

TJConsulting, Luxembourg

Assessment of the SGEC forest certification scheme against the requirements of the PEFC Council

Final report

4 April 2016

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1 Background

Sustainable Green Ecosystem Council (here-in-after “the applicant” or “SGEC”) has submitted its forest certification scheme (here-in-after “the scheme”) (see chapter 6) for the mutual recognition and endorsement by the PEFC Council. Following the PEFC Council’s procedures identified in PEFC GD 1007:2012, the PEFC Council selected TJConsulting to carry out an independent and impartial assessment of the scheme documentation against the PEFC Council requirements.

SGEC was established in 2003 and in 2011 was registered as a “General Incorporated Association” based on applicable Japanese legislation. In 2014, the SGEC became a member of the PEFC Council.

2 Objective

The objective of this assessment is to:

- a) Identify conformities and non-conformities of the submitted scheme’s documentation with the PEFC Council requirements;
- b) Provide the PEFC Council Board of Directors with recommendation on the re-endorsement of the submitted scheme’s documentation.

3 Impartiality claim

As the consultant for this assessment, neither TJConsulting nor Mr Jaroslav Tymrak (Principal of TJConsulting) has a vested interest in the development or the management of the scheme; was not involved by consulting or any other means in the revision of the scheme and has not provided any other consultancy services to the applicant.

TJConsulting was committed to undertake its assessment of the scheme based solely on submitted information and factual evidence in a professional and impartial manner.

4 Recommendation

Following the evaluation of the SGEC scheme against the PEFC Council's requirements, TJConsulting recommends to the Board of Directors to endorse the SGEC scheme with the following conditions resolving the minor non-conformities¹ identified in the assessment:

- SGEC to actively engage with AINU Association of Hokkaido in order to develop a mutually acceptable solution for recognition of AINU people's rights in the SGEC forest management standard (6);
- the PEFC endorsement should only be limited to those certifications that are issued by accredited certification bodies as "accredited" certifications in compliance with the PEFC requirements and requirements of the PEFC endorsed scheme².

¹ The numbering of the minor non-conformities (a number in brackets) follows chapter Executive Summary of the report. TJConsulting does not recommend to resolve the minor non-conformities (1), (2), (3) and (4) relating to the standard setting process as this would require to repeat a significant part of the standard setting revision process.

² It should be noted that at the time of the assessors visit to Japan (August 2015) all SGEC forest management and chain of custody certificates were issued as "unaccredited" certificates as the certification bodies were (September 2015) in a process of obtaining accreditation. Additional information obtained from SGEC in February 2016^[21] stated that two out of three certification bodies have obtained their accreditation in October 2015.

5 Executive Summary

5.1 Standard setting

Standard setting procedures

The standard setting and revision process is primarily governed by Attachment 2-12 (Standard Setting – Requirements) of Document No. 2 (Operational Procedures). Attachment 2-12 describes key bodies involved in the standardisation process and the process itself. Concerning the dispute settlement, references are made to the SGEC dispute settlement procedures defined in Attachment 2-11 of Document No. 2.

Concerning the conformity with the PEFC requirements defined in PEFC ST 1001, the SGEC has decided to revise attachment 2-12 as a response to the draft reports of this assessment. The latest version of attachment 2-12 is based on and includes majority of clauses that are identical with PEFC ST 1001.

The SGEC standard setting procedures **comply with** PEFC ST 1001.

Standard setting / revision process

SGEC has been established in 2003 and since 2007, it has engaged in nearly permanent revision process. The assessment was mainly focused on the last revision that took place during 2014-2015 with the main objective to align the SGEC scheme with the PEFC requirements.

It should be noted that the SGEC took an effort to correct some of the non-conformities identified in a draft interim report of this assessment. The results of those actions were taken into consideration although they were not a part of the 2014-2015 revision process and could not significantly influence the development/revision of the SGEC's standards.

The following **minor non-conformities** have been identified:

- (1) Identification of key and disadvantaged stakeholders and their constraints and addressing the constraints (PEFC ST 1001, 5.2);
- (2) Announcement of the revision process and invitation of stakeholders to participate (PEFC ST 1001, 5.3 b, c, d, e);
- (3) Consideration of nominations to the SGEC standard setting body(ies) (PEFC ST 1001, 5.4);
- (4) Public consultation: invitation to key and disadvantaged stakeholders.

TJConsulting does not recommend to resolve the minor non-conformities (1), (2), (3) and (4) relating to the standard setting process before the PEFC endorsement as this would require to repeat a significant part of the standard setting revision process. The minor non-conformities should be considered by the SGEC and resolved during the next regular revision process.

Details about the assessment and the scheme compliance can be found in chapter 8.2 of this report.

5.2 Group forest management certification

The SGEC scheme allows group certification as a certification model that is suitable to the fragmented forest ownership structure in Japan.

The requirements for group certification are defined in attachment 2-4 of Document No.2: *“Operational Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)”*.

The text of attachment 2-4 is nearly identical with PEFC ST 1001 with only small elements of scheme specific requirements. The assessment concludes **conformity** with the PEFC requirements (PEFC ST 1002).

Details about the assessment and the scheme compliance can be found in chapter 8.3 of this report.

5.3 Sustainable forest management standard

The requirements for sustainable forest management are defined in Document No. 3 *Principles, Indicators and Guidelines for SGEC Forest Management Certification – Requirements for Forest Management Certification*.

Document No.3 is logically structured and the standard’s concept is used consistently throughout the document. The document includes sufficiently detailed management system as well as performance based requirements that allows the standard to be used for conformity assessment activities.

Document No.3 complies with the requirements of PEFC ST 1003 except **two minor non-conformities**.

(5) Forest conversion (PEFC ST 1003, 5.1.11)

The minor non-conformity has been assigned based on the following arguments:

- Conditions for conversion of primary forests to planted forest (2-1-3) and indirectly also for conversion of forests to other land types (2-1-4) is limited in size by the term “unless in small areas” that is ambiguous for the purposes of forest certification;
- The permission system for conversion of forests into other land use does not cover (i) conversion smaller than 1 ha, (ii) conversion where national, prefectural and municipal governments are the developers.

However, it should be noted that the conversion of forests is not a critical issue as the forest area in Japan is stable and the legal conditions for forest conversion based on a case-by-case permission system as well as legislation relating to management of protected areas can be considered as **sufficient to fulfil the objectives of the PEFC requirement** although not fully satisfying the detail of the PEFC requirements.

Therefore, the assessment also concludes and provides argumentation that this minor non-conformity should not prevent the SGEC scheme from obtaining the PEFC endorsement.

(6) Indigenous peoples' rights (PEFC ST 1003, 5.6.4)

The SGEC requirements ensure that (i) a forest manager recognises AINU people as the indigenous people; (ii) considers the legal requirements and governmental policy relating to AINU people; and considers AINU people as a stakeholder, hears their view, consults with indigenous people or establishes a process to arrive at a fair solution (this should be done in prior to and an open manner).

However, the minor non-conformity has been assigned based on the following argumentation:

- Mandatory nature of ILO 169 and UNDRIP is not clear³ and
- The document does not include provisions relating to the “Free, Prior and Informed Consent” although note 1 to 5-2-5 envisages communication with the indigenous people in a free and open manner prior to certification.

It should be noted that the extent of the rights of AINU people in Japan is still negotiated by the Japanese government. Within this period, the SGEC is not fully recognising AINU's land claims that could be considered as justified based on ILO 169 and UNDRIP, Article 26 and bases its requirements on recognition of AINU people and intensive communication/consultation of forest manager with the AINU people. This approach could be considered as “justifiable” taking into account the last part of the PEFC requirement 5.6.4 (PEFC ST 1003). However, the assessor has decided not to completely close the non-conformity in order to encourage the SGEC and the PEFC Council to continue in an on-going dialogue between the AINU people and the SGEC.

