



# PEFC ANNUAL REVIEW **2014**

Towards the Tipping Point



## ABOUT PEFC

PEFC, the Programme for the Endorsement of Forest Certification, is the world's leading forest certification system. More than 260 million hectares of forests are certified to PEFC's internationally recognized Sustainability Benchmarks, supplying more than 16,000 Chain of Custody certified companies with responsibly sourced timber and wood-based products. PEFC was founded by small- and family forest owners to demonstrate excellence in sustainable forest management.

For more information, please visit [www.pefc.org](http://www.pefc.org)

## Mission statement

### **Our Vision:**

A world in which people manage forests sustainably.

### **Our Mission:**

To give society confidence that people manage forests sustainably.

### **Our Purpose:**

Through the endorsement of national certification systems, PEFC motivates and enables people to sustainably manage their forests and works to provide a market for the products of those forests.

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# LETTER FROM THE CEO / SECRETARY GENERAL

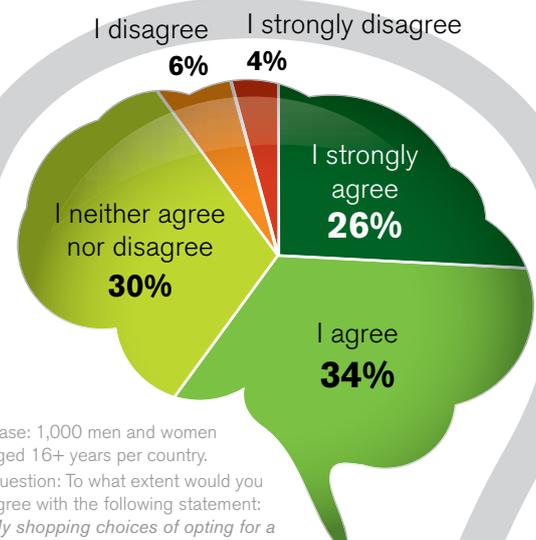
“Towards the tipping point” describes our work and the progress we achieved in many different ways in 2014. An important indicator as to how far we’ve come in promoting sustainable forest management was the outcome of the first PEFC/GfK Global Consumer Survey, revealing the vast extent to which consumers trust the PEFC label and their desire to see it used on products. The results demonstrate the great potential of supply chains and retailers to give the sustainable forest management movement a further boost, simply by using labels more.

We undertook and supported a range of initiatives this year, advancing us along the journey towards the tipping point for certified sustainable forest management and the resulting products. We provided input and were the first certification system to sign the New York Declaration on Forests, a joint initiative by governments and business with the ambitious goal of halving deforestation by 2020 and ending it by 2030. We also counseled the banking sector’s initiative to trade responsibly in commodities such as timber, palm oil and soy, as detailed in the Soft Commodities Compact. Our ongoing work is helping to re-shape the global perception of sustainable forests: from international organizations to individual consumers.

Our collaborative approach is fast making PEFC the global Partner of Choice for all engaged in sustainable forest management, including family and small- to large-scale forest owners, civil society, multinationals, public-private initiatives and governments. One of the latest initiatives to collaborate with PEFC is the Tropical Forest Alliance 2020, which seeks to reduce tropical deforestation associated with the sourcing of paper and pulp, palm oil, soy and beef.

Furthermore, our members have undertaken a wide range of innovative initiatives to raise public awareness, including cultural and sporting events, with a particular focus on youth.

## ***My shopping choices of opting for a labeled product can make a positive difference to the world’s forests***



Base: 1,000 men and women aged 16+ years per country.  
Question: To what extent would you agree with the following statement:  
*My shopping choices of opting for a labeled product can make a positive difference to the world's forests?*  
PEFC/GfK Global Consumer Survey  
– October 2014



**“ The first PEFC/GfK Global Consumer Survey revealed the vast extent to which consumers trust the PEFC label and their desire to see it used on products.”**

“Towards the tipping point” applies also to progress made in PEFC’s sustainable forest management certification. By the end of 2014, over 260 million hectares of forests are PEFC-certified and over 16,000 companies benefit from PEFC Chain of Custody certification.

In more detail, in 2014, PEFC endorsement was awarded to the Argentine Forest Certification System, the China Forest Certification Scheme, and the Indonesian Forestry Certification Cooperation; such that all the major timber-producing countries now have PEFC-endorsed national systems. We have laid the foundations to enable the certification of the responsible management of an unprecedented area of forests; thereby also supporting the sustainable livelihoods of the millions worldwide who depend on forests daily. To support this, we delivered a suite of tailored activities and products to serve the stakeholders in and around these countries. For example, we launched the Spanish and Vietnamese translations of the PEFC Toolkit, a guide to developing a national forest certification system. In addition, we are continuing to promote sustainable forest management in approximately 20 countries from Cameroon, Gabon and the Republic of Congo, to India, Thailand and Vietnam.

There has also been a great increase in the number of companies committing to using PEFC-certified material, a trend which looks to continue under the Consumer Goods Forum’s guidelines, aiming to help to achieve zero net deforestation in supply chains by 2020. Along the lines of reaching consumers better, we have taken forest certification further beyond our traditional sectors to, for example, the worlds of woody biofuels and food, and now even to textiles. These non-wood forest products equally use materials from forests and can help us to reach consumers from a different angle, whilst helping to increase the relevancy of PEFC certification to locally dependent forest communities.

Thank you for your personal contribution in advancing our urgent cause, big or small, be it in the forest or as a manufacturer, consumer, donor, campaigner or professional.



*Ben Gunneberg*



# ACCELERATING FOREST CERTIFICATION

## Safeguarding our global forests

2014 proved to be a significant year as Argentina, China and Indonesia achieved PEFC endorsement. With these countries accounting for over 330 million hectares of forest, this represents an important development in the preservation of global forests. More forest owners than ever before now have the opportunity to gain international recognition of their sustainable forest management practices through PEFC certification.

### China

Given the importance of China in the forest products value chain and its substantial forest area, the endorsement of the China Forest Certification Scheme (CFCS) by PEFC in February is a significant milestone and an extremely important development for safeguarding global forests. China is not only the world's largest manufacturer of forest products, but is also among the five countries with the largest forest area in the world.

As well as contributing to the long-term sustainability of the country's forest sector, that China sought international recognition through PEFC is also set to work as a catalyst to inspire other countries in the region to follow this example, promoting sustainable forest management and PEFC certification throughout the Asia Pacific region.

To celebrate the endorsement of its system, the Chinese Academy of Forestry (CAF), in collaboration with PEFC International, the PEFC China Initiative and Asia Pulp and Paper, hosted an International Symposium on Forest Certification in Beijing in September. This event brought together over one hundred representatives for the official launch of the Chinese National Standard for Sustainable Forest Management.

### Traditional Chinese DING presented during PEFC General Assembly

Highlighting the importance of PEFC as a forum for national forest certification systems to share experiences, foster collaboration, and further common efforts to promote sustainable forest management, the China Forest Certification Council (CFCC) presented William Street, Chairman of the Board of PEFC International, with a traditional Chinese gift known as a DING during the 19th PEFC General Assembly.

"We are very proud to present the DING to the whole PEFC family, as it represents our wishes for strong and reliable cooperation for a long time to come," said Mr. Wang, Chair of CFCC. "This is a very special DING, as rather than the traditional bronze, it is instead made from CFCC-certified walnut fruit shell."

The DING can trace its history back to ancient China when it was an important sacrificial utensil made from bronze used to express the wish of prosperity, stability and longevity. Since then, the gift has been given to demonstrate wishes of good cooperation, trust and reliability.





## Argentina

July brought with it an important development in South America, as Argentina became the fourth country in the region to achieve PEFC endorsement of its national forest certification system, following its neighboring countries Brazil, Chile and Uruguay.

By obtaining certification to the Argentine Forest Certification System (CERFOAR), the country's forest owners can now demonstrate the sustainable management of their forests, gaining important recognition and access to global markets. The majority of Argentine forests are under private ownership, and PEFC's bottom-up approach to standard setting enabled all stakeholders to be involved in the development of the national system.

With this endorsement, almost 70% of all forests in South America (and 70% of all forests in the Americas as a whole) can benefit from PEFC certification.

In November, CERFOR, the Chilean System for Sustainable Forest Management Certification, celebrated ten years of international recognition by PEFC, setting a precedent for forest sustainability in Chile. The endorsement of CERFOR back in 2004 was an important milestone for PEFC, with Chile not only the first South American country but also, alongside Australia, the first non-European country to successfully achieve global recognition of its national forest certification system.

## PEFC-certified forests in Ireland

2014 was an extremely important year for PEFC Ireland as the country's first forests achieved PEFC certification. Coillte, Ireland's state forestry company which owns around 400,000 hectares – just over half of the total Irish forest estate – was awarded PEFC Forest Management certification in June. While the area is small in relative terms, this nevertheless represents another milestone in PEFC's development, and we are proud to see the first certified forest in Ireland, a country that was one of the original 11 signatories to the formation of PEFC in 1999.

## Indonesia

October saw the third endorsement of the year with the Indonesian Forestry Certification Cooperation (IFCC) successfully becoming endorsed by PEFC. Given the significance of Indonesia's forest resources, both in terms of protecting its invaluable biodiversity – Indonesia's rainforest is the third-largest in the world – and its contribution to the livelihoods of around 80 million people who depend on forest resources for a living.

With IFCC, we are pleased to welcome a robust forest certification system into our midst. IFCC provides comprehensive requirements for sustainable forest management, which represents a turning point for the country still struggling with high deforestation rates. It will enable forest owners and companies to demonstrate their good practices through certification and to re-gain the trust of the marketplace.

Two months later, in early December, IFCC celebrated the endorsement with a special event held in the country's capital Jakarta. The event gathered together over 200 stakeholders, including representatives from forest owner associations and industry, as well as PEFC International. Companies interested in becoming PEFC Chain of Custody certified were able to benefit from a Chain of Custody Certification training workshop, co-organized by PEFC International and IFCC.

In the days following the event, PEFC International conducted a three day auditor training. The training provided two dozen auditors with the qualifications necessary to be eligible to carry out PEFC Chain of Custody audits, in time for the expected increase in demand following the country's successful endorsement of their national system.

## Growing momentum in Asia Pacific

Momentum continued to grow for PEFC this year in the Asia Pacific region, following on from the strong focus given in 2013. Our members in the region are continuing to grow more numerous, with Japan joining in October and New Zealand submitting their application to become a National member. Several countries have also expressed their interest in developing a national forest certification system for eventual PEFC endorsement, and some are already hard at work.

