



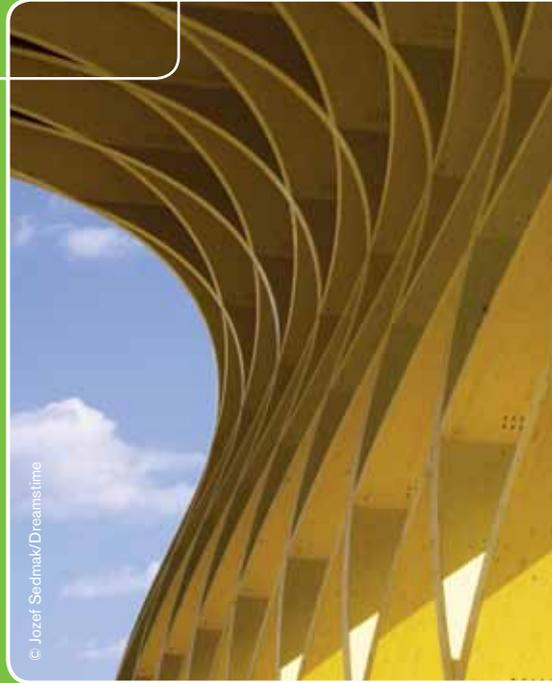
PEFC PROJECT CHAIN OF CUSTODY CERTIFICATION

AN INTRODUCTION

SEAL OF APPROVAL

Forests contain some of the most valuable and biodiverse ecosystems on the planet. Without forests, many of these services would be lost, while many of the species which rely on forests would also be endangered or disappear. An estimated one in five people worldwide are believed to depend on forests and the services they provide for their livelihoods.

Today, the imperative for sustainability and increased environmental awareness means that there is a desire by responsible companies to demonstrate that they are operating sustainably. Companies have long recognized that sourcing and using PEFC certified timber does not only contribute to safeguarding the world's forests, but also assists in improving one's sustainability credentials and the overall reputation of wood as an environmentally sound raw material.



It is therefore critical to demonstrate responsible sourcing practices through PEFC Project Chain of Custody certification. It validates that each step of the supply chain has been monitored closely with independent auditing and is the key mechanism for tracing certified material from the forest to the building site.

This unbroken link is transparent proof that the timber used is sourced from legally and sustainably managed, certified forests. With over 230 million hectares of certified forests in about 30 countries, PEFC is the world's largest forest certification system, ensuring a consistent supply of certified structural timber.

SOLID GREEN REPUTATION FOR YOUR BUSINESS

PEFC Project Chain of Custody certification is a specific form of Chain of Custody certification that allows you to take advantage of PEFC certification for your projects.

Chain of Custody certification is well suited for the on-going and continuous production of certified products across a wide range of areas including **paper, packaging, tissue products, furniture, or even wooden toys**. However, it is not always the most efficient option for short-term projects involving different, uncertified contractors, such as in the construction or shipbuilding industries, or the one-off production of a specific product.

This can be exceptionally demanding for main contractors and large construction companies wishing to obtain PEFC certification for their projects.

This challenge can now be solved by attaining PEFC Project Chain of Custody certification and thereby receiving bona fide credentials for the timber that you use.

PEFC Project Chain of Custody certification recognizes that not all parties involved in specific projects are certified, even though forest-based material used for the project is covered by Chain of Custody certification. Usually, the fact that non-certified parties handle certified material would break the chain, and this is where PEFC Project Chain of Custody comes into play.

PEFC Project Chain of Custody Certification enables you to attain the highest level of certification available, giving the chosen project added environmental value and a 'solid green' reputation.

Examples for PEFC Project Chain of Custody include:

- New build commercial and office buildings
- Private and social housing projects
- Renovation and refurbishment schemes
- Airports and railway stations
- Schools, playgrounds, skate parks, and sports arenas
- Boats and harbours
- Event and trade show infrastructure (stages, seating, stands)
- Civil engineering projects including bridges and tunnels
- And many more...