It is recommended that the PEFC Council provides the SGEC sufficient time to find a solution that would be mutually acceptable by the AINU representatives and other SGEC stakeholders.

Details about the assessment and the scheme compliance can be found in chapter 8.4 of this report.

5.4 Chain of custody requirements**5.4.1 Duality of chain of custody certification in Japan**

The SGEC has developed its own chain of custody standard as well as its own requirements for chain of custody certification bodies⁴. Based on the fact that the SGEC makes reference to the PEFC International Chain of Custody Standard (PEFC ST 2002) as a part of notification of certification bodies, it is assumed that this type of certification will continue even after the PEFC endorsement of the SGEC scheme. This duality of PEFC chain of custody certification in Japan needs to be considered in the PEFC endorsement and especially in the administration of the PEFC scheme as defined by PEFC GD 1004.

Although the SGEC has not formally adopted PEFC ST 2002, the fact that the SGEC has developed notification procedures (Attachment 2-13-2 of Document No. 2) can be considered as expressing its “responsibility” for the PEFC chain of custody certification (PEFC ST 2002) in Japan.

³ However, it should be noted that the mandatory status of ILO 169 and UNDRIP is not even evident from PEFC ST 1003 as those documents are introduced with the wording “such as”.

⁴ The PEFC Council's documentation does not define requirements for scheme specific chain of custody standards. However, it can be deduced from requirements of Annex 6 referring to the “scheme specific chain of custody standard” that this approach is possible.

5.4.2 SGEC scheme specific chain of custody standard

The SGEC chain of custody requirements are defined in Document No. 4, *Guidelines for SGEC CoC certification – Requirements for CoC certification*. Requirements for CoC multisite certification are defined in attachment 2-8 of document No. 2 (Operational Rules).

The wording of both documents is nearly identical with PEFC ST 2002 and in most cases only references to “PEFC” were replaced by “SGEC”. The detailed assessment presented in chapter 8.5.2 concludes that Document No. 4 **conforms** to the PEFC requirements (PEFC ST 2002).

5.5 Requirements for chain of custody certification bodies

5.5.1 Duality of chain of custody certification in Japan

SGEC has developed its own chain of custody standard as well as its own requirements for chain of custody certification bodies⁵.

However, it is assumed that the PEFC endorsed scheme is also becoming responsible for chain of custody certifications against PEFC ST 2002 and that it shall ensure that those certifications are carried out by certification bodies that are meeting PEFC ST 2003. It is expected that this “responsibility” is defined by a formal adoption of those two international PEFC standards by the national scheme or by developing notification procedures for certification bodies that are clearly referencing those standards.

Although the SGEC has not formally adopted PEFC ST 2003, the fact that the SGEC notification procedures (Attachment 2-13-2 of Document No. 2) makes clear references to compliance with PEFC ST 2003 can be considered as expressing its “responsibility” for the PEFC chain of custody certification (PEFC ST 2002) and compliance with PEFC ST 2003 in Japan.

5.5.2 SGEC requirements for SGEC chain of custody certification bodies

SGEC has defined requirements for certification bodies in the following documents:

- Document No. 2: Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)
- Attachment 2-10 to Document No 2: Requirements for Certification Bodies operating certification under SGEC certification scheme
- Attachment 2-10-3 to Document No. 2: Requirements of qualification for personnel of evaluation team
- Attachment 2-10-1-1 to Document No. 2: Requirements for accreditation of certification bodies
- Attachment 2-10-1-2 to Document No. 2: Requirements for notification of certification bodies
- Attachment 2-10-2 to Document No. 2: Multisite chain of custody certification

⁵ The PEFC Council’s documentation does not define requirements for scheme specific chain of custody standards. However, it can be deduced from requirements of Annex 6 referring to the “scheme specific chain of custody standard” that this approach is possible.

- Attachment 2-13 to Document No. 2: Certification and Accreditation Procedures
- Attachment 2-13-1 to Document No. 2: Educational programs related to certification standards and auditing training and experiences

The SGEC requirements have been assessed against and **comply with** PEFC ST 2003.

In addition, it should be noted that an interview of the SGEC representatives and certification bodies in August 2015 identified that none of the certification bodies have been accredited and none of their issued SGEC chain of custody certificates (August 2016) had been issued as “accredited” certificates. SGEC information provided in February 2016 ^[21] states that 2 of 3 certification bodies have already been accredited in October 2015 and that “accredited” evaluation will take place after the PEFC endorsement. This fact needs to be taken into account when formulating the PEFC endorsement decision.

Details about the assessment and the scheme compliance can be found in chapter 8.6.1 of this report.

5.6 Requirements for forest management certification bodies

SGEC has defined requirements for certification bodies in the following documents:

- Document No. 2: Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)
- Attachment 2-10 to Document No 2: Requirements for Certification Bodies operating certification under SGEC certification scheme
- Attachment 2-10-1-1 to Document No. 2: Requirements for accreditation of certification bodies
- Attachment 2-10-1-2 to Document No. 2: Requirements for notification of certification bodies
- Attachment 2-10-3 to Document No. 2: Requirements of qualification for personnel of evaluation team
- Attachment 2-13 to Document No. 2: Certification and Accreditation Procedures
- Attachment 2-13-1 to Document No. 2: Educational programs related to certification standards and auditing training and experiences.

The scheme’s requirements for certification bodies, their accreditation and notification **comply** with Annex 6 of the PEFC Technical Document.

In addition, it should be noted that an interview of the SGEC representatives and certification bodies in August 2015 identified that none of the certification bodies have been accredited and none of their issued SGEC chain of custody certificates (August 2016) had been issued as “accredited” certificates. SGEC information provided in February 2016 ^[21] states that 2 of 3 certification bodies have already been accredited in October 2015 and that “accredited” evaluation will take place after the

PEFC endorsement. This fact needs to be taken into account when formulating the PEFC endorsement decision.

Details about the assessment and the scheme compliance can be found in chapter 8.6.2 of this report.

5.7 Requirements for dispute settlement in the administration of PEFC scheme

The SGEC requirements for complaints and dispute resolution are defined in Chapter 7 of Document No. 2 and then detailed in attachment 2-11-1. The procedures address any complaints relating to the SGEC scheme⁶ made by those “who have received disadvantages from SGEC certification system”⁷. The procedures regulate the contact point for the complaints, receipt of the complaints, investigation and resolutions of the complaints, recording and communication with the complainant and other parties.

Attachment 2-11-1 **complies** with requirements of PEFC GD 1004 relating to the dispute settlement.

Details about the assessment and the scheme compliance can be found in chapter 8.7 of this report.

5.8 Requirements for PEFC Logo licensing

The SGEC has submitted attachment 2-2-1-2 to Document No. 2 (Operational procedures) that defines PEFC logo licencing procedures.

The assessment has been carried out against PEFC GD 1004 and concludes **full conformity** with PEFC GD 1004.

It should be noted that currently the PEFC authorised body for Japan is PEFC Asia Promotion and this organisation is obliged to comply with PEFC GD 1004. However, the work of the PEFC Asia Promotion is not under control of the SGEC and is not a part of the SGEC scheme.

Details about the assessment and the scheme compliance can be found in chapter 8.8 of this report.

⁶ Attachment 2-11-1 to Document No. 2, scope

⁷ Document No. 2, chapter 7

5.9 Requirements for PEFC Notification

Currently, the PEFC Council has authorised PEFC Asia Promotions as the “PEFC authorised body” (the notifying body) for Japan. This organisation can notify certification bodies to issue chain of custody certificates against the PEFC international chain of custody standard (PEFC ST 2002).

The SGEC, as the PEFC National Governing Body has a right to become the “PEFC Authorized Body” for Japan and to sign the “administration” contract with the PEFC Council. When doing so, the PEFC Council would need to resolve the “duality” of the PEFC notification in Japan (and administration of the PEFC scheme in general).