### Japan

Following in the footsteps of China, Indonesia and Malaysia, this year saw Japan become the latest Asian country to join as a National member. The addition of Japan's Sustainable Green Ecosystem Council (SGEC) to the PEFC alliance shows that PEFC is truly the forest certification system of choice for the region.

With only 5% of Japan's forest currently certified to SGEC, the scope to increase the area of sustainably managed forest is significant. SGEC has been working with local stakeholders over the past years to complete its basic infrastructure required to provide certification to the more than 2.5 million forest owners in the country. The organization is now ready to expand its activities nationwide, with the goal of rapidly expanding certification to the many small-scale forest holdings, which are often smaller than three hectares. By becoming a PEFC member, SGEC fulfilled an important prerequisite for applying for PEFC endorsement, with the view to submit their system by the end of 2015.

### Double celebration in Japan!

2014 was an important year for PEFC in Japan, with the Sustainable Green Ecosystem Council (SGEC) becoming a PEFC member and PEFC Asia Promotions in Japan celebrating its 10th anniversary. To celebrate these two milestones, PEFC Asia Promotions and SGEC, with the support of the Forestry Agency of Japan, held a special commemoration forum at the end of October, attended by over 120 stakeholders and honored by the presence of Her Imperial Highness Princess Takamado.

Showing her desire for Japanese plantation forests to be managed responsibly, Princess Takamado expressed her expectation that the participation of SGEC in PEFC will open the way for domestic forests and woods to be certified to an international sustainability standard, thereby also expanding their market acceptance globally. Princess Takamado kindly concluded her address with hearty words of respect to the ten years of promotional efforts by PEFC Asia Promotions, which have brought about SGEC's participation in PEFC.



From left to right:  
*Harnarinder Singh,*  
*Makiko Horio,*  
*Haruyoshi Takeuchi,*  
*Dr. Shigeru Kitayama,*  
*Her Imperial Highness*  
*Princess Takamado,*  
*Andrey Ryshkov and*  
*William Street*

## New Zealand

With the desire of New Zealanders to set up their own locally-owned forest certification system heightening over the past few years, stakeholders decided to fast-track the development of their New Zealand Standard for Sustainable Forest Management. Thanks to an agreement between Australian Forestry Standard (PEFC's National member in Australia) and Standards New Zealand, they were able to utilize the Australian Standard 4708:2013 by adapting it to local conditions, benefiting from over a decade of engagement of Australian stakeholders in defining sustainable forest management requirements.

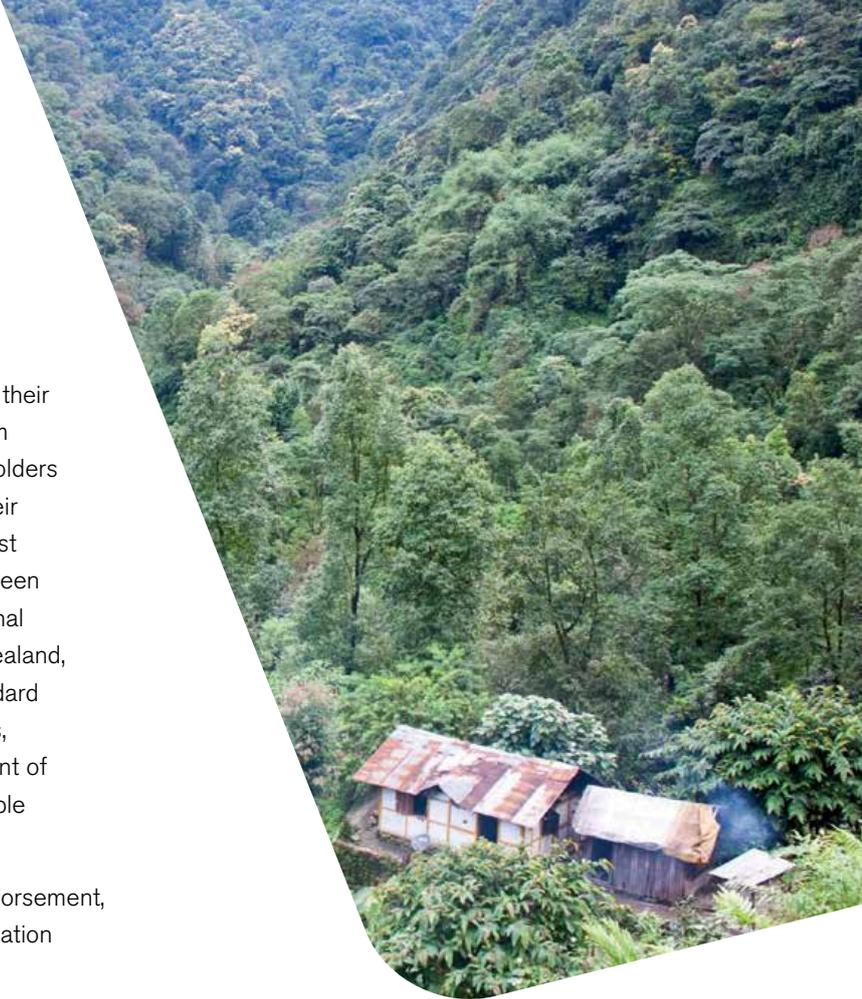
In order to be eligible to apply for PEFC endorsement, the New Zealand Forest Certification Association (NZFCA) submitted its application for PEFC membership in October, which was accepted in early 2015: NZFCA has already indicated that it plans to apply for endorsement before the end of 2015.

## RECOFTC

We were pleased to welcome RECOFTC – The Center for People and Forests, the international non-profit organization specializing in capacity building for community forestry in the Asia Pacific region, into PEFC membership in 2014. With its vision of local communities actively managing forests in Asia and the Pacific to ensure optimal social, economic, and environmental benefits, RECOFTC has a unique and important place in the world of forestry.

RECOFTC has long been a strong supporter of PEFC's bottom-up approach as this encourages and enables small- and family forest owners to be involved in the development of the standards. This involvement is highly desirable, as it is the forest owners who will then have to implement forest management requirements, and by being involved in the process, they are able to share and contribute their knowledge and are empowered to request fair benefits from their own endeavors.

With RECOFTC becoming the fourth new International Stakeholder member this year, alongside International Paper, Purinusa Ekapersada (Asia Pulp and Paper) and Suzano Pulp and Paper, PEFC now counts 22 International Stakeholder members.



## India

As India continues to show strong interest in advancing the development of forest management and Chain of Custody certification, in 2014 we created links with the newly registered Network for Certification and Conservation of Forests (NCCF) as the preferred forum for development of appropriate national standards. We are now working with stakeholders to provide them with guidance on PEFC's Sustainability Benchmark requirements to allow for the forthcoming Indian national forest certification system to be submitted for PEFC evaluation.

In addition, during the year we held discussions with external funders to enable PEFC to support Indian efforts to mainstream forest certification through key research on Indian certification market segments, assistance for forest management standard development including agroforestry, Chain of Custody training and capacity building, as well as an increased presence in trade shows and industry conferences.

# Growing momentum in Asia Pacific *continued*

## Southeast Asia

In 2014 we continued to expand our activities in the Southeast Asia region. Following on from the work done through the Expanding Group Certification Globally project, this year we ramped up our activities, supporting our partners in group certification projects, as well as continuing to raise awareness on certification in Indonesia, Malaysia, Thailand and Vietnam. The end of the year was particularly busy as PEFC International representatives travelled out for a range of outreach activities and training sessions.

### Vietnam

Hanoi and Ho Chi Minh City were both destinations for PEFC workshops and outreach activities in December. In Hanoi, government officials, forestry experts and certification bodies were the first to see the new Vietnamese PEFC System Development Toolkit, as we launched a suite of PEFC brochures translated into the Vietnamese language. This workshop, organized jointly by the Vietnamese Academy of Forest Sciences and PEFC International, also gave us the opportunity to meet with Vietnamese government officials and other stakeholders, introducing them in-person to the advantages of bottom-up, nationally-controlled forest certification systems.

In Ho Chi Minh City our approach was more practical as we met with Vietnamese companies, explaining

how PEFC Chain of Custody can help them meet EU Timber Regulations and prepare for the growing supply of PEFC-certified material expected to flow into the country. Organized by HAWA (Handicraft and Wood Industry Association of Ho Chi Minh City), Bureau Veritas and PEFC International, the workshop attracted over 50 company representatives, including processors and exporters, to find out how their business can benefit from PEFC. A training session for the companies, specifically preparing them for PEFC Chain of Custody certification, complemented the workshop.

Subsequent to the meeting, we were pleased to hear Vietnamese stakeholders indicating their desire to be able to join PEFC as a National member within the next few years.





### Asia Promotions

As an important hub for global production and trade, the Asia region has a strong influence on the environmental sustainability of international forest products. It is vital to build supply chain capacity and increase the availability of certified timber across this region. Our Asia Promotions Initiative, with offices in China and Japan, therefore works to raise awareness, build capacity and encourage the uptake of PEFC certification throughout Asia.

We are looking for additional partners to join our Asia Promotions Initiative – organizations that share the common goal of increasing demand for certified products and improving capacity in Asia to process certified products. Please contact us at [development@pefc.org](mailto:development@pefc.org)

### Thailand

Our outreach in December did not stop in Vietnam, but was followed by a visit to Thailand to meet with Ministry officials and a range of other stakeholders. Co-organized by the Forestry Industry Organisation (FIO), RECOFTC – The Center for People and Forests, and PEFC International, this event provided those involved in the development of the Thai national forest certification system with an overview of how PEFC can enable national systems to gain

international recognition, and more specifically why Asian countries are increasingly opting to join PEFC.

With a national forest certification standard already existing in Thailand, stakeholders are now concentrating on what is needed in order to align the national standard with PEFC International's Sustainability Benchmarks for eventual endorsement.



# Laying the groundwork in Africa

Following on from the successes last year, 2014 was another busy year for PEFC in Africa, from moving closer to an endorsed system in Cameroon, to the re-endorsement of the Gabonese system. Momentum in this region is beginning to grow.

## Gabon

2014 was an important year in Gabon, as the country successfully achieved the re-endorsement of its national forest certification system in November, following two years of hard work by the many partners and stakeholders who were involved throughout the process.

Gabon became the first African country to join PEFC as a National member in 2004, and its system became the first in Africa to meet PEFC's Sustainability Benchmark requirements in 2009. Five years later, in line with PEFC requirements for regular revisions, the Gabonese system was successfully re-endorsed. We appreciate the technical support from TERE (Terre Environnement Aménagement) and the funding from ECOFORAF in support of the revision process.

