

## Document 2

### **Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)**

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## **Chapter 1: General Rules**

### **Article 1 (General Rules):**

Operational rules of forest management certification and forest products chain of custody certification by Sustainable Green Ecosystem Council (SGEC) stipulated in Article 3, Section 2(1) in the Statutes shall be provided herein.

### **Article 2 (SGEC logo):**

**Section 1:** SGEC shall decide its logos and labels as in the attachment.

**Section 2:** Valid certificate holders, who meet the requirements stipulated separately, can use the SGEC logos and labels.

## **Chapter 2: Certification Principles, Indicators and Guidelines**

### **Article 3 (Certification Principles, Indicators and Guidelines)**

**Section 1:** When the certification principles, indicators and guidelines are formulated or amended, prior to the resolutions of the Board of Directors stipulated in Chapter 5 in the Statutes, the President stipulated in Article 24, Section 2 in the Statutes shall conduct the following procedures in the context of fairness, equity and openness. Such Principles, Indicators and Guidelines shall be reviewed at intervals that do not exceed a five-year period.

- (1) Councilors Committee stipulated in Chapter 9 in the Statutes shall be convened for hearing their opinions
- (2) Hearing from a wide range of stakeholders
- (3) Hearing from various fields and groups through putting the draft documents in public hearing procedures with a certain duration stipulated by the Board of Directors

**Section 2:** When the President conducts the procedures in the preceding section, the measures in regard to the opinions shall be reported to the Board of Directors and the General Meeting of Members.

### **Chapter 3: Forest Management Certification**

#### **Article 4 (Forest Management Certificate)**

**Section 1:** The certification bodies stipulated in Chapter 5 of these operational rules shall produce the forest management certificate evaluation report when the certificate bodies conduct the forest management certificate evaluation based upon the certification principles, indicators and guidelines.

**Section 2:** In case of the application will meet the requirement under the certification principles, indicators and guidelines, the certification bodies shall issue the certificate document to the applicant and report to the SGEC.

**Section 3:** Upon the report in the preceding section, the SGEC shall make the notification of the forest management certificate concerned.

**Section 4:** The forest owners/managers, who have the forest management certificate issued in Section 2 above, are not requested to get the chain of custody certificate in case of production and sale of the certified products within the forest concerned as stipulated in Section 1 in Article 13 of these operational rules.

#### **Article 5 (Types of Forest Management Certificate)**

**Section 1:** Based upon the size and status of forest management, the forest management certificate shall be conducted by the following categories:

(1) Individual certification

Individual certification shall be the forest management certificate in the certified area by a single forest owner/manager.

(2) Group certification

Group certification shall be the forest management certificate in the certified area by a number of forest owners/managers under one certificate. The requirements for group certification shall be stipulated separately.

#### **Article 6 (Term of validity of the FM certificate and its renewal)**

**Section 1:** The certificate document in Section 2, Article 4 and the notification concerned in Section 3, Article 4 of these operation rules shall remain effective for five years. Those forest owners/managers wish to renew those certificate shall apply the

renewal evaluation. Since the term of validity of the forest management certification shall be fixed one, the term of validity of the area additionally certified shall remain same as the area initially certified.

**Section 2:** The renewal procedures shall be same as Article 4 of these operation rules.

#### **Article 7 (Regular evaluation)**

**Section 1:** The forest owners/managers shall have an annual regular evaluation on the status of the certified forest management by the certification body which issues the certificate. If the forest owners/managers ask other certification body for regular evaluation, new forest management certificate in Article 4 of these operation rules shall be issued by the certification body who will conduct a regular evaluation.

**Section 2:** The certification body shall report the result of regular evaluation to the SGEC.

#### **Article 8 (Cancellation of Forest Management Certificate)**

**Section 1:** The certification body shall cancel the forest management certificate in case of the following evidences have been confirmed:

- (1) Corrective measures, in Section 1 of Article 4, Section 1 of Article 6 or the preceding article, are not taken
- (2) Serious violation against these operational rules are confirmed
- (3) Considerable divergence from other forest management principles are found

**Section 2:** In case of cancellation of forest management certificate, the certification body concerned shall inform it to the forest owner/manager as well as report to the SGEC.

**Section 3:** Once the SGEC receive the report in the preceding section, the SGEC shall delete the notification of the forest management certificate concerned. In this case, registration fee for the notification of the forest management certificate in Article 9 and license fee for the usage of logos for the sale of certified products in Section 4 of Article 4 of these operational rules shall not be refunded.

#### **Article 9 (Registration Fee for the Notification of the Forest Management Certificate)**

**Section 1:** The forest owner/manager, when notified based on Section 3 of Article 4 and Section 2 of Article 6, shall pay the registration fee, which is stipulated separately in the attachment.

### **Chapter 4: Certified Products and Chain of Custody**

#### **Article 10 (Certified Products)**

**Section 1:** The certified products shall be the products, which are produced from the certified forest, under the category in Article 13, treated by the CoC organization in Article 11 and labeled by the SGEC logos in Section 1 of Article 2 throughout the whole process of production, processing and trading.

#### **Article 11 (Chain of Custody Certification)**

**Section 1:** The certification bodies shall produce the chain of custody certificate evaluation report when the certificate bodies conduct the CoC certificate evaluation based upon the certification principles, indicators and guidelines.

**Section 2:** In case of the application will meet the requirement under the certification principles, indicators and guidelines, the certification bodies shall issue the certificate document to the applicant and report to the SGEC.

**Section 3:** Upon the report in the preceding section, the SGEC shall make the notification of the forest management certificate concerned.

#### **Article 12 (Term of validity of the CoC certificate and its renewal)**

**Section 1:** The certificate document in Section 2, Article 11 and the notification concerned in Section 3, Article 11 of these operation rules shall remain effective for five years. Those CoC organizations wish to renew those certificates shall apply the renewal evaluation. Since the term of validity of the integrated CoC certification in Section 3, Article 13 shall be fixed one, the term of validity of the CoC organization additionally certified shall remain same as the integrated CoC organization initially certified.

**Section 2:** The renewal procedures shall be same as Article 11 of these operation rules.

#### **Article 13 (Category of business certified in the CoC organization and its certification)**

**Section 1:** Category of business certified in the CoC organization shall be the whole category related to harvest, processing, trade and construction of products produced from the certified forest.

**Section 2:** The CoC organization can acquire CoC certificate at the same time in a multiple categories in the preceding section.

**Section 3:** Organized group of the organizations, who are the CoC organizations dealing one or multiple categories in Section 1, can acquire CoC certificate as an multisite CoC organization.

#### **Article 14 (Regular evaluation)**

**Section 1:** The CoC organizations shall have an annual regular evaluation on the status of the certified products by the certification body which issues the certificate. If the CoC organizations ask other certification body for regular evaluation, new CoC certificate in Article 11 of these operation rules shall be issued by the certification body who will conduct a regular evaluation.

**Section 2:** The certification body shall report the result of regular evaluation to the SGEC.

#### **Article 15 (Suspension of handling CoC certified products)**

**Section 1:** In case that the CoC organization intend to suspend its handling of the CoC certified products, the CoC organization can offer it to the certification body which issues the certificate.

**Section 2:** The certification body concerned, upon the offer, can conduct its evaluation in documents through the regular evaluation in the preceding article.

**Section 3:** In case that the CoC organization in the preceding section intend to extend its suspension by another one year, the certified body can admit to do so. In this case, the certification body concerned shall cancel the CoC certificate of the CoC organization concerned and report to the SGEC. Upon receiving the report, the SGEC shall delete the notification of the CoC certificate concerned.

**Section 4:** In case that the CoC organization in the preceding section, after termination of suspension period concerned, intend to resume to handle the CoC certified products, the certification body, after conducting regular evaluation, can remove the suspension of the CoC certificate of the CoC organization within the term of validity of such certificate in Section 1, Article 12.

**Section 5:** In case that the measures in the preceding section have taken, the certification body shall report it to the SGEC. The SGEC shall make the notification of the CoC certificate concerned again.

#### **Article 16 (Cancellation of CoC Certificate)**

**Section 1:** The certification body shall cancel the CoC certificate of the CoC organization in case of the following evidences have been confirmed:

- (1) Corrective measures, in Article 11, Article 12 or Article 14, are not taken
- (2) Serious violation against these operational rules are confirmed
- (3) Anti-social evidences are found in certified products
- (4) Considerable divergence from other CoC principles are found

**Section 2:** In case of cancellation of the CoC certificate, the certification body

concerned shall inform it to the CoC organization as well as report to the SGEC.

**Section 3:** Once the SGEC receive the report in the preceding section, the SGEC shall delete the notification of the CoC certificate concerned. In this case, registration fee for the notification of the CoC certificate and license fee for the usage of logos for the sale of certified products in Article 17 of these operational rules shall not be refunded.

#### **Article 17 (Registration Fee for the Notification of the CoC Certificate )**

**Section 1:** Registration fee for notification of CoC organization stipulated in Section 3 of Article 11 and Section 2 of Article 12 is determined separately in the attachment.

### **Chapter 5: Certification body**

#### **Article 18 (Type of Certification Body)**

**Section 1:** The certification bodies are classified into the organization which conducts forest management certification, the organization which conducts chain of custody certification and the organization which conducts both categories.

#### **Article 19 (Requirements of Notification for Certification Body)**

**Section 1:** The SGEC shall notify a certification body, upon the request, which shall satisfy both the following requirements and the requirements stipulated in section 2 of this article:

Notwithstanding the above, as for a PEFC certification body, requirements for notification are those stipulated in PEFC ST 2003:2012 and its Annex 1.

- (1) An organization which has been accredited as being in conformity with the international standard for the product certification body (ISO/IEC 17065) by an accreditation body that is a signatory of the Multilateral Recognition Arrangement (MLA) of International Accreditation Forum (IAF).
- (2) The scope of the accreditation shall cover the SGEC Forest Management Certification Standard (SGEC Document 3), SGEC CoC Standard (SGEC Document 4) and related Attachments.
- (3) An organization registered as a corporation in Japan

Details of requirements for accreditation of certification bodies are determined separately in the attachment.

**Section 2:** In addition to the requirement in the preceding section, the certification body shall satisfy the following requirement:

- (1) Certification body for forest management certification

- a) Ample knowledge and technical skills of forest management as well as economic, social and natural environment
  - b) Technical skills for properly applying the principles and requirements of SGEC forest management certification
  - c) Knowledge on rules and regulations related to forest and forestry
- (2) Certification body for CoC certification
- a) Ample knowledge of forest management and harvest, processing, trade and construction of products produced.
  - b) Management skills for applying the principles and requirements of SGEC CoC certification in production, processing and trade sites
  - c) Knowledge on rules and regulations related to forest products
- (3) Certification body shall have ample knowledge of the PEFC Council's scheme necessary for SGEC certification activities endorsed and/or mutually recognized by PEFC.

#### **Article 20 (Application for Notification)**

**Section 1:** Those applying for the notification for certification body shall submit the application with the following items to the SGEC:

- (1) Name and address of organization and representative
- (2) Outline of the structure and activities of the organization
- (3) Structure of audit and evaluation
- (4) Qualification of auditors and these holding status
- (5) Requirements in the preceding article

**Section 2:** The following documents shall be attached with the application in the preceding section.

- (1) Statutes of the organization
- (2) Certificate by accreditation body
- (3) Recent accounting documents
- (4) Recent business plans and balance sheets
- (5) Others

**Section 3:** When the SGEC receives the application in section 1, the approved organization shall be put for the notification based on the decision of the Board of Directors. Details of requirements for notification of certification bodies are determined separately in the attachment.

#### **Article 21 (Renewal of Notification)**



**Section 1:** The validity of the notification in the preceding article shall remain during the valid period of its accreditation. Details are provided separately in the attachment.

**Section 2:** The procedures for renewal shall be same as in the preceding article.

**Article 22 (Fee for Notification of Certification Body)**

**Section 1:** The certification body put in the notification in Section 3, Article 20 shall pay the fee of certification body notification, stipulated separately, to the SGEC.

**Article 23 (Withdrawal of Notification of Certification body)**

**Section 1:** Once a certification body does not meet requirement of Article 21, the SGEC shall terminate or suspend the notification of the certification body concerned. Details are provided separately in the attachment.

**Chapter 6: Certification Management Committee and Expert Committee**

**Article 24 (Certification Management Committee)**

**Section 1:** For studying and discussing the status of management of certification system, the President, upon the approval of the Board of Directors, shall establish Certification Management Committee.

**Section 2:** The Certification Management Committee shall study and discuss the matters in the preceding section, and shall present their opinions to the President.

**Section 3:** The Committee members shall be appointed among intellectual or academic experts, upon the approval of the Board of Directors, by the President.

**Section 4:** The number of the Committee members shall be minimum of three and maximum of seven and term of the members shall be two years. One of the members shall be the Chairperson and another one shall serve as a deputy chairperson.

**Section 5:** The Certification Management Committee shall present their opinions to the President in writing with the following items:

- (1) Date and venue of the meeting of the Certification Management Committee
- (2) List of the members participated in the meeting
- (3) Content of opinions

**Article 25 (Expert Committee)**

**Section 1:** For studying the special items related to management of certification system, the President shall establish the Expert Committee.

**Section 2:** The Expert Committee, upon consultations from the President, shall present their opinions.

**Section 3:** The members of the Expert Committee shall be appointed from a wide group of related stakeholders including intellectual and academic experts. Details of the nomination are stipulated in other document(s).

## **Chapter 7: Complaints and Correction Measures**

### **Article 26 (Complaints)**

**Section 1:** Those who have received disadvantages from SGEC certification system can claim their complaints to the SGEC.

### **Article 27 (Correction Measures)**

**Section 1:** Auditors stipulated in Article 24 of the Statutes shall receive the opinions of the Board of Directors, draft the correction measures, then notify the President to ensure that any appropriate corrective measures are taken.

**Section 2:** Once notification in the preceding section is made, the President shall notify the complainant about the corrective measures.

**Section 3:** Once the measures in the preceding section are taken, the President shall report it to the Board of Directors, Auditors as well as General Meeting of Members.

### **Supplementary article 1**

This Operational Rules shall be come into force on the date decided by the Board of Directors not exceeding six months after the date decided by the General Meeting of Members on 14<sup>th</sup> December 2011 which is the inception of the SGEC as stipulated under the Act on General Incorporated Associations and General Incorporated Foundations. However, up until this Operational Rules come into force, the former operational rules and guidelines of SGEC shall remain effective. In this connection, validity of the relevant certificates and/or registration shall also remain effective as stipulated in the former operational rules and guidelines of SGEC up until this Operational Rules has come into force.

### **Supplementary article 2**

The Board of Directors, on 14<sup>th</sup> December 2011, has decided that this Operational Rules shall be come into force on 1<sup>st</sup> April 2012.

### **Supplementary article 3**

The Board of Directors, on 29<sup>th</sup> May 2012, has decided to amend this Operational Rules.

### **Supplementary article 4**

The Board of Directors, on 25<sup>th</sup> December 2013, has decided to amend this Operational Rules.

### **Supplementary article 5**

The Board of Directors, on 28<sup>th</sup> March 2014, has decided to amend this Operational Rules.

### **Supplementary article 6**

Special measures on Regular evaluation stipulated in Article 7 and 14 based upon the amendment of Operational Rules during transitional period toward endorsement and mutual recognition by PEFC:

If the forest owners/managers, who have the forest management certificate issued in Article 4, ask other certification body for regular evaluation in Article 7, a new forest management certificate in Article 4 stipulated in Article 7 is not required to be issued in case that other certification body who conducts regular evaluation will receive relevant information under the requirements guided by Article 6.2.2 External resources (outsourcing) of the ISO/IEC 17065.

If the CoC organizations, who have the CoC certificate issued in Article 11, ask other certification body for regular evaluation in Article 14, a new CoC certificate in Article 11 stipulated in Article 14 is not required to be issued in case that other certification body who conducts regular evaluation will receive relevant information under the requirements guided by Article 6.2.2 External resources (outsourcing) of the ISO/IEC 17065.

### **Supplementary article 7**

The Board of Directors has decided to amend this Operational Rules on 1 April 2015. Notwithstanding this amendment, the previous Operational Rules may be effective during transitional period of endorsement and mutual recognition by PEFC. However, the relevant rules related to the standard settings for regular or renewal review for FM certification in Document 3 and CoC certification in Document 4 may be effective up until 30 September 2015.

### **Supplementary article 8**

This document (amended on December 10, 2015) will be effective from 1<sup>st</sup> January 2016. Notwithstanding the above, SGEC may define the period of the time until the acquisition of PEFC Endorsement as transit period, during which the previous document (which became effective on 1<sup>st</sup> April 2015) maintains its validity.

### **Supplementary article 9**

This document (amended on February 10, 2016) will be effective from 1<sup>st</sup> April 2016. Notwithstanding the above, SGEC may define the period of the time until the acquisition of PEFC Endorsement as transit period, during which the previous document (which became effective on 1<sup>st</sup> April 2015) maintains its validity.

**Attachment 2-1:**

**SGEC logos and labels**

The attachment stipulated under the Article 2, Section 1 of the Operational Rules of Forest Management Certification and Forest Products Chain of Custody Certification by SGEC shall be provided herein.

The SGEC logos shall be consistent in color and design in line with the objectives of the SGEC aiming to develop a rich society based on a material cycle system and to contribute to conserve greenery rich natural environment through widely disseminating the concept of sustainable forest management.

The SGEC logos and labels shall be used in accordance with the Guidelines for SGEC CoC Certification and the Regulations of the use of SGEC logos and labels.

The SGEC logos and labels are copyrighted materials and are registered trademarks owned by the SGEC.

The Basic design of the SGEC logo



Color designated:

Pantone 328

Color designated (in case of the use of four colors): C = 100%  
M = 0%  
Y = 47%  
K = 30%

P.S. Black color is designated in case of the use of one color.

The secondary designs derived from the SGEC logo

The secondary designs derived from the SGEC logo shall be in line with the following formats.

In case of the use of the other designs stipulated herein, the valid certificate holders shall submit such designs to the SGEC and shall be got the permission in advance.

The font of the characters in the logos shall be “新ゴM” (“HG-丸ゴシックM-PRO” can be used in case of small numbers printing by PCs).



*Sustainable Green Ecosystem Council*

*Sustainable Green Ecosystem*

The following alternative phrases can be used instead of the secondary designs above.

- ① This logo is a registered trademark owned by the SGEC.
- ② Sustainable Green Ecosystem
- ③ Sustainable Green Ecosystem Council

Supplementary article

The Board of Directors has decided to amend this Attachment on 1 April 2012.

## **Attachment 2-2:**

### **Regulations of the use of SGEC logos and labels**

#### Contents:

1. Scope
2. Terms and definitions
3. Coverage of the SGEC Logo
4. Ownership and SGEC Logo usage rights
  1. SGEC Logo ownership
  2. SGEC Logo usage rights
5. SGEC Logo users classification
  - 5-1 Forest owners and managers
  - 5-2 Forest products related industries
  - 5-3 Other users
6. SGEC Logo usage
  - 6-1 General requirements
  - 6-2 On-product usage
    - 6-2-1 Eligibility requirements for on-product usage
    - 6-2-2 Basic structure of SGEC labels
    - 6-2-3 Specific requirements for SGEC labels
      - 6-2-3-1 SGEC label description items
      - 6-2-3-2 SGEC label display method
    - 6-2-4 Exceptional usage of SGEC label
  - 6-3 Off-product usage
    - 6-3-1 Coverage of off-product usage
    - 6-3-2 General requirements for off-product usage

## **Attachment 2-2-1:**

### **Issuance of the SGEC Logo usage license**

Preface:

The SGEC logo/label provides accurate and verifiable information relating to the origin of forest based product in sustainably managed forest and other environmental sound non-controversial sources. Through such information dissemination, it aims that citizens and consumers are encouraged to purchase the products from sustainably managed forests and environmentally friendly products selectively, thus encouraged its demand and supply will contribute to enhancing market-driven sustainable use of forest good and services.