Attachment 2-13-2 to Document No. 2 (*“Notification of certification bodies operating certification of SGEC and/or PEFC”*) assumes that the SGEC will perform all PEFC notification tasks in Japan, as it includes two sections, one for notification of certification bodies operating SGEC forest management and chain of custody certification and second for notification of certification bodies operating chain of custody certification against PEFC ST 2002. The procedures define conditions for the issuance of the notification, responsibility of the certification body as well as validity of the notification. Each section also includes a specimen notification contract.

The presented procedures **comply** with PEFC GD 1004.

6 Referenced documentation

The following documents have been used for the assessment and are referenced in this report:

PEFC Council requirements:

PEFC ST 1001:2010: Standard setting-Requirements

PEFC ST 1002:2010: Group forest management certification – Requirements

PEFC ST 1003:2010: Sustainable forest management – Requirements

PEFC ST 2001:2008 (second edition): PEFC Logo Usage Rules - Requirements

PEFC ST 2002:2013: Chain of custody of forest based products – Requirements

PEFC ST 2003:2012 (second edition): Requirements for certification bodies operating chain of custody certification against the PEFC Council international chain of custody standard

Annex 6 of the PEFC Technical Document: Certification and Accreditation Procedures

PEFC GD 1004:2009: Administration of PEFC scheme

PEFC GD 1005:2012: Issuance of the PEFC Logo Usage Licenses by the PEFC Council

PEFC GD 1007:2012 Endorsement and Mutual Recognition of National Systems and their Revision

PEFC IGD 1007-03:2012 The Assessment Report

Tender dossier Call for proposals for the assessment of the SGEC certification scheme against PEFC Council Requirements

Clarification: Assessment report (31 October 2012)

The scheme's documentation

SGEC Normative Documents

Document No. 1	SGEC Statutes
Document No. 2	Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC), amended on 10 February 2016
Attachment 2-1	SGEC logos and labels (approved 1 April 2012)
Attachment 2-2	Regulations of the use of SGEC logos and labels (amended on 1 April 2015)
Attachment 2-2-1-1	Issuance of the SGEC Logo usage license (amended on 1 April 2015)
Attachment 2-2-1-2	Issuance of PEFC Logo Usage License (submitted on 21 March 2016)
Attachment 2-2-2	SGEC Information Register (amended on 1 April 2015)
Attachment 2-4	Requirement for group forest management certificate (amended on 10 February 2016)
Attachment 2-4-1	Revised requirements for 'annual internal auditing program' stipulated in '3-1 General' under '3. Functions and responsibilities of the group entity and participants' of 'Attachment 2-4: Requirement for group forest management certificate' (effective 1 July 2014)
Attachment 2-8	Requirement for Multi-site CoC Organization (amended on 1 April 2015)
Attachment 2-10	Requirements for Certification Bodies operating certification under SGEC certification scheme (amended on 10 February 2016)
Attachment 2-10-1-1	Requirements for Accreditation of SGEC Certification Body (approved 10 February 2016)
Attachment 2-10-1-2	Requirements for Notification of SGEC Certification Body (approved 10 February 2016)
Attachment 2-10-2	Multi-site chain of custody certification (amended on 1 April 2015)
Attachment 2-11	Requirements for Operational Rules of SGEC (approved 1 April 2015)
Attachment 2-11-1	Procedures for dealing with complaints and disputes against SGEC scheme (amended on 1 April 2015)
Attachment 2-12	SGEC Standard Setting – Requirements (amended on 10th February 2016)

Attachment 2-13	Certification and Accreditation Procedures (amended on 12 December 2015)
Attachment 2-13-1	Educational programs related to certification standards and auditing training and experiences (amended 1 April 2015)
Attachment 2-13-2	Amendment of "Notification of Certification Bodies operating Certification of SGEC and/or PEFC" (amended on 10 February 2016)
Document No. 3	Principles, Indicators and Guidelines for SGEC Forest Management Certification Requirements for Forest Management Certification (submitted on 15 February 2016)
Document No. 4	Guidelines for SGEC CoC Certification Requirements for CoC Certification (submitted on 15 February 2016)

Supporting documentation (submitted on 10 April 2015)

Appendix 2	Procedures of SGEC standard setting and its record of processes Development report
Appendix 3	PEFC standard and system requirements checklist (here-in-after "the Checklist")
Application letter	

Additional evidence submitted on 16 July 2015

- [1] Printscreen of the SGEC website (www.sgec-eco.org) with handwritten translation (to be checked that the documentation is publicly available)
- [2] Copies of submitted complaints/opinions and relating responses (in Japanese)
- [3] A list of stakeholders (the SGEC's stakeholders mapping)
- [4] Evidence relating to business activities plan of 2014, its consideration by the Board of Directors and publication at the SGEC website.
- [5] Information relating to the public consultation of 15 October 2014 and 11 November 2014, including screenshots of the SGEC website, text of the announcement, records on comments consideration.

Additional evidence submitted on 4 November 2015

- [6] Evidence relating to the stakeholder meeting of 26 August 2014
- [7] Evidence relating to the stakeholder mapping carried out in September 2015
- [8] Business Activities Plan for 2014 (with partial translation)
- [9] Records on Expert and Councillors Committee meetings in 2014
- [10] Evidence and legislation relating to the conversion of forests, the protection forest system and forest planning system in Japan
- [11] Evidence and legislation relating to the usage of pesticides in Japan
- [12] Evidence and legislation/policy relating to AINU people
- [13] Report of the Advisory Council for Future Ainu Policy (2009)

- [14] Labour Standards Act (1947)
- [15] Explanation relating to the “nutrient off-take”, PEFC ST 1003, 5.3.6
- [16] Explanation relating to the sustainable harvest
- [17] The process of deliberations and consensus building towards the agreement on the “Partial revisions of SGEC documents”
- [18] Summary of non-conformities – draft report and SGEC submission

Additional evidence submitted on 2 December 2015

- [19] SGEC response to evaluation of additional information on the SGEC scheme – November 2015
- [20] Identification of Disadvantaged and Key Stakeholders in the SGEC Stakeholder Mapping (Annex 1)

Additional evidence submitted on 15 February 2016

- [21] SGEC response to the Final draft report of the assessment

7 Methodology and timetable

7.1 Scope of the assessment

The assessment was carried out based on PEFC GD 1007:2012, the tender dossier of 10 April 2015 and the TJConsulting's tender proposal of 8 May 2015.

The assessment was carried out as a desk-top exercise based on the documentation that was provided by the applicant as a part of its application for the PEFC re-endorsement and during the assessment process (see chapter 6). The assessment was supported by a scheme (country) visit.

The assessment also considered comments and documentation submitted as a part of the PEFC's international consultation and TJConsulting's survey amongst Japanese stakeholders as well as stakeholders' interview carried out during the visit of Japan.

7.2 Assessment process

The following table describes the assessment process that is based on and fully conforms to PEFC IGD 1007-03:2012, the tender dossier of 10 April 2015 and the tender proposal of 8 May 2015.