Rose Ondo receives PAFC Gabon's certificate of re-endorsement from Ben Gunneberg and William Street

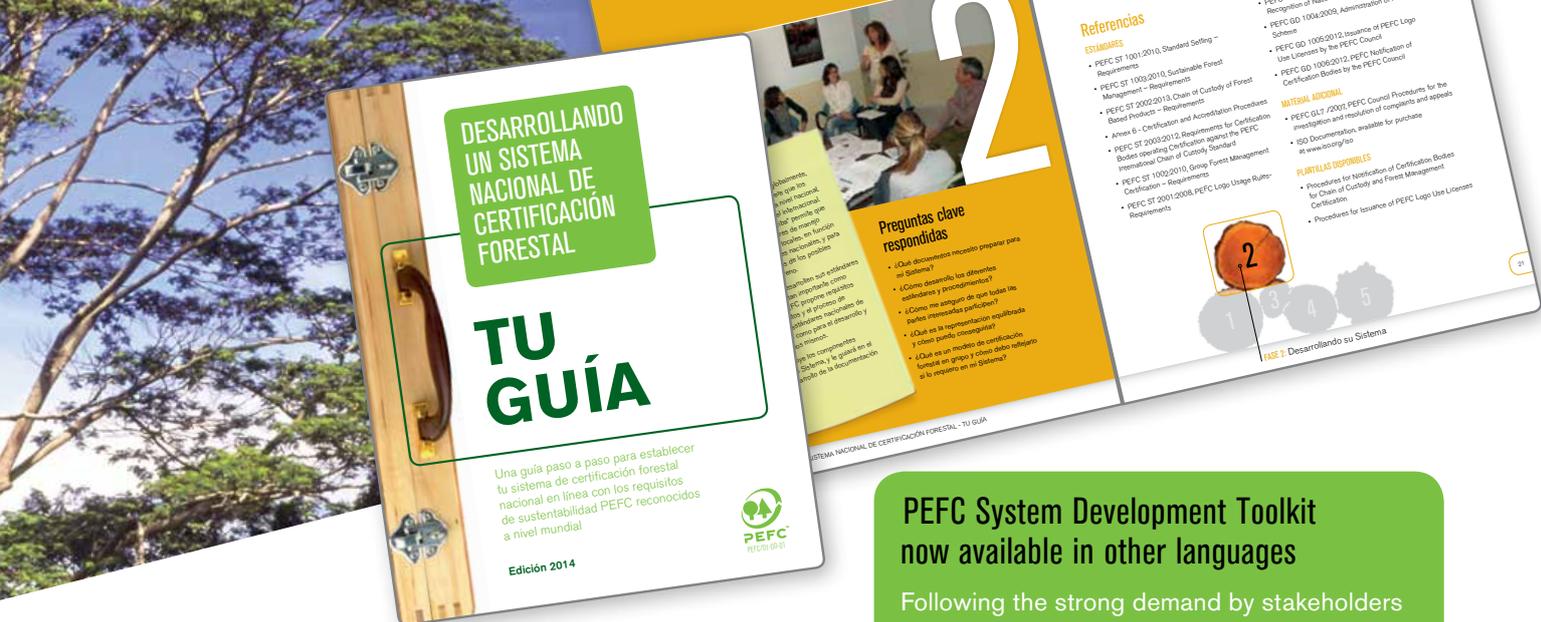
## Cameroon

The beginning of the year saw a big step forward in Cameroon as PAFC Cameroon started the development of the Cameroonian forest management certification standard by bringing local stakeholders together for the first Stakeholder Forum. The forum, organized in partnership with the Ministry of Industry, Mines and Technological Development, was the result of many years of hard work in fostering collaboration and building commitment, and was well attended by an extremely wide range of stakeholders, including representatives of the state, indigenous groups and communities, civil society and industry.

Over two days, stakeholders discussed some of the fundamental first steps in standards development, including the standards development procedures and stakeholder mapping. The participants also began initial work on the early draft of a sustainable forest management standard.

The stakeholders hope to be able to submit the Cameroonian national forest certification system, which is being developed thanks to the support of the PPECF-COMIFAC program, to PEFC International for assessment in the near future.





## Republic of Congo

The Ministry of Forest Economy and Sustainable Development (MEFDD) of the Republic of Congo and PEFC International signed a Memorandum of Understanding (MoU) during the 2014 PEFC Forest Certification Week, with the objective to further reinforce the sustainable management of Congolese forests. In concrete terms, this marks the birth of the Pan African Forest Certification Congo (PAFC Congo).

Signed by Grégoire Nkeoua, Special Councilor to the Minister on Forestry (on behalf of his Excellency Henri Djombo) from the Ministry of Forest Economy and Sustainable Development (MEFDD) of the Republic of Congo; Ralph Ridder, Director of Association Technique Internationale des Bois Tropicaux (ATIBT); Romain Lorent, Manager of PPECF-COMIFAC (Programme for the Promotion of Certified Timber Operations); and Ben Gunneberg, CEO of PEFC International; this MoU is the first step towards the development of a forest certification system in the country.

Developed with the support of ATIBT, the MoU outlines the framework for the development of the Congolese national forest certification system,

## PEFC System Development Toolkit now available in other languages

Following the strong demand by stakeholders to make PEFC's System Development Toolkit available in additional languages, in 2014 we translated our publication into Spanish, enabling even more organizations around the world interested in developing PEFC-compliant national forest certification systems to access technical guidance. "Desarrollando un Sistema Nacional de Certificación Forestal: Tu Guía" (or 'Your Toolkit: Developing a National Forest Certification System') was launched by the PEFC International CEO during the 'Seminar on Sustainable Forest Management: International Experiences and Perspectives for Mexico', held in September in Mexico City.

Drawing on PEFC's 15 years of experience in leading standard setting processes and running forest certification systems across 35 countries, the Toolkit brings together the collective knowledge of PEFC members and presents it in a format to inspire and guide other organizations embarking on the process around the world.

The Toolkit is now available in English, Spanish and Vietnamese; a French language version is under development and due to be published in 2015.



From left to right:  
Romain Lorent,  
Ben Gunneberg,  
Rose Ondo,  
Guillaume Tabaka,  
Grégoire Nkeoua  
and Ralph Ridder

in line with PEFC's standard setting requirements. It ensures that the standard will be developed in a multi-stakeholder, consensus driven process and with the participation of all interested parties, including the forest owners, the Congolese government, communities, NGOs, the wood industry, and others.

## Work continues in Southeast Europe

Southeast Europe is home to vast forest resources and unique forest ecosystems, and this rich resource plays a vital role in the countries' economies, providing for society and for nature. However, sustainable forest management certification has yet to take hold in this region. Over the past few years, we have supported a range of projects in Southeast Europe to help countries begin the development of their national forest certification systems, including Albania, Bosnia and Herzegovina, Hungary, Kosovo, Macedonia, Montenegro and Romania.



### Macedonia

Keeping the momentum going following the recently concluded outreach project in Macedonia, Albania and Kosovo, in 2014 CNVP (Connecting Natural Values and People) – our partner in the region – submitted a proposal to the PEFC Collaboration Fund to develop a Macedonian national forest certification system. Chosen as one of the three Collaboration Fund projects for the year, we are now supporting this follow-on project to guide Macedonia through the system development process, up to their eventual application to PEFC for endorsement.

A key aspect of this project is building consensus on the criteria and indicators for sustainable forest management among the various stakeholders in the country, using stakeholder mapping to ensure the participation of all the relevant actors. Once finalized, this standard will go through a public consultation and a pilot test to ensure it meets expectations. The ultimate objective of the project is the submission of the Macedonian national system to PEFC for endorsement.



### Fighting illegal timber – the EU TREES project

With illicit trade and laundering of illegal timber worth an estimated 10-30% of the global wood trade, PEFC Italy, along with Conlegno, RiSSC, Risk Monitor and CNVP, launched the TREES project (Timber Regulation Enforcement to protect European wood Sector from criminal infiltration) aimed at preventing criminal infiltrations into the EU timber market, with a particular focus on the Balkans. By the end of the project in April 2016, a standardized set of guidelines, actions and strategies will be developed, providing market operators with a set of recommendations to overcome difficulties in due diligence implementation.

This research project is funded by the Internal Affairs DG of the European Commission as part of the ISEC Program (Prevention of and Fight against Crime), and supported by a range of partners including INTERPOL, PEFC International and several PEFC National members.



# Collaboration Fund

For this year's competition, we chose to focus our efforts on projects that offer the potential of far-reaching and wider impacts within their respective countries and further afield. From the development and testing of an online remote sensing tool to improve sustainable forest management monitoring, to supporting a country through their certification system development process, these projects are set to make a big difference.



## PEFC COLLABORATION FUND 2014

small investments > **big impacts**

### 2014 Collaboration Fund projects and recipients

- Supporting Stakeholders to Develop the Macedonian Forest Certification System (*CNVP Macedonia, Ministry for Agriculture, Forestry and Water Economy, Makedonski Šumi, PEFC Slovenia*)
- Developing Group Certification for New Zealand's Small Forest Owners (*The New Zealand Farm Forestry Association Inc. (NZFFA), Ahika Consulting Ltd*)
- Increasing Accessibility to Information on Sustainable Management of Finnish Forests through Remote Sensing (*Forgis Oy, PEFC Finland*)

### Going online to support smallholders

With the unique circumstances of small- and family forest owners an important focus of our activities, over the last few years we have supported the development of an online system to ease the administrative burden of smallholders, streamline the preparation of forest management plans, and provide an effective mechanism to monitor compliance with certification requirements.

Starting in 2011, we supported a project by Ingenieursbureau Evan Buytendijk BV (IEB) through our Collaboration Fund to develop an online group registration system and management system to assist small-forest owners become certified to the Dutch national forest certification standard. Building on the Dutch experience, we supported a joint project by PEFC UK and PEFC Ireland to develop a similar English language system in conjunction with IEB. Focusing on private forest owners, this internet-based tool provides small- and medium-forest owners with a cost effective and competitive means to assist them in their bid to become certified. The online tool can easily be adapted to additional countries.

### ATFS continues to grow Group Certification Program

In the US, the American Tree Farm System (ATFS) has been working to support family and small-scale private woodland owners in their bid to become certified. Over the last year, they sought to engage new partners in group certification, including those engaging in emerging markets for biomass and carbon and other conservation objectives. Currently, there are 18 group certificates, including large regional certificates, providing certification to more than 90,000 family landowners.

# STRENGTHENING MARKET DEVELOPMENT

## Packaging Marketing Initiative

Packaging is used everywhere; it is essential for protecting products on their journey from factory to store and eventually to people's homes, and consumers expect packaging to be responsibly sourced, with minimal impact on the environment and the world's forests.

