

Implementing the new PEFC CoC Standard

Since 24 February 2014, the new PEFC CoC standard ([PEFC ST 2002:2013](#)) applies to your company, so you should be in compliance its requirements. This update provides you with the latest information that you need to ensure that you follow all the criteria of the new standard.

PEFC recently published a new draft guidance document ([PEFC GD 2001:2014 ED](#)) for the new Standard. The draft guidance may be followed until PEFC publishes the final version.

Your next PEFC chain of custody audit

We will verify your compliance with the new CoC standard during your next regular annual surveillance audit, which will be scheduled as normal.

Note: NEPCon's auditors are following the draft guidance mentioned above during any audits conducted until PEFC publishes its final guidance.

Are you aligned with the new standard?

PEFC now requires you to implement the PEFC Due Diligence System (DDS). Except for recycled material and materials covered by a CITES license, the DDS shall cover all input material entering your PEFC supply chain, i.e. material used for products that you sell with a PEFC Claim.

The DDS process includes 3 steps:

1. Information gathering. Note: This is required for all material types, even for PEFC Certified material.
2. Risk assessment.
3. Management of significant risk supplies.

See figure 2 for an overview of the process and it is linked to the source material category.

You can use the following checklist to see if you are in line with key requirements in the new standard, including the DDS requirements and other requirements. The list is based on the new standard as well as the draft guidance.

1. **Develop and implement a procedure for „Access to information“.** You need to share the procedure with your supplier and your supplier needs to sign an agreement on access to information. This requirement replaces the previously required supplier self-declaration. The agreement can be annexed to the general procurement agreement. Information about species and origin does not have to be given exactly for every product of delivery. It can be given on level of potential origins and species that may be included in procured products.
2. **Conduct the risk assessment:**
 - a. Use the indicators for Negligible Risk - certified inputs (PEFC or FSC Certified, FSC CW, PEFC CS). For most PEFC companies with PEFC certified inputs, buying certified material will suffice to mitigate the risk.
 - b. However, in some cases you may need to evaluate the risk on the origin or supply chain level and then develop mitigation measures.
3. **Manage significant risk supplies:** The first step is gathering detailed information about the supply chain and the risk supply's origin. In some cases, you may need to carry out sample based on-site inspection or enlist a third party to do this on your behalf.
4. **Ensure that you use the new claims:** x% PEFC Certified and, depending on the scope of your certificate, also PEFC Controlled Sources.

5. **Establish procedures for „restrictions on trade in controversial timber“.** The new standard prohibits you from processing or placement on the market of any timber that can be reasonably suspected to come from illegal sources, unless “appropriate documented evidence has been provided and verified which allows the timber supplied to be classified as presenting "negligible risk". This applies to not only to your PEFC Product groups and PEFC scope, but to all the material that your company handles.