#### 1. Scope

The detailed regulations of the use of SGEC logos and labels stipulated in Article 2, Section 2 of the Operational Rules of Forest Management Certification and Forest Products Chain of Custody Certification by SGEC shall be provided herein. The basic design of the SGEC logo shall be provided in the Attachment 2-1 stipulated in Article 2, Section 1 of the same document.

Any inquiry on the SGEC, the Japanese language version is the official document for the matters linked to the SGEC system and the English language version is the official document for the matters linked to the PEFC.

#### 2. Terms and definitions

##### 2-1 On-product usage

On-product usage is the use of the SGEC Logo in connection with or referring to the SGEC certified products. This includes:

- a) the use directly on tangible products themselves (unpackaged products), products in individual packaging, containers, wrapping, etc. or on large boxes, crates, etc. used for transportation of products;
- b) the use on documentation associated to the products (e.g. invoice, packaging list, advertisement, brochure, etc.) where the use of the SGEC Logo refers to the particular products.

Note: Any usage which can be received or understood by buyers or the public as referring to a specific product and/or origin of raw material included in the product is considered as on-product usage.

##### 2-2 Off-product usage

Off-product usage is the use other than on-product usage which is not referring to a specific product and the origin of raw material in the SGEC certified forests.



Printed document for dissemination use may be under this category.

### 3. Coverage of the SGEC Logo

3-1 The SGEC Logo and related claims only concern the origin of forest based raw material used in the SGEC labelled products.

Note: The origin of forest based raw material covered by the SGEC claims is defined as sustainably managed forest for SGEC certified raw material, non-controversial sources for other than certified raw material and post-consumer recycled raw material.

3-2 The structure and general requirement of the SGEC logo shall be provided in the Attachment 2-1.

3-3 The SGEC logo for recycled raw material is not provided for the time being.

### 4. Ownership and SGEC Logo usage rights

#### 4-1 SGEC Logo ownership

The SGEC Logo is copyrighted material and is a registered trademark owned by the SGEC.

#### 4-2 SGEC Logo usage rights

##### 4-2-1 On-product usage

The valid certificate holders stipulated in Article 2, Section 2 of the Operational Rules of Forest Management Certification and Forest Products Chain of Custody Certification by SGEC (abbreviated as “the valid certificate holders”) can use the SGEC logo on the certified products treated by the valid certificate holders. In case of the use of the SGEC logo, a SGEC Logo usage license shall be issued by the SGEC.

##### 4-2-2 Off-product usage

When the third party, who is willing to support the objectives stipulated in Article 3 of the Statutes but does not have the valid certificate, intends to use the logo as off-product usage, the third party shall submit the application form of the use of the SGEC logo, which specifies the purpose, the method and others, to the SGEC for usage license.

#### 4-3 Rights to use “SGEC” initials

“SGEC” initials shall be used with correct reference to the SGEC certification system. The usage of the “SGEC” initials referring to product or its raw material shall be supported by the SGEC forest management or CoC certificate.

5. SGEC Logo users classification

The SGEC Logo users are stipulated under the following categories.

5-1 Forest owners and managers

- a) holders of an effective group certificate
- b) individual forest owners and managers (as holders of effective individual certificate or members in effective group certificate)

5-2 Forest related industries

- a) holders of an effective multisite CoC organization
- b) individual CoC organizations (as holders of effective individual CoC certificate or members in effective multisite CoC certificate)

5-3 Organizations and other entities other than those classified under SGEC Logo users above which are using the SGEC Logo off-product for promotional and dissemination/education purposes.

Note: The SGEC Logo users stipulated in 5-3 also covers a broad range of entities which intend to use the SGEC Logo for promotional or disseminational/educational purposes and ranges from trade and industry associations, research and educational institutions, governmental organizations, NGOs, etc. This category also covers organizations within the forest products chain, where the CoC certification does not apply as they are consumers of forest based products (e.g. governments, banks) or are selling the products with claims and/or labels which are placed on the product by their suppliers.

6. SGEC Logo usage

6-1 General requirements

The SGEC Logo can be used on-product stipulated in 4-2-1 above and off-product stipulated in 4-2-2 above.

Table 1

SGEC Logo user / usage	On-product usage	Off-product usage
5-1 Forest owners and managers	Yes	Yes
5-2 Forest related industries	Yes	Yes
5-3 Other organizations/entities	No	Yes

6-2 On-product usage

6-2-1 The SGEC Logo can be used on-product by forest owners and managers stipulated in 5-1 above and CoC organizations stipulated in 5-2 above.

## 6-2-2 Design of the SGEC logo and items displayed with

6-2-2-1 The basic rules in case of the use of the SGEC logo are as follows

- a) The designated color as stipulated in Attachment 2-1 shall be used with the basic design of the logo.
- b) The reversal design of the logo can be used.
- c) In case of the use of the logo on the colored ground, the designated color shall be used in the logo.
- d) The following format shall be used in case of items displayed with the logo



Text under the logo: Necessary items shall be written within the square frame under the logo.

The font of the characters of the text shall be “新ゴM” ( “MS ゴシック” can be used in case of small numbers printing by PCs).

Size of the square frame:

Horizontal size: 1.5 times of the size of logo at maximum

Vertical size: Within the size able to display necessary items

6-2-2-2 The SGEC Logo license number issued to the SGEC Logo user shall be used together with the SGEC Logo.

6-2-2-3 The CoC organizer's name, origin of certified products as well as description of certified products can be used as a part of the SGEC certified label.

## 6-2-3 Specific requirements for the SGEC labels

6-2-3-1 The display method of the SGEC certified label under SGEC Logo

- a) Ordinary product includes both the SGEC certified raw material and other raw material shall be labelled as follows.
  - (1) The product includes minimum of 70% of the SGEC certified material can be used as a part of the SGEC certified label.

- (2) The product includes less than 70% and over 10% of the SGEC certified material can be labeled as “X% SGEC certified products”. However, the percentage number can be labelled in Y0% by rounding off to a two-digit number.
  - (3) In case of the percentage of the certified material is less than 10%, such products cannot be labelled as the certified products.
- b) The percentage of certified material in the houses constructed by those materials can be labeled by the following method (for the time being, the percentage of the certified material in main structural material can be applied).
- (1) The house includes minimum of 70% of the SGEC certified material can be used of the SGEC certified material houses.
  - (2) The house includes less than 70% and over 10% of the SGEC certified material can be labelled as “X% SGEC certified material houses”. However, the percentage number can be displayed in Y0% by rounding off to a two-digit number.
  - (3) In case of the percentage of the certified material is less than 10%, such houses cannot be labelled as the SGEC certified material houses.

#### 6-2-4 Usage of the SGEC Logo as “the display tools”

6-2-4-1 The SGEC Logo as stipulated in Attachment 2-1 can be used as the display tools.

6-2-4-2 Usage of the SGEC Logo as the display tools shall be as follows.

- a) The SGEC logo can be labelled on seal, carved seal, stamp, signboard, flag and sheet (abbreviated as “the display tools”) as well as advertising materials for display of the certified material and products.
- b) The SGEC logo can be labelled at the site where the certified products throughout the whole process of storage, production, processing and trading are stored.
- c) The SGEC logo can be labelled on the certified constructional materials by the display tools. Piece-wise display for structural sawed wood and bundle-wise display for other material shall be applied.

#### 6-2-5 Exceptional usage of the SGEC label

6-2-5-1 Usage of the SGEC Logo without the CoC license number

The SGEC Logo without the SGEC Logo license number can be used in exceptional circumstances, subject to the approval by the organization

which has issued the license, where the size of the SGEC Logo /label would result in the license not being readable or placing the license number on the product would not be feasible and

- a) the SGEC Logo with the license number is used on other parts of the products (e.g. packaging, large boxes, a leaflet or manual to the product) or
- b) the user of the SGEC Logo can be clearly and unambiguously identified from other on product information.

### 6-3 Off-product usage

#### 6-3-1 Coverage of the off-product usage

The off-product SGEC Logo usage covers

- a) communication/information dissemination on projects and initiatives focusing on development and promotion of the SGEC schemes and certifications
- b) other educational and promotional usage of SGEC Logo

#### 6-3-2 General requirements for off-product usage

Attachment 2-1 shall be referred.

### Supplementary article

The Board of Directors has decided to amend this Attachment on 1 April 2012.

### Supplementary article 2

The Board of Directors has decided to amend this Attachment on 1 April 2015. Notwithstanding this amendment, the previous Operational Rules may be effective during transitional period of endorsement and mutual recognition by PEFC.

## **Attachment 2-2-1-1:**

### **Issuance of the SGEC Logo usage license**

#### Preface:

The SGEC logo/label provides accurate and verifiable information relating to the origin of forest based product in sustainably managed forest, post-consumer recycled raw material and other environmental sound non-controversial sources. Through such information dissemination, it aims that citizens and consumers are encouraged to purchase the products from sustainably managed forests and environmentally friendly products selectively, The SGEC Logo shall be issued with valid SGEC Logo usage license.

SGEC shall undertake the procedures related to the issuance of PEFC logo license to the PEFC-CoC certificate holders in Japan as the national governing body (NGB) of Japan, based upon the contract for administration of PEFC scheme agreed by both PEFC Council and SGEC according to PEFC GD 1004:2009 “Administration of PEFC Scheme”.

#### 1. Scope

The document covers requirements for issuance of the SGEC Logo usage license for proper use of the Logo based upon Attachment 2-1: SGEC logo and labels and 2-2: Regulation of the use of SGEC logos and labels.

#### 2. Normative references

Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)

Attachment 2-1: SGEC logo and labels

Attachment 2-2: Regulation of the use of SGEC logos and labels

#### 3. Certificate endorsed by the certification body which is recognized by the accreditation body stipulated in Article 19 of the Operational Rules and FM certificate and CoC certificate endorsed by the SGEC

##### 3-1 Certificate issued by the certification body

The certification body shall be acknowledged by the accreditation body within the scope of the SGEC scheme and the certificate issued shall be sealed by the accreditation body’s Logo.

##### 3-2 Certificate endorsed by the SGEC

The following requirements shall be met:

3-2-1 Valid FM certificate issued by the certification bodies, which have been put in the notification in accordance with the SGEC scheme, within the scope of forest management certification requirements of the SGEC

3-2-2 Valid CoC certificate issued by the certification bodies, which have been put in the notification in accordance with the SGEC scheme, within the scope of CoC certification requirements of the SGEC

4. Requirements for issuance of the SGEC Logo usage license

4-1 General requirements

The CoC organization who apply for issuance of the license shall meet the following

- a) Corporate entity
- b) The applicant (corporate entity) agrees that the SGEC shall collect the identification information of the applicant and make it open to the public

4-2 Specific requirements

FM certificate and CoC certificate shall meet the requirements in 3 above.

4-2-1 Forest owners / managers who meet the following

- a) Valid certificate for forest management endorsed by the SGEC
- b) Valid contract for the SGEC Logo usage license with the SGEC

4-2-2 CoC organizations who meet the following

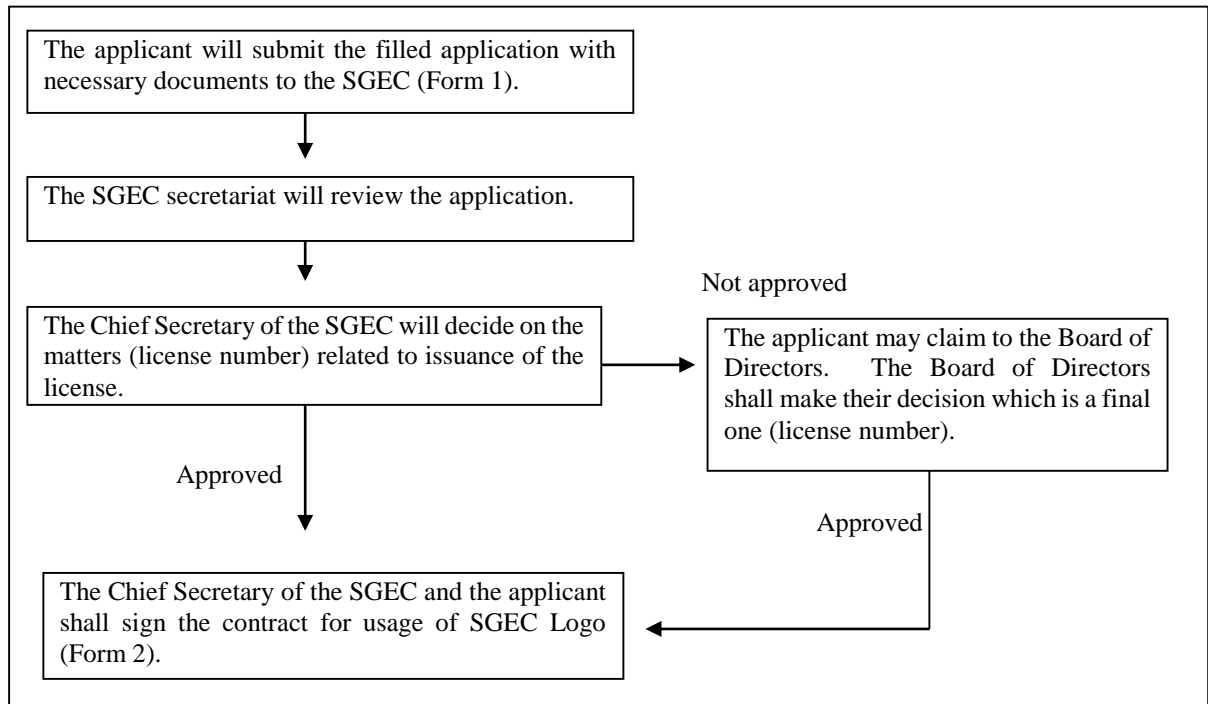
- a) Valid certificate for CoC endorsed by the SGEC
- b) Valid contract for the SGEC Logo usage license with the SGEC

4-2-3 Other organizations who meet the following

- a) Usage of the SGEC Logo shall meet the objective of the SGEC
- b) Valid contract for the SGEC Logo usage license with the SGEC

5. Procedures of issuance of the license

Figure 1: Process of issuance of the license



Note: Form 1 and 2 above shall be made in line with PEFC GD 1005:2010 separately.

6. Fees for usage of the license

For the time being, fees are not charged.

7. Duration of validity of the license

Duration of validity of the license shall be in line with duration of valid certificate for FM or CoC as stipulated in 4-2-1 and 4-2-2 above. Duration of validity of the license shall be same as the validity of the contract concerned for the other organizations stipulated in 4-2-3.

8. Temporary / one time usage of the license

Temporary / one time usage of the license may be permitted in off-product usage for those who does not have valid SGEC Logo usage license with the following requirements.

- a) The usage of SGEC Logo shall meet the objectives of the SGEC
- b) The number associated with the use of SGEC Logo shall be temporary / one time license number by the SGEC.
- c) The usage of SGEC Logo shall be accompanied with the claim of valid license.

Those who want to use temporary / one time usage of the SGEC Logo shall apply for the SGEC with the documents in which name and address of the applicant and usage



requirements are written.

9. Issuance of PEFC logo use license

In case of issuance of PEFC logo use licenses to SGEC certified products after the mutual recognition between SGEC and PEFC, the issuance shall follow PEFC GD 1004:2009 "Administration of PEFC Scheme" and "PEFC GD 1005 "Issuance of PEFC Logo Use Licenses".

Supplementary article

The Board of Directors has decided to amend this Attachment on 1 April 2015. Notwithstanding this amendment, the previous Operational Rules may be effective during transitional period of endorsement and mutual recognition by PEFC.

Supplementary Article 2

This revised document will be effective from 1<sup>st</sup> January 2016. Notwithstanding the above, SGEC may define the period of time until the acquisition of PEFC Endorsement as transit period.

## **Attachment 2-2-1-2:**

### **Issuance of PEFC Logo Usage License**

#### **Foreword**

This document stipulates rules for issuance of PEFC Logo usage license to SGEC certified forest owners/managers, SGEC CoC organizations, PEFC CoC organizations or other users, by SGEC as the National Governing Body in Japan under authorization from PEFC Council based on a contract between SGEC and PEFC Council for administration of PEFC scheme in accordance with PEFC DG 1004:2009 “Administration of PEFC scheme”.

#### **Introduction**

The PEFC logo / label provides information relating to the origin of forest based product in sustainably managed forest and other non controversial sources. Purchasers and potential purchasers can use this information in choosing the product based on environmental, as well as other considerations.

Within Japan, PEFC logo license shall be issued only by SGEC which is authorized by PEFC Council for issuance of PEFC logo license.

#### **1. Scope**

In order to secure the legitimate use of PEFC logo under PEFC ST 2001:2008 “PEFC Logo Usage Rules –Requirements, Second Edition”, this document stipulates rules which shall be followed in case of issuance of PEFC logo usage license to entities registered in Japan that are SGEC certified forest owners/managers, SGEC CoC organizations, PEFC CoC organizations or other users, by SGEC as the National Governing Body in Japan under authorization from PEFC based on a contract between SGEC and PEFC Council for administration of PEFC scheme in accordance with PEFC DG 1004:2009 “Administration of PEFC scheme”.

#### **2. Normative references**

- PEFC ST 2002:2013 “Chain of Custody of Forest Based Products –Requirements, Second Edition”
- PEFC ST 2001:2008 “PEFC Logo Usage Rules –Requirements, Second Edition”
- PEFC GD 1004:2009 “Administration of PEFC Scheme”
- SGEC Document 3 “Principles, Indicators and Guidelines for SGEC Forest Management Certification”

- SGEC Document 4 “Guidelines for SGEC CoC Certification”

### **3. Certificate issued by a certification body and CoC certificate recognized by SGEC or PEFC**

#### 3.1 Accredited certificate issued by a certification body

The certification body shall be accredited by an accreditation body within the SGEC or PEFC accreditation scope, and the accredited certificate shall bear an accreditation symbol of the relevant accreditation body.

#### 3.2 Accredited certificate recognized by SGEC or PEFC

A valid accredited forest management or CoC certificate issued by a SGEC or PEFC notified certification body (PEFC notification is carried out by SGEC under authorization by PEFC Council according to Attachment 2-12-2 of SGEC Document 2) based on the SGEC forest management standard, SGEC CoC standard or PEFC CoC standard.

NOTE: PEFC endorsed CoC standards may be found at the PEFC Council website, [www.pefc.org](http://www.pefc.org).

### **4. Conditions for issuance of license**

#### 4.1 General conditions

An entity applying for the license shall

- a) be a legal entity,
- b) agree that the PEFC Council and SGEC collects and makes publicly available the entity's identification and other information as specified by the PEFC Council.

#### 4.2 Special conditions

An entity which belongs to any of the following user groups shall be registered in Japan.

User group A: Not Applicable

User group B: Forest owner/manager, shall

- a) hold a valid, SGEC recognized forest management certificate,
- b) sign the PEFC Logo Use Contract with SGEC as a licensing body of PEFC Logo usage.

User group C: Forest related industries, shall

- a) hold a valid, SGEC or PEFC recognized CoC certificate,
- b) sign the PEFC Logo Use Contract with SGEC as a licensing body of PEFC Logo usage.

The holder of multisite CoC certification which central office is located in Japan can apply for multi-license covering the whole or a part of the scope of the multi-site certification provided that:

- a) the central office and the sites are a part of a single legal entity or
- b) the central office and the sites are a part of a single company with a single management and organizational structure.