In 2014, we made significant progress in our Packaging Marketing Initiative, working with brand owners and retailers around the world to increase their use of PEFC-certified packaging material, as well as the PEFC label. This work is undertaken through six Regional Clusters and coordinated by members who have volunteered to take on the role of Cluster Champions. This bottom-up collaborative approach allows PEFC members everywhere to benefit from the combined knowledge and expertise of the entire organization in their local outreach efforts.

### Packaging Innovations 2014

As part of our Packaging Marketing Initiative, in September we partnered with PEFC UK and SFI to exhibit for the first time at the Packaging Innovations show, held at the Business Design Centre in London. Alun Watkins, who heads up PEFC in the UK, presented at one of the show's Learn Shop seminars on the subject of 'Market Drivers for Certified Packaging'. This year's show was considered a record-breaking success, attracting more people than ever before, an increase of 10% on 2013 visitor numbers.

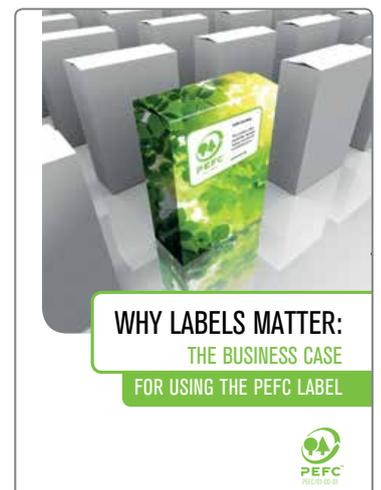
### New brochures launched

The packaging sector was also the target for two of our new brochures from the year: one aimed at the producers of packaging materials and the other for the brand owners using the packaging.

In *PEFC: Sustainability for Packaging Professionals* we introduce packaging producing companies to the benefits that PEFC certification can bring to both them and their customers. With companies of all sizes increasingly looking to demonstrate that the fiber they use in their packaging comes from a certified sustainable source, it is now more important than ever for them to be able to use environmental labels to visibly communicate their commitment to responsible sourcing. By becoming PEFC Chain of Custody certified and offering PEFC-certified material, companies can enable their customers to use the PEFC label on their packaging.

Why should I use the PEFC label on my packaging? This is the question answered in *Why Labels Matter: The Business Case for Using the PEFC Label*.

Labels are important; in fact consumers not only trust environmental labels, according to several surveys, labels such as PEFC's are actually the most trusted source of information for consumers. By choosing PEFC-certified packaging material and placing the PEFC label on your product, you enable your customers to instantly recognize and value your company's commitment to sustainability, with each interaction with your product.



## Marketing tropical timber

Creating stronger market demand for tropical timbers, particularly within the European Union (EU) where demand has fallen in recent years, is a key lever for encouraging the responsible management of forests in the tropics. As such, PEFC supports a range of projects designed to improve the image and increase the demand of tropical timber products from sustainable sources.

In 2014, our International Stakeholder member **ATIBT** (Association Technique Internationale des Bois Tropicaux) launched their marketing program for certified African timber products. This multi-year project, which PEFC International joined as part of the Steering Committee, aims to improve the image of African wood products among consumers while also stimulating European demand for these responsible products.

PEFC is also a supporter of the **European Sustainable Tropical Timber Coalition** (European STTC), which works to increase the demand for timber from sustainably managed forests to a mainstream level, as a key move to help unlock the tropical timber sector. As an international platform, the European STTC aims to bundle efforts and increase demand for responsibly sourced tropical timber.



# Snapshot: Business and PEFC

## PEFC Conference for Retailers

June saw PEFC France bring together several actors from the French retail industry, including Office Dépôt, Groupe Fournier, TRUFFAUT, DISPANO and Maisons du Monde, to discuss how the certification of timber products can be a tool for retailers to satisfy consumers' demand that the products they buy are from a sustainably managed source.

## AB Packaging

AB Group Packaging and PEFC are encouraging brand owners, retailers and consumers to use paper bags as an alternative to plastic, with the UK Government announcing that they are to introduce a £0.05 charge levy on all single use plastic bags in England with effect from October 2015.



## Bacardi

Every cardboard container Bacardi rum uses for its packaging in North America originates from a sustainable forest. Harvested trees provide pulp for the recyclable cardboard cases – close to 10 million a year – and all are certified by global forest certification systems including PEFC.



## Barilla

Barilla, one of Italy's leading food producers, announced that all the cardboard used in its packaging will come from sustainably managed forests. Barilla purchases more than 30,000 tons of cardboard, which is now made from 100% virgin fiber, certified according to international standards such as PEFC.



The Italian Food Company. Since 1877.

## Diabolik

Astorina, the publisher of the famous Italian comic character Diabolik, announced in 2014 that the comics of the legendary thief will only be printed on PEFC-certified paper. Thanks to this choice, the 450 tons of paper used for printing the cartoon will help replant 3,328 hectares of PEFC-certified forest.



## FrieslandCampina

FrieslandCampina, one of the largest dairy companies globally, intends to source as much of its fiber-based packaging material as possible from forests that have been certified as sustainably managed. To support and communicate the implementation, Royal FrieslandCampina and PEFC Netherlands signed PEFC's sustainable forest management policy statement in April.



### Maisons du Monde

Maisons du Monde, a European household furniture and furnishing retailer with some 240 outlets across Europe, is strongly committed to independent certification and traceability of its wooden furniture. PEFC is currently its most widely used forest certification system – with the company aiming to have independent assurance or traceability for all its wooden furniture lines, up from the 55% of stock presently verified.

### Pizza Hut

Pizza Hut, the biggest pizza restaurant chain in the world, launched its new PEFC-certified packaging for its new chicken range in France and Belgium. Pizza Hut management considers corporate social responsibility seriously and also prints all its brochures on PEFC-certified paper.



### Pujolasos and Puig

Antonio Puig, an influential business in the perfume and fashion industry, celebrated its centennial with a special-edition fragrance. Partnering with Pujolasos, a company specializing in the development and production of wood packaging for the fragrance and cosmetic sectors, the new special-edition fragrance was finished with a custom-made, PEFC-certified cap.



### Suzano Pulp and Paper

Suzano, one of the largest pulp and paper producers in Latin America, received its first PEFC Chain of Custody certificate in 2014. The company now intends to take its commitment further, expanding its PEFC certification to all 30 of its industrial pulp and paper units and distribution centers in 2015 – making it the largest distributor of PEFC-certified paper in Latin America.



### UL Environment

UL Environment, a business unit of Underwriters Laboratories, issued a new standard for Sustainability for Sanitary Paper Products, which specifies PEFC among forest certification standards that can be used as evidence that a product meets the 'Sustainable Forest Source' or 'System for Evidence Sourcing' criteria.

## Sustainable markets

Throughout 2014 a number of public-private partnerships emerged as increasingly prominent and important platforms bringing key stakeholder groups together to take leadership on pressing natural resource use challenges and opportunities – in this case tropical forest loss and conversion to agriculture.

### Soft Commodities Compact

The Soft Commodities Compact offers a huge potential to transform the way commodities such as timber, palm oil and soy are produced and processed, demonstrating a great commitment to sustainability within the banking sector. It was launched by the Banking Environment Initiative (BEI) and the Consumer Goods Forum (CGF), and includes a commitment for banks, where needed, to demand certain clients improve their sustainability performance in line with CGF's expectations to achieve zero net deforestation in their supply chains by 2020. For timber products, the starting point includes forest certification systems such as PEFC.



### Tropical Forest Alliance 2020

Established as a public-private partnership in 2012 by the US Government and the Consumer Goods Forum (CGF), the Tropical Forest Alliance 2020 (TFA 2020) gained considerable momentum throughout 2014. With a mission to catalyze voluntary actions to reduce tropical deforestation associated with the sourcing of palm oil, soy, beef, paper and pulp, the TFA 2020 has expanded dramatically, reflecting the ongoing topicality of tropical deforestation with business and non-business stakeholders.

PEFC is already accepted as a credible assurance framework within the CGF's Paper Guidelines in support of its members' public commitments to verify "deforestation-free" pulp, paper and packaging sourcing by the year 2020. Consequently, at the start of 2014, we were the first certification organization to be admitted as a formal TFA Partner, becoming involved in three working groups reflecting the TFA's near-term priorities – Indonesia, South America (Brazil, Colombia, Peru) and West & Central Africa.

Our engagement with the TFA 2020 will continue, focusing on providing the broadest range of Forest Management and Chain of Custody certification solutions for forest product companies serving global pulp, paper and packaging markets.

### Consumer Goods Forum

PEFC's engagement with the Consumer Goods Forum and many of its leading food manufacturer and retailer members continues to expand as PEFC's Forest Management and Chain of Custody certification gain recognition as cost effective risk management solutions for pulp, paper and packaging supply chains.

As the world's leading forum for food manufacturers, distributors and retailers, the CGF looks for action partners – like the Tropical Forest Alliance 2020 – and verification solutions – like PEFC certification – to ensure the entire sector can address, reduce and eliminate tropical deforestation from palm oil, soya, beef and pulp and paper supply chains by 2020.

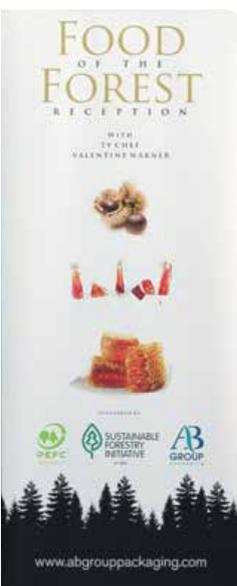
## Innovative uses for certification

### Non-Wood Forest Products

Our forests have so much more to offer than just the traditional timber-based products, and in recent years NWFPs – or Non-Wood Forest Products – have taken on an increasingly important role in the field of certification. Throughout 2014, several of our members worked hard to increase the level of certification and raise the profile of sustainably produced NWFPs, from wild foods to cork.

Food from the forests was an important area of activity for several of our National members in 2014. In Spain, wild foods from the country's forests were the focus of the PEFC Spain-led "Tastes of Sustainable Forests" project, supported by PEFC's 2013 Collaboration Fund. Through a far-reaching awareness-raising campaign, including cooking lessons, TV appearances and an award winning recipe book, PEFC Spain reached a range of stakeholders, from chefs to producers and even journalists. To ensure the supply side of PEFC-certified wild food products, PEFC Spain worked with certification bodies to develop a technical guide to provide clarification on some of the issues that could prevent the development of NWFP certification.