THE PERFECT PROJECT

As the main contractor, you will have a clearly defined view of what needs to be achieved and delivered for the project you are working on. The process behind PEFC Project Chain of Custody certification is also clearly defined. It can be applied to virtually any construction concept or any other one-off project where timber is used.

With PEFC Project Chain of Custody, the specific project is considered to be the 'product' to which the Chain of Custody process is applied.

In practice, this means that when you, as the **Project Manager**, obtain a Chain of Custody certificate for project certification and implement it for a specific project, contractors working on this project are covered as **Project Members** and are not required to obtain Chain of Custody certification themselves.

As the Project Manager, you will have to comply with the relevant requirements and establish a suitable management system. This management system will allow for the control of records, training of staff, internal audits, and complaint resolution. This system will also cover the activities performed by Project Members, to control and record timber arriving and being used on site.

As with the regular Chain of Custody, meticulous records must be maintained on all aspects of the forest-based products received on site, and employees involved in the project must be competent and receive sufficient training.



ACCOUNTING FOR YOUR CERTIFIED MATERIAL



Simple percentage method

Any project will engage a range of different suppliers, all of whom will provide products with differing contents of certified material. To make things simple and easy to understand for everyone involved, PEFC Project Chain of Custody certification utilizes the simple **percentage-based** method to account for PEFC certified material used for the project.

It essentially reflects the percentage of certified material in the forest-based material actually used for the project as a whole.

BIDDING ON PROJECTS

Contracts and tenders may already require a project to be certified. PEFC Project Chain of Custody allows the Project Manager to calculate the expected percentage of certified material based on specifications, commitments, and contractual relationships.

The validity of the expected percentage must be confirmed by the Project Manager as part of the internal audit and subsequent certification body audit after the completion of the project.



BENEFITS OF PROJECT CERTIFICATION

As expectations grow for companies to source responsibly, business interest in Project Chain of Custody certification is increasing. PEFC Project Chain of Custody certification offers several important benefits:

- **Access to markets** – providing companies with competitive advantages for their PEFC certified projects in an increasingly environmentally-conscious world.
- **Inspire confidence** – allowing you and your project partners to make a bold statement of sustainability and sound ethical sourcing of timber and forest-based products.
- **Ease of implementation** – enabling Project Managers to take advantage of PEFC certification even if not all Project Members have obtained PEFC Chain of Custody certification.
- **Compliance with legislation** – PEFC's Due Diligence System (DDS) excludes wood from conversions, illegal and other controversial sources.
- **Availability and choice** – two-thirds of the world's certified forest area is PEFC certified. That is currently more than 230 million hectares, offering the widest supply of certified fibre and timber.
- **Business leadership on sustainability** – businesses acquire a competitive advantage over competitors.



NEXT STEPS

Obtaining PEFC Project Chain of Custody Certification

Are you ready to get certified? PEFC certificates are issued by independent certification bodies. These certification bodies must be recognized by PEFC. PEFC itself does not issue certificates.

The certification body will carry out an on-site audit of your company. During the audit, the certification body will check that you have correctly implemented the PEFC requirements.

If your business meets the requirements, the certification body will issue a certificate. Once you have obtained your PEFC certificate, you can apply to your national PEFC body or PEFC International to use the PEFC logo and label.

Remember to plan your certification carefully and to conduct an internal audit beforehand – by getting everything ready before the audit, you can help to ensure a smooth and timely assessment.

FLOWCHART *

- > PROJECT DEFINITION
- > ESTABLISH DOCUMENT MANAGEMENT SYSTEM
- > DEVELOP PROJECT MEMBERS AND SUPPLIER LIST
- > COMMUNICATE REQUIREMENTS TO PROJECT MEMBERS AND SUPPLIERS
- > RECORD OF FIRST WOOD-BASED MATERIALS DELIVERY AND CHECK FOR CERTIFIED STATUS
- > INTERNAL AUDIT
- > CERTIFICATION BODY INITIAL ASSESSMENT
- > UNDERTAKE DUE DILIGENCE AS REQUIRED
- > CALCULATE POTENTIAL PERCENTAGE CLAIM
- > CONSIDER LOGO USE
- > MARKET PEFC PROJECT CERTIFICATION
- > COMPLETE PROJECT
- > FINAL ASSESSMENT
- > MAINTAIN FINAL RECORDS

* First project only.
Subsequent projects require fewer steps.