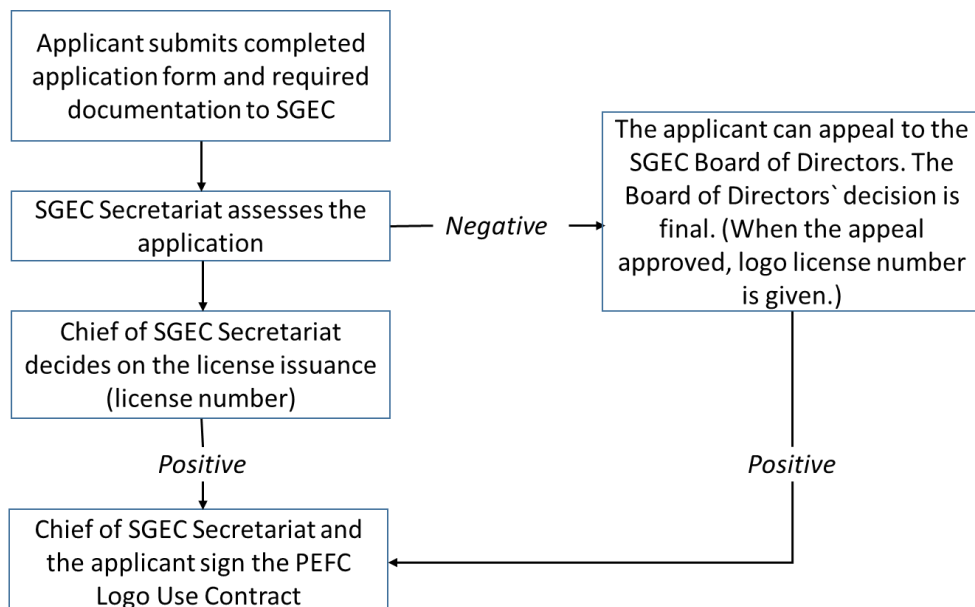
User group D: Other users, shall

- a) identify the purpose of the PEFC logo use that does not conflict with the objectives and good name of the PEFC Council,
- b) sign the PEFC Logo Use Contract with SGEC as a licensing body of PEFC Logo usage.

## 5. License issuance process

SGEC carries out issuance of PEFC logo usage license as the National Governing Body in Japan under authorization from PEFC based on a contract between SGEC and PEFC Council for administration of PEFC scheme in accordance with PEFC GD 1004:2009 “Administration of PEFC scheme”.

Figure 1 Diagram of license issuance process



## 6. Logo use fee

Logo use fees are not incurred for the time being.

## **7. Validity of license**

Licenses are valid for the following time periods:

- a) User group A: Not applicable
- b) User group B: Validity of the SGEC accredited forest management certificate
- c) User group C: Validity of the PEFC CoC accredited certificate or SGEC CoC accredited certificate
- d) User group D: Validity of the contract

## **8. One-off use of the PEFC Logo**

SGEC, as a licensing body authorized by PEFC Council, may allow a one-off usage of the PEFC Logo for off-product purposes to users without an individual license under the following conditions:

- a) the use shall not conflict the objectives and good name of the PEFC Council
- b) the PEFC Logo shall be used with the number given by SGEC (PEFC/\*\*\*\*\*)
- c) the disclaimer “Reproduced with the permission of SGEC” shall be used.

## **Supplementary article**

This document (approved 10<sup>th</sup> February 2016) will be effective from 1<sup>st</sup> April 2016.

Notwithstanding the above, this document will become applicable after SGEC, as the National Governing Body in Japan, is authorized by PEFC Council as a licensing body of PEFC Logo usage licenses based on a contract between SGEC and PEFC Council for administration of PEFC scheme in accordance with PEFC GD 1004:2009 “Administration of PEFC scheme”.

## **Supplementary article 2**

This document (approved 31<sup>st</sup> March, 2016) will be effective from 1<sup>st</sup> April 2016.

Notwithstanding the above, this document will become applicable after SGEC, as the National Governing Body in Japan, is authorized by PEFC Council as a licensing body of PEFC Logo usage licenses based on a contract between SGEC and PEFC Council for administration of PEFC scheme in accordance with PEFC GD 1004:2009 “Administration of PEFC scheme”.

## **Format of PEFC Logo Use Contract**

This document defines the format of PEFC Logo Use Contract between SGEC and a PEFC logo user to be used for issuance of PEFC Logo usage license to SGEC forest management organizations and CoC organizations, PEFC CoC organizations and others, by SGEC as the National Governing Body in Japan under authorization from PEFC Council based on the contract between SGEC and PEFC Council for administration of PEFC scheme in accordance with PEFC DG 1004:2009 “Administration of PEFC scheme”.

### **PEFC Logo Use Contract**

Sustainable Green Ecosystem Council, a general incorporated association (hereinafter referred to as SGEC) and xxxx Company Limited (hereinafter referred to as the Logo User) have agreed upon the articles listed below under the following conditions:

- a) The Logo User shall be a logo user which belongs to the user group B, C or D stipulated in SGEC Document, Attachment 2-2-1-2 “Issuance of PEFC Logo Usage License”.
- b) PEFC Council is the owner of PEFC logo as a registered trademark and holds its copyright.
- c) SGEC is authorized to issue PEFC logo usage license in Japan on behalf of PEFC Council based on the contract between SGEC and PEFC Council.
- d) The Logo User is provided PEFC logo usage license with the registration number PEFC/31-○○○ and permitted to use PEFC logo in compliance with the PEFC logo usage rules.

#### **Article 1: Definitions:**

##### **1. The PEFC Logo Usage Rules**

This is set of requirements for the use of the PEFC Logo defined in PEFC ST 2001:2008, ver.2 which forms part of the contractual documentation and is found in the annex of this contract.

##### **2. Tariffs of PEFC logo fees**

PEFC logo fees are included in PEFC notification fees which shall be determined separately.

## **Article 2: Copyrights to the PEFC logo**

1. For the avoidance of any doubt, the PEFC logo is copyright material and is a registered trademark owned by the PEFC Council. The initials “PEFC” are covered by copyright and are registered. Unauthorised use of this copyright material is prohibited and may lead to legal action. The use of the PEFC logo is regulated and governed by SGEC under authorization by the PEFC Council.

## **Article 3: Responsibilities of the Logo User**

1. The logo user is obliged to use the PEFC logo in accordance with the PEFC Logo Use Rules and together with a registration number issued by SGEC so as to ensure that the logo user is identifiable on its basis.
2. PEFC logo license issuance fee and annual PEFC logo use fee are included in PEFC notification fee paid by a certification body. The tariff system of the PEFC logo fees can be changed by SGEC during the validity of the contract. SGEC shall inform the Logo User of the corresponding change in the contract between SGEC and the Logo User concerning the fees in writing.
3. The Logo User is obliged to inform SGEC immediately and truthfully on any changes concerning logo user's identification data and certified status, the latter in case of logo user of forest management certification holder or CoC certification holder.

## **Article 4: Responsibilities of SGEC**

1. SGEC is obliged to provide the Logo User with the PEFC Logo Usage Toolkit within two weeks following the signing the contract.
2. SGEC is obliged to inform the Logo User on any changes of the PEFC Council and SGEC regulations and documentation concerning the PEFC logo use which affect this contract.

## **Article 5: Penalty**

1. SGEC may impose, in case of user group B or C, a contractual penalty of a Japanese yen amount being one-fifth the market value of the products to which unauthorised on- or off-product logo use relates, unless the Logo User proves that such unauthorised use was

unintentional. In the latter case the penalty will be limited to 1,500,000 yen.

2. SGEC has the right to alter the amount of penalty demanded for use of the PEFC logo in contravention of the contract. The change shall come into effect in the contract between SGEC and the Logo User three months and five days after the former has informed the latter, in writing, of the change.

#### **Article 6: Contract Termination**

1. Either party may terminate the contract with three-month prior notice by registered letter.
2. SGEC may revoke the contract temporarily with immediate effect while a suspicion of contravention of the contract or the PEFC Logo Use Rules is being investigated. In case of suspicion, SGEC shall send the Logo User a written request for an explanation and notification of the temporary revocation of the contract. The temporary revocation shall remain in effect for a maximum period of one (1) month after the Logo User has provided an explanation concerning the suspected misuse to SGEC, which will examine the matter. SGEC reverse a decision on the temporary revocation of the contract when the logo user has implemented corrective measures approved by the SGEC and given SGEC notification that this has been done.
3. SGEC may terminate the contract with immediate effect if there are reasons to believe that any of the terms of the contract or the PEFC Logo Use Rules are not being adhered to.
4. Withdrawal, suspension or the end of the validity of the SGEC forest management certificate, SGEC CoC certificate or PEFC recognised chain of custody certificate will result in automatic termination of the contract with effect on the same date as the withdrawal, suspension or the end of the validity of the certificate.
5. Withdrawal, suspension or the end of the contract between the PEFC Council and SGEC will result in automatic termination of the contract between SGEC and the Logo User with effect on the same date as the withdrawal, suspension or the end of the contract between the PEFC Council and SGEC.
6. No PEFC logo fee, if paid, is refunded to the Logo User in case of temporary revocation or termination of the contract according to the Article 6, bullet 2, 3, 5 and 4.
7. SGEC is not obliged to pay compensation for any costs or other damages which the



temporary revocation or termination above causes to the Logo User.

#### **Article 7: Reporting and Presentation**

1. PEFC Council and SGEC are permitted to present publicly logo user's identification data and information concerning the certification status provided by the Logo User.
2. The Logo User, in case of user group B or C, shall undertake to provide SGEC, immediately after each audit of the forest management or CoC certification, with a notification, verified by the certification body, of the on-product use of the PEFC logo, e.g. broken down by product, product category, production unit or similar, to the degree of accuracy that the certification system used by the Logo User permits. In the same conjunction, the Logo User shall supply SGEC with a detailed, free form account of any off-product use of the PEFC logo.
3. The Logo User, in case of user group D, shall give SGEC an annual report containing an itemised, free form account of the PEFC Logo's off-product use.

#### **Article 8: Validity of the Contract**

1. The contract enters into force when it has been signed by both parties.

#### **Article 9: Other terms of the contract**

1. SGEC reserves the right to carry out (by itself or to commission a third party to act on its behalf) an on-site inspection of the Logo User's operations if it has received a complaint by third party or if SGEC has reasons to believe that the contract is being contravened. The Logo User shall bear responsibility for the costs of said inspection and any other detrimental effects.
2. The Logo User, in case of the group B or C, undertakes to enter an agreement with the certification body within three months of signing this contract (a copy to be sent to the SGEC) to that effect that, in conjunction with the audits conducted subsequent to signing this contract, certification body will examine the system by means of which the Logo User keeps records of the production volumes marked with the PEFC logo and how the Logo is used on them. The certification body shall have a right to inform SGEC of changes of which it is aware, without consulting the Logo User.

**Article 10: Arbitration**

- 1. This contract is subject to Japanese law.
- 2. All disputes arising out of this agreement shall be finally and exclusively settled by the courts in Japan.

Signed in duplicate.

In \_\_\_\_\_ on \_\_\_\_\_

For and on behalf of SGEC

\_\_\_\_\_

SGEC, Secretary General

In \_\_\_\_\_ on \_\_\_\_\_

For and on behalf of  
The Logo User

\_\_\_\_\_

## APPLICATION FOR PEFC LOGO USE LICENSE

### I. Applicant's Identification Data

Organization or company name			
Name of representative of the organization/company or manager of the related division			
Address			
Contact person			
Telephone		Fax	
E-mail		URL	

In case of application for group forest management certification or multi-license CoC covering several sites, the application shall include identification and contact details of all the members of the group certification or of all sites of CoC for which the application made.

### II. Applicant's Logo User Group

(Only one category can be marked in single application)

Forest owners/managers  Group B of Attachment 2-2-1-2	<input type="checkbox"/> Forest management certification holder <input type="checkbox"/> Group forest management certification participant <input type="checkbox"/> Group forest management certification holder
Forestry, forest related industry, trade	<input type="checkbox"/> CoC certification holder <input type="checkbox"/> Site of multi-site CoC certification

Group C of Attachment 2-2-1-2	<input type="checkbox"/> Multi-site CoC certification holder
Other users	<input type="checkbox"/>
Group D of Attachment 2-2-1-2	

**III. Information and Documents for Application Processing**

Certification number/Expire date (if group B and C)	
Confirmation of participation in group forest management certification ./ multi-site CoC certification	
Turnover of forest products for the last year in Japanese yen	
<u>Documents required for the Application Processing:</u> <input type="checkbox"/> Copy of the certificate (in case of forest management certificate or CoC certificate) <input type="checkbox"/> Copy of the confirmation of participation in group certification (in case of group forest management certification or multi-site CoC certification) <input type="checkbox"/> List of all members or sites covered by the application , including full contact details (in case of forest management certification, CoC certification, group forest management certification or multi-site CoC certification)	

**IV. Self-Declaration:**

I hereby confirm that:

- I have read the SGEC and PEFC regulations concerning PEFC logo use and accept them.
- The data included in this application are complete and truthful.

Signature or seal of applicant's representative or manager listed in above I

**Attachment 2-2-2:**

**SGEC Information Register**

1. Purpose

The document stipulates the matters related to registration of SGEC Logo users, certificate for forest management endorsed by the SGEC as well as certificate for CoC endorsed by the SGEC, thus contributes to operating the data-base in SGEC secretariat and will be able to provide the uniformed data necessary for the society and consumers.

2. Scope

The document covers requirements for registration of the following items:

- 2-1 SGEC Logo users (CoC certification number and logo license number)
- 2-2 Forest management certificate holder and its participants
- 2-3 CoC organization certificate holder and the relevant sites under multi-site CoC organization certificate
- 2-4 SGEC certified products
- 2-5 SGEC certification bodies

3. Registration of holders of certificate and logo usage license

Registration of all holders of SGEC logo usage license, forest management certificate as well as CoC organization certificate shall be made and operated in the electric format as described in table 1 and table 2.

Table 1: Responsibilities of data registration and archiving

SGEC’s responsibilities	Certification bodies’ responsibilities
Group entity for FM certificate holder and the participants	Group entity for FM certificate holder and the participants
FM certificate holder	FM certificate holder
Central office for multi-site CoC organization certificate holder and the sites	Central office for multi-site CoC organization certificate holder and the sites
CoC organization certificate holder	CoC organization certificate holder
Off-products SGEC logo user	
SGEC certified products	
SGEC certification bodies	

Table 2: SGEC logo users list format

Type of logo use	User of logo	Certification number	Logo license number
FM			
1-1 Individual			
1-2 Group			Including participant number
CoC			
2-1 Individual			
2-2 Multi-site			Including site number
Off-products			
3-1 Educational			
3-2 Environmental NGO			
3-3 Social NGO			
3-4 Others			

#### 4. Responsibility for information registration

##### 3-1 SGEC

SGEC shall have its responsibility for registration and archiving the information related to logo users.

##### 3-2 Group entity for group forest management certificate or central office for multi-site CoC organization

Group entity for group forest management certificate or central office for multi-site CoC organization shall have its responsibility for registration and archiving the information related to the relevant participants/sites.

#### 5. Provision of data

The primary data related to SGEC certification scheme shall be made available via internet for securing its system accountability and transparency as well as addressing inquiry from the customers and the public.

#### Supplementary article

The Board of Directors has decided to amend this Attachment on 1 April 2015. Notwithstanding this amendment, the previous Operational Rules may be effective during transitional period of endorsement and mutual recognition by PEFC.

## **Attachment 2-4:**

### **Requirement for group forest management certificate**

#### Preface:

Forest ownership in Japan is characterized by significant numbers of small forest holdings in private forests which occupy 70% of total forests. The limited financial income of small forest owners; periodicity of their forest management activities and revenues; limited access to information and knowledge; as well as limitations relating to their conformity with some of the criteria for SFM which cannot be achieved in small forest area, represent significant barriers to forest certification.

#### 1. Scope

The requirements for group forest management certification schemes, stipulated in Article 5 of the Operational Rules of Forest Management Certification and Forest Products Chain of Custody Certification by SGEC, shall be defined in this Attachment.

This document defines the general requirements for group forest management certification which allow the certification of a number of forest owners/managers under one certificate. The group forest management certification requires establishing a specific management structure that includes the individual forest owners/managers as defined below.

A group entity represents the individual forest owners/managers in the forest certification in order to ensure the appropriate implementation of the SFM standard and provide a sufficient level of confidence in certification activities.

The group entity and the participants share responsibility under the system stipulated in this document.

#### 2. Terms and definitions

##### 2-1 Certified area:

The forest area covered by a group forest certificate representing the sum of forest areas of the participants.

##### 2-2 Group entity:

An entity that represent the participants, with overall responsibility for ensuring the conformity of forest management in the certified area to the SFM and other applicable requirements of the forest certification scheme. The relationship between the terms “group organization”, “group entity” and “participant” is shown in

Figure 1.

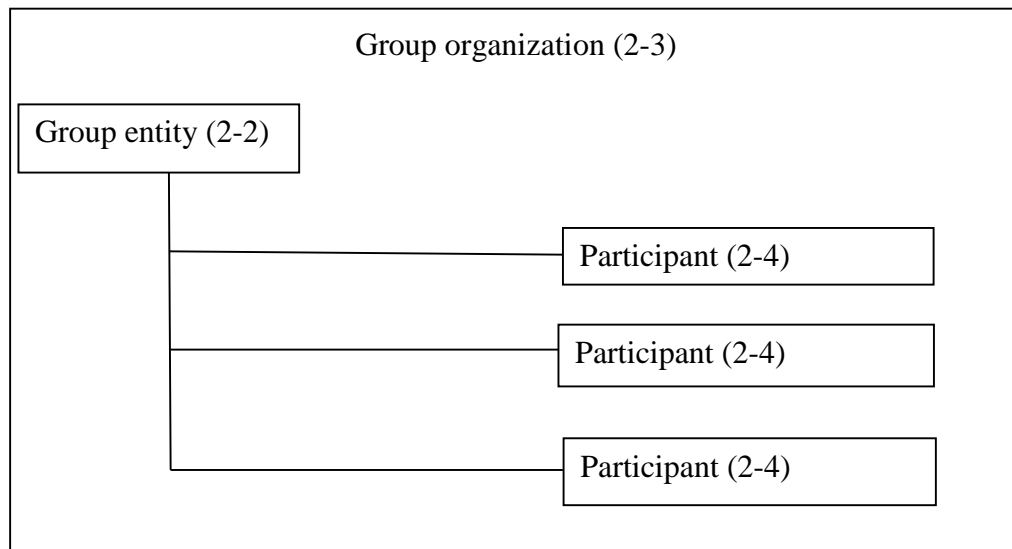


Figure 1

2-3 Group organization:

A group of participants represented by the group entity for the purpose of implementation of the SFM and its certification.

2-4 Participant:

A forest owner/manager or other entity covered by the group forest certificate, who has the legal right to manage the forest in a clearly defined forest area, and the ability to implement the requirements of the SFM standard in that area.

2-5 Group forest certificate:

A document confirming that the group organization complies with the requirements of the SFM standard and other applicable requirements of the forest certification scheme.

2-6 Group forest certification:

Certification of the group organization under one group forest certificate

2-7 Document confirming participation in group forest certification

A document issued to an individual participant that refers to the group forest certificate and that confirms the participant as being covered by the scope of the group forest certification.

3. Functions and responsibilities of the group entity and participants

3-1 General

(1) Eligibility of individual forest owner identified under one forest management certification shall be subject to the evaluation by the certification body and all



participants shall be subject to the internal auditing program and the group entity shall define requirements for such internal auditing program.

- (2) The whole group organization shall implement an audit for all the participants based on an annual internal auditing program that provides sufficient confidence in the conformity of the whole group organization with the SFM.
- (3) In cases where a part/ all of a participant's forest under the group forest certificate is covered by an additional group or individual forest management certificate, the group entity shall ensure that the participant shall report any non-conformity to the group entity, if it arises with respect to the additional forest management certificate, and shall address it as a subject of "implementation and review of an annual internal auditing program" stipulated in 3-2-(3) of this attachment and take necessary measures based on additional information requested to the participant regarding the status of the said non-conformity.

