surveillance audits each year before the expiry date of the certificate. Thus, in a total two surveillance audits will be conducted.
- GSCS will follow the surveillance procedure as per ISO/IEC 17065:2012 of clause 7.9. The below flow of surveillance will be followed by GSCS:
- Surveillance is a full audit and generally follows procedures outlined in 're-audit'.
- Communicate to the Operator to plan the surveillance and find out if there are any changes such as change of production units, subcontractors, new suppliers. Operator needs to complete inspection checklist, list of suppliers, list of subcontractors etc.
- The GSCS shall regularly re-evaluate operators prior to the end of the previous certification period. Mechanisms shall be in place to effectively monitor whether corrective actions have been implemented.
- The GSCS shall report and document its annual activities and shall keep operators informed about their certification status.
- GSCS shall control the use and display of licenses, certificates, and logos.

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- Surveillance shall generally follow procedures outlined in clause 3 of this procedure. However, inspectors shall be careful on certain measures related to risk and repetition of previous nonconformities.
- Normally, the surveillance after initial certification is to be within 12 months of the last day of the initial audit.

8. Changes affecting certification

Once standard setter introduces new or revised requirements which affect the operator, GSCS shall inform to all operators by email and/or website. GSCS shall verify the implementation of the changes by its operators and shall take actions required by the standard and GSCS shall timely update and implement the respective document.

GSCS certified clients shall inform to GSCS about any changes cited in the requirements of previously filled up application form, client agreement, scope extension/reduction, related activity, process, product composition etc. GSCS shall send the clients **PCF42-Application for Change Request** and client shall fill the form according to their changes. GSCS shall consider other changes affecting certification, including changes initiated by the operator, and shall decide upon the appropriate action.

GSCS shall ensure that auditors are aware of the changes to the Standard(s) and related changed requirements by providing relevant trainings (included in CPD, PCWI21-Competency Criteria), will accommodate such requirements in the audit report/checklist, audit plan etc. (if needed).

The actions to implement changes affecting certification shall include, if required, the following:

- evaluation.
- review.
- decision.
- issuance of revised formal certification to extend or reduce the scope of certification.
- surveillance activities

If such is the case, the client shall not be allowed to release certified products produced under the changed conditions until the GSCS has notified the client accordingly.

Reference Document(s):

PCF42-Application for Change Request

9. Transfer of scope certificate

Any certified operator has right to change the existing certification body. GSCS shall honor this right of GSCS certified clients. As well, GSCS shall accept the request from any certified operator that is certified by other certification body.

GSCS shall conduct the adequate due diligence before accepting the transferred certificate by collecting the previous certifier non-conformities report and/ or audit report. No activities will be bypassed as a result of such transfer.

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If any certified operator requests to conduct their re-certification by GSCS that is already certified by other certification, GSCS will follow the below steps:

- GSCS may conduct the audit before expiration of the existing certificate, but certification decision shall be made immediate after expiry of previous certificate or getting cancellation letter from previous certification body.
- GSCS shall not provide any duplicate certificate to any operator.
- A full audit shall be deployed as the recertification audit/surveillance audit.

10. Termination, reduction, suspension, or withdrawal of certification

When a nonconformity with certification requirements is substantiated, either as a result of surveillance or otherwise, GSCS shall consider and decide upon the appropriate action.

Appropriate action can include the following:

- continuation of certification under conditions specified by the certification body (e.g., increased surveillance)
- reduction in the scope of certification to remove nonconforming product variants.
- suspension of the certification pending remedial action by the client
- withdrawal of the certification

If certification is terminated (by request of the client), suspended or withdrawn, GSCS shall make all necessary modifications to formal certification documents, public information, authorizations for use of marks, etc., to ensure it provides no indication that the product continues to be certified. If a scope of certification is reduced, GSCS shall make all necessary modifications to formal certification documents, public information, authorizations for use of marks, etc., to ensure the reduced scope of certification is clearly communicated to the client and clearly specified in certification documentation and public information.

If certification is suspended, GSCS shall assign one or more persons to formulate and communicate the following to the client, actions needed to end suspension and restore certification for the product(s) by further evaluation, review, & decision.

If certification is reinstated after suspension, GSCS shall make all necessary modifications to formal certification documents, public information, authorizations for use of marks, etc., to ensure all appropriate indications, exist that the product continues to be certified. If a decision to reduce the scope of certification is made as a condition of reinstatement, GSCS shall make all necessary modifications to formal certification documents, public information, authorizations for use of marks, etc., to ensure the reduced scope of certification is clearly communicated to the client and clearly specified in certification documentation and public information.

11. PEFC Trademarks Rules:



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All certified organizations with a valid logo usage license have access to the PEFC Label Generator. The PEFC Label Generator is a free to use, online tool that enables the quick and simple creation of PEFC trademarks. Organizations can download the PEFC trademarks, with their own unique logo license number, using the Label Generator.

GSCS shall refer to the **PEFC ST 2001:2020, PEFC Trademarks Rules – Requirements**, in approval of any PEFC Trademark, that is on or off- product.