WHAT MAKES PEFC UNIQUE?

With alternative forest and Chain of Custody certification systems available, there are good reasons why so many people opt for PEFC.

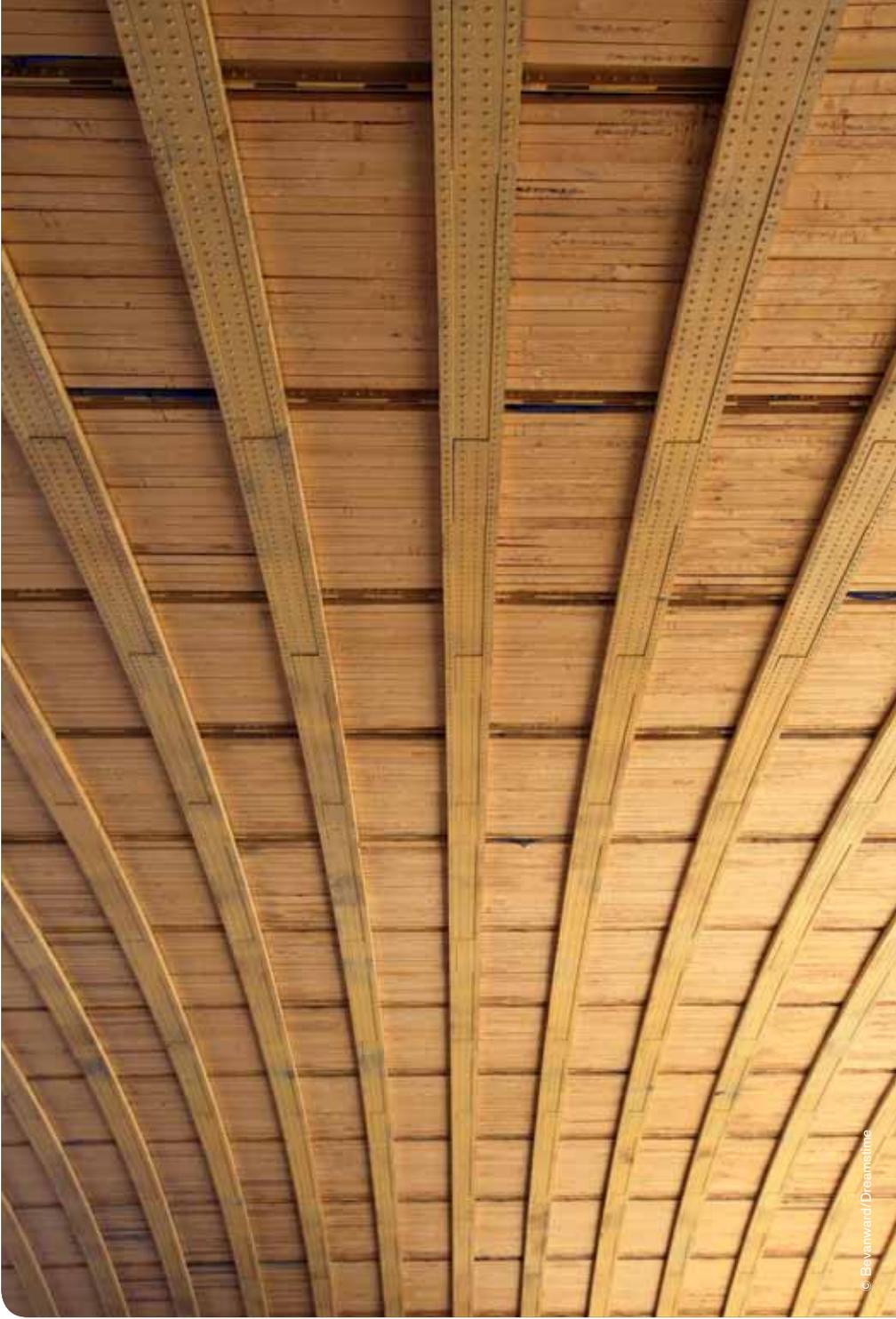
As the largest forest certification system globally, PEFC remains the certification system of choice for small, non-industrial private forests, with hundreds of thousands of family-owned forests certified as in compliance with PEFC's Sustainability Benchmarks.