### 3-2 Functions and responsibility of the group entity

The forest certification scheme shall define the following requirements for the function and responsibility of the group entity:

- (1) To represent the group organization in the certification process, including in communications and relationships with the certification body, submission of an application for certification, and contractual relationship with the certification body;
- (2) To provide a commitment on behalf of the whole group organization to comply with the relevant requirements of the forest certification scheme;
- (3) To establish written procedures for the management of the group organization and to keep records of:
  - a) The group entity and participants' conformity with the relevant requirements and all participants' information, including their contact details, identification of their forest property and its/their size(s),
  - b) The certified area,
  - c) The implementation of an annual internal auditing program, its review and any preventive and/or corrective actions taken;
- (4) To establish connections with all participants based on a written agreement which shall include the participants' commitment to comply with the forest management certification criteria. The group entity shall have a written contact or other written agreement with all participants covering the right of the group entity to implement and enforce any corrective or preventive measures, and to initiate the exclusion of any participants from the scope of certification in the

- event of non-conformity with the forest management certification criteria;
- (5) To provide participants with a document confirming participation in the group forest certification;
  - (6) To provide all participants with information and guidance required for the effective implementation of the forest management certification criteria and other relevant requirements;
  - (7) To operate an annual internal auditing program that provides for the evaluation of the participants' conformity with the certification requirements, and;
  - (8) To operate a review of conformity with the forest management certification criteria, that includes reviewing the results of the annual internal auditing program and the certification body's evaluations and surveillance; corrective and preventive measures if required; and the evaluation of the effectiveness of corrective actions taken.

### 3-3 Functions and responsibility of participants

The forest certification scheme shall define the following requirements for the participants:

- (1) To provide the group entity with a written agreement, including a commitment on conformity with the forest management certification criteria and other relevant requirements;
- (2) To comply the SFM standard and other applicable requirements of the SGEC forest certification scheme;
- (3) To provide full cooperation and assistance in responding effectively to all requests from the group entity or the certification body for relevant data or other information; allowing access to the forest and other facilities;
- (4) To implement relevant corrective and preventive actions established by the group entity.

#### Supplementary article 1

The Board of Directors has decided to amend this Attachment on 1 April 2012.

#### Supplementary article 2

The Board of Directors has decided to amend this Attachment on 1 April 2015.  
Notwithstanding this amendment, the previous Operational Rules may be effective during transitional period of endorsement and mutual recognition by PEFC.

#### Supplementary Article 3

This document will be effective from 1<sup>st</sup> January 2016.

Notwithstanding the above, SGEC may define the period of the time until the acquisition of PEFC Endorsement as transit period, during which the previous document (which became effective on 1<sup>st</sup> April 2015) maintains its validity.

#### Supplementary Article 4

This document (amended on 10<sup>th</sup> February 2016) will be effective from 1<sup>st</sup> April 2016.

Notwithstanding the above, SGEC may define the period of the time until the acquisition of PEFC Endorsement as transit period, during which the previous document (which became effective on 1<sup>st</sup> April 2015) maintains its validity.

## **Attachment 2-4-1:**

### **Revised requirements for ‘annual internal auditing program’ stipulated in ‘3-1 General’ under ‘3. Functions and responsibilities of the group entity and participants’ of ‘Attachment 2-4: Requirement for group forest management certificate’**

The following are the revised requirements mentioned above.

#### **1 Internal audit procedure**

- i) Each group entity shall make an internal auditing program, conduct internal audits for all participants under their group organization periodically, once a year at least, and keep the result of the audits as a record in a written form.
- ii) In order to ensure appropriate audits, each group entity shall establish a committee in charge of internal audits, comprised of two or three audit members, including a leader (hereinafter referred to as ‘internal audit committee’) and give the audit members necessary education and training.

#### **2 Handling of matters pointed out in internal audits**

- i) If a group entity receives a report that the internal audit committee has pointed out matters to be corrected, the group entity shall request the participant in question to take corrective action and call upon the internal audit committee to conduct a follow-up audit of the corrective action. The internal audit committee shall report to the group entity on the results of the follow-up audit when confirming that the corrective action has been taken with respect to the matters pointed out.
- ii) The participant who receives from the group entity a request, based on the results of the internal audit, to take corrective action shall sincerely make improvements with respect to the request and accept a follow-up audit to obtain an audit confirmation of improvements made.
- iii) If the participant in question does not take necessary corrective action in accordance with the request based on the results of the internal audit or is not willing to do so, the group entity may either recommend the participant to withdraw from the group forest management certification, or take necessary steps to expel the participant from the group forest management certification.

#### **3 Reporting on internal audits**

- i) Each group entity shall report on the results of the internal audit at least once a year to the committee in charge of administering group forest management as a whole which all

participants attend (referred to as 'group committee'), and consider reviewing the group forest management if necessary.

ii) Each group entity shall also provide the group committee with material for management review in accordance with the results of the internal audits.

#### Supplementary Article

This document will be effective from 1<sup>st</sup> July 2014.

#### Supplementary Article 2

This document will be effective from 1<sup>st</sup> April 2015

Notwithstanding the above, SGEC may define the period of the time until the acquisition of PEFC Endorsement as transit period, during which the previous document (which became effective on 1<sup>st</sup> July 2014) maintains its validity.

## **Attachment 2-8:**

### **Requirement for Multi-site CoC Organization**

#### Preface:

The aim of this Attachment is to establish guidance for the implementation of the chain of custody requirements in an organization with a network of sites, thus ensuring on the one hand, that the certification of the chain of custody is practical and feasible in economic and operative terms and on the other, that the assessment provides adequate confidence in the conformity of the chain of custody. Certification of multisite organizations also allows implementation and certification of the chain of custody in a group of typically small independent companies.

This Attachment only includes requirements for implementation of the chain of custody requirements which are applicable to organizations with multiple sites.

#### 1. Scope of eligibility:

The requirements for the multisite CoC organization stipulated in Article 13, Section 3 of the Operational Rules of Forest Management Certification and Forest Products Chain of Custody Certification by SGEC shall be provided herein.

A group organization, where all sites shall have a legal or contractual link with the central office and be subject to a common CoC which is subject to continuous surveillance by the central office, can acquire a multisite CoC organization.

#### 2. Definitions:

2-1 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.

2-2 All sites shall have a legal or contractual link with the central office and be subject to a common CoC which 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. Where applicable, this should be laid down in the contract between the central office and the sites.

2-3 The multisite organization may cover:

2-3-1 organizations operating with franchises

2-3-2 companies with multiple branches where the sites are linked through a

common ownership, management or other organizational link

2-3-3 groups of independent legal enterprises established and functioning for the purposes of the CoC certification (producer group).

2-4 The producer group above means a network of typically small independent enterprises which have associated together for the purpose of obtaining and maintaining CoC 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 requirement. The central office can also be administered by one member of the group.

Note: The central office in the case of the producer group can be called the “group entity” and sites can be called “group members”.

2-5 A site means location on which activities relating to the organization’s CoC are carried out.

2-6 The producer group is limited to participation of sites which:

2-6-1 have no more than 50 employees (full time employees equivalent)

2-6-2 have an turnover of maximum of 100 million yen, or equivalent.

### 3. Eligibility criteria for the multi-site organization

#### 3-3 General

3-1-1 The organization’s CoC site shall be centrally administered and be subject to central review. All the relevant sites (including the central administration function) shall be subject to the organization’s internal audit program and shall have been audited in accordance with that program prior to the certification body starting its assessment.

3-1-2 It shall be demonstrated that the central office of the organization has established a CoC in accordance with this standard and that the whole organization (including all the sites) meets this requirements.

3-1-3 The multisite organization shall be able to demonstrate its ability to collect and analyze data from all sites including the central office authority and its ability to initiate changes in the CoC operating in the sites if required.

#### 3-4 Function and responsibility of the multisite organization

3-2-1 The multisite CoC organization shall stipulate its regulations to exclude such sites, which have been confirmed under Article 16, Section 1 of the Operational Rules of Forest Management Certification and Forest Products Chain of Custody Certification by SGEC, from the scope of the CoC certification of the multisite CoC organization.

3-2-2 The central office and the sites shall meet the followings;

3-2-2-1 The central office shall:

- (1) represent the multisite CoC organization,
- (2) submit an application for the certification and its scope, including a list of participating sites to the certification body,
- (3) ensure contractual relationship with the certification body,
- (4) submit to the certification body a request for extension or reduction of the certification scope, including coverage of participating sites, as necessary,
- (5) The central office shall represent the multi-site organization in the certification process and provide a commitment on behalf of the whole organization to establish and maintain a chain of custody in accordance with the requirements of this standard.
- (6) The central office shall provide the sites with all necessary information and guidance for effective implementation and maintenance of the CoC in accordance with this standard.

The central office shall provide the sites with or access to the following information:

- This standard and SGEC Document 4-2 “Guidance for Use of SGEC-CoC Guideline”
- In case where SGEC logo is used, Attachment 2-2 “SGEC Logo Usage Rule” to SGEC Document 2 “Operational Rules of FM and CoC Certification” and the accompanying SGEC Logo Sheet, and where PEFC logo is used, PEFC ST 2001:2008 ver2 “PEFC Logo Usage Rules – Requirements” and any guidance relating to the implementation of PEFC logo usage rules.
- a central office’s procedures for the management of the multisite organization
- conditions of the contract with the certification body relating to the rights of the certification body or accreditation body to access the sites’ documentation and installations for the purposes of evaluation and surveillance, and disclosure of information about the sites to a third party,



- explanation of the principle of the mutual responsibility of sites in the multisite certification,  
 Note: The term “mutual responsibility” means that non-conformities found in one site or the central office may result in corrective actions to be performed at all sites; and increase in internal audits or withdrawal of the multisite certificate.
  - results of the internal audit program and the certification body’s evaluation and surveillance and relating corrective and preventive measures applicable to individual sites.
  - A copy of certificate (including the scope of certification and targeted sites)
- (7) the central office provides organizational or contractual connection with all the sites, which shall include commitments by the sites to implement and maintain the CoC in accordance with this requirement. The central office shall have a written contract or other written agreement with all the sites which covers the right of the central office to implement and enforce any corrective or preventive measures and to initiate the exclusion of any site from the scope of certification in case of nonconformities with this requirement,
- (8) establish written procedures for the management of the multisite organization,
- (9) keep records relating to the central office and all the sites compliance with the requirements,
- (10) operate an internal audit program. The internal audit program shall provide for:
- on-site audit of all the sites (including its own central administration function) prior to certification body starting its evaluation,
  - on-site annual audits of all the sites covered by the certification scope (including its own central administration function
- (11) on-site audit of any new site prior the certification body starting the process of the certification scope extension, liaise with the certification body and submit relevant application to the certification body, operate a review of the central office and sites conformity, including review of results of the internal audits program and certification body’s evaluations and surveillance;

shall establish corrective and preventive measures if required; and shall evaluate the effectiveness of corrective actions taken.

3-2-2-2 The sites shall be responsible for:

- (1) implement and maintain the CoC requirements in accordance with Document 4 Guideline for SGEC CoC Certification and this requirement,
- (2) entering into contractual relationship with the central office, including commitment on the compliance with the CoC requirements and other applicable certification requirements,
- (3) responding to all requests from the central office or the certification body for relevant data, documentation or other information related to the CoC requirements,
- (4) provide full cooperation and assistance in respect of internal audits and training performed by the central office and audits performed by the certification body, including access to the sites installations,
- (5) implementation of relevant corrective and preventive actions established by the central office.

4. Scope of responsibilities for this requirements implemented in the multisite organization

Standard requirements of SGEC	Central office	Site
5-2 Physical separation method (CoC)		Yes
5-3 Percentage based method (CoC)		Yes
7 Minimum management system requirements	Yes	Yes
7-2 Responsibilities and authorities	Yes	Yes
7-2-1 General responsibilities	Yes	Yes
7-2-2 Responsibilities and authorities for CoC	Yes (d, e)	Yes
7-3 Documented procedures	Yes (a, e, f)	Yes
7-4 Record keeping	Yes (f, g)	Yes
7-5 Resource management	Yes (only for activities provided)	Yes
7-5-1 Human resources/personnel		Yes
7-5-2 Technical facilities		Yes
7-6 Inspection and control	Yes	Yes
7-7 Complaints	Yes	Yes

Supplementary article

The Board of Directors has decided to amend this Attachment on 1 April 2012.

### Supplementary article 2

The Board of Directors has decided to amend this Attachment on 1 April 2015. Notwithstanding this amendment, the previous Operational Rules may be effective during transitional period of endorsement and mutual recognition by PEFC.

### Supplementary article 3

This revised document will be effective from 1<sup>st</sup> January 2016. Notwithstanding the above, SGEC may define the period of the time until the acquisition of PEFC Endorsement as transit period, during which the previous document (which became effective on 1<sup>st</sup> April 2012 or 1<sup>st</sup> April 2015) maintains its validity.

## **Attachment 2-10:**

### **Requirements for Certification Bodies operating certification under SGEC certification scheme**

#### **I. Preface**

This Attachment stipulates the requirements for Certification Bodies operating certification under SGEC certification scheme stipulated in Article 3 (Certification Principles, Indicators and Guidelines) of Operational Rules of FM certification and CoC certification.

As for Certification Bodies operating certification under PEFC certification scheme, the requirements for Certification Bodies are stipulated in PEFC 2003 : 2012 and its Annex 1.

#### **1. Scope**

##### **1-1 Certification Bodies**

This Attachment shall be applied to the certification body carrying out forest management certification and forest products chain of custody certification.

This Attachment shall define the specific requirements in addition to the requirements defined in ISO/IEC 17065.

##### **1-2 Scope of products**

1-2-1 Scope of forest management certification shall be the certified forests as well as the standing trees growing in the certified forests, the logs produced from the certified forests and other forest products and services from the certified forests (Article 10 of Operational Rules).

1-2-2 Scope of forest products CoC shall be forest products from the certified forests and raw materials with risk management.

##### **1-3 Evaluation of products to be certified**

The principles, indicators and guidelines for products evaluation by the certification bodies shall be as follows:

- Document 3 Principles, Indicators and Guidelines for SGEC FM Certification:
- Document 4 Guidelines for SGEC CoC Certification:
- Attachment 4-1 Specification of SGEC claims

##### **1-4 Requirements of Certification Bodies**

The Certification Bodies for FM certification and CoC certification shall meet

the requirements stipulated in Chapter 5 of Operational Rules.

1-5 Applicants for FM certification and CoC certification

1-5-1 The applicants for FM certification shall be the individuals who have the legal management right of forest area and have submitted its application of the forest to be certified. The applicants, who meet the requirements in Attachment 2-4 (Requirement for group forest management certificate), shall also be included.

1-5-2 The applicants for CoC certification shall be the individuals who intend to use the SGEC certified products and have submitted its application of the CoC certification. The applicants, who meet the requirements in Attachment 2-8 (Requirement for Multisite CoC Organization), shall also be included.

1-6 Partial outsourcing of evaluation activities of the Certification Bodies

1-6-1 In case that the Certification Body will outsource a part of its evaluation activities to the third party, the Certification Body shall meet the requirements stipulated in ISO/IEC 17065.

In this connection, the eligibility of the third party shall be associated with the requirements stipulated in Section II. 2-1 below for FM certification body and in Section III. 2-1 below for CoC certification body.

1-7 Confidentiality

The certification body shall inform the CoC organization that it is obliged to provide information to SGEC. In order to comply with the ISO/IEC 17065 for confidentiality, the certification body shall have the written consent of the CoC organization for the information disclosed to SGEC.

II. Forest management certification

1. General requirements

1.1 Usage of logos

1-1-1 Logo usage license

When a certification body uses SGEC logo, SGEC logo usage rules defined by the Article 2 “SGEC Logos” of SGEC Document 2 “Operation Rules of Forest Management Certification and Forest Products Chain of Custody by Sustainable Green Ecosystem Council (SGEC)”, Attachment 2-2 “Regulations of the use of SGEC logos and labels” and the Attachment 2-2-1 “Regulations of the use of SGEC logos and labels” apply.

In case where PEFC logo is used, PEFC ST 2001:2008 “PEFC Logo Usage Rules –

Requirements ver. 2” and PEFC GD 1005 “ Issuance of PEFC Logo Use Licenses by the PEFC Council” apply.

#### 1-1-2 SGEC Logo user’s responsibilities

Responsibilities of the SGEC Logo users shall be stipulated in Attachment 2-1 and Attachment 2-2 of Operational Rules.

In case where PEFC logo is used, logo user`s responsibilities shall follow PEFC ST 2001:2008 “PEFC Logo Usage Rules – Requirements ver.2”.

#### 1.1.3 Caution to certified forest owners/managers on SGEC/PEFC logo usage

Where the certification body makes use of the SGEC/PEFC logo on the certification document, it shall inform and make clear that the SGEC/PEFC logo on the certificate only refers to the certified forest owners/managers` compliance with the SGEC/PEFC certification scheme and does not provide the certified forest owners/managers with the right to use the SGEC/PEFC logo.

## 2. Resources requirements

### 2-1 Qualifications and education/training of certification body personnel

#### 2-1-1 Qualification and experience of audit teams

Forest management audit teams are required to have knowledge of 1) the certification standard (forest management standard) and 2) certification audit and shall include those who are qualified under either of the following categories a) – c) with more than two years of working experience, or the category d).

- a) Ph.D. in agriculture (including forest and forestry)
- b) Professional Engineer in forest management
- c) Registered forester for extension services
- d) Veterans in forest management, extension and research who meet the following criteria:
  - More than 4 years’ experience with Master degree
  - More than 6 years’ experience with Bachelor degree
  - More than 8 years’ experience with Associate degree
  - More than 12 years’ experience with High school certificate

#### 2-1-1 Education/training

The Certification Body shall conduct its educational programs for the personnel of evaluation team in line with its standards based upon ISO

19011.

2-1-2 Requirements for reviewers or certification decision makers of certification evaluation

Reviewers of evaluation of certification application shall have ample knowledge on items of evaluation, criteria of conformity and non-conformity and methodologies of evaluation for appropriateness, thoroughness and effectiveness of the results of evaluation activities. Certification decision makers shall have ample knowledge on items of certification criteria, certification scheme and conformity evaluation system. Reviewers can concurrently serve as certification decision makers.

3. Process requirements

3-1 Application

3-1-1 Information from client forest owners

The client forest owners, as a minimum, shall provide the following information necessary for evaluation of FM certification;

- a) Area of forest to be certified
- b) Compositions of forest
- c) Forest management plan (including manuals/guidelines of operations)
- d) Group entity and the list of participants as well as a written agreement between group entity and participants including participants' commitment in case of group FM certificate

3-1-2 Provision of the information relating to the application of the optional requirements and the notification of the audit plan

3-1-2-1 Client forest owners shall provide the information necessary for evaluation of FM certification. Such information shall include the items, stipulated in Attachment 2-10-1 "Check list of SGEC FM principles conformity", for document based and on-site based surveillance.

3-1-2-2 The certification body shall have documented procedures to ensure that an audit plan is established for each audit to provide basis for agreement regarding the conduct and scheduling of the audit activities. The audit plan shall be communicated and the dates of the audit shall be agreed with the applicant organization in advance.

3-1-2-3 The certification body shall review the applicant organization's documents before on-site based surveillance in order to evaluate conformity between the

forest management certification principles and the evaluation standard according to Clause 6.3 of ISO19011.

### 3-1-3 Group FM certificate

Requirements given in Section 1(2) of Article 5 of Operational Rules and Attachment 2-4 “Requirement for group forest management certificate” apply.

## 3-2 Evaluation

The certification body shall conduct the initial audit of a forest management— following the relevant guidance provided in ISO 19011, clause 6.4. The initial audit and re-certification audits shall be conducted on-site.

### 3-2-1 Document review (initial and renewal)

Documents provided by the client shall be reviewed, prior to the on-site review, within the necessary scope of evaluation of SGEC FM certification.