Similarly in the UK, "Food from the Forests", an evening event, was co-hosted by PEFC UK and AB Group Packaging, one of the UK and Ireland's biggest manufacturers of flexible packaging, featuring the multiple uses of forests, including as a source of food. Lingonberries, venison, forest honey and black truffles were just a few of the treats on the menu, all sourced from forests around the world including Italy, Finland, Canada and Scotland. The evening aimed to highlight the many goods and services our forests provide us with, such as fiber for paper and packaging, timber, fuel, employment, leisure opportunities, habitats for animals, insects and birds, and of course, food.



Staying with food from the forests, in 2014 an ambitious project in Italy was carried out by PEFC Italy, Veneto Agriculture and APAT (a local beekeeper association), and developed with Rigoni di Asiago, a leading brand in the production of jams and honeys, to produce honeydew from PEFC-certified spruce forests. Thanks to their hard work, the world's first PEFC-certified honey is now on the market.

In China, the China Forest Certification Council (CFCC) has developed a specific standard for certifying Non-Wood Forest Products, including nuts, berries, forest medicines and honey. Based on their forest management standard, in addition to stricter requirements on the use of inputs, this standard also specifies different requirements towards plants and animals. In 2014, CFCC began pilot projects in four regions of the country to assess NWFP certification in practice.

Back in southern Europe, PEFC Spain and PEFC Portugal worked together to boost PEFC certification of cork oak forests, as well as cork-based products, in the Mediterranean. 2014 saw important developments for PEFC and cork, as more than 51,000 hectares of cork oak forests in Extremadura, western Spain, became PEFC-certified, thanks to the work done by the forest owners association, the regional government and several municipalities. The certification of these cork oak forests is part of PEFC Spain's project "Dinamiza Dehesa Sostenible" (or Foster Sustainable Cork Oak Forests), supported by the Biodiversity Foundation and the Ministry of Agriculture and Environment.

Building on the successes so far achieved with cork, PEFC International is now beginning to develop activities and intensify contacts with the cork producers in countries where we do not yet have National members, including in Southern Mediterranean countries such as Algeria, Morocco and Tunisia.

# Innovative uses for certification *continued*



## Forests for Fashion

Forests are the future for textiles. With the demand for textile fibers expected to increase by more than three quarters by 2030, the annual per capita consumption of fiber from trees and other plant-based material (man-made cellulose, or MMC, fibers) is expected to increase by 45% in the next 20 years. At PEFC we are encouraging the apparel sector, from fiber producers up to the largest brands, to use certified fiber to produce clothing and to demonstrate their responsibility by utilizing PEFC certification to ensure full traceability through the entire apparel sector supply chain.



2014 saw PEFC International and PEFC Spain team up to send an open letter to the delegates of the 72nd Session of the UNECE Committee on Forest and the Forest Industry. Through this letter, we brought to their attention the contribution of the natural origin of MMC fibers from sustainably sourced wood to a sustainable future. At the same time, it highlighted the importance of tracing sustainably sourced MMC fibers in the apparel sector, such as through PEFC certification, in order to avoid the risk of MMC fibers originating from unsustainable sources and their associated, unwanted and unnecessary political, environmental and business risks.

Earlier in the year, forests and fashion were at the forefront for the 2014 celebration of the International Day of Forests, as PEFC International participated at the "Forests for Fashion" roundtable, hosted by the United Nations Economic Commission for Europe (UNECE). Held in the famous Palais des Nations in Geneva, Switzerland, PEFC representatives took the opportunity to highlight the importance of sustainable forest management in relation to an environmentally responsible fashion industry.

From high heels and handbags made from cork, wooden frames for eyeglasses, to the rayon and viscose items in our wardrobes, forests provide us with so many essential ingredients!





## Biomaterials

Heating and cooking are among the oldest and, even today, the most prevalent uses of wood. In Europe, industrial scale use of woody biomass as an energy source, mostly in pellet form, is being dramatically ramped up. Primarily as a substitute for coal in large thermal plants, this commitment to expand the use of lower carbon energy sources, like biomass from forests, is an integral part of the European Union's climate change program and renewable energy targets.

Throughout the year we, along with several of our National members in Europe and the US, worked on this topic with the Sustainable Biomass Partnership (SBP), the industry platform set up in late 2013 by the seven major European energy generators leading this renewable energy switch. SBP's vision is the development of economically, environmentally and socially sustainable solid biomass supply chains that contribute to a low carbon economy. Further, in order to meet evolving government regulations, independent verification that the woody biomass is legally and sustainably sourced emerged as a critical requirement.

PEFC stakeholders worked with supply chain actors – including resource owners, pellet manufacturers and energy utilities – as well as research organizations and civil society groups to illustrate the third party assurance role PEFC certification can already play as this sector's supply chains from North American and European fiber baskets develop. At the very beginning of 2015 these efforts were rewarded as the SBP launched the Assurance Framework version 1.0, which confirmed full recognition of PEFC Forest Management and Chain of Custody certification as verification solutions.

## Agroforestry

Agroforestry is a land-use system that integrates trees into farmlands and rural landscapes to enhance productivity, profitability, diversity and ecosystem sustainability. These 'trees outside of forests' contribute significantly to global supply chains and rural livelihoods alike, and as such PEFC continues to consider how to approach the certification of agroforestry resources.



Attending the World Congress on Agroforestry in New Delhi, India in February, provided us with an opportunity to consider the latest research and ongoing initiatives towards accelerating the impact of agroforestry. Forest certification is extremely well positioned to support the further integration of woody agroforestry resources into global supply chains, and PEFC's pilot project in Thailand continued to advance the stakeholder process of articulating specific requirements for sustainable management of agroforestry resources.

In 2015, we will continue to advance on this subject and look to undertake additional pilot activities in India, the first country to adopt a National Agroforestry Policy and the world leader in agroforestry innovation.

# INCREASING AWARENESS

## Consumers trust labels

In 2014 we carried out our first PEFC Global Consumer Survey to evaluate to what degree consumers trust sustainability labels, and the responses were impressive. The overwhelming majority of consumers globally – more than 80% – want companies sourcing certified material from sustainably managed forests to use certification labels.

The survey also indicates that certification labels, such as the PEFC label, are the most trusted means of giving confidence to consumers that wood-based products are sustainably sourced. 54% of all consumers responded that certification labels re-assure them the most that environmental and sustainable development considerations have been taken into account, ahead of country of origin (30%) and brand (24%). Furthermore, the survey shows that PEFC is the most trusted global forest certification label.

The importance of making ethical choices was also highlighted, with 60% of all those surveyed agreeing that their shopping choice for a labeled product can make a positive difference to the world's forests.

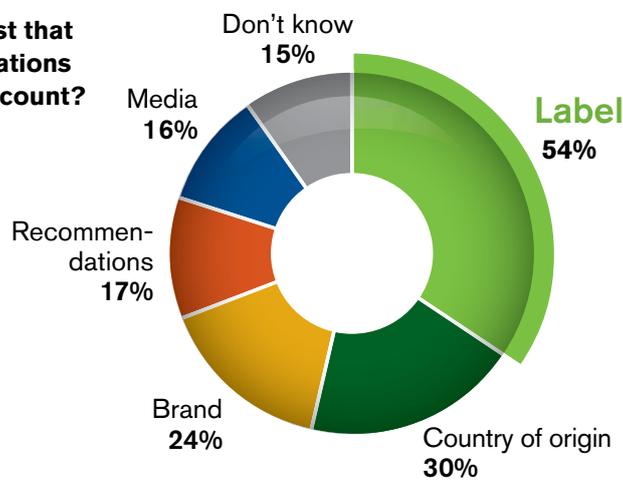


Only a small minority, 10%, felt that their choice for a sustainably sourced product would not make a difference. Internationally, 40% of consumers know a global forest certification label, with the label recognition of PEFC at 21%, and nearly 30% of all consumers responded that they actively look for forest certification labels.

The first PEFC Global Consumer Survey was undertaken by German-based GfK on behalf of PEFC International with a sample of a total of 13,000 people in 13 countries, 1,000 men and women aged 16+ years per country, in Australia, Austria, Brazil, China, Finland, France, Germany, Italy, Japan, Spain, Sweden, UK and USA.

### What reassures you most that environmental considerations have been taken into account? (% of consumers)

Base: 1,000 men and women aged 16+ years per country.  
Question: When purchasing a product or a service, which of the following criteria reassure you the most that environmental considerations and sustainable development have been taken into account?  
PEFC/GfK Global Consumer Survey – October 2014





## PEFC Stakeholder Dialogue: “We need more labels on products”

The importance of certification labels was a recurring theme in 2014, with the trust that certification labels inspire in consumers, even more so than brands, one of the main takeaways from the 5th PEFC Stakeholder Dialogue, which gathered over 150 stakeholders in Paris, France, in November. Supported by Metsä Group, PEFC Portugal/CFFP and Suzano Pulp & Paper, and co-hosted by PEFC International and PEFC France, the Stakeholder Dialogue marked the final day of PEFC's 2014 Forest Certification Week.

Under the theme of 'Addressing Deforestation: joining forces to stimulate demand for sustainable forest products' the PEFC Stakeholder Dialogue provided an opportunity to hear a wide range of expert views on this challenging subject and gather stakeholder views on key opportunities and solutions that forest certification and PEFC might positively impact.

### Consumers in the spotlight

During the morning session, participants heard the latest evidence on, and most recent responses to, growing consumer awareness and concern about global deforestation, as well as their interest in addressing deforestation by buying wood- and paper-based products independently verified to be from sustainable forest management. The session saw

presentations aimed at understanding consumers' behavior, perception and expectations for sustainable products by looking at the evidence base from the UK, France and the USA.

Innovative solutions for engaging consumers was the topic of the second morning session, with the speakers covering a range of related subjects, from consumer products-driven deforestation to consumer buying behavior and market trends for sustainable forest products in Asia, Western Europe and North America. The speakers also looked at case studies on how NGOs, supply chain actors and governments are engaging consumers on sustainability and shaping markets for sustainable products, and new public-private partnerships and platforms seeking to “edit-out” commodities directly linked to deforestation from the supply chain.

The afternoon began with a series of 'information blasts' on emerging initiatives and alliances addressing deforestation through promoting sustainable production, consumption and trade. The participants heard a thought-provoking selection of 'blasts'; from developments in fiber sourcing to the transformation of the Indonesian pulp and paper sector, initiatives to eliminate deforestation from palm oil, soya, beef and paper packaging supply chains by 2020, and linking sustainable landscapes with global supply chains for food, feed, fiber and fuel.