Stage	Description	Output	Time period
Start of the assessment	PEFC Council announced the start of the assessment process on 1 July 2015. Following the contractual documentation, TJConsulting provided the PEFC Council and the applicant with specific assessment deadlines.	The PEFC announcement on the commencement of the assessment	1 July 2015
Stage 1 assessment	The stage 1 assessment was based on the documentation referred to in the tender dossier and other documentation submitted before the start of the assessment. In addition, TJConsulting asked for and received from the applicant additional documentation and evidence (See chapter 6). Stage 1 assessment also included distribution of the stakeholders questionnaire and its analysis	Interim report	31 July 2015
Comment period	The draft interim report was available to the SGEC and the PEFC Council for comments	Responses to the Interim report	31 July – 4 Sep 2015
Visit to Japan	Stakeholders' interview and clarification of non-conformities		24 – 28 Aug 2015
Interruption of the assessment process	The assessment process was interrupted based on SGEC's request		1 Sep – 4 Dec 2015

Stage 2 assessment	Evaluation of responses to the draft interim report and changes to the documentation	Draft final report	4 - 16 Dec 2015
Additional assessment	PEFC Council has requested to carry out an additional assessment of SGEC responses and amended documentation submitted on 15 February and 21 March 2016.	Draft final report II	19 Feb – 4 April 2016
Public consultation	The PEFC Council invited stakeholders to comment on the SGEC scheme	Stakeholders comments	12 May – 13 July 2015
Panel of Experts (PoE) review	A Panel of Experts appointed by the PEFC Council reviewed the final draft report and provided comments to the report	Comments from PoE	4 March – 21 March 2016
Consideration of the Panel's comments	Consideration of PoE comments and amendments to the report	Final report	21 March – 4 April 2016

7.3 Classification of non-conformities

The assessment provides for three types of decision relating to the scheme conformity with the PEFC Council's requirements as indicated in chapter 7.2.2.4.1.2 of PEFC GD 1007:

Major non-conformity: A major non-conformity violates the integrity of the certification system and has to be corrected before the endorsement of the system.

Minor non-conformity: A minor non-conformity does not violate the integrity of the certification system, and is not a bar to endorsement. The assessor recommends appropriate corrective action. Generally, a minor non-conformity should be corrected within 6 months. The assessor may recommend a longer period where justified by particular circumstances.

Conformity: A procedure described by the scheme documentation fully meets the particular requirement of the PEFC Council.

In addition to the conformity statements above, the report also includes "observations" that are, however, not causing non-conformities with the PEFC requirements.

8 Assessment

8.1 Assessment of the structure of the scheme

8.1.1 Structure of the scheme's documentation

The PEFC Council does not have any requirements relating to the structure of national forest certification schemes. Therefore, the text below illustrates the overall context and some implementation issues relating to the structure and clarity of the scheme's documentation.

The scheme consists of four SGEC Documents as shown in the next table. In addition, Document No. includes several attachments that could also be considered as applied as alone standing documents.

Document No. 1	SGEC Statutes	
Document No. 2	Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)	
	Attachment 2-1	SGEC logos and labels
	Attachment 2-2	Regulations of the use of SGEC logos and label
	Attachment 2-2-1-1	Issuance of the SGEC Logo usage licenses
	Attachment 2-2-1-2	Issuance of PEFC Logo Usage Licenses
	Attachment 2-2-2	SGEC Information Register)
	Attachment 2-4	Requirement for group forest management certificate
	Attachment 2-4-1	Revised requirements for 'annual internal auditing program' stipulated in '3-1 General' under '3. Functions and responsibilities of the group entity and participants' of 'Attachment 2-4: Requirement for group forest management certificate'
	Attachment 2-8	Requirement for Multi-site CoC Organization
	Attachment 2-10	Requirements for Certification Bodies operating certification under SGEC certification scheme
	Attachment 2-10-1-1	Requirements for Accreditation of SGEC Certification Body
	Attachment 2-10-1-2	Requirements for Notification of SGEC Certification Body
	Attachment 2-10-2	Multi-site chain of custody certification
	Attachment 2-11	Requirements for Operational Rules of SGEC
	Attachment 2-11-1	Procedures for dealing with complaints and disputes against SGEC scheme (amended on 1 April 2015)

	Attachment 2-12	SGEC Standard Setting – Requirements (amended on 10th February 2016)
	Attachment 2-13	Certification and Accreditation Procedures (amended on 12 December 2015)
	Attachment 2-13-1	Educational programs related to certification standards and auditing training and experiences (amended 1 April 2015)
	Attachment 2-13-2	Amendment of “Notification of Certification Bodies operating Certification of SGEC and/or PEFC” (amended on 10 February 2016)
Document No. 3	Principles, Indicators and Guidelines for SGEC Forest Management Certification Requirements for Forest Management Certification	
Document No. 4	Guidelines for SGEC CoC Certification Requirements for CoC Certification	

8.1.2 Organisational arrangement

The scheme separates the standard setting, certification and accreditation functions by the following organisational arrangement.

SGEC is the governing body of the scheme and represents the scheme in the PEFC Council. It is also responsible for the scheme administration, i.e. notification of certification bodies, issuance of SGEC licenses and dispute settlement; and for the scheme’s marketing activities.

Certification bodies are responsible for assessing conformity of forest owners/managers that are applying for the SGEC certification and for assessing conformity of wood processing companies applying for SGEC chain of custody certification. The certification bodies are required to be accredited by a national accreditation body that is a member of IAF (respectively signatory of the IAF Multilateral agreement).

Accreditation body is responsible for assessing the certification body’s conformity with ISO 17065 and SGEC’s scheme specific requirements for certification bodies. SGEC recognises accreditation issued by a national accreditation body that is a member of IAF.

8.1.3 Duality of SGEC and PEFC certification/logo usage

SGEC has developed its own SGEC label and SGEC claims, its own scheme specific chain of custody standard and its own scheme specific requirements for chain of custody certification bodies. It is expected that after the PEFC endorsement of the SGEC scheme, those certified entities will have also access to the PEFC Logo/label and will be allowed to make PEFC claims.

At the same time, in Japan, there is operational PEFC chain of custody certification against the PEFC International chain of custody standard (PEFC ST 2002) and certification bodies are obliged to comply with PEFC international requirements for certification bodies (PEFC ST 2003).

The SGEC has not formally adopted the PEFC international standards but has developed procedures for notification of certification bodies operating PEFC chain of custody

certification. Currently, this task is performed by PEFC Asia Promotions, an organisation promoting PEFC in Japan and recognised as the “PEFC authorised body” in Japan.

This duality of administration of the scheme will need to be considered as a part of the endorsement and especially when deciding on the tasks of the “PEFC Administration” based on PEFC GD 1004.

8.1.4 Observation relating to the structure of the SGEC scheme

The PEFC Council has no requirements for the structure of the scheme and the following observation should not have an impact on the endorsement of the SGEC scheme:

- a) The identification of the SGEC documents (Document No. 1-4) is too general and creates some difficulties in referencing the relevant documents. The SGEC should consider to use unique identifiers of its documents/standards, especially when the documents are referenced in the context of certification and internationally.
- b) The documents (especially Documents 2-4) in its English version do not have structure of normative documents/standards⁸. Documents are missing basic elements such as who and when approved the document; version of the document, etc.
- c) There is significant overlap of scopes of individual documents, especially concerning requirements for certification bodies that are defined in the core part of Document No. 2 as well as several appendices to this document. The scopes as well as individual requirements are overlapping. This creates a risk of conflicting requirements and worsen readability and usability of the scheme.

⁸ It should be noted that this can be caused by translations into English that has also required different formatting.

8.2 Requirements for standard setting

8.2.1 Introduction and summary

SGEC history

SGEC certification scheme has been established in 2003 by various stakeholders, including forest owners, forest industry as well as academia groups and non-governmental organisations. In 2011, in order to make legal consistency with the Act on General Incorporated Association and General Incorporated Foundations, the “SGEC” was registered as a General Incorporated Association. In 2004, the SGEC had 21 members that are mainly representing forestry sector organisations, forest owners and the wood processing sector. Additional stakeholders are participating in various multi-stakeholders’ bodies that are established by the SGEC (See Annex 1)

Since 2011, the SGEC started considering its affiliation with the key international forest certification schemes, PEFC and FSC and launched a revision process that leads to the transformation of the SGEC into a national scheme that is mutually recognised within the PEFC (Programme for the endorsement of forest certification scheme).

The SGEC is becoming the standard setting organisation that is responsible for development and management of relevant standards and operational procedures, promoting the scheme in Japan and overseas, conducting research, collaborating with other organisations. Certification activities are to be performed by certification bodies that are conforming to ISO/IEC 17065 and that are accredited by a national accreditation body.