### 3-2-2 Number of personnel necessary for evaluation (initial and renewal)

Certification body shall decide the number of personnel necessary for document review and on-site review stipulated in Attachment 2-10-1 “Check list of SGEC FM principles conformity”.

## 3.2.3 Evaluation report

### 3.2.3.1 Identification of the scope of the evaluation

The evaluation report shall identify the applied part of the forests covered by the forest management certification and the organization of the applicant.

### 3.2.3.2 Definition of the applied certification criteria

The evaluation report shall define the applied certification criteria; i.e. the under-mentioned forest management standard or a part of it that are applicable to the organizations’ forest management:

- a) Forest management requirements (SGEC Document 3 - “3”)
- b) Items to Confirm the Conformity with SGEC Forest Management Standard (Attached Document 2-10-1)
- c) SGEC Document 2-2 “Logo Usage Rules”
- d) Other necessary standards

### 3.2.3.3 Review

All requirements given in Clause 7.5 of ISO/IEC 17065 apply.

## 3.2.4 Decision on certification



3.2.4.1 Audit findings shall be classified into major non-conformities, minor non-conformities and observations.

### 3-3 On-site sampling review

#### 3-3-1 Methodologies of sampling review

3-3-1-1 Requirements of on-site sampling review shall be applied the forests stipulated in Attachment 2-4: Requirement for group forest management certificate.

3-3-1-2 Applied forests within a forest management plan shall be treated a site managed integrally. In case the client has several sites to be certified, the certification body can apply sampling of sites. The certification body shall be able to demonstrate its justification for selection of sites for the on-site review to ensure that all differences across the sites and implementation of forest management and group certification have been assessed. If the applied forests are located in several municipality-level forest management plans, one site per each municipality-level forest management plan shall be principle in review process. However, municipality-level forest management plan can be up scaled to prefecture-level forest management plan, if the certification body deems necessary to do so with local conditions.

3-3-1-3 The sample for the initial, regular and renewal shall be determined separately for representative categories of sites. The following indicators shall be used in order to ensure representativeness:

- a) forest ownership type (e.g. national forest, local government forest (including communal forest), private forest)
- b) status of forest management (e.g. size of forest enterprises, extent of forests, status of forest enterprises including form of contract, status of forest management plan)
- c) biogeographic region (e.g. forest types)
- d) planted/natural forest
- e) specific area necessary for conservation of biological diversity (e.g. riparian forest)

3-3-1-4 In addition to the basic criteria stipulated in 3-3-1-3 above, the following items shall be taken in site selection of regular and renewal evaluation:

- a) results of internal monitoring or previous certification

evaluation

- b) records of complaints and other relevant aspects of corrective and preventive action
- c) significant variations in production processes of the sites
- d) modifications since the last certification evaluation
- e) geographical dispersion

### 3-3-2 Size of sample

3-3-2-1 The certification body shall have in place documented procedures for the determination of the sample size.

3-3-2-2 Generally, these procedures should follow the following calculation:

- a) initial evaluation: upon taking due consideration of 3-3-1-3 above, the size of the sample should be the square root of the number of remote sites: ( $y = \sqrt{x}$ ), rounded to the upper whole number.
- b) regular evaluation: the size of the annual sample should be the square root of the number of remote sites with 0.6 as a coefficient: ( $y = 0.6\sqrt{x}$ ), rounded to the upper whole number.
- c) renewal evaluation: upon taking due consideration of 3-3-1-3 and 3-3-1-4 above, the size of the sample should be the same as for an initial review. Nevertheless, where the management system has proved to be effective over a period of three years, the size of the sample could be reduced by a factor 0.8: ( $y = 0.8\sqrt{x}$ ), rounded to the upper whole number.

3-3-2-3 The size of the sample can be different in the categories ensuring representativeness established according to the criteria 3-3-1-2 above.

3-3-2-4 The calculation procedure for the size of the sample can be adapted by the certification body taking into account one or more of the following indicators.

- a) size and complexity of the client organization's operation, geographical and natural conditions
- b) the results of any prior review of the client organization's forest management
- c) allocation of sites where forest management operations conducted
- d) consideration of number of sites and group member

- e) quality/level of confidence of internal monitoring program

### 3-3-3 Additional sites

On the application of a new group of sites to join an already certified group FM network, each new group of sites should be considered as an independent set for the determination of the sample size. After inclusion of the new group in the certification, the new sites should be combined with the previous ones for determining the sample size for future regular evaluation or renewal evaluation.

## 3-2 Certificate

### 3-4-1 Issuance of certificate

The certification body shall issue the FM certificate documents to the client who meet the requirements stipulated in Section 2 in Article 4 as well as Section 2 in Article 6 of the Operational Rules. The certification body shall inform the cancellation of the FM certificate to the client stipulated in Section 2 in Article 8 of the Operational Rules.

### 3-4-2 Items mentioned in certificate

The certificate document as official certification under the certification requirements shall include at least the following items:

- a) the certification body
- b) name and address of forest owner/manager
- c) location and size of forest certified
- d) term of validity

### 3-4-3 Term of validity

The term of validity of FM certificate shall be Article 6 of the Operational Rules.

### 3-4-4 Scope of FM certification

- a) FM principles, indicators and guidelines applied
- b) location and size of forest certified
- c) other products and services stipulated in I 1-2-1

## 3-3 Report of evaluation result to SGEC

The certification body shall report its evaluation result to SGEC as stipulated in Section 2 of Article 4, Section 2 of Article 6, Section 2 of Article 7 and Section 2 of Article 8 in the Operational Rules.

## 3-4 Regular evaluation

### 3-6-1 Frequency of regular evaluation

Frequency of regular evaluation shall be stipulated in Section 1 of Article 7 of the Operational Rules.

### 3-6-2 Number of personnel necessary for regular evaluation

Certification body shall decide the number of personnel necessary for document review and on-site review in regular evaluation stipulated in Attachment 2-5 “Regular evaluation report”. On-site review shall be mandatory for Item 1.(1) of Attachment 2-5 “On-site evaluation of the status of implementation of forest management (including forest management plan)”.

## III. CoC certification

### 1. General requirements

#### 1.-1 Usage of logos

##### 1-1-1 Logo usage license

When a certification body uses SGEC logo, SGEC logo usage rules defined by the Article 2 “SGEC Logos” of SGEC Document 2 “Operation Rules of Forest Management Certification and Forest Products Chain of Custody by Sustainable Green Ecosystem Council (SGEC)”, Attachment 2-2 “Regulations of the use of SGEC logos and labels” and the Attachment 2-2-1 “Regulations of the use of SGEC logos and labels” apply.

In case where PEFC logo is used, PEFC ST 2001:2008 “PEFC Logo Usage Rules – Requirements ver. 2” and PEFC GD 1005 “ Issuance of PEFC Logo Use Licenses by the PEFC Council” apply.

##### 1-1-2 SGEC Logo user’s responsibilities

Responsibilities of the SGEC Logo users shall be stipulated in Attachment 2-1 and Attachment 2-2 of Operational Rules.

In case where PEFC logo is used, logo user’s responsibilities shall follow PEFC ST 2001:2008 “PEFC Logo Usage Rules – Requirements ver. 2”.

##### 1.1.3 Caution to certified CoC organizations on SGEC/PEFC logo usage

Where the certification body makes use of the SGEC/PEFC logo on the certification document, it shall inform and make clear that the SGEC/PEFC logo on the certificate only refers to the certified CoC organization’s compliance with the SGEC/PEFC certification scheme and does not provide the certified CoC organization with the right to use the SGEC/PEFC logo.

### 2. Resources requirements

## 2-1 Qualifications and education/training of certification body personnel

2-1-1 The audit team shall have knowledge of, 1) the certification standard (SGEC-COC Standard) and 2) the certification audit and shall include those who are qualified under either of the under-mentioned categories from a) to d) with minimum two years of working experience, or by the category e).

- a) Ph.D. in agriculture (including forest and forestry)
- b) Professional Engineer in forest management
- c) Registered forester for extension services
- d) Forest products inspector registered by JAS
- e) Veterans in management, extension, inspection and research related to wood-products and timber business who meet the following criteria:
  - More than 4 years' experience with Master degree
  - More than 6 years' experience with Bachelor degree
  - More than 8 years' experience with Associate degree
  - More than 12 years' experience with High school certificate

### 2-1-2 Education/training

The Certification Body shall conduct its educational programs for the personnel of evaluation team in line with its standards based upon ISO 19011.

### 2-1-3 Requirements for reviewers or certification decision makers of certification evaluation

Reviewers of evaluation of certification application shall have ample knowledge on items of evaluation, criteria of conformity and non-conformity and methodologies of evaluation for appropriateness, thoroughness and effectiveness of the results of evaluation activities. Certification decision makers shall have ample knowledge on items of certification criteria, certification scheme and conformity evaluation system. Reviewers can concurrently serve as certification decision makers.

## 3. Process requirements

### 3-1 Application

#### 3-1-1 Information from client organization

The client organization, as a minimum, shall provide the following information necessary for evaluation of CoC certification;

- a) corporate entity, name, address and legal status

- b) CoC documented procedures of the client organization as defined in the CoC standard
- c) Descriptive identification of the products covered by the CoC, and
- d) Sites covered by the CoC in the case of multi-site certification (as defined in the CoC).

3-1-2 Provision of the information relating to the application of the optional requirements and the notification of the audit plan

3-1-2-1 The client organization, as a minimum, shall provide for products covered by the CoC, the following information relating to the application of the optional requirements of the CoC standard:

- a) chain of custody method (“SGEC-CoC Certification Guideline clause 5-2 “physical separation method” or clause 5-3 “percentage method”. The same shall apply hereafter)
- b) CoC method (either physical separation method or percentage based method stipulated in Guidelines for SGEC CoC certification)
- c) method of calculation of the certification percentage (stipulated in Document 4)
- d) transfer of certification percentage to output products (stipulated in Document 4)
- e) In case where the applicant organization wishes to use SGEC logo, the application for SGEC logo usage shall follow Attachment 2-2 “SGEC logo usage rules”.

Notwithstanding a) to e) above, in case of the application for PEFC standard, the client organization shall follow PEFC ST 2002 “Chain of Custody of Forest Based Products – Requirements” and its Appendix 1 “Specification of the PEFC claims”, and in case where the applicant organization wishes to use PEFC logo, application for logo shall follow PEFC ST 2001:2008 “PEFC Logo Usage Rules –Requirements ver.2”.

3-1-2-2 The certification body shall have documented procedures to ensure that an audit plan is established for each audit to provide basis for agreement regarding the conduct and scheduling of the audit activities. The audit plan shall be notified to the applicant and the dates of the audit shall be agreed with the applicant in advance.

Note: Guidance for preparing the audit plan is provided by ISO 19011. Clause 6.3.2.

### 3-1-2 Multisite CoC organizations certificate

Requirements given in Section 3 of Article 13 of Operational Rules and Attachment 2-8 “Requirement for Multisite CoC organizations certificate” apply.

3-1-2-3 The certification body shall review the applicant organization`s documents before on-site based surveillance in order to evaluate conformity between the CoC certification principles and the evaluation standard according to Clause 6.3 of ISO19011.

### 3-2 Evaluation

The certification body shall conduct the initial audit of a chain of custody following the relevant guidance provided in ISO 19011, clause 6.4. The initial audit and re-certification audits shall be conducted on-site

#### 3-2-1 Document review (initial and renewal)

Documents provided by the client shall be reviewed, prior to the on-site review, within the necessary scope of evaluation of SGEC CoC certification.

#### 3-2-2 Number of personnel necessary for evaluation (initial and renewal)

Certification body shall decide the number of personnel necessary for document review and on-site review. The minimum time for the on-site review is one half of a man day.

#### 3-2-3 Evaluation report

##### 3-2-3-1 Identification of the scope of the evaluation

The evaluation report shall identify the parts covered by the chain of the custody with respect to the applicant`s organization, processes and production batches/products.

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##### 3-2-3-2 Definition of the applied certification criteria; i.e. the applied chain of custody standard including the following;

- a) chain of custody method,
- b) method of calculation of the certification percentage,
- c) transfer of certification percentage to output products,
- d) applied definition of the origin,

- e) the SGEC logo usage rules,
- f) requirements for avoidance of raw material from controversial sources, and
- g) other necessary certification standards

Notwithstanding the above, in case of evaluation under PEFC standards, applied certification criteria concerned the above shall follow PEFC ST 2002 “Chain of Custody of Forest Based Products – Requirements”, and in case of PEFC logo use, PEFC ST 2001:2008 “PEFC Logo Usage Rules – Requirements ver.2”.

#### 3-2-3-3 Review

All the requirements given in the clause 7.5 of ISO/IEC17065 shall apply.

#### 3-2-4 Certification Decision

3-2-4-1 Audit findings shall be classified into major non-conformities, minor non-conformities and observations.

3-2-4-2 Major and minor nonconformities shall be corrected and the corrective action(s) shall be verified by the certification body before granting a certification and recertification.

3-2-4-3 Major and minor non-conformities identified in the surveillance audits shall result in corrective action(s) by the applicant organization resolving the non-conformities. The corrective action plan, including a timeframe, shall be reviewed and accepted by the certification body. The period for completion of the corrective action(s) for major non-conformities identified in surveillance audits and their verification by the certification body shall follow the rules of the certification body but not exceed 3 months. Corrective action(s) for minor non-conformities shall be verified no later than during the next audit.

3-2-4-4 Corrective action(s) for all non-conformities identified in initial surveillance and re-certification audits shall be verified by the certification body by site visit or other appropriate forms of verification.

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#### 3-3 On-site sampling review

3-3-1 Methodologies of sampling review



- 3-3-1-1 Requirements of on-site sampling review shall be applied the organization stipulated in Attachment 2-8: Requirement for Multisite CoC organization.
- 3-3-1-2 The sample for initial, regular as well as renewal review shall be determined separately for sites using different CoC methods (physical separation and percentage based methods). The sample shall be representative concerning differences in sites' processes and activities which are subject to the CoC certification.
- 3-3-1-3 The sample should be partly selective based on the factors set out the following aspects and partly non selective, and should result in a range of different sites being selected, without excluding the random element of sampling:
  - a) results of internal monitoring or previous certification evaluation
  - b) records of complaints and other relevant aspects of corrective and preventive action
  - c) significant variations in the size of the site and in production processes of the sites
  - d) significant variations in production processes of the sites
  - e) modifications since the last certification evaluation
  - f) geographical dispersion
- 3-3-1-4 Taking into account the criteria stipulated in 3-3-1-3 above, the remainder of the sample should be selected so that the differenced among the sites selected over the period of validity of the certificate is as large as possible.

### 3-3-2 Size of sample

- 3-3-2-1 The certification body shall have documented procedures for determining the sample to be taken when auditing sites as part of the evaluation and certification of a multi-site client organization.
- 3-3-2-2 In the event that application of the certification body's procedure results in a smaller sample than would result from the application of the guidance set out the following, the certification body shall record the reasons justifying this and demonstrate that it is operating in accordance with its approved procedure:
  - a) initial evaluation: the size of the sample should be the square root of the number of remote sites:  $(y=\sqrt{x})$ , rounded to the upper whole number.

- b) regular evaluation: the size of the annual sample should be the square root of the number of remote sites with 0.6 as a coefficient:  $(y=0.6\sqrt{x})$ , rounded to the upper whole number.
- c) renewal evaluation: the size of the sample should be the same as for an initial review. Nevertheless, where the management system has proved to be effective over a period of three years, the size of the sample could be reduced by a factor 0.8:  $(y=0.8\sqrt{x})$ , rounded to the upper whole number.

3-3-2-3 The requirements 3-3-2-2 above are based on the example of a low to medium risk activity with less than 50 employees at each site. Consequently such number shall be considered as minimum number of sites to be visited per review.

3-3-2-4 The size of the sample should be increased where the certification body's risk analysis of the activity covered by the quality management system subject to certification indicated special circumstances in respective factors like:

- a) the size of the sites and number of employees;
- b) the complexity and variations of raw material flow and CoC methods;
- c) variations in the application of CoC methods and definitions of the raw material origin;
- d) level of risk of procurement of raw material from controversial sources;
- e) records of complaints and other relevant aspects of corrective and preventive action;
- f) any multinational aspects;
- g) results of internal review.

### 3-3-3 Additional sites

On the application of a new group of sites to join an already certified multi-site network, each new group of sites should be considered as an independent set for the determination of the sample size. After inclusion of the new group in the certification, the new sites should be combined with the previous ones for determining the sample size for future regular evaluation or renewal evaluation.

## 3-4 Certificate

### 3-4-1 Issuance of certificate

The certification body shall issue the CoC certificate documents to the

client who meet the requirements stipulated in Section 2 in Article 11 of the Operational Rules. The certification body shall inform the cancellation of the CoC certificate to the client stipulated in Section 2 in Article 16 of the Operational Rules.

#### 3-4-2 Items mentioned in certificate

The certificate document as official certification under the certification requirements shall include at least the following items:

- a) the certification body
- b) name and address of CoC organization
- c) category of business in which CoC is subject to certification
- d) scope of the certification granted
- e) term of validity

#### 3-4-3 Category of business certified

The certificate document shall state the category of business certified stipulated in Section 1 in Article 13 of the Operational Rules.

#### 3-4-4 Scope of the certification

The certificate document shall state the following items:

- a) CoC principles, indicators and guidelines applied
- b) CoC method applied
- c) applied definition of the origin
- d) category of products certified

#### 3-4-5 Term of validity

The term of validity of CoC certificate shall be Article 12 of the Operational Rules.

#### 3-5 Report of evaluation result to SGEC

The certification body shall report its evaluation result to SGEC as stipulated in Section 2 of Article 11, Section 2 of Article 12, Section 2 of Article 14, Section 2 of Article 15 and Section 2 of Article 16 in the Operational Rules.

#### 3-6 Regular evaluation

##### 3-6-1 Frequency of regular evaluation

Frequency of regular evaluation shall be stipulated in Section 1 of Article 14 of the Operational Rules.

##### 3-6-2 Number of personnel necessary for regular evaluation

Certification body shall decide the number of personnel necessary for document review and on-site review in regular evaluation stipulated in Attachment 2-5 “Regular evaluation report”. On-site review shall be mandatory for Item 2.(1) of Attachment 2-5 “On-site evaluation of the

status of separation/storage of the certified products/material”.

### 3-6-3 Venue of regular on-site evaluation

The evaluation shall be carried out at the client organization’s site as stipulated in Article 14 of the Operational Rules. The regular evaluation at the client organization’s premises can be replaced by other evaluation techniques, such as documentation and records evaluation and the period between on-site evaluation shall not exceed two years where:

- a) the certification body can demonstrate that evaluation techniques used deliver sufficient confidence in the certified entity’s compliance with the certification criteria,
- b) the client organization is a micro enterprise (less than ten employees or annual turnover less than 200 million yen),
- c) no nonconformity was raised during the previous initial, regular or renewal evaluation,
- d) the client organization procurement does not include high risk supplies, and
- e) the client organization provides the certification body with all the individual records required to be kept by the CoC standard or a list of all the records which allow the certification body to establish an independent sampling.

In case on-site evaluation is replaced by documentation and records evaluation, items stipulated in Item 2. of Attachment 2-5 shall be referred including photos and movies.

### 3-6-4 Exemption from regular on-site evaluation

The on-site evaluation can also be replaced by documentation and records evaluation where the client organization has not procured and has not made claims on certified raw material. The period between the on-site evaluation shall however not exceed two years.

## Supplementary article 1

The certification bodies in 1-1 of this Attachment shall be the ones notified by Article 19 of the Operational Rules. However, once the SGEC scheme is mutually recognized by the PEFC, the certification bodies shall be accredited by accreditation bodies that are signatories of the Multilateral Recognition Arrangement (MLA) for product certification of IAF based upon ISO/IEC 17065 as well as notified by the SGEC.