### Asia and Africa continue to be a priority

The day ended in breakout groups with participants working together to identify opportunities for action and collaboration to scale up forest certification to ensure sustainable supply chains and brands. Through this exercise we were able to confirm the priority PEFC currently gives forest certification developments in Asia – especially China, India, Indonesia and Vietnam – but also reminded us of the important need to make forest certification work in Africa, in particular leveraging encouraging developments in Cameroon, the Republic of Congo and Gabon.

The program was opened by Mr. William Street, Chairman of PEFC International, and keynote speaker Ms. Kirsten Canby, Director, Forest Trade and Finance, Forest Trends. Both tackled the role of independent certification in addressing deforestation and promoting sustainable supply chains and brands.



## New York Declaration

This year saw the endorsement of the New York Declaration on Forests, an innovative public-private partnership of multinationals, governments, civil society and indigenous peoples joining forces to cut the loss of forests in half by 2020 and end it a decade later in 2030. For the first time, 156 global leaders, including PEFC International, agreed on a range of measures to end deforestation, including the need for large-scale economic incentives for countries that reduce the loss of their forests.

Forest certification has been rightly recognized by the New York Declaration on Forests as a very effective measure towards ending deforestation. Safeguarding and sustainably managing our global forest resources is not only of fundamental importance to tackling environmental challenges, but it also supports the tremendous socioeconomic benefits that society derives from forests, specifically when it comes to rural development and supporting the livelihoods of people dependent on forest resources.

With now over 260 million hectares of forests globally certified to PEFC, we hope that the New York Declaration on Forests, with the support it has gathered from global leaders, will assist us in rapidly expanding this area, for the benefit of the people and the planet.



## PEFC and the European Union

In recognition of the central role that the European Union (EU) policies are playing in advancing and impacting on sustainable forest management around the world, this year we appointed a Brussels-based EU representative. In order to meet the expectations of the forest owners and companies that have obtained PEFC certification and other stakeholders, it is important for PEFC to have a voice in shaping the EU processes and policies, which are increasingly impacting on forestry and climate issues globally. This will ensure that the EU processes benefit from the specialist expertise and knowledge that PEFC has accumulated globally over the past 15 years.

The EU office deals primarily with EU policies, legislations, programs (funding) and initiatives of relevance for PEFC, as well as covering areas relevant to promoting sustainable forest management and trade of sustainably-sourced forest products. This includes sustainable forestry; cooperation and development in the field of deforestation and illegal logging; protected areas and biodiversity; sustainable production and eco-labels; internal market regulations on public procurement; and the industrial policy regarding the forest-based industries.

Furthermore, the EU office also enables PEFC to cooperate with Brussels-based members, stakeholders and interested parties more closely.



# National websites

As part of our continuing support to National members, we offer them the use of our PEFC website template, enabling them to develop their own website quickly and easily, while also contributing to the uniform appearance of PEFC globally. In 2014 four new websites using the PEFC International template were launched in Belgium, Denmark, Latvia and Poland. Norway and Estonia have also begun the development of their sites, both of which will be launched in 2015.



## Belgium

*"In 2014, PEFC Belgium finalized its brand new website. For coherence's sake, its general structure and appearance are now similar to that of PEFC International, and a number of new tools, search engines and documents are now available on the website, which has been written both in French and in Dutch."*

*"This new website has already won us the plaudits of several partners and stakeholders for its easy access and user-friendliness."*

Mieke Vercrijssse, Communication Manager, PEFC Belgium  
[www.pefc.be](http://www.pefc.be)



## Denmark

*"Overall, we are very satisfied with the new webpage, and we really enjoy having joined the PEFC web family with the easy recognizable and uniform look. Now it is a real pleasure to invite interested visitors to the webpage to learn more about sustainable forests and wood products."*

Kamilla Hyldgaard, PEFC Denmark  
[www.pefc.dk](http://www.pefc.dk)

PEFC Latvia: [www.pefc.lv](http://www.pefc.lv)

PEFC Poland: [www.pefc.pl](http://www.pefc.pl)

## Reaching the general public

Throughout the year, our members continued to elaborate new ways to raise awareness about the importance of forests, bringing to the public's attention the value of our forests and the necessity of managing them sustainably.



In September, thanks to the hard work undertaken by **PEFC Finland**, thousands gathered to see the PEFC Wood Works x Laser Cut Studio installation take shape during Helsinki Design Week. People were invited to share their forest-related stories online and at the event; these were then laser-engraved onto nearly 3,000 wooden triangles, so as messages arrived, the centerpiece gradually came to life, revealing its shape on the third day. Afterwards, the triangles were given to visitors, enabling them to create different objects at home and to share them through social media.





Fabio Aru receives the very first PEFC Sport and Forest prize from William Street, Chairman of the PEFC International Board

Sporting events were the focus of many of **PEFC Italy's** awareness-raising activities in 2014, showcasing the strong bond between sport and the sustainable management of forests. In May, all the alpine stages of the famous Giro d'Italia bike race climbed through the PEFC-certified forests of Italy, as the race organizers chose PEFC Italy as a Green Partner. Later in the year, the World Orienteering Championships and World Trail Orienteering Championships also had PEFC-certified forests as their backdrop, following a Memorandum of Understanding signed between PEFC Italy and FISO – the Italian Orienteering Federation.



**PEFC France** took a different approach to awareness-raising, going online to encourage the general public to choose products that carry the PEFC label. From April to December, a series of nine superhero videos were broadcast on online media, such as [lemonde.fr](http://lemonde.fr) and [telerama.fr](http://telerama.fr), as well as on social media.



These videos depicted that while we cannot all be superheroes, by choosing products with a PEFC label, we have the power to participate in the sustainable management of our forests.

## Reaching the general public *continued*

2014 was a busy year for **PEFC Czech Republic** as they travelled around the country taking part in a wide range of events, festivals and fairs, including Forest Days, the Festival of Wood and many others. Throughout spring and summer, the PEFC Czech Republic team held their BAUHAUS Roadshow in all eight of the retailer's DIY stores in the country. Thanks to this work, visitors could learn about PEFC certification, participate in competitions for children and see demonstrations of forest pedagogy. Young people were also the focus of the PEFC supported international competition "Young People in European Forests" which helped to raise awareness on the importance of forests and forestry.



Staying with young people, **PEFC Belgium** partnered with the Walloon Region and Good Planet Belgium to design an exhibition aimed at the Belgian public, but with a specific focus on children aged 10 – 12 years old, which will spend the next two years travelling around the country. The exhibition introduces the visitors to forests, their place in the world – in particular their position in Belgium – and the sustainable management developed by PEFC to ensure their continued presence in the future.

**The Sustainable Forestry Initiative® (SFI®)** awarded more than US\$ 400,000 to 10 conservation projects and 8 community based projects as part of its 2014 Conservation and Community Partnerships Grant Program. These projects support efforts towards continuous improvement in sustainable forest management and forest conservation throughout the United States and Canada. SFI continued community-building efforts that featured a strong focus on youth. A partnership between SFI, Ducks Unlimited Canada and Girl Guides of Canada saw 23 Girl Guides build duck nest boxes to protect ducks from predators and harsh weather.



The two major forestry and agriculture fairs held annually in Riga, the capital of Latvia, were a key activity for **PEFC Latvia** in 2014. Attended by both landowners from the countryside and people living in cities, these shows gave PEFC Latvia the chance to tell the story of sustainable forest management as well as demonstrate the products of PEFC-certified companies in Latvia, such as rocking horses for children.

**PEFC Denmark** began 2014 at BYGGERI'14, Scandinavia's leading trade fair for construction products. With the fair focusing on sustainability in the construction sector, PEFC Denmark partnered with a wide range of PEFC-certified companies to introduce visitors to sustainable forestry and the beneficial effect of trees on the climate and the environment, as well as highlighting examples of certified products.



2014 saw **PEFC Netherlands** begin a collaboration with the Dutch National Tree Foundation (Stichting Nationale Boomfeestdag) to promote sustainable forest management, bringing the importance of trees and forests to the attention of the future generations. In celebration of this collaboration, Peter Derksen, the Director of the Dutch National Tree Foundation, received the first copy of the unique PEFC notebook, made of 100% PEFC-certified material, from PEFC Netherlands Chairman Kees Boon.

# TECHNICAL DEVELOPMENTS

## Technical training

With over 16,000 companies covered by PEFC Chain of Custody certification worldwide, the PEFC Chain of Custody Standard is widely applied by certified companies, certification bodies and auditors on a daily basis. To ensure that everyone involved in the process is fully up-to-date on changes to the standard and on interpretation and explanation of specific requirements, we added the PEFC Chain of Custody Training program to the existing range of training activities to reach ever more people.

### Training Recognition Program

As part of our extensive support to certification bodies, in 2014 we launched our Training Recognition Program (TRP) targeted at certification bodies globally. The PEFC TRP provides PEFC recognition to a certification body's own training program, enabling certification bodies to give PEFC training to their auditors and ensure their compliance with PEFC's training requirements in an efficient way.

The Program includes a two day in-person training session for the representative of the certification body. After positive verification of the process and content of the internal training program, PEFC recognition is awarded. During the two years in which the training recognition is valid, the representative must take part in regular updates on any recent developments and changes to the PEFC training materials.

By the end of 2014, sixteen certification bodies had taken advantage of the PEFC TRP, with their representatives taking part in the two in-person training sessions that we held during the year. Half of these certification bodies have already gone on to have their training programs recognized by PEFC, with the remaining half expected to achieve recognition in 2015.

### Individual auditor training

Throughout 2014 we and our members carried out a range of training sessions for auditors, both in person and online. Based on interactivity, practical examples, open question and answer sessions, and dedicated group work, these training sessions enabled experience exchange between auditors and PEFC's technical specialists to benefit everyone in the supply chain through consistent and robust application.

In total, more than 220 auditors received PEFC Chain of Custody training directly from PEFC International through both face-to-face trainings in the Czech Republic, Finland, Germany, Indonesia, Italy and North America, as well as virtual online trainings.

### Online sessions for accreditation bodies

With the accreditation bodies verifying the competence of certification bodies and auditors, it is important that they are also familiar with the PEFC Chain of Custody Standard and kept up to date on changes, interpretations and clarifications to the standard. In 2014 we provided online training opportunities for accreditation body representatives to familiarize them with PEFC and to encourage them to attend any regular Chain of Custody auditor trainings that are organized in their area.





## Technical documentation

### PEFC Chain of Custody Guidance

To provide additional support and ensure consistency to companies and certification bodies in the implementation of PEFC Chain of Custody certification, in 2014 we complemented our Chain of Custody Standard with a Guidance Document. With this new document, both current and potential PEFC Chain of Custody certified companies can get immediate access to detailed explanation, clarification and interpretation of the PEFC Chain of Custody Standard PEFC ST 2002:2013.