Assessment approach

The records on the SGEC’s standard setting⁹ indicates that since 2007, the SGEC carried out nearly permanent revision process. It is assumed that the SGEC adopted a new version of its documentation in 2011 that was further revised in 2014-2015 to ensure its compliance with the PEFC requirements.

Therefore, the assessment of the SGEC’s standard setting/revision was primarily focused on activities performed during the last revision of 2014 – 2015.

Standard setting procedures

The standard setting and revision process is primarily governed by Attachment 2-12 (Standard Setting – Requirements) of Document No. 2 (Operational Procedures). Attachment 2-12 describes key bodies involved in the standardisation process and the process itself. Attachment 2-12 is based on general requirements and principles defined in Document No.2 (Operational Procedures) and Document No. 1 (the Statutes). Concerning the dispute settlement, references are made to the SGEC dispute settlement procedures defined in Attachment 2-11 of Document No. 2.

Attachment 2-12 was developed during the 2014-2015 revision and as such was not available in the beginning of the revision process and only partially governed the process.

Following a draft interim report of this assessment (August 2015) and then final draft report (December 2015), SGEC decided to comprehensively revise Attachment 2-12 as the response to identified non-conformities. The latest version of Attachment 2-12 adopts the structure as well as majority of clauses of PEFC ST 1001. The latest version of Attachment 2-12 resolves the previously identified non-conformities and complies with the PEFC requirements.

⁹ Appendix 2 of the application, section 2

The assessment of the standard setting procedures is based on the latest version of Attachment 2-12 and it needs to be noted that this version of the document did not govern the revision process of 2014-2015 and that there are logically discrepancies in this assessment between the written procedures and the description of the revision process itself.

Working group / committee for building consensus

The Statutes (Document No. 1), Operational Procedures (Document No. 2) and attachment 2-12 define several multi-stakeholder bodies that are involved in the standard setting activities:

- a) Board of Directors: to formally approve the SGEC's rules and regulations (including forest management and chain of custody standards,
- b) Councillors Committee provides opinion to the Board of Directors upon consultation with the Chairperson",
- c) Certification Management Committee provides opinion to the Board of Directors and the President and within the standard setting is mainly responsible for the evaluation of the standards field applicability.
- d) Expert Committee is responsible for drafting the standards.

The Councillors Committee, the Certification Management Committee and especially the Expert Committee¹⁰ are therefore the bodies with functions compatible to the "working group/committee" of PEFC ST 1001.

It should be noted that the latest version of Attachment 2-12 (December 2015) has revised the approach and defines the Expert Committee as the primary body for the development of consensus and other bodies either play a consultative role (the Councillors Committee, the Certification Management Committee) or is responsible for a formal approval of the standard(s) (the Board of Directors).

However, the assessment of the revision process (2014-2015) considers the role of all bodies, their representation, participation and cooperative effort to satisfy the PEFC Council's requirements

The Councillors Committee, the Certification Management Committee and the Expert Committee are appointed by the Board of Directors. Each of the body had focus on different stakeholder groups:

- a) Councillors committee should have members that are intellectual or academic experts among academia and NPOs/NGOs which represent academia, environment and civil society/consumer groups¹¹;
- b) Certification Management Committee shall be appointed by the President and approved by the Board of Directors among academia, retired/seniors of forest management and NPOs/NGOs¹²;
- c) Expert Committee is appointed among practical experts/managers of industry organizations and experts in certification systems¹³.

¹⁰ The Expert Committee was identified by the SGEC itself as the "working group/committee" that is responsible for consensus building. However, the assessment took into account also other two bodies as their work is relevant to the requirements of PEFC ST 1001 and their composition contributes to the balanced composition of relevant stakeholder categories.

¹¹ Doc. 1 – Article 52, attachment 2-12

¹² attachment 2-12

¹³ attachment 2-12

However, the real representation in the committees, especially in the Expert Committee, is more diverse than described by the SGEC Procedures¹⁴. It could be concluded that the SGEC has achieved wide representation of stakeholders that are operating at the national level; it has strong representation of the academic and research as well as various forest sector organisations, forest industry and forest owners representatives.

- a) Councillors Committee: 17 members: forest industry 1, forest owners 1, NGOs 7 (out of that environmental 3), science and academy 7, woman 1.
- b) Certification Management Committee: 5 members: NGOs 2 (out of that environmental 1), science and academy 3.
- c) Expert Committee: 21 members: forest industry 8, forest owners 1, NGOs 11 (out of that environmental 1), science and academy 1.

None of the bodies can be considered as having truly balanced representation of stakeholders, indigenous peoples representatives, trade unions or governmental authorities are missing in all three committees, environmental NGOs are only represented in the Councillors Committee. However, the assessment considered other factors to conclude conformity with the PEFC requirements:

- a) The referenced bodies co-operated in the revision process, on several occasions joint meetings were organised;
- b) Indigenous peoples representatives were invited but decided not participate in the process; formal representation of governmental organisations is prohibited by law (however, consultation was carried out with those stakeholders);
- c) The interviews carried out during the assessor's visit to Japan covered a significant proportion of stakeholders participating in the referenced bodies and confirmed that the stakeholders consider the committees as sufficiently representative and balanced;
- d) As a response to the draft interim report, the SGEC enlarged the membership of the Expert Committee based on an open invitation of stakeholders.

A minor non-conformity was identified for the following PEFC requirement:

- The bodies were not fully accessible to stakeholders, members were appointed by the President or the Board of Directors; there was no open invitation to stakeholders to nominate their representatives and transparent process of the nominations selection (PEFC ST 1001, 4.4a).

Stakeholders mapping

The SGEC has provided a list of stakeholders^[3] that included 49 stakeholders at the national level, 5 at the regional level and 3 special stakeholders. All the national stakeholders are those that are already participating in some of the SGEC's committee.

The SGEC's documentation includes a requirement that the identification of stakeholders shall be carried out before a stakeholder meeting to present a draft document. It should be noted that although the SGEC has provided the stakeholders' list of 57 organisations/individuals, the participation at the SGEC's stakeholders meetings as significantly broader.

There is a doubt of whether the SGEC carried out a systematic identification of all relevant stakeholders or it has only provided a list of stakeholders that have been participating in the SGEC process.

¹⁴ See Annex 1 of this report

It should be noted that the stakeholders mapping did not include, for example, WWF, Friends of the Earth or JATAN that are active in forestry and are even communicating with the SGEC.

As a response to the draft interim report, the SGEC carried out a new and more comprehensive stakeholder planning exercise^[7,20] that was considered as a corrective action and was considered in the assessment's conformity statement¹⁵.

The PEFC Council requires that the stakeholders mapping shall identify key and disadvantaged stakeholders; that it shall identify their constraints and those shall be addressed by the standardisation body. In particular, PEFC ST 1001 requires that the standardisation body shall use direct communication with those stakeholders to ensure that information is "received and understood". The SGEC adopted an approach of classifying all the identified stakeholders as either disadvantaged or key^[7, 20]. Although this approach would not be conflicting the PEFC requirement¹⁶, it is questionable whether the SGEC is able to identify and address constraints of all relevant stakeholders.

Announcement of the revision and invitation of stakeholders

The SGEC submitted documentation¹⁷ that indicates that the SGEC has performed nearly permanent revision process since 2007. Additional information received during the evaluation indicates that the latest revision took place during 2014 and 2015 to bring the SGEC scheme into compliance with the PEFC requirements.

The SGEC argues that the public announcement was carried out through stakeholders meetings (organised when the draft standard is available) and through a "business activities plan" that is annually approved by the Board of Directors and then published at the SGEC's website.