## Supplementary article 2

The Board of Directors, on 1<sup>st</sup> July 2014, has decided to amend this Attachment. Notwithstanding this amendment, those certification bodies, which need preoperational works to fulfill this amendment, can set six month transitional period.

#### Supplementary article 3

The Board of Directors, on 1<sup>st</sup> April 2015, has decided to amend this Attachment. Notwithstanding this amendment, the previous Attachment may be effective during transitional period of endorsement and mutual recognition by PEFC. However, the relevant rules related to the standard settings for regular or renewal review for FM certification in Document 3 and CoC certification in Document 4 may be effective up until 30 September 2015.

#### Supplementary article 4

This revised document will be effective from 1<sup>st</sup> January 2016. Notwithstanding the above, SGEC may define the period of the time until the acquisition of PEFC Endorsement as transit period, during which the previous document (which became effective on 1<sup>st</sup> April 2015 or 1<sup>st</sup> July 2014) maintains its validity.

#### Supplementary article 5

This document (amended on 10<sup>th</sup> February 2010) will be effective from 1<sup>st</sup> April 2016. Notwithstanding the above, SGEC may define the period of the time until the acquisition of PEFC Endorsement as transit period, during which the previous document (which became effective on 1<sup>st</sup> April 2015 or 1<sup>st</sup> July 2014) maintains its validity.

### **Requirements for Accreditation of SGEC Certification Body**

SGEC requires that forest management certification and CoC certification shall be carried out by certification bodies fulfilling the following requirements.

- (1) The certification bodies shall be accredited by accreditation bodies that are signatories of the Multilateral Recognition Arrangement (MLA) for product certification of International Accreditation Forum (IAF) as being in conformity with the international standard for the product certification body (ISO/IEC 17065).
- (2) The scope of the accreditation shall explicitly cover the SGEC Forest Management Certification Standard (SGEC Document 3), SGEC CoC Standard (SGEC Document 4) and related Attachments in their valid version and/or with reference to any future changes and amendments adopted by SGEC and presented at SGEC website <http://www.sgec-eco.org>.

The scope of accreditation shall also explicitly state ISO/IEC 17065 and other requirements against which the certification body has been assessed.

- (3) The certification bodies shall be registered as a corporation in Japan.

### **Supplementary article**

This document (approved 10<sup>th</sup> February 2016) will be effective from 1<sup>st</sup> April 2016.

Notwithstanding the above, SGEC may define the period of the time until the acquisition of PEFC Endorsement as transit period.

### **Requirements for Notification of SGEC Certification Body**

A SGEC certification body shall be notified by SGEC. The SGEC notification requires that the certification body shall have a valid accreditation recognized by SGEC. The certification body shall provide SGEC with information on granted certifications as specified by SGEC.

Note: The information on granted certifications usually includes identification of the certificate holder, scope of the granted certifications, certified area of forest management certification and annual CoC organization`s turnover where used for determination of the SGEC notification fee.

SGEC notification may require the certification body to pay a SGEC notification fee as specified by SGEC.

#### **Supplementary article**

This document (approved 10<sup>th</sup> February 2016) will be effective from 1<sup>st</sup> April 2016. Notwithstanding the above, SGEC may define the period of the time until the acquisition of PEFC Endorsement as transit period.

### **Multi-site chain of custody certification**

This document defines the requirements for the certification bodies operating chain of custody certification for multi-site organizations with a network of sites which meet the requirements given in SGEC Attachment 2-8 Requirement for Multi-site CoC organization

#### 1 Scope

The requirements for certification bodies operating chain of custody certification for multi-site organizations is defined by this document as well as SGEC Document 2-10 “Requirements for Certification Bodies operating certification under SGEC certification scheme”.

#### 1 Eligibility criteria for the certification body

The certification body shall provide information to the applicant organization about the eligibility criteria laid down herein and in SGEC Attachment 2-8 to the SGEC Document2 before starting the evaluation process, and should not proceed with the evaluation if any of the eligibility criteria for the multi-site organization are not met. Before starting the evaluation process, the certification body should inform the applicant organization that the certificate will not be issued if, during the audit, non-conformities in relation to these eligibility criteria are found.

#### 2-1 Contract review

2-1-1 The certification body’s procedures shall ensure that the initial contract review identifies the complexity and scale of the activities which is subject to the certification of the chain of custody, and any differences among operation sites as the basis for determining the level of sampling stipulated in III3-3 of SGEC Attachment 2-10.

2-1-2 The certification body shall identify the central function of the applicant organization as its contractual partner in conducting the work of the certification. The agreement shall allow the certification body to carry out the certification activities at all sites of the multi-site



applicant organization.

2-1-3 The certification body shall analyze, in each individual case, to what extent sites of an organization have the flow of similar raw materials that enables implementation of the chain of custody to be applied in a similar manner. The similarity of the sites included in the multi-site applicant organization shall be taken into consideration when applying the sampling procedures.

2-1-4 The certification body shall retain a record to demonstrate that the required activities in 2.1.1, 2.1.2 and 2.1.3 have been implemented.

## **2.2 Audit**

2.2.1 The certification body shall have documented procedures to deal with audits under its multi-site procedure. Such audit procedures, including documentation and records review, on-site audits, etc, shall establish the way the certification body is able to confirm, inter alia, that the chain of custody requirements are actually applied to all the sites and that all the criteria in the chain of custody standard, including SGEC Attachment 2-8 are met.

2.2.2 If more than one audit team is involved in the evaluation/surveillance of the network, the certification body shall designate a unique audit leader whose responsibility is to consolidate the findings from all the audit teams and to produce a synthesis report.

## **2.3 Non-conformities**

2.3.1 When non-conformities are found at any individual site either through the applicant organization's internal auditing or from auditing by the certification body, an investigation shall take place to determine whether the other sites may be affected. Therefore, the certification body shall request the applicant organization to review the non-conformities in order to determine whether they could cause overall deficiency of the chain of custody by affecting all the sites. If they are found to do so, corrective actions should be taken both at the central office and at the individual sites. If they are found not to do so, the applicant organization shall be able to demonstrate to the certification body the justification for limiting its follow-up actions.

2.3.2 The certification body shall require evidence of these actions and increase its sampling frequency until it is satisfied that control is re-established.

2.3.3 During the decision making process, if any site has a non-conformity, certification shall be suspended to the whole multi-site applicant organization until satisfactory corrective actions are taken.

2.3.4 It shall not be admissible that, in order to overcome the obstacle raised by the existence of a nonconformity at a single site, the applicant organization seeks to exclude "problematic" site from the scope of the certification during the certification process.

## **2.4 Certificates**

2.4.1 One single certificate shall be issued with the name and address of the central office of the applicant organization. A list of all the sites, to which the certificate relates, 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.

If the individual sites are applying different chain of custody methods or definitions of the origin the raw material, it shall be clearly stated in the certificate or appendix for the individual sites that the corresponding chain of custody standards are applied..

2.4.2 A sub-certificate may be issued to the 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.

2.4.3 The certificate will lose its total validity, if the central office or any of the sites does not fulfil the necessary criteria for the maintaining certificate (see 2.2 above).

2.4.4 The list of sites shall be kept updated by the certification body. In order for that, the certification body shall request the organization to inform it about the closure, establishment, or change in activities of the sites. Failure to provide such information will be considered by the certification body as a misuse of the certificate, and it will act consequently according to its procedures.

2.4.5 Additional sites can be added to an existing certificate as the result of surveillance/ reassessment of activities. The certification body shall have a procedure for the addition of new sites.

Note: A temporary site set up by an applicant organization in order to perform specific works shall not to be treated as a part of a multi-site operation. Any sampling of the activities

performed at such sites will be for the purpose of confirming the activities of the permanent office whose chain of custody is subject to certification, not for the purpose of granting certificates to the temporary sites themselves.

### 3 Audit times

3.1 The certification body shall be able to demonstrate its justification for the time spent on multi-site audits in terms of its overall policy for allocation of audit time.

3.2 The minimum audit time to be spent for each individual site as a part of the initial, surveillance and re-certification audits is the same as for the initial audit defined in clause III3.2.2 of SGEC Attachment 2-10. Reductions can be applied by taking into account the clauses of the chain of custody standard that are not relevant to sites and are only examined at the central office.

3.3 No reduction is permitted for the central office.

#### Supplementary Article

This document will be effective from 1<sup>st</sup> January 2016.

Notwithstanding the above, SGEC may define the period of time until the acquisition of PEFC Endorsement as transit period.

## **Attachment 2-10-3:**

### **Qualification requirements for personnel of evaluation team**

#### **1. Scope:**

This attachment shall define the additional qualification requirements for personnel of evaluation team in addition to the requirements defined in Attachment 2-10 and 2-13 as well as ISO/IEC 17065.

#### **2. Personnel engaged in evaluation:**

The certification bodies shall ensure to use competent personnel who have adequate technical know-how on all certification processes.

#### **3. Auditors:**

The certification bodies shall ensure auditors shall have adequate knowledge and skill associated with the requirements defined in ISO 19011.

##### **3-1 Education:**

The certification bodies shall ensure that auditors shall participate in an education program stipulated in Attachment 2-13-1. After initial participation in the above program, the certification bodies shall ensure that auditors shall participate in subsequent program in every two years.

##### **3-2 Audit training or experience:**

The certification bodies shall ensure that auditors have participated in the following training or have performed the following FM or CoC audits.

###### **3-2-1 Audit training:**

The certification bodies shall ensure that auditors have participated in the training program stipulated in Attachment 2-13-1.

###### **3-2-2 Audit experience:**

The certification bodies shall ensure that auditors have performed FM or CoC audits for a first qualification or for maintain the qualification of the auditor as stipulated in Attachment 2-13-1.

##### **3-3 Competencies:**

3-3-1 The certification bodies shall ensure that auditors demonstrate ability to apply terminologies, knowledge, understanding and skills related to Document 2, 3 and 4.

- 3-3-2 The certification bodies shall ensure that auditors demonstrate ability to apply knowledge and skills in the following areas:
- a) audit principles, procedures and techniques: to ensure that audits are conducted in a consistent and systematic manner.
  - b) organization situations including organizational size, structure, functions and relationships, general business processes and knowledge of the client organization: to enable the auditor to comprehend the organization's operational context.
  - c) 2-5 Normative references of international conventions and domestic acts in Document 3 and 2-9 Controversial sources in Document 4: to enable the auditors to review the procedures to minimize the risk that the client organization's procured material originates in controversial sources through recognizing international conventions and domestic acts related.
- 3-3-3 The certification bodies shall provide evidence of annual monitoring of FM or CoC auditors applying methods such as audit witness, reviewing audit reports or client organizations' feedback, etc. based on the frequency of their usage and the level of risk linked to their activities. In particular, the certification bodies shall review the competence of its personnel in the light of their performance in order to identify training needs.

#### 4. Audit team:

The audit team shall be comprised of by auditor(s) fulfilling the requirements defined in 3 above.

#### Supplementary article

The Board of Directors has decided to amend this Attachment on 1 April 2015. Notwithstanding this amendment, the previous Operational Rules may be effective during transitional period of endorsement and mutual recognition by PEFC.

## **Attachment 2-11:**

### **Requirements for Operational Rules of SGEC**

Preface:

The document covers requirements for Operational Rules of SGEC.

#### **1. Scope:**

The document covers requirements for Operational Rules of SGEC in the following items:

- (1) SGEC notification of certification bodies,
- (2) SGEC Logo usage licensing,
- (3) Operation of the SGEC Registration System,
- (4) Complaint and dispute procedures.

#### **2. SGEC notification of certification bodies:**

2-1 The SGEC shall have written procedures for the SGEC notification which ensure that:

- (1) the SGEC notified certification body is meeting the SGEC's requirements for certification bodies,
- (2) the scope of the SGEC notification, i.e. type of certification (forest management or CoC certification) and certification standards by the notification, is clearly defined,
- (3) the SGEC notification may be terminated by the notifying body in the case of the certification body's non adherence to the conditions of the SGEC notification or in the case of the cancellation of the contract between the SGEC and the notified certification body,
- (4) the SGEC notification is based on a written contract between SGEC and the SGEC notified certification body,
- (5) the SGEC notified certification body provides the SGEC with information on certified entities as required by the SGEC Registration System,
- (6) the SGEC notification does not include any discriminatory measures,

#### **3. Issuance of SGEC Logo usage licenses**

3-1 The SGEC shall have written procedures for the SGEC Logo licensing which ensure that:

- (1) the SGEC Logo usage license is based on a written contract between the SGEC and the SGEC Logo user,
- (2) the SGEC logo user complies with the SGEC Logo usage rules (Attachment 2-2),
- (3) the scope of the SGEC Logo usage (logo usage groups) is clearly defined,
- (4) the SGEC Logo usage license can be terminated by the SGEC in the case of the SGEC Logo user's non adherence to the conditions of the SGEC logo usage rules (Attachment 2-2)
- (5) where unauthorized use has taken place, the SGEC Logo usage license may provide for contractual penalty, unless the SGEC Logo user proves that such unauthorized use was unintentional.

3-2 The SGEC shall have a mechanism for the investigation and enforcement of the compliance with SGEC Logo usage rules (Attachment 2-2) and shall take actions, including legal if necessary, to protect the SGEC Logo trademark.

#### 4. SGEC Registration System:

4-1 The SGEC shall register:

- (1) holders of SGEC forest management and CoC certificates issued by the certification body with the notification issued by the SGEC, including information on SGEC certified products,
- (2) SGEC Logo users with a license issued by the SGEC,
- (3) SGEC notified certification bodies.

4-2 The SGEC shall ensure that the collected data can be made publicly available.

#### 5. Complaints and dispute procedures:

The SGEC shall establish a permanent contact point for dealing with complaints and have written procedures which ensure that the followings. Specific procedures shall be stipulated in Attachment 2-11-1 Complaints and dispute procedures.

Upon receipt of the complaint, the procedures shall provide for:

- (1) acknowledgement to the complainant the receipt of the complaint,
- (2) gathering and verification of all necessary information, validation and impartial evaluation of the complaint, and decision making on the complaint,
- (3) formal communication of the decision on the complaint and the complaint dealing process to the complainant and concerned parties (stakeholders),
- (4) appropriate corrective and preventive actions.

### Supplementary article

The Board of Directors, on 1<sup>st</sup> April 2015, has decided to amend this Attachment. Notwithstanding this amendment, the previous Attachment may be effective during transitional period of endorsement and mutual recognition by PEFC.



## **Attachment 2-11-1**

### **Procedures for dealing with complaints and disputes against SGEC scheme**

In addition to the articles stipulated in Chapter 7 of the Operational Rules, the procedures for dealing with complaints and disputes against SGEC scheme shall be stipulated in this attachment.

#### **1. Objective**

The objective of this attachment is to describe the procedures for the SGEC to deal with complaints and disputes against SGEC scheme in a timely and impartial manner.

#### **2. Basic policy**

SGEC is committed to improve awareness of SGEC scheme through sincere dealing with and full explanation to the complaints against SGEC scheme.

#### **3. Structures dealing with complaints**

3-1 The matters related to procedures for dealing with complaints shall be handled by Secretariat stipulated in Chapter 10 of the Statutes, The SGEC shall establish a permanent contact point for dealing with complaints in Secretariat.

3-2 Auditors stipulated in Article 27 of the Operational Rules shall be responsible for dealing with complaints. The secretariat shall provide its supportive work for Auditors. Mandate of Auditors, Board of Directors as well as President shall be stipulated in Chapter 7 of the Operational Rules.

#### **4. Process**

The process for dealing with complaints shall be as follows:

4-1 acknowledgement to the complainant the receipt of the complaint

4-2 gathering and verification of all necessary information, validation and impartial evaluation of the complaint, and decision making on the complaint

4-3 formal communication of the decision on the complaint and the complaint dealing process to the complainant and concerned parties (stakeholders),

4-4 appropriate corrective and preventive actions.

#### **5. Access to the contact point dealing with compliant**

5-1 A permanent contact point for dealing with complaints shall be publicly announced through web site.

- 5-2 For easy access and submission by the complainant, a permanent contact point shall provide various access easy channels such as telephone, facsimile, postal mail and e-mail.
- 5-3 Once the complaint is formally accepted, a permanent contact point shall issue its acknowledge to the complainant the receipt of the complaint with its contents. During investigation and resolution process, a permanent contact point should inform the status of the complaint to the complainant as appropriate. All actions and communications during investigation and resolution process shall be archived.
- 5-4 During investigation and resolution process, the SGEC shall undertake a thorough investigation and seek a resolution in a timely and impartial manner as well as through the personal information obtained shall be protected properly.
6. Internal reporting process within SGEC
- 6-1 Once the complaint is acknowledged, Secretariat shall report the contents of the complaint to President and Auditors in a timely manner.
- 6-2 Contents mentioned above shall include the followings:
- a) name of the complainant
  - b) address of the complainant
  - c) method of communication with the complainant
  - d) outline of the complain
  - e) background and status of the complain
7. Complain investigation and resolution process
- 7-1 Auditors shall decide appropriate measures (including precautionary measures) to settle complaints after sufficient consideration on the related matters and consultation with the Board of Directors based on Article 27 of Document 2.
- 7-2 President shall carry out the measures decided according to the previous section promptly.
- 7-3 President shall inform the complainant and other stakeholders about the measures concerned promptly.
- 7-4 President shall archive the process and report it to the Board of Directors, Auditors as well as General Meeting of Members.
8. Termination of resolution process
- 8-1 The resolution process shall be terminated under the following conditions:
- a) Complaint resolved mutually
  - b) Complaint cannot be resolved mutually after resolving process

8-2 In case of b) above, the case of the complaint deems to be forwarded to the court in Japan as necessary.

#### Supplementary article

The Board of Directors, on 1<sup>st</sup> April 2015, has decided to amend this Attachment. Notwithstanding this amendment, the previous Attachment may be effective during transitional period of endorsement and mutual recognition by PEFC.

#### Supplementary article 2

This revised document will be effective from 1st January 2016. Notwithstanding the above, SGEC may define the period of time until the acquisition of PEFC Endorsement as transit period.

## **SGEC Standard Setting – Requirements**

### Introduction

This document defines the requirements that are necessary for fair, just and open standards setting or their revisions under appropriate procedures in relation to the certification standards and related normative documents (called “Administration Documents, hereafter) given in Chapter 2 “ Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC).”

### 1. Scope

This document defines the requirements for setting or revising forest management standard, chain of custody standard and related documents (called “standard/normative documents” hereafter).

In case where new international conventions have been agreed, domestic systems have been revised, or new knowledge has been publicized in relation to the forest management systems; and a revision is considered necessary, the revision of the certification standards shall be made speedily.

In particular, with regard to the issue concerning Ainu in relation with ILO169 and the UN Declaration on the Rights of Indigenous Peoples, information sharing with the relevant organizations should take place whilst consideration on and coordination with the national government as well as the relevant administrative bodies should be observed carefully.

### 2 Normative references

For the purpose of this document, the following documents are applied.

ISO/IEC Guide 59:1994 Code of Good Practice for Standardization

ISO/IEC Guide 2: Standardization and related activities — General vocabulary

### 2 Terms and definitions

### 2-1 Consensus

General agreement characterized by the absence of sustained opposition to substantial issues by any important part of the concerned interest and by a process that involves seeking to take into account the views of all parties concerned and to reconcile any conflicting arguments.

Note: Consensus need not imply unanimity (ISO/IEC Guide 2)

### 3-2 Disadvantaged stakeholder

A stakeholder who might be financially or otherwise disadvantaged in participating in the standard-setting work.

### 3-3 Enquiry draft

Proposed document that is available for public consultation.

### 3-4 Final draft

A proposed document that is available for formal approval.

### 3-5 Key stakeholder

A stakeholder whose participation is critical to the results of the standard-setting work.