The publication of this guide built on the experience of PEFC-certified companies in implementing the 2013 Standard and followed several months of development through an open, transparent, consultative and consensus based process, including the involvement and input from a broad range of stakeholders. All our documents, both guides and standards, are developed in this manner, ensuring they reflect the latest consensus based thinking from all the relevant stakeholders.

### Second Edition of the Certification Body Requirements – Chain of Custody Standard

2014 saw the release of the updated “Requirements for Certification Bodies operating Certification against the PEFC International Chain of Custody Standard” (PEFC ST 2003:2012 Second Edition), taking advantage of the significant improvements of the new ISO 17065.

The original version of PEFC ST 2003:2012 was based on ISO Guide 65, which was canceled and replaced by ISO 17065 on 15 September 2012, with a transition period of three years. ISO 17065 maintains proven requirements of ISO Guide 65 while implementing improvements where necessary. PEFC ST 2003:2012 Second Edition now takes advantage of these additional safeguards, such as those concerning impartiality.

While the original version of PEFC ST 2003:2012 followed the structure of ISO Guide 65, the new PEFC ST 2003:2012 Second Edition was changed to follow the structure of ISO 17065. As the changes are limited to this editorial restructuring of the document, no new wordings or additional requirements have been introduced in the second edition.

### Clarification for Certification Bodies

In 2014 we also released our latest clarification document, providing additional support and ensuring consistent feedback to certification and accreditation bodies. The new document, published in July, lists the questions frequently asked by certification and accreditation bodies regarding the PEFC Standard on Requirements for Certification Bodies operating Certification against the PEFC International Chain of Custody Standard (PEFC ST 2003:2012), and the answers by PEFC.

## Cross site credit accounting

This year we offered companies holding a PEFC Chain of Custody certificate the opportunity to take part in a pilot study into the implementation of cross site credit accounting. Four companies took up the opportunity by applying to take part in the study, two of which have already had their applications approved, with the remaining two expected approval in 2015.

In order to qualify to take part in the pilot study, the companies were required to meet a number of requirements before their application was approved. One of these requirements centered on the need for the company to provide evidence of the activities they undertake in order to support sustainable forest management and increasing PEFC-certified forest area. Through this requirement, we hope to encourage the companies to continue helping and supporting us in our work to increase the area of sustainably managed forest around the world.

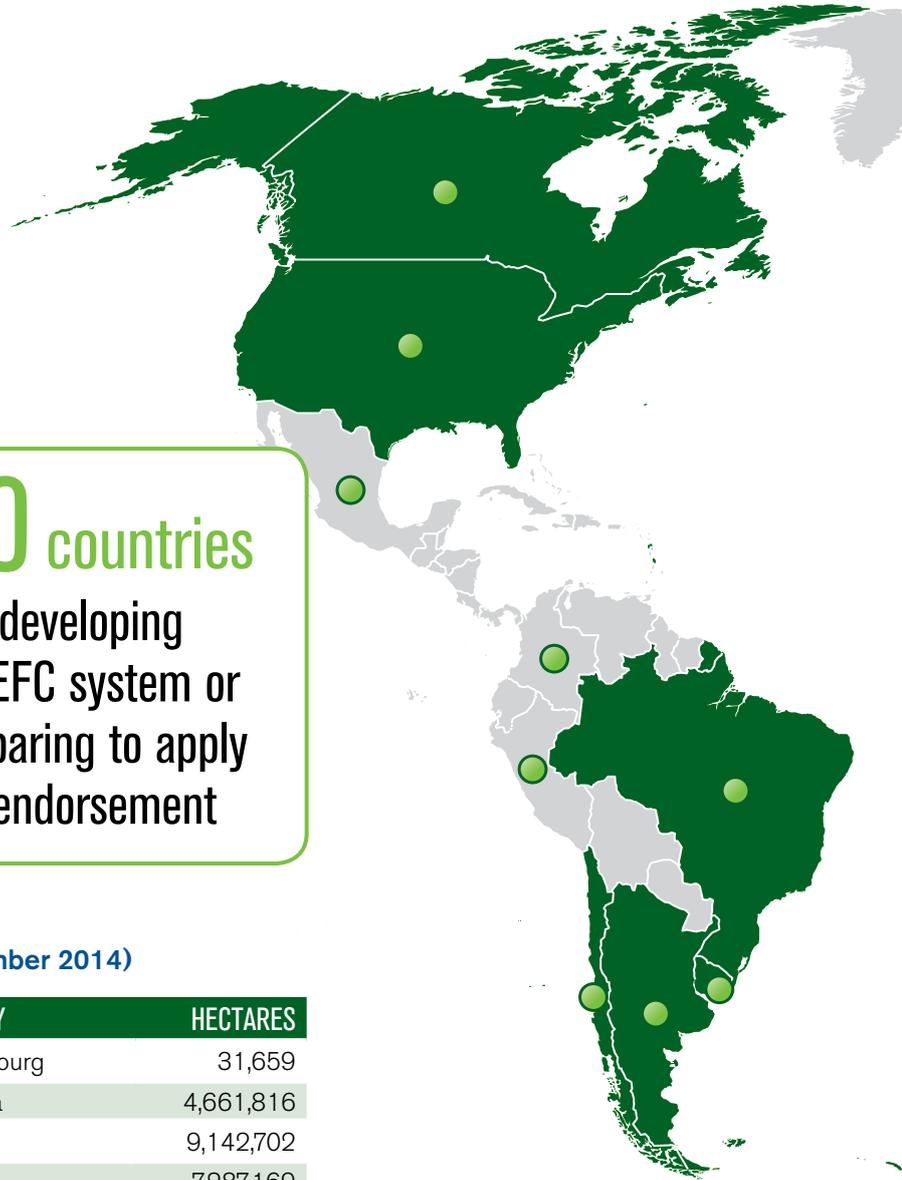
# PEFC MEMBERSHIP: Statistics, facts & figures

**263 million hectares** of forests globally are PEFC-certified

Europe saw the biggest increase in certified area with over 10 million hectares becoming PEFC-certified, with particular increases in Belarus and Sweden. South America saw the biggest percentage increase, with a 25% increase in the area of certified forests.

**750,000** forest owners globally are PEFC-certified

**20 countries** are developing a PEFC system or preparing to apply for endorsement



## PEFC-certified forest area (as of 31 December 2014)

COUNTRY	HECTARES
Australia	10,398,358
Austria	2,807,792
Belarus	8,842,500
Belgium	289,500
Brazil	2,265,618
Canada (CSA)	40,842,825
Chile	1,931,349
Czech Republic	1,816,129
Denmark	255,631
Estonia	999,125
Finland	20,619,716
France	8,100,208
Germany	7,353,177
Ireland	376,108
Italy	818,970
Latvia	1,682,647

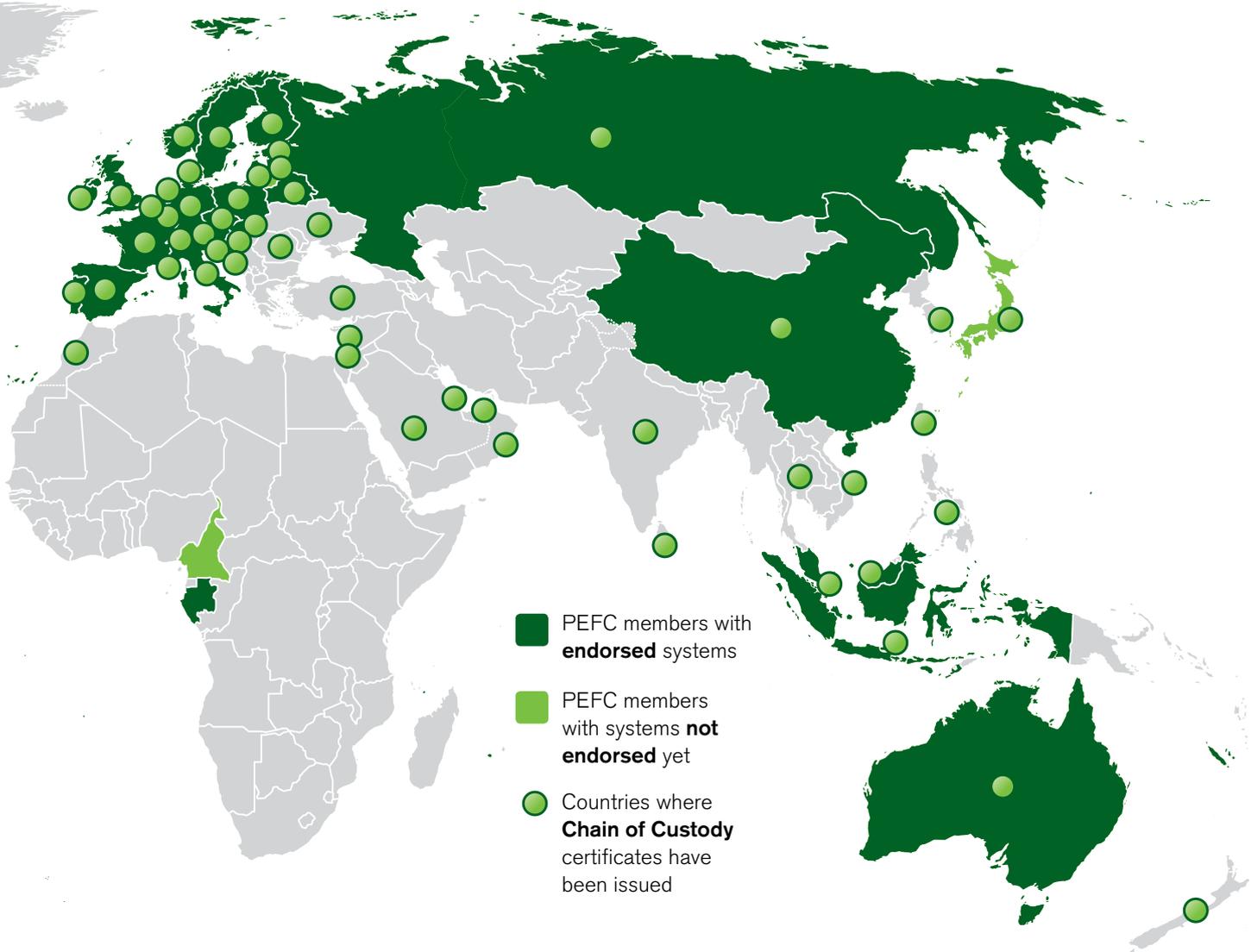
COUNTRY	HECTARES
Luxembourg	31,659
Malaysia	4,661,816
Norway	9,142,702
Poland	7,287,169
Portugal	250,131
Russia	2,757,942
Slovak Republic	1,250,369
Slovenia	18,550
Spain	1,811,258
Sweden	11,263,434
Switzerland	205,974
UK	1,351,505
USA (ATFS)	8,619,612
USA + Canada (SFI)	104,791,621
<b>TOTAL</b>	<b>263,205,231</b>