However, the approach has been found as non-conforming with the PEFC requirements (PEFC ST 5.3) as:

- Information in the "business activities plan" was not easily accessible to stakeholders (especially those outside the SGEC structure) as they cannot be expected to proactively search in all documents published at the SGEC's website;
- The published "business activities plan" did not include all information required by the PEFC requirements;
- Announcement at the stakeholders meeting cannot be considered as being made at the start of the process; a part of the announcement should also be invitation of stakeholders to nominate their representatives into the working group/committee but the stakeholder meeting is only organised when a draft standard is available.
- The approach neither allowed all stakeholders to make nominations to the SGEC's committees and their consideration by the SGEC (PEFC ST 1001, 5.4)¹⁸ nor to make comments to the planned standard setting activities to be considered by the SGEC (PEFC ST 1001, 5.4).

¹⁵ Although this correction could not have impact on the assessed revision process of 2014-2015

¹⁶ PEFC ST 1001, 5.2 expects to identify key and disadvantaged stakeholders as a subset of all identified stakeholders and requires more demanding approach in ensuring their participation.

¹⁷ Appendix 2 of the application, section 2

¹⁸ It should be noted that this issue has been partially corrected by the invitation of stakeholders and enlargement of the Expert Committee performed in September 2015.

Open and transparent work of SGEC's committees

SGEC has submitted a number of documents and records relating to the standard setting activities.

TJConsulting made a request for records of a sample of meetings of the SGEC's multi-stakeholders committees to verify openness and transparency of their work (in particular distribution of invitation to meetings and draft documents, minutes of the meetings and their distribution to members).

In addition, the assessor interviewed a significant proportion of stakeholders participating in the SGEC bodies/committees and this confirmed that stakeholders considered the work of those bodies as open and transparent.

Public consultation

SGEC carried out two public consultations during October, November and December 2014. One of them lasted for 60 days, the second lasted 30 days. The public consultation was announced at the SGEC's website as well as in two professional magazines.

Comments received during the public consultation were considered by the Expert Committee, the Councillors' Committee and also by the Board of Directors and results were incorporated in the draft documentation.

Comments and their consideration were also published at the SGEC's website.

A minor non-conformity described in the detailed assessment relates to the fact that the SGEC has not made direct invitation to key and disadvantaged stakeholders to contribute to the public consultation.

Pilot testing

The SGEC's has set up a Certification Management Committee (CMC) to evaluate the field applicability of the draft standards. Although the SGEC has not conducted a field test of the revised standards, a minor non-conformity has not been assigned as the PEFC requirement (PEFC ST 1001, 5.7) does not require a field test where the experience from previous certifications can substitute the pilot testing.

Approval of the standards by consensus (at the SGEC's committees' level)

The SGEC's standard setting procedures require a consensus to be reached at the level of the Expert Committee before it is formally approved by the Board of Directors¹⁹. T

The records on the standard setting process²⁰ includes information about meetings of the Expert and Councillors Committees and the Certification Management Committee before the final meeting of the Board of Directors. Although not sufficiently recorded in the minutes of the meetings^[9], the stakeholders interviewed confirmed that the consensus has been reached.

¹⁹ Document No. 2, attachment 2-12

²⁰ Appendix 2 of the application, section 2

Formal approval by the SGEC's Board of Directors, publication of the standards and transition periods

The records on the SGEC's standard setting process²¹ includes information that the SGEC's forest management²² and chain of custody²³ standards were formally approved by the Board of Directors on 23 March 2015²⁴.

Both standards were published at the SGEC website shortly after their formal approval (1 April 2015) and both include a transition period until 30 September 2015.

A minor non-conformities has been identified in the standard setting procedures (Attachment 2-12) that do not include procedures for publication of formally approved standards (PEFC ST 1001, 5.12)²⁵.

Dispute settlement procedures

The SGEC's dispute settlement procedures are defined in Document No. 2, attachment 2-11. The document includes comprehensive requirements for acceptance of complaints, their investigation and communication with a complainant, and setting an accessible contact point.

SGEC has provided information that it has received 2 complaints during the revision process. However, further investigation confirmed that those were questions/comments to the SGEC standards/process and that their consideration did not require to follow a formal dispute settlement procedures. In any case, the SGEC considered the received comments and duly responded to the respective stakeholders.

Non-conformities for the standard setting

Standard setting process

- Identification of key and disadvantaged stakeholders, their constraints and addressing the constraints (PEFC ST 1001, 5.2);
- Announcement of the revision process, publication of information on opportunities for stakeholders to participate, invitation to make nominations and comments on the planned revision process, references to publicly available procedures (PEFC ST 1001, 5.3 b, c, d, e);
- Consideration of nominations to the SGEC standard setting body(ies) (PEFC ST 1001, 5.4);
- Public consultation: direct invitations to key and disadvantaged stakeholders (PEFC ST 1001, 5.6b).

²¹ Appendix 2 of the application, section 2

²² Document No. 3

²³ Document No. 4

²⁴ It should be noted that the SGEC revised both standards on 10 December 2015 with the transition period until 1 January 2016 as a response to the assessment's draft interim report.

²⁵ It should be noted that the minor non-conformity appeared in the latest document that was revised in September – December 2015 as a response to the draft interim report.

Observations (not causing non-conformity with the PEFC requirements)**Balanced representation of stakeholders in the standard setting committee**

The SGEC's standard setting procedures for the balanced representation are general and their detail remains at the level of PEFC ST 1001. It should be noted that PEFC ST 1001 has been written as a meta-standard and that it is expected that a national standardization body defines a specific model of stakeholders' representation and decision making. SGEC should define a specific model of the Expert Committee composition or should at least define basic stakeholder groups with the same/similar interest.

Complaints procedures

The complaints resolution procedures are described in three documents. This results in duplicated (or triplicated) statements, unnecessary references as well as minor inconsistencies.

Distribution of minutes of the meetings

The SGEC does not distribute the minutes of the meetings to the committee's members but the minutes are available in the SGEC Secretariat upon request. The SGEC should proactively distribute the minutes after the meeting or as a part of the documentation that is distributed for the next meeting.

Consensus recording

The SGEC should ensure that consensus reached, and mechanism of its demonstration (e.g. voting) is explicitly recorded in the minutes of the meetings.

8.2.2 Stakeholders interview

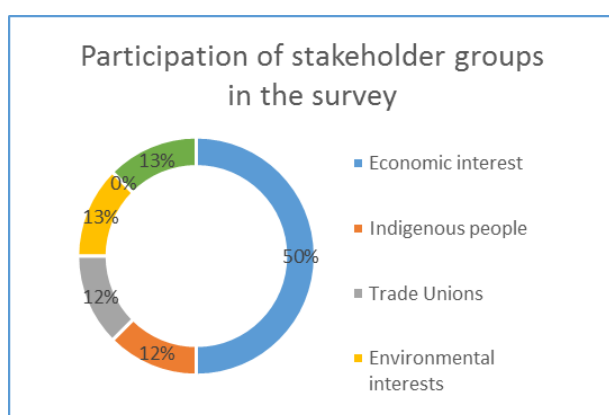
TJConsulting distributed a questionnaire to more than 50 stakeholders in Japan that covered all stakeholder groups relevant to sustainable forest management with a request to provide feedback on the standard setting/revision process of the SGEC scheme.

TJConsulting provided stakeholders with a 5 weeks response period between 16 July and 21 August 2015 but also responses submitted after the deadline were considered. The results of the survey were taken into consideration in the SGEC assessment. However, it should be noted that any interpretation of the survey results should take into consideration the limited number of received responses.

The questionnaire used in the survey is shown in Annex 3 to this report.

Participation in the stakeholders' survey

8 stakeholders submitted their responses representing the main stakeholder groups.