To date, over 10,000 companies have achieved PEFC Chain of Custody certification, offering tens of thousands of PEFC certified products globally.

PEFC IS THE ONLY GLOBAL CERTIFICATION SYSTEM THAT:

Upholds highest standards without exception

- Requires compliance with all fundamental ILO Conventions in forest management since 2001, setting new benchmarks for social issues
- Is tailored to the specific needs of family and community-owned forests, with lasting contributions to livelihoods and rural development
- Offers well-established processes for group certification, thereby offering access to certification and the marketplace for certified products from locally controlled forestry
- Sets the highest standards for forest certification aligned with the majority of the world's governments, including:
 - Maintaining or enhancing biodiversity
 - Protecting ecologically important forest areas
 - Prohibiting forest conversions and excluding certification of plantations established by conversions
 - Prohibiting use of the most hazardous chemicals and GMOs, and minimizing the use of pesticides
 - Protecting workers' rights and welfare, and encouraging local employment – recognizing the principle of free, prior and informed consent (FPIC), the UN Declaration on Indigenous Peoples' Rights, and ILO Convention 169 on Indigenous and Tribal Peoples
 - Respecting property and land tenure rights as well as customary and traditional rights – provisions for consultation with local people and stakeholders
 - Abiding by applicable laws
- Safeguarding the basic rights of workers
- Added requirements on social, health and safety requirements in Chain of Custody certification as early as 2010.





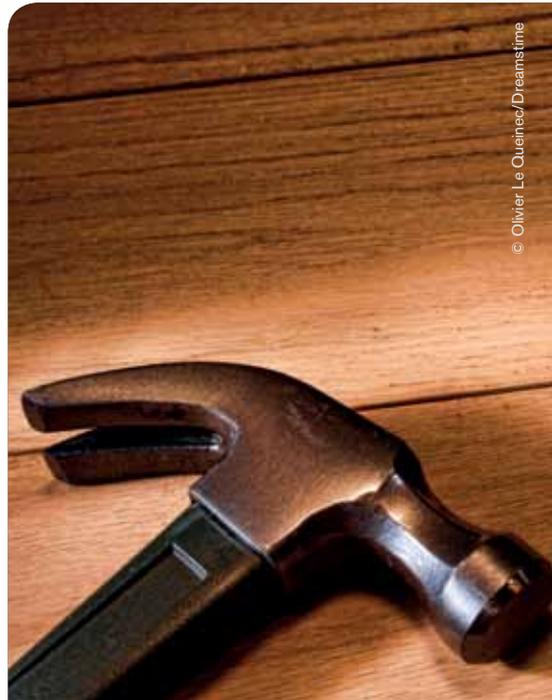
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Level of stakeholder engagement equally high for all standards

- Strictly separates standard-setting, certification and accreditation to ensure complete independence and impartiality
- Requires all national standards to be independently developed with participation open to all interested parties
- Recognizes the importance of the nine major groups as defined by Agenda 21 (Commission on Sustainable Development (CSD) Major Groups) of the UN Conference on Environment and Development (UNCED) as the stakeholder groups involved in or concerned by forest management
- Requires that all standards undergo public consultation at national and international levels and third-party assessment
- Demands and implements regular revisions of national certification systems

Builds on intergovernmental agreements and globally recognized processes

- Builds its understanding of sustainable forest management on broad societal consensus as expressed in international and intergovernmental processes
- Supports the implementation of governmental agreements through a voluntary, market-based mechanism
- Follows globally accepted ISO Guidelines for certification and accreditation



A full guide to PEFC Project Chain of Custody
containing detailed information is available at www.pefc.org



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