## Chain of Custody certificates

Top three countries with the most Chain of Custody certificates issued:

COUNTRY	CERTIFICATES
France	2,157
Germany	1,617
UK	1,160
... and 60 other countries	5,657
<b>TOTAL</b>	<b>10,591</b>

over **16,000** companies in the world benefit from PEFC's Chain of Custody certification



**PEFC Chain of Custody certificates per country (as of 31 December 2014)**

Relative sizes of country names correspond to number of certificates



# Statistics, facts & figures

## continued

### Endorsed Members (as of 31 Dec. 2014)

COUNTRY	NAME
Argentina	Argentine Forest Certification System (CERFOAR)
Australia	Australian Forestry Standard (AFS)
Austria	PEFC Austria
Belarus	Republican Association of Forest Certification System
Belgium	PEFC Belgium
Brazil	Brazilian Forest Certification Programme (CERFLOR)
Canada	PEFC Canada
Chile	Chile Forest Certification Corporation (CERTFOR)
China	China Forest Certification Council (CFCC)
Czech Republic	PEFC Czech Republic
Denmark	PEFC Denmark
Estonia	Estonian Forest Certification Council
Finland	PEFC Finland
France	PEFC France
Gabon	PAFC Gabon
Germany	PEFC Germany
Indonesia	Indonesian Forestry Certification Cooperation (IFCC)
Ireland	PEFC Ireland
Italy	PEFC Italy
Latvia	PEFC Latvia
Luxembourg	PEFC Luxembourg

COUNTRY	NAME
Malaysia	Malaysian Timber Certification Council (MTCC)
Netherlands	PEFC Netherlands
Norway	PEFC Norway
Poland	PEFC Poland
Portugal	PEFC Portugal
Russia	PEFC Russia
Slovak Republic	Slovak Forest Certification Association
Slovenia	Institute for Forest Certification
Spain	PEFC Spain
Sweden	PEFC Sweden
Switzerland	PEFC Switzerland
United Kingdom	PEFC UK
United States	PEFC USA: American Tree Farm System (ATFS), Sustainable Forestry Initiative (SFI)
Uruguay	PEFC Uruguay

### Non-endorsed Members (as of 31 Dec. 2014)

COUNTRY	NAME
Cameroon	Cameroonian Association of the Pan African Forestry Certification
Japan	Sustainable Green Ecosystem Council (SGEC)
Lithuania	PEFC Lithuania

#### SYSTEM NEWS 2014:

##### Received endorsement:

- Argentina (Argentine Forest Certification System – CERFOAR)
- The People's Republic of China (China Forest Certification Council – CFCC)
- Indonesia (Indonesian Forestry Certification Cooperation – IFCC)

##### Received re-endorsement:

- PAFC Gabon
- PEFC Luxembourg
- Malaysian Timber Certification Council (MTCC)
- Institute for Forest Certification (Slovenia)
- PEFC Spain
- PEFC Switzerland

##### Under assessment for re-endorsement:

- Australian Forestry Standard (AFS)
- Estonian Forest Certification Council
- PEFC Finland
- PEFC Poland
- PEFC Portugal
- PEFC Russia

##### We welcomed four new International Stakeholder members in 2014:

- International Paper
- Purinusa Ekapersada
- RECOFTC
- Suzano



## PEFC's International Stakeholder Membership 2014

### The benefits of joining include:

- Participating at PEFC's annual General Assembly with voting rights;
- Joining our working groups and committees on topics such as standards revision, market advising and regional promotions;
- Staying informed about PEFC developments throughout the year;
- Collaborating on projects of mutual interest;
- Nominating representatives for the PEFC Board of Directors.

### International Stakeholder Members:

- APP Timber
- Association Technique Internationale des Bois Tropicaux (ATIBT)
- Building and Wood Worker's International (BWI)
- Confederation of European Forest Owners (CEPF)
- Confederation of European Paper Industries (CEPI)
- Earth Focus Foundation
- European Network of Forest Entrepreneurs (ENFE)
- European Timber Trade Federation (ETTF)
- European Tissue Symposium (ETS)
- Fibria
- International Council of Forest and Paper Associations (ICFPA)
- International Family Forestry Alliance (IFFA)
- International Paper
- Meadwestvaco
- Metsä Group
- Purinusa Ekapersada (APP)
- RECOFTC
- Smurfit Kappa
- Stora Enso
- Suzano Pulp and Paper
- Union of Silviculturists of Southern Europe (USSE)
- Weyerhaeuser Company

### Extraordinary Members:

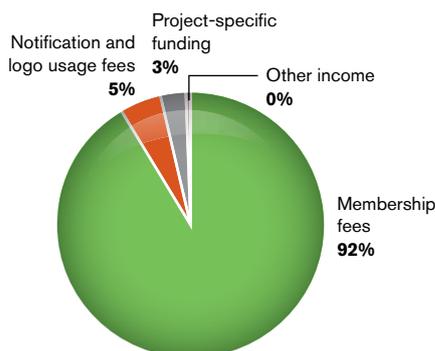
- European Confederation of Woodworking Industries (CEI-Bois)
- European Landowners' Organization (ELO)
- Fédération Européenne des Communes Forestières (FECOF)
- Manufacturers of Educational & Commercial Stationery European Association (MECSEA)
- Union of European Foresters (UEF)

## Financial information

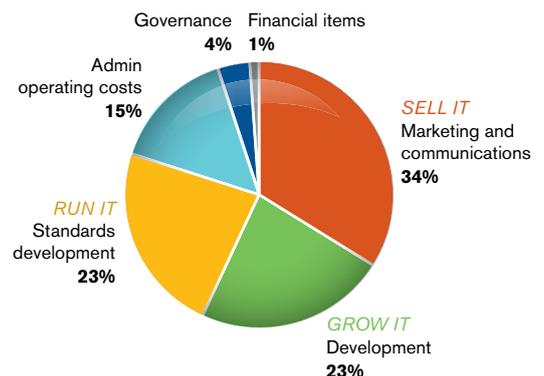
### BUDGET SUMMARY:

In 2013, PEFC operated on a total income of about CHF 3.3 million.

#### Income sources (2013)



#### Expenditure (2013)



# Board of Directors

## CHAIRMAN



### William Street

Chief of Staff for the Wood Workers Department, International Association of Machinists; Retired Director of the Global Wood/Forestry Program and Building and Wood Workers' International; and Director of the Research/Education Department, International Woodworkers of America

*Current Term of Office: 2012-2015*

## VICE CHAIRMEN



### Sheam Satkuru-Granzella

Director of the Malaysian Timber Council (MTC), Europe; Barrister with a Masters in international trade law/regulations; experienced in policy/legal analysis, international negotiations and advocacy, representing the Malaysian and tropical forestry and timber industry

*Current Term of Office: 2014-2017*



### Natalie Hufnagl-Jovy

Senior Policy Advisor with the Consortium of the German Forest Owner Associations (AGDW), from 1999-2007 Secretary General of the Confederation of European Forest Owners (CEPF) and former Board member of IFFA

*Current Term of Office: 2013-2016*

## BOARD MEMBERS



### Pedro Albizu

Member of the Smurfit Kappa Paper Spain executive committee, Director of Wood-Biomass and Energy Sourcing and member of ASPAPEL (Spanish Pulp and Paper Association) and CEPI forest committees

*Current Term of Office: 2013-2016*



### Olivier Bertrand

President of a regional organization in Limousin for forest owners, Vice President of Fransylva and CEPF, President of the Commission for Sustainable Development, Former Member for EU Committee of the Regions

*Current Term of Office: 2013-2016*



### Genevieve Chua

Managing Director of paper merchandising group Spicers Singapore and Spicers Asia and Honorary Treasurer of the Print & Media Association of Singapore

*Current Term of Office: 2013-2016*



### Hans Drielsma

Director of Australian Forestry Standard Ltd (AFS), a professional forester and held senior executive roles with Forestry Tasmania, State Forests NSW and with forest industry and forest research associations

*Current Term of Office: 2012-2015*



### Juan Carlos Jintiach

Works with COICA, the Coordinator of Indigenous Organizations of the Amazon River Basin, and is a focal point in the indigenous people's caucus within the UNFCCC

*Current Term of Office: 2013-2016*



### Riikka Joukio

Senior Vice President of Sustainability and Corporate Affairs at Metsä Group and an active member in several forest industry related associations

*Current Term of Office: 2014-2017*



### Peter Latham, OBE

Chairman of James Latham PLC and former Chairman of the Forests Forever Committee of the Timber Trade Federation and PEFC UK

*Current Term of Office: 2014-2017*



**Joseph Lawson**

Former Global Director of Sustainable Forestry for MeadWestvaco Corporation  
*Current Term of Office: 2014-2017*



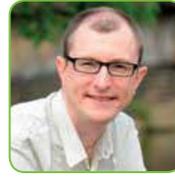
**Michael Proschek-Hauptmann**

Managing Director of the Umweltdachverband, the umbrella organization for environmental NGOs in Austria, and former EU Policy Coordinator in Brussels and Vienna and Policy Officer at WWF Austria  
*Current Term of Office: 2012-2015*



**Hervé Le Bouler**

Head of Forest Policy for France Nature Environnement (FNE), the umbrella organization for environmental NGOs in France; Expert in the Research Department of ONF (State Forest Service, France) climate change policies  
*Current Term of Office: 2014-2017*



**Julian Walker-Palin**

Managing Director of ETANTE Limited and former Head of Sustainability for Walmart in Europe  
*Current Term of Office: 2013-2016*

## Staff members



**Ben Gunneberg**  
CEO / Secretary General

### COMMUNICATIONS UNIT



**Thorsten Arndt**  
Head of Communications



**Hannah Price**  
Communications Officer

### PROJECTS & DEVELOPMENT UNIT



**Sarah Price**  
Head of Projects & Development



**Rémi Sournia**  
Projects & Development Officer

### TECHNICAL UNIT



**Michael Berger**  
Head of Technical Unit



**Christian Kämmer**  
Technical Officer



**Johan Vlieger**  
Technical Officer

### FINANCE & ADMINISTRATION



**Natalie Faulkner**  
PA to CEO and Office Manager



**Gill Parker**  
Finance Manager



**Simon Clark**  
Finance Officer





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