### 3-6 Normative document

A document that provides rules, guidelines, etc. for forest management system

### 3-7 Revision

Introduction of all necessary changes to the substance and presentation of a normative document.

Note: The results of the revision are presented by issuing a new edition of the normative document (ISO/IEC Guide 2).

### 3-8 Review

Activity of checking a normative document to determine whether it is to be reaffirmed, changed or withdrawn.

### 3-9 Stakeholder

A person, group or organization with an interest in the subject of the standardization.

### 3-10 Standard

A document that provides rules, guidelines, etc. related to SGEC, established by consensus and approved by the Board of Directors of SGEC

### 3-11 Standardizing body

The standardizing body of this document is Sustainable Green Eco-system Council.

### 3-12 Working draft

Proposed document that is available for internal discussions within the Expert Committee (working group/committee).

## 4 Standardizing body

4-1 The standardizing body shall have written procedures for standard-setting activities and take actions in compliance with the stipulations included in this document.

4-2 SGEC shall make its standard-setting procedures publicly available and shall regularly review its standard-setting procedures including consideration of comments from stakeholders.

4-3 SGEC shall keep records relating to the standard-setting process providing evidence of compliance with the requirements of this document. The records shall be kept for a minimum of five years and shall be available to interested parties upon request.

4-4 SGEC shall establish the following committee/groups as permanent committees/groups responsible for standard-setting activities.

Upon setting/revising the standards, the Expert Committee develops the final draft, and the Board of Directors approves it after hearing opinions of the Counselors Committee. In case where any opinions are presented on the final draft as a result of the deliberation by the Councilors Committee, Board of Directors refers the final draft to the Expert Committee, which undertakes the works necessary for achieving a consensus by way of events such as holding a joint conference with the Counselors Committee and re-develops the final draft for an approval of the Board of Directors.

#### 4-4-1 Board of Directors

The Board of Directors makes decisions on the administrative matters defined in the article 35 of SGEC Document 1. The directors are elected by the General Meeting of Members based

upon the article 25 of SGEC Document 1. Upon the election of the directors, it is considered that the numbers of directors representing each of the three areas, namely academic community, industrial community and NPOs/environmental NGOs, should be almost equal, so that fair and impartial deliberation is performed over various issues.

#### 4-4-2 Counselors Committee

The Counselors Committee provides, based upon the article 52 of SGEC Document 1, the Board of Directors with its opinions by request of consultation from the President.

In order to seek opinions from the academic, environmental or citizens'/consumers' points of view, Councilors are elected among eligible individuals from the academic community, NPOs/environmental NGOs and etc.

#### 4-4-3 Certification Management Committee

Certification Management Committee undertakes research and deliberation on the situation of the management and administration, including the feasibility of the implementation of the certification system, and provides the Chairman with its opinions.

The members of Certification Management Committee are elected by the President based upon the approval of Board of Directors from individuals with the knowledge of the certification system management among the academics, those experienced in forest management and NPOs/environmental NGOs.

#### 4-4-4 Expert Committee

The Expert Committee undertakes researches on the technical issues by request of consultation from the President based upon the article 25 of SGEC Document, and this document positions it as an organization undertaking the development of the final draft of the standard (revised) draft. The President appoints the committee members so as to meet the under-mentioned requirements regarding its composition.

- (a) To be accessible to materially and directly affected stakeholders
- (b) To have balanced representation and decision-making by stakeholder categories relevant to the subject matter and geographical scope of the standard where single concerned interests shall not dominate nor be dominated in the process
- (c) To include stakeholders with expertise relevant to the subject matter of the standard, those that are materially affected by the standard, and those that can influence the implementation of the standard. The materially affected stakeholders shall represent a meaningful segment of the participants.
- (d) For the purpose of the development of the final draft the Expert Committee shall be a practical organization with the composition of well-balanced members who meet the

requirements given in the preceding clause such as those individuals who are familiar with the practical matters of each relevant industries (industrial community), those with the knowledge and experience of the certification system among the academics (academic community) and NPOs/environmental NGOs. In addition, the amendment shall be made to the appointment of the members of the Expert Committee (including the members of the working group established within the Expert Committee) through the procedure given in the clause 5-4.

#### 4-4-5 Stakeholders meeting

The stakeholders meeting is convened by the President based upon the Article 3 of SGEC Document 2 for hearing their opinions widely. This meeting shall provide those stakeholders who are not able to participate in the Expert Committee for various reasons with an opportunity for presenting their opinions. The result of the deliberation of such opinions shall be considered in the deliberation by the Expert Committee. In this respect, SGEC shall endeavor to hear opinions of the stakeholders of various areas by the use of electronic mails or any other appropriate means as the location of the stakeholders' residents ranges widely.

4-5 SGEC shall make accessible the procedure dealing with complaints on the contents and procedure of standard setting. In the event of a complaint being made, SGEC shall take the followings measures based upon SGEC Attachment 2-11-1.

- (a) to acknowledge to the complainant the receipt of the complaint
- (b) to collect and verify all necessary information regarding the complaint, to undertake a thorough investigation and objective evaluation of the subject of the complaint and to make a decision on the complaint.
- (c) to inform the complainant about the outcomes of the complaint resolution process.

4-6 All inquiries and complaints regarding the standard setting shall be addressed to the SGEC secretariat.

#### 5 Standard setting process

Setting or revising standards shall follow the process given in the aforementioned clause 4.4. In this respect, the process of the development of the final draft by the Expert Committee shall be based upon the following.

5-1 SGEC shall appoint the members of the Expert Committee among stakeholders relevant to the objectives and scope of the standard-setting work.



5-2 SGEC shall, after conducting stakeholder mapping, identify key stakeholders in the field of forest management, timber production, timber processing, marketing, exports, timber consumption, social and environmental aspects, etc., including intellectual or academic experts, and/or disadvantaged stakeholders related to the standard-setting and amendment concerned such as small-sized forest owners, timber processors and local stakeholders (including Ainu-related organizations in case of Hokkaido), among stakeholders listed in the stakeholder mapping.

The participation and contribution in the standard-setting activities by those key and disadvantaged stakeholders shall be sought proactively through identifying the constraints such as geographical and other conditions in which they are placed and taking measures such as e-mail, FAX, participation through organizations to which the stakeholders belong in order to address those constraints.

5-3 SGEC, upon setting up standards, shall make a public announcement of the start of the standard-setting process, including an invitation for participation on its website or through suitable media such as e-mail, fax in a timely manner to afford stakeholders an opportunity for meaningful contributions.

The aforementioned announcement and invitation shall include:

(a) information about the objectives, scope and the steps of the standard-setting process and its timetable,

(b) information about opportunities for stakeholders to participate in the process,

(c) an invitation to stakeholders to nominate their representative(s) to the Expert Committee.

The invitation to disadvantaged and key stakeholders shall be made in a manner so that it ensures that the information reaches intended recipients and in a format that is understandable

(d) an invitation of comments on the scope and the standard-setting

(e) explanation on standard-setting procedures which is publicly available.

5-4 SGEC shall review the standard-setting process based on comments received from the public announcement and adjust the composition of the Expert Committee members based on received nominations for the Expert Committee members (to include “members of the working group established within the Expert Committee” hereafter). The acceptance and refusal of nominations shall be justifiable in relation to the requirements for balanced representation of the working group/committee and resources available for the standard-setting.

5-5 The work of the working group shall be organized in an open and transparent manner where:

- (a) working drafts shall be available to all members of the Expert Committee,
- (b) all members of the Expert Committee shall be provided with meaningful opportunities to contribute to the development or revision of the standard and submit comments to the working drafts, and
- (c) comments and views submitted by any member of the Expert Committee shall be considered in an open and transparent way and their resolution and proposed changes shall be recorded.

5-6 Upon the completion of the development of the enquiry draft by the Expert Committee, SGEC shall organize a public consultation on the enquiry draft and shall ensure that:

- (a) the start and the end of the public consultation is announced in a timely manner in suitable media,
- (b) the invitation of disadvantaged and key stakeholders shall be made by means that ensure that the information reaches its recipient,
- (c) the enquiry draft is publicly available and accessible,
- (d) the public consultation is conducted for at least 60 days,
- (e) all comments received are considered by the Expert Committee in an objective manner,
- (f) a synopsis of received comments compiled from material issues, including the results of their consideration, should be publicly available, for example on a website.

5-7 SGEC shall organize pilot testing of the new standards in case where the pilot testing is judged necessary, and the results of the pilot testing shall be considered in the deliberation of the Expert Committee.

5-8 Upon developing the final draft to be submitted to the Board of Directors for its approval, the final draft shall be based upon consensus of the Expert Committee, with balanced composition of members from the different fields of stakeholders. The Expert Committee can utilize the following alternative process to establish whether there is opposition:

- (a) a face-to-face meeting where there is a verbal yes/no vote, show of hands for a yes/no vote; a statement from the Chairman where there are no opposition vote; a formal balloting process,

- (b) a telephone conference meeting where there is a verbal yes/no vote,
- (c) an e-mail meeting where a request for agreement or objection is provided to members with the members providing a written response (a proxy for a vote), or
- (d) combination thereof.

5-9 In any case that a statement of opposition to an important part of the concerned interests to a substantive issue exists, the issue shall be resolved by establishing a working group participated by the stakeholder who expressed the opposition and the working group undertakes investigations, deliberations and any other appropriate actions.

5-10 The document concerning the standard setting process shall be publicly available.

5-11 The Board of Directors shall officially approve the standard/ normative document, which has been shown to reach a consensus by the Expert Committee, through hearing the opinions of the Counselors Committee members.

5-12 The officially approved standards/normative documents according to the preceding clause shall be published in a timely manner and made publicly available.

## 6 Revision of standards/normative documents

6-1 The certification standards shall be reviewed and revised at intervals that do not exceed a five-year period. The procedures for the revision shall follow those set out in the preceding chapter.

6-2 The application date shall not exceed a period of one year from the publication of the standard.

6-3 The revised standard shall be publicized defining the application date and transition date.

6-4 The transition date shall not exceed a period of one year except in justified exceptional circumstances where the implementation of the revised standards/normative documents requires a longer period.

**Supplementary Article**

The Board of Directors, on 1<sup>st</sup> April 2015, has decided to amend this Attachment. Notwithstanding this amendment, the previous Attachment may be effective during transitional period of endorsement and mutual recognition by PEFC.

**Supplementary Article 2**

This document will be effective from 1<sup>st</sup> January 2016. Notwithstanding the above, SGEC may define the period of time until the acquisition of PEFC Endorsement as transit period.

**Supplementary article 3**

This document (amended on 10<sup>th</sup> February 2016) will be effective from 1<sup>st</sup> April 2016. Notwithstanding the above, SGEC may define the period of the time until the acquisition of PEFC Endorsement as transit period.

## Attachment 2-13

### Certification and Accreditation Procedures

Preface:

FM certificate and CoC certificate issued by SGEC rely on international certification and accreditation procedures as defined by the International Standard Organization (ISO) and the International Accreditation Forum (IAF).

This document defines the certification and accreditation procedures for FM and CoC certifications adopted by SGEC.

1. Scope of the document:

This document specifies the general competence requirements and tasks of certification bodies when applied to FM and CoC certification.

2. Certification bodies

2-1 Competence of certification bodies

2-1-1 Certifications shall be carried out by impartial, independent third parties that cannot be involved in the standard setting process as governing or decision making bodies, or in the forest management and are independent of certified entity.

2-1-2 Certification bodies shall fulfill the following qualifications:

2-1-2-1 requirements defined in ISO/IEC 17065 Conformity assessment – Requirements for bodies certifying products, processes and services within the scope of SGEC scheme.

2-1-2-2 requirements defined in Chapter 5 of the Operational Rules and Attachment 2-10 and other related Attachments.

2-1-2-3 a good understanding of the SGEC system against which it carries out FM or CoC certification.

2-1-2-4 a good understanding of the PEFC system under which the SGEC system is accredited.

2-1-2-5 a good understanding of forest management, on its economic, social and environmental impacts, of forest based product procurement and processing, material flows and wood used constructions as well as of relevant acts and regulations (in case of Hokkaido region, Ainu groups are included).

2-2 Auditors (“auditors” are the same as “personnel of evaluation team” stipulated in Attachment 2-10)

2-2-1 Certification bodies have the responsibility to use competent auditors that have adequate technical know-how on the certification process and issues related to FM or CoC certification. The auditors shall fulfill the requirement stipulated in Attachment 2-10 and other related Attachments.

2-2-2 In addition to fulfill general criteria for quality and environmental management system auditors as defined in ISO 19011, the auditors shall fulfill the following additional requirements:

a) educational programs related to certification standards

The certification bodies shall ensure that auditors engaged in FM certification have participated FM certification educational programs acknowledged by SGEC within last two years and that auditors engaged in CoC certification have participated CoC certification educational programs acknowledged by SGEC within last two years.

b) auditing training and experiences

The certification bodies shall ensure that auditors engaged in FM certification have participated FM certification training courses or actual FM certification process acknowledged by SGEC and that auditors engaged in CoC certification have participated CoC certification training courses or actual CoC certification process acknowledged by SGEC.

### 3. Certification procedures

#### 3-1 Certification procedures

The certification body, stipulated in Chapter 5 of the Operational Rules, shall have established internal procedures for FM certification against Chapter 3 of the Operational Rules and II in Attachment 2-10 and for CoC certification against Chapter 4 of the Operational Rules and III in Attachment 2-10.

#### 3-2 Notice of the status of certification

The certification body shall inform the SGEC about all issued FM and CoC certificates and changes concerning validity and scope of these certificates.

#### 3-3 Control of SGEC logo usage

The certification body shall carry out control of SGEC logo usage, as stipulated in Attachment 2-2, if the certified entity is a SGEC logo user.

#### 3-4 Evaluation

Evaluation related to the conformity with the FM standard shall include relevant information from external parties (e.g. government agencies, community groups, conservation organizations, etc.) as appropriate.

#### 3-5 Notification of evaluation report

A summary of evaluation report, as stipulated in Attachment 2-3 and 2-7, written by the certification body, shall be made available to the public. However, the personal information shall be excluded from the summary above.

### 4. Accreditation

#### 4-1 Accreditation bodies,

The certification bodies, carrying out FM or CoC certification, shall be accredited by meeting requirements stipulated in SGEC Document 2, Article 19 and other related Attachments so as to ensure the credibility of the certification work. An accredited certificate shall bear an accreditation symbol of the relevant accreditation body.

#### 4-2 Accreditation standard

The certification bodies, carrying out FM or CoC certification, shall be accredited based on ISO/IEC 17065 in accordance with Article 19 of SGEC Document 2 and the relevant FM or CoC standards shall be covered by the SGEC accreditation scope.

#### 4-3 Accreditation

The certification bodies, in carrying out FM or CoC certification in compliance with SGEC Document 3 and 4, shall be accredited based on ISO/IEC 17065 in accordance with Article 19 of SGEC Document 2 and other related Attachments. Detailed requirements for accreditation of certification bodies are stipulated separately in attachment.

### 5. Notification of certification bodies

#### 5-1 Notification of certification bodies

Certification bodies operating FM certificate against SGEC FM principles, indicators and guidelines and/or CoC certificate against SGEC CoC guidelines shall apply for notification according to Article 20 of Document 2 and other related Attachments, and be notified by the SGEC.

Details are provided in the separate attachment.

#### 5-2 Independence of certification bodies

In order to ensure the independence of certification bodies, the SGEC notification conditions shall only cover the following items in addition to those stipulated in Article 19 and 20 of Document 2. The SGEC notification conditions shall not discriminate against certification bodies or create trade obstacles.

- a) administrative conditions (e.g. communication of the certification body with the SGEC, transfer of information, etc.),
- b) financial conditions (fees imposed on certification entities),
- c) compliance with requirements for certification bodies verified through accreditation as described in 4 above.

### **Supplementary article**

The Board of Directors, on 1<sup>st</sup> April 2015, has decided to amend this Attachment. Notwithstanding this amendment, the previous Attachment may be effective during transitional period of endorsement and mutual recognition by PEFC.

### **Supplementary Article 2**

This document (amended on 12<sup>th</sup> December 2015) will be effective from 1<sup>st</sup> January 2016. Notwithstanding the above, SGEC may define the period of time until the acquisition of PEFC Endorsement as transit period.



## **Attachment 2-13-1**

### **Educational programs related to certification standards and auditing training and experiences**

#### 1. Scope:

This attachment shall define the additional requirements for educational programs related to certification standards and auditing training and experiences defined in 2-2-2 of Attachment 2-13.

#### 2. Educational programs related to certification standards:

##### 2-1 Qualifications of trainees:

Trainees of educational programs shall meet the qualifications and requirements stipulated in II 2-1-1 and/or III 2-1-1 of Attachment 2-10.

##### 2-2 Educational programs:

The programs shall cover the following items:

- a) requirements defined in ISO/IEC 17065 Conformity assessment – Requirements for bodies certifying products, processes and services
- b) general criteria for quality and environmental management system auditors as defined in ISO 19011
- c) requirements related to standard settings of SGEC scheme
- d) requirements related to SGEC FM certification
- e) requirements related to SGEC CoC certification

##### 2-3 Certificate of educational programs:

The certificate shall be given to those trainees who have fulfilled educational program related.

##### 2-4 Training programs in certification bodies:

Those trainees who have certificates stipulated in 2-3 above as well as meet the requirements stipulated in 3-2-2 below shall have the license to serve as trainer in training programs in certification bodies.

#### 3. Audit training and audit experience:

##### 3-1 Audit training:

Audit training for FM and CoC certification shall be conducted programs according to the ones in 2-2 above with specific certification cases as training materials by the trainers from the members of Certification Management Committee and Expert Committee designated by the President.

##### 3-2 Audit experience:

a) Audit experience for qualification of an auditor:

For a first qualification of an FM or CoC auditor, the certification bodies shall ensure that the (candidate) auditor within the last three years has performed relevant audits for at least four client organizations under the leadership of a qualified auditor in line with the requirements for SGEC FM certification or the requirements for SGEC CoC certification (or PEFC CoC of Forest Based Products-Requirements ST 2002:2013). The number of FM audits in training can be reduced by two audits for auditors that are qualified for ISO 9001 or 14001 auditing in the forestry sector.

b) Audit experience for maintain the qualification of the auditor:

For maintain the qualification of the auditor, the certification bodies shall ensure that the auditor has performed a minimum of five external audits in principle per year where the sum of these audits should cover at least seven man-day of audit work in principle in line with the relevant requirements above.

#### Supplementary article

The Board of Directors has decided to amend this Attachment on 1 April 2015. Notwithstanding this amendment, the previous Operational Rules may be effective during transitional period of endorsement and mutual recognition by PEFC.

**Amendment of “Notification of Certification Bodies operating Certification of  
SGEC and/or PEFC”**

Regarding the above, the guidelines are determined for SGEC and PEFC separately as bellow:

- Notification of Certification Bodies conducting SGEC certification
- Notification of Certification Bodies conducting PEFC certification

## ○ **Notification of Certification Bodies conducting SGEC certification**

### 1 Objectives

This guideline describes the rules for the SGEC notification of certification bodies which undertake forest management certification and/or CoC certification accredited by SGEC.

### 2 Scope

This guideline covers the SGEC notification of the certification bodies operating forest management certification and CoC certification as stipulated in the Chapter 3 “Forest management Certification” and/or the Chapter 4 “Certified Products and Chain of Custody” of SGEC Document 2 “Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)”.

### 3 Conditions for Notification

The certification body applying for SGEC notification shall meet the following conditions in addition to Article 19 and 20 of SGEC Document Attachment 2-10, 2-10-1-1 and 2-10-1-2 of Document 2 as well as [5-2] of Attachment 2-13:

#### 3.1 Information disclosure;

The certification body applying for SGEC notification shall agree to be listed on the publicly available internet database of SGEC home page including the identification data of the certification body and/or other data as specified in the “SGEC Attachment 2-2-2” .