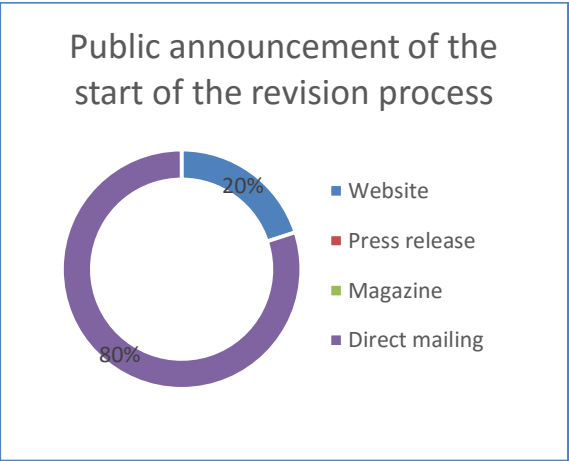
Access to standard setting procedures

The majority of respondents (7) indicated that they had had an access to the SGEC's. One (1) has not responded to this question.



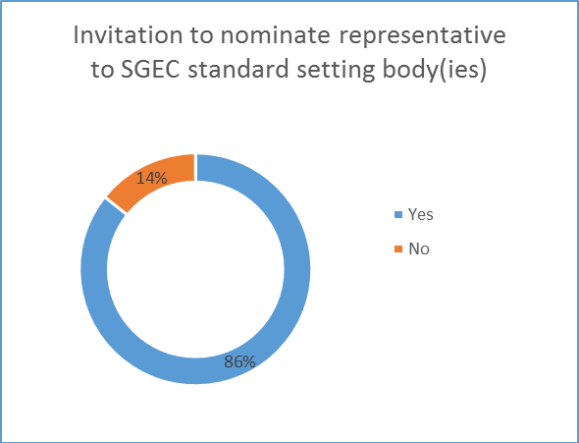
Public announcement of the start of the revision process

Majority of respondents (7) responded that they have noticed the public announcement of the start of the revision process Majority of them received the information through a direct mailing.



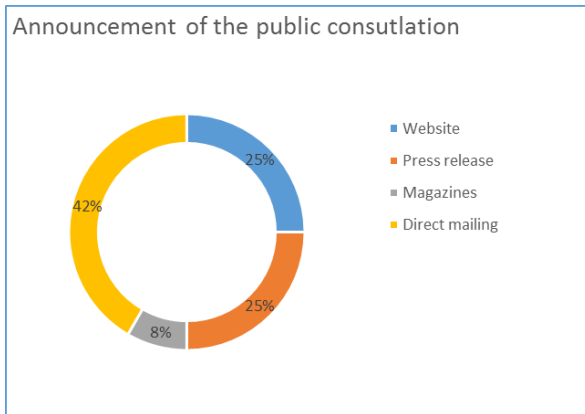
Invitation to nominate representatives to the SGEC body(ies)

The majority responses (7) indicated that they have receive an invitation to participate in the SGEC body(ies) responsible for the revision work.



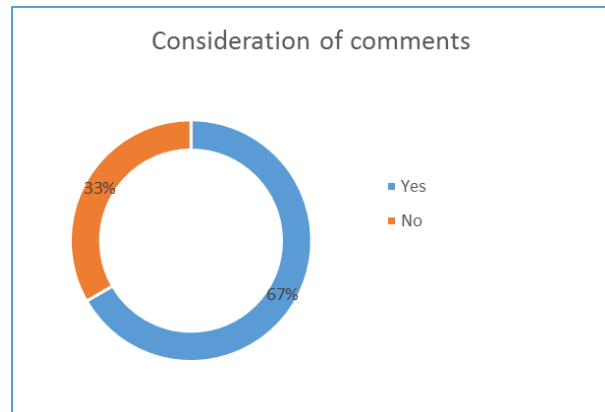
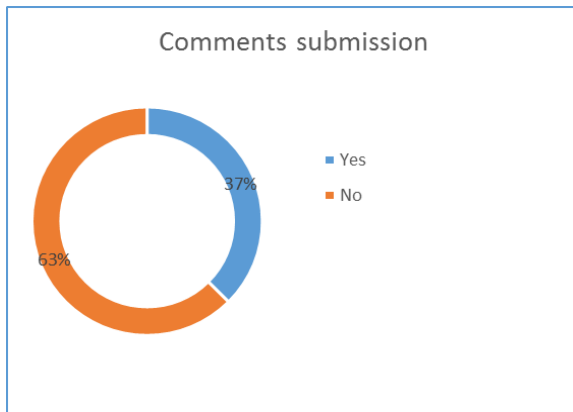
Announcement of the public consultation

All respondents (8) indicated that they had noticed an announcement of the public consultation; website and direct mailing were quoted as the main communication channel.



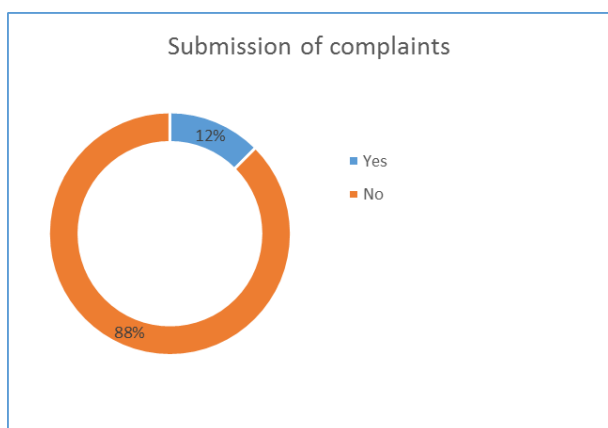
Consideration of comments from public consultation

Three (3) stakeholders indicated that they had submitted comments during the public consultation and that their comments have been considered. One respondent indicated that his comments were not sufficiently considered. The SGEC clarified the stakeholder was not satisfied with the result of the comment's consideration.



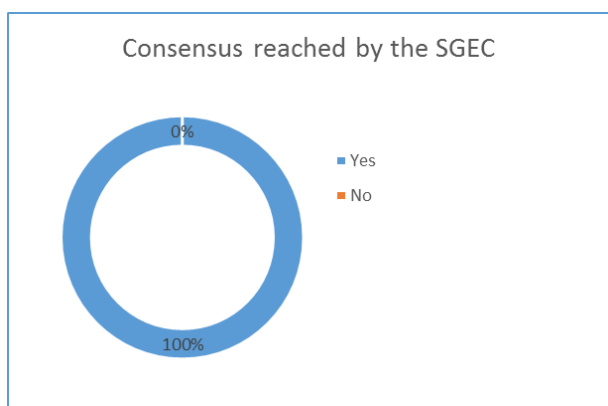
Submission of complaints

A majority of respondents (6) indicated that they had not submitted to the SGEC a complaint relating to the standard setting / revision process. One respondent indicating the submission of a complaint (by e-mail). The issue was clarified by with the SGEC and the “complaint” related to the fact that the stakeholder’s comments were not fully accepted.



Open and transparent work of the SGEC standard setting body(ies) and consensus reached by the SGEC

All respondents (4) that participated in the SGEC body(ies) for revision and responded to the question of the SGEC openness and transparency indicated that the work of the SGEC had been open and transparent and that the SGEC reached consensus.



8.2.3 Detailed assessment²⁶

PEFC ST 1001, 4.1		
4.1 The standardising body shall have written procedures for standard-setting activities describing:		
a) its status and structure, including a body responsible for consensus building (see 4.4) and for formal adoption of the standard (see 5.11),	Procedures	<p>Formal adoption of the standard:</p> <p>Document 1 (the Statutes), article 35 states that the Board of Directors is responsible for “Matters related to adoption, amendment and abolition of rules and regulations under the Statutes of the SGEC”.</p> <p>Body responsible for consensus building</p> <p>Document 2 (Operational procedures), Article 25 (1) requires that “for formulating a final draft of the certification standard-setting (amendment) stipulated in Article 3 as well as investigating related matters, the President shall establish the Expert Committee”; and (3) that the members of the Expert Committee shall be appointed from a wide group of related stakeholders including intellectual and academic experts”.</p> <p>Attachment 2-12 (Document 2 – Operational procedures) identifies the Expert Committee as the principal body for the development of a final draft, it defines the role of the Expert Committee, appointment of its members, composition and decision making.</p> <p>In addition: Document 2-12 defines other bodies, Certification Management Committee and Councilors Committee that have a consultative role within the standard setting process.</p> <p>Conclusion: Conformity</p> <p>Justification: Wording of Document 2 and 2-12 satisfies the PEFC requirement.</p> <p>Observation: SGEC should reconsider the name of the “Expert Committee”. Following the changes made during the evaluation process, it is more a “stakeholder committee” or a “standardization committee” representing “stakeholders” in a broader sense rather than “experts”.</p>
b) the record-keeping procedures	Procedures	<p>Document 2, attachment 2-12, 3.2.2.9 states that “The President shall make records of the activities related to standard setting, revision and review process and shall make them publicly available on a website in a timely manner. The president shall maintain the records for a minimum period of five years”.</p> <p>Compliance: Conformity</p>

²⁶ The numbers in brackets [] identify referenced documentation as listed in chapter 6

		Justification: Attachment 2-12 requires the Chairperson to keep records relating to the standard setting.
c) the procedures for balanced representation of stakeholders,	Procedures	<p>Document 2 (Operational Rules) and attachment 2-12 define procedures for the composition of the Experts Committee as the principal body in the standard setting that is responsible for balanced representation of stakeholders and for consensus building.</p> <p>Compliance: Conformity</p> <p>Justification: Document 2 includes procedures for composition of various committees, including the Expert Committee.</p> <p>It should be noted this statement only reflects presence of procedures, not whether those procedures are appropriate or not.</p>
d) the standard-setting process,	Procedures	<p>Document 2 (Operational Rules) and attachment 2-12 define procedures for the standard setting process.</p> <p>Compliance: Conformity</p> <p>Justification: Document 2 includes procedures for the standard-setting process.</p>
e) the mechanism for reaching consensus, and	Procedures	<p>Attachment 2-12 (Document 2 – Operational procedures), chapter 5-8 requires that the decision of the Expert Committee on the final draft to be submitted to the Board of Directors for its approval shall be based upon consensus. The definition of the consensus defined in attachment 2-12 is identical with the PEFC Council's definition (PEFC ST 1001).</p> <p>Compliance: Conformity</p> <p>Justification: Document 2 includes procedures for reaching consensus.</p>
f) revision of standards/normative documents.	Procedures	<p>Document 2, attachment 2-12, chapter 6 includes procedures for the revision of standards.</p> <p>Compliance: Conformity</p> <p>Justification: Document 2-12 defines procedures for the revision of standards.</p>

PEFC ST 1001, 4.2	
4.2 The standardising body shall make its standard-setting procedures publicly available and shall regularly review its standard-setting procedures including consideration of comments from stakeholders.	
Procedures	<p>Feedback to changes:</p> <p>Attachment 2-12 (Document 2 – Operational procedures), chapter 4.2 requires that the SGEC shall make its standard setting procedures publicly available and that they shall be regularly reviewed, including comments from stakeholders.</p> <p>Compliance: Conformity</p> <p>Justification: The document 2-12 satisfies the requirement.</p>
Process	<p>The SGEC argues^[19] that attachment 2-12 (Standard setting procedures) is the first issue of the document and that was developed as a part of the SGEC revision process (2014-2015). The document was presented and discussed within various committees participating in the revision process.</p> <p>As a response to a minor non-conformity identified in a draft interim report, the SGEC revised attachment 2-12 during September - December 2015 and this process also included stakeholders represented in the “Expert Committee”.</p> <p>Conclusion: Conformity</p> <p>Justification: The conformity has been assigned based on the following facts:</p> <ul style="list-style-type: none"> - The standard setting procedures (Doc. 2-12) was the first version of the document that was only developed during the 2014-2015 revision process; - As a part of the corrective actions, the SGEC revised its standard setting procedures (Doc. 2012), including consideration of comments from stakeholders. <p>Observation: Although the conformity has been assigned and the SGEC corrected the minor non-conformity during the assessment process, it should be noted that this corrective action cannot fully satisfy the purpose of the PEFC requirement. The purpose of the standard setting procedures is to govern and lead the standard setting / revision process. Therefore, the procedures should be available before the commencement of the standard setting process. Similarly, as a part of the revision process, the procedures should be reviewed/revised before the commencement of the revision, including consideration of comments/views of stakeholders in order to ensure that stakeholders do not only have knowledge on the governing procedures but can also express their opinion /comments before they commit themselves to participate in the process.</p>

PEFC ST 1001, 4.3	
4.3 The standardising body shall keep records relating to the standard-setting process providing evidence of compliance with the requirements of this document and the standardising body's own procedures. The records shall be kept for a minimum of five years and shall be available to interested parties upon request.	
Procedures	<p>Attachment 2-12 of Document No. 2 (Standard setting procedures), chapter 4-3 requires that "SGEC shall keep records relating to the standard-setting process providing evidence of compliance with the requirements of this document. The records shall be kept for a minimum of five years and shall be available to interested parties upon request".</p> <p>Compliance: Conformity</p> <p>Justification: The wording is identical with PEFC ST 1001.</p>
Process	<p>As a part of the application for the PEFC endorsement and during the course of this assessment, a whole range of documents and records (see chapter 6) relating to the standard setting / revision process has been submitted by the SGEC and assessed by the assessor.</p> <p>Compliance: Conformity</p> <p>Justification: The presentation of records as a part of the endorsement application as well as during this assessment provides sufficient evidence that the relevant records have been kept.</p> <p>TJConsulting has not received any information (either through the PEFC International public consultation or TJConsulting's questionnaire sent to stakeholders) that the standardisation body would reject any request for records to be made available.</p>

PEFC ST 1001, 4.4	
4.4 The standardising body shall establish a permanent or temporary working group/committee responsible for standard-setting activities.	
Procedures	<p>Document No.2 (Operational Rules) and its Attachment 2-12 (4-4) requires the SGEC to establish four committees/bodies with stakeholders' participation that are involved in the standard setting activities, the Board of Directors, the Councillors Committee, the Certification Management Committee and the Expert Committee.</p> <p>The Expert Committee is then considered as the primary body for building consensus on a final draft (Attachment 2-12, 4-4-4).</p> <p>Compliance: Conformity</p> <p>Justification: The SGEC documentation adequately defines a body(ies) responsible for the standard setting activities.</p>
Process	<p>The SGEC has established all four committees. Their composition is described under the following requirements and presented in Annex 1.</p> <p>Compliance: Conformity</p>

PEFC ST 1001, 4.4 a	
4.4 a [The working group/committee shall]: be accessible to materially and directly affected stakeholders,	
Procedures	<p>Attachment 2-12 (Document 2 – Operational procedures), chapter 4.4.4 a) includes a general statement that the Expert Committee shall be accessible to materially and directly affected stakeholders, chapter 5.3 c) requires public invitation of stakeholders to nominate their representatives to the Expert Committee; chapter 5-4 requires appointment of the Expert Committee’s members based on received nominations that shall be justifiable concerning balanced representation and a number of the committee members.</p> <p>Conclusion: Conformity</p> <p>Justification: The term “accessible to all stakeholders” is interpreted as that a stakeholder organisation within or outside the membership of the standardisation organisation can (i) make nomination to the committee/body responsible for building consensus, (ii) these nominations are considered and (iii) any appointment/refusal of the nomination is justifiable. The SGEC document satisfies all three conditions.</p>
Process	<p>The SGEC has not presented evidence that would confirm that it invited stakeholders to nominate their representatives to the bodies/committees mentioned above and that it would allow any interested relevant stakeholder to participate