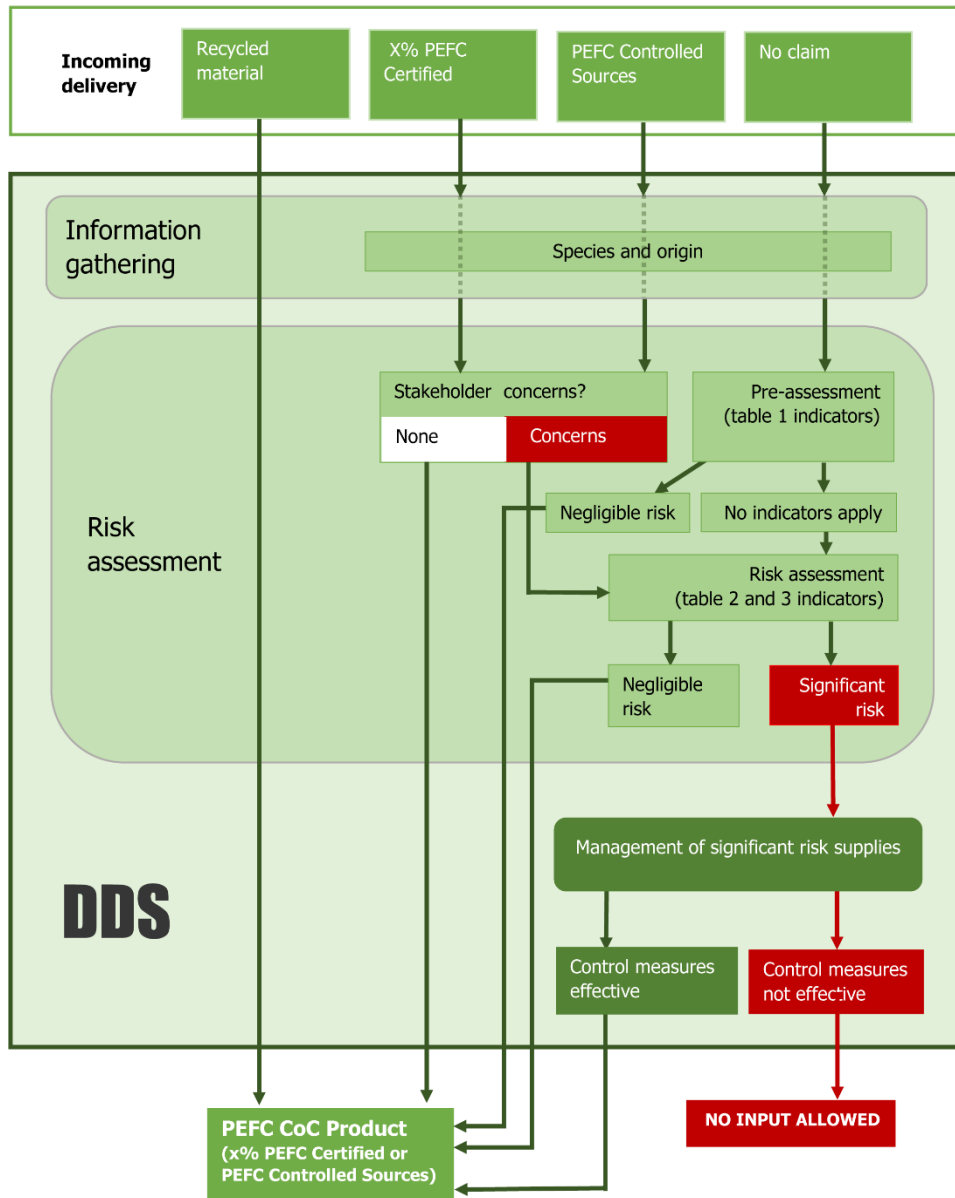


Figure 1: DDS risk assessment process

Beware of new risk assessment approach

The quality of your risk assessment is essential for meeting the requirements. One of the key changes that you need to be aware of concerns risk assessments. Basically, PEFC now requires a higher level of assurance for negligible risk of controversial timber for materials that are used as inputs for PEFC products. See Figure 2 below.

Note: The draft guidance document includes references, examples and explanations for all risk assessment indicators.

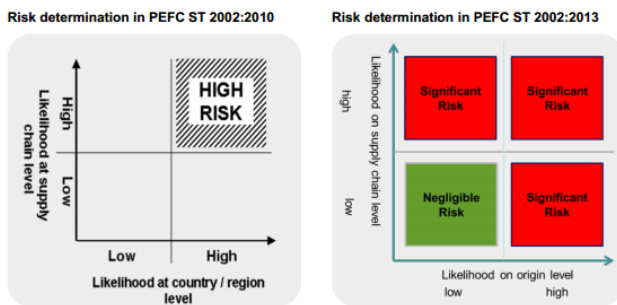


Figure 2. Risk assessment in the 2010 versus the 2013 version of the PEFC CoC Standard.

Questions & Answers

The draft guidance clarifies the following important points. Numbers in brackets refer to indicators of the Standard.

ACCESS TO INFORMATION

*"... The organisation shall **have access to** the following ...". How shall "have access to" be understood? (5.2.1)*

You need to have a procedure in place that enables you to get the information from your supplier when needed. You need to coordinate and confirm the procedure with your supplier. You need to document the procedure and your suppliers' confirmation. Your procedure can cover any means of effectively transferring the information, such as physical transfer or making reference to an (external) online/web-based information source.

SPECIES AND COUNTRY OF HARVEST

The Standard requires identification of material/product (trade name and type), tree species and country of harvest of the material shall be known for all input forest based material covered by the PEFC certificate. However, it is not always feasible to ascertain the exact composition, species or harvest region e.g. for paper and composite products such as particle boards. How can this situation be handled? (5.1.2 and 5.2.1)

Suppliers should be able to provide access to the information on the tree species - at minimum this needs to be a list of species potentially contained in the product. The information on tree species and origin may be given at a "higher" level. You need to state all the species and origins that are potentially included in your PEFC products.

Note: Even though the self-declaration is no longer mandatory, it can still be a helpful tool for ensuring access to this information from the supplier.