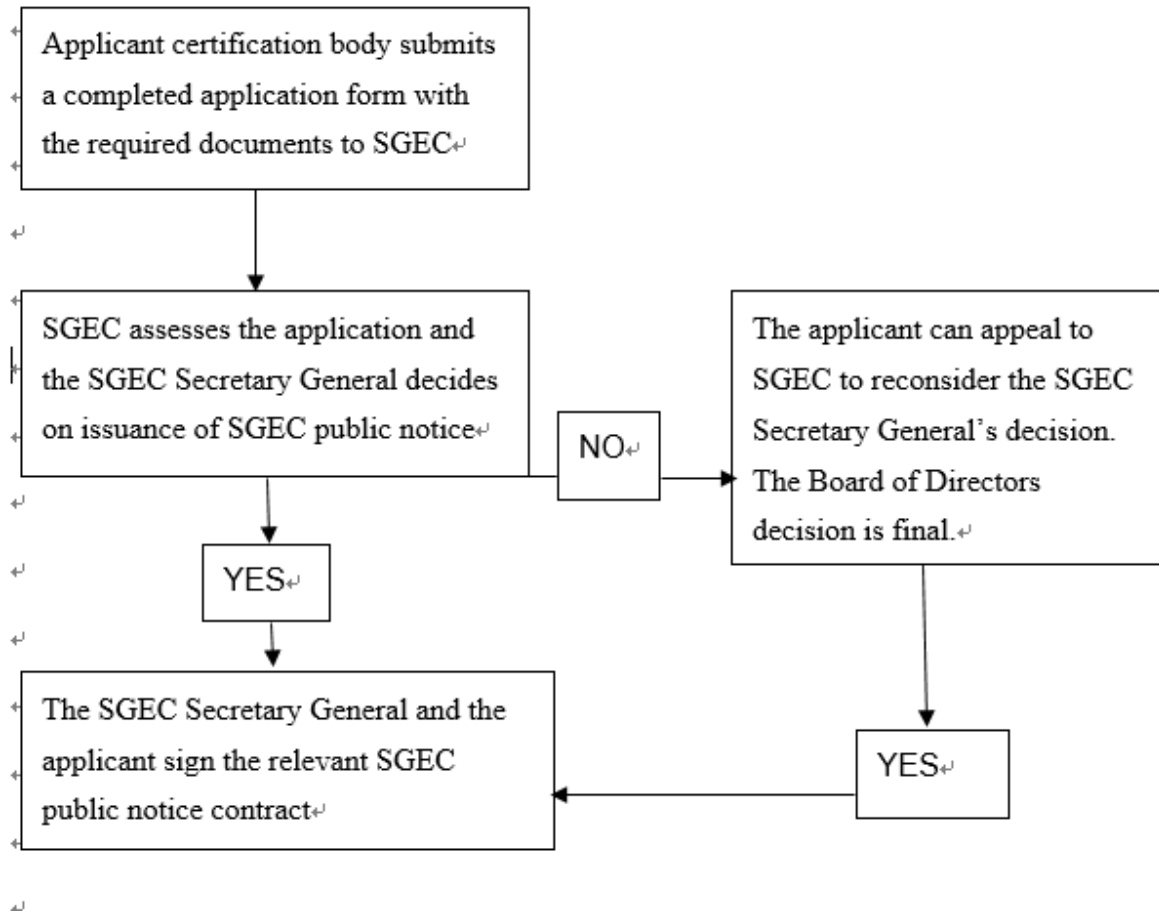
#### 3.2 Accreditation of Certification Bodies

3.2.1 The certification bodies applying for forest management certification shall have valid accreditation issued by the accreditation body by meeting the requirements given in Article 19 of SGEC Document 2.

#### 3.3 Notification Contract

3.3.1 The certification bodies applying for SGEC forest management certification and CoC certification shall sign a SGEC notification contract with the SGEC (attached sheet 1).

#### 4 Notification issuance procedures



#### 5 Obligations of the certification body with SGEC notification

The certification body with SGEC notification shall;

- 5.1 carry out the forest management certification and/or CoC certification within the valid accreditation in accordance with Article 19 of SGEC Document 2.
- 5.2 inform SGEC of any changes of the content of accreditation or scope of application of the forest management certification and CoC certification.
- 5.3 provide SGEC with information, without delay, on every forest management and/or CoC certificate issued to an organization in Japan and/or any changes to already issued certificates covered by the SGEC notification.

5.4 pay SGEC the annual SGEC notification fee defined in another document.

#### 6 Validity of the SGEC notification

6.1 The SGEC notification shall be valid during the valid accreditation period of the certification body.

6.2 SGEC may terminate or suspend the SGEC notification, if the contract of the notification is violated.

#### **Supplementary article**

This document will be effective from 1<sup>st</sup> January 2016.

Notwithstanding the above, SGEC may define the period of time until the acquisition of PEFC Endorsement as transit period.

#### **Supplementary Article 2**

This document (amended on 10<sup>th</sup> February 2016) will be effective from 1<sup>st</sup> April 2016.

Notwithstanding the above, SGEC may define the period of time until the acquisition of PEFC Endorsement as transit period.

Attached Sheet 1

SGEC Notification Contract

### **SGEC Notification Contract**

Between

(1) **Sustainable Green Eco-system Council**, hereafter the “SGEC”,

And

(2) *Name and registered address of the certification body (hereafter the notified certification body)*

Whereas name of the certification body is a SGEC Notified Certification Body operating forest management and/or chain of custody certification which is recognised by SGEC;

Whereas SGEC is the governing bodies of the SGEC certification scheme and is the owner of the SGEC logo and SGEC claims.;

Whereas the Certification Body is to be allowed to issue the SGEC recognized forest management certificates and SGEC recognised chain of custody certificates within the scope of the valid accreditation to organisations which are registered in Japan, as presented at the website of SGEC.

Now, therefore the above said parties agree to the following:

#### **Article 1 Definitions:**

##### 1.1 Requirements

###### 1.1.1 Forest Management Certification

This is SGEC Document 3 “Principles, Indicators and Guidelines for SGEC Forest Management Certification”, which forms part of the contractual documentation and is found in the annex of this contract. SGEC Document 3 is valid as stated now and as may be from time to time altered by SGEC.

###### 1.1.2 COC Certification

This is SGEC Document 4 “Guidelines for SGEC COC Certification Requirements for COC Certification”, which form part of the contractual documentation and are found in the annex of this contract. SGEC Document 4 is valid as stated now and as may be from time to time altered by SGEC.

## 1.2 Certification and Accreditation Procedures

These are SGEC Attachment 2-10, 2-10-1-1 and 2-13, which form part of the contractual documentation and is found in the annex of this contract. SGEC Attachment 2-10, 2-10-1-1 and 2-13 are valid as stated now and as may be from time to time altered by SGEC.

## 1.3 Tariffs of Notification Fee -

This is the document “Tariffs of Notification Fee of Forest Management Certification and/or COC Certification”, which forms part of the contractual documentation and is found in the annex of this contract.

## **Article 2: Responsibilities of the Certification Body**

2.1 The Certification Body is obliged to have and keep valid accreditation issued in compliance with Article 19 of SGEC Document 2 and to inform SGEC immediately about any changes in the accreditation. The Certification Body will provide, at the beginning of each year as well as each time it is so requested, updated evidence that it still meets the requirements of valid accreditation.

2.2 The Certification Body shall carry out the forest management certification against SGEC Document 3 “Principles, Indicators and Guidelines for SGEC Forest Management Certification” and SGEC Document 4 “Guidelines for SGEC COC Certification Requirements for COC Certification” within the scope of the valid accreditation.

2.3 The Certification Body shall provide SGEC immediately with information on every forest management and/or COC certificates issued to a forest manager, organization or company in Japan as well as on any changes to already issued certificates within the range of date as specified by SGEC.

2.4 The Certification Body shall pay SGEC the annual notification fee for every certificate issued based on an invoice issued by SGEC. The amount of the fees is specified in the Tariffs of SGEC Notification Fee and can be changed by SGEC during the validity of the contract. The change concerning the fees takes effect from the date identified in a written report sent by SGEC to the certification body.

2.5 The Certification Body agrees to be listed on the publicly available SGEC internet database including the certification body’s identification data and/or other data as



specified in SGEC Attachment 2.2.2 “SGEC Registration System”

### **Article 3 Responsibilities of SGEC**

3.1 SGEC recognises the certificates issued by the Certification Body in compliance with this contract and accepts SGEC logo use applications from holders of the certificates under the conditions specified by SGEC.

After the mutual recognition between SGEC certification scheme and PEFC international certification scheme, SGEC accepts PEFC logo use applications from holders of the certificates under the conditions specified by PEFC Council.

3.2 SGEC is obliged to inform the Certification Body of any changes to the SGEC regulations and documentation which affect this contract.

### **Article 4 Contract termination**

4.1 SGEC can terminate this contract with three-months prior notice by registered letter.

4.2 SGEC may suspend the contract with the immediate effect if there are reasons to believe that any provision of the SGEC notification contract is not being adhered to.

4.3 Withdrawal, suspension or the end of the validity of the Certification Body’s accreditation will result in automatic termination of the contract with effect on the same date as the withdrawal, suspension or the end of the validity of the accreditation.

4.4 The notification fee will not be refunded to the Certification Body in case of temporary suspension or termination of the contract according to the Article 4.1, 4.2 or 4.3.

4.5 SGEC is not obliged to pay compensation for any costs or other damages which any temporary suspension or termination causes to the Certification Body.

### **Article 5: Governing Law - Jurisdiction**

This contract is subject to the law of Japan. Any disputes, or lawsuits concerning this contract may be brought before the courts in the judicial district of Japan.

Signed in Duplicate

In Japan on DD.MM.YYYY

In

on DD.MM.YYYY

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## ○ **Notification of Certification Bodies conducting PEFC certification**

### 1 Objectives

This guideline describes the rules for the notification of certification bodies which undertake CoC certification accredited by PEFC.

### 2 Scope

This guideline covers the PEFC notification of the certification bodies operating PEFC CoC certification (PEFC ST 2002: “Chain of Custody of Forest Based Products –Requirements”). The notification of the certification bodies operating PEFC CoC certification (PEFC ST 2002: “Chain of Custody of Forest Based Products –Requirements”) covered by this guideline will be effective after the mutual recognition between SGEC certification scheme and PEFC international certification scheme is endorsed and PEFC Council approves SGEC to carry out the operation of the notification on behalf of PEFC based on the contract between SGEC and PEFC Council.

### 3 Conditions for Notification

The certification body applying for PEFC notification shall meet the following conditions:

#### 3.1 Organization

The certification body applying for PEFC notification shall be a legal entity.

#### 3.2 Information disclosure;

The certification body applying for PEFC notification shall agree to be listed on the publicly available internet database of PEFC Council home page including the identification data of the certification body and/or other data as specified in the internal regulation for the PEFC registration system .

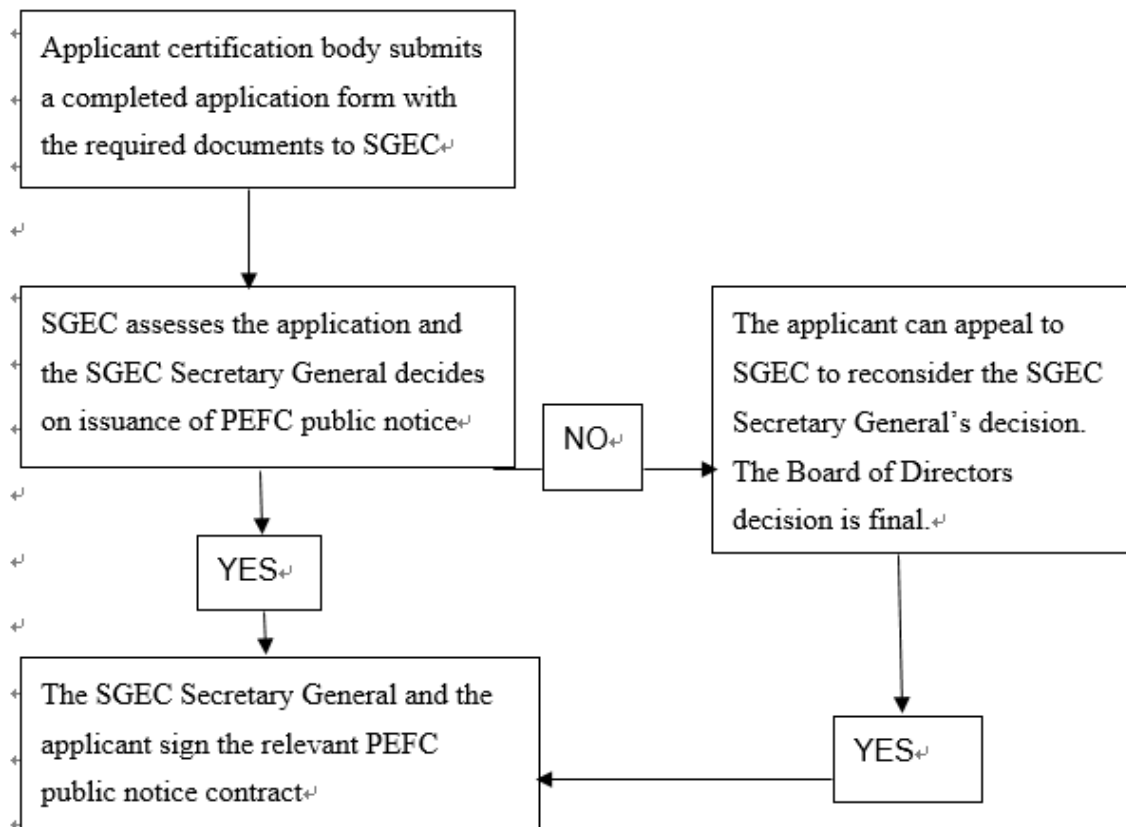
#### 3.3 Accreditation of Certification Bodies

The certification bodies applying for CoC certification shall have valid accreditation issued by the accreditation body by meeting the requirements given in PEFC 2003:2012 and its Annex 1.

#### 3.4 Notification Contract

The certification bodies applying for PEFC CoC certification shall sign a PEFC notification contract signed by SGEC on behalf of PEFC (attached sheet 2).

#### 4 Notification issuance procedures



#### 5 Obligations of the certification body with PEFC notification

The certification body with PEFC notification shall;

- 5.1 carry out the PEFC CoC certification within the valid accreditation in accordance with PEFC 2003:2012 and its Annex 1.
- 5.2 inform SGEC of any changes of the content of accreditation or scope of application of the CoC certification.
- 5.3 provide SGEC with information, without delay, on every CoC certificate issued to an organization in Japan and/or any changes to already issued certificates covered by the PEFC notification.
- 5.4 pay SGEC the annual PEFC notification fee defined in another document.  
Notwithstanding the above, the PEFC notification fee can be changed based on the

decision of the Board of Directors of SGEC.

#### 6 Validity of the PEFC notification

6.1 The PEFC notification shall be valid during the valid accreditation period of the certification body.

Notwithstanding the above, validity of the PEFC notification shall be applied the shorter one of the either of the valid accreditation period of the certification body or the period of the contract between SGEC and PEFC Council.

6.2 SGEC may terminate or suspend the PEFC notification, if the contract of the notification is violated.

#### **Supplementary article**

This document will be effective from 1<sup>st</sup> January 2016.

Notwithstanding the above, SGEC may define the period of time until the acquisition of PEFC Endorsement as transit period.

#### **Supplementary Article 2**

This document (amended on 10<sup>th</sup> February 2016) will be effective from 1<sup>st</sup> April 2016.

Notwithstanding the above, SGEC may define the period of time until the acquisition of PEFC Endorsement as transit period.

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Attached Sheet 2

PEFC Notification Contract

### **PEFC Notification Contract**

Between

- (1) **Sustainable Green Eco-system Council**, hereafter the “SGEC”,
- And
- (2) *Name and registered address of the certification body (hereafter the notified certification body)*

Whereas name of the certification body is a PEFC Notified Certification Body operating forest chain of custody certification which is recognised by PEFC Council;

Whereas PEFC Council is the governing bodies of the PEFC certification scheme and is the owner of the PEFC logo and PEFC claims.;

Whereas SGEC is authorised by the PEFC Council to issue PEFC Notification to certification bodies operating PEFC recognised chain of custody certification in Japan.

Whereas the Certification Body is to be allowed to issue the PEFC recognized chain of custody certificates within the scope of the valid accreditation to organisations which are registered in Japan, as presented at the PEFC web site;

Now, therefore the above said parties agree to the following:

#### **Article 1 Definitions:**

##### 1.1 Requirements

###### CoC Certification

This is PEFC ST 2002:2013 “Chain of Custody of Forest Based Products – Requirements”, which form part of the contractual documentation and are found in the annex of this contract. PEFC ST 2002 is valid as stated now and as may be from time to time altered by PEFC Council.

##### 1.2 Certification and Accreditation Procedures

These are PEFC ST 2003:2012 and its Annex 1, which forms part of the contractual documentation and is found in the annex of this contract. PEFC ST 2003:2012 and its

Annex 1 are valid as stated now and as may be from time to time altered by PEFC Council.

### 1.3 Tariffs of Notification Fee -

This is the document “Tariffs of CoC Notification Fee”, which forms part of the contractual documentation and is found in the annex of this contract.

## **Article 2: Responsibilities of the Certification Body**

- 2.1 The Certification Body is obliged to have and keep valid accreditation issued in compliance with PEFC ST 2003:2012 and its Annex 1 and to inform SGEC immediately about any changes in the accreditation. The Certification Body will provide, at the beginning of each year as well as each time it is so requested, updated evidence that it still meets the requirements of valid accreditation.
- 2.2 The Certification Body shall carry out the CoC certification against PEFC ST 2002:2013 “Chain of Custody of Forest Based Products –Requirements” within the scope of the valid accreditation.
- 2.3 The Certification Body shall provide SGEC immediately with information on every CoC certificates issued to an organization or company in Japan as well as on any changes to already issued certificates within the range of date as specified by SGEC.
- 2.4 The Certification Body shall pay SGEC the annual notification fee for every certificate issued based on an invoice issued by SGEC. The amount of the fees is specified in the Tariffs of SGEC Notification Fee and can be changed by SGEC during the validity of the contract. The change concerning the fees takes effect from the date identified in a written report sent by SGEC to the certification body.
- 2.5 The Certification Body agrees to be listed on the publicly available PEFC internet database including the certification body’s identification data and/or other data as specified in the PEFC registration system.

## **Article 3 Responsibilities of SGEC**

- 3.1 SGEC recognises the certificates issued by the Certification Body in compliance with this

contract and accepts PEFC logo use applications from holders of the certificates under the conditions specified by PEFC Council.

- 3.2 SGEC is obliged to inform the Certification Body of any changes to the PEFC regulations and documentation which affect this contract.

#### **Article 4 Contract termination**

- 4.1 SGEC can terminate this contract with three-months prior notice by registered letter.
- 4.2 SGEC may suspend the contract with the immediate effect if there are reasons to believe that any provision of the PEFC notification contract is not being adhered to.
- 4.3 Withdrawal, suspension or the end of the validity of the Certification Body's accreditation will result in automatic termination of the contract with effect on the same date as the withdrawal, suspension or the end of the validity of the accreditation.
- 4.4 The notification fee will not be refunded to the Certification Body in case of temporary suspension or termination of the contract according to the Article 4.1, 4.2 or 4.3.
- 4.5 SGEC is not obliged to pay compensation for any costs or other damages which any temporary suspension or termination causes to the Certification Body.

#### **Article 5: Governing Law - Jurisdiction**

This contract is subject to the law of Japan. Any disputes, or lawsuits concerning this contract may be brought before the courts in the judicial district of Japan.

Signed in Duplicate

In Japan on DD.MM.YYYY

In

on DD.MM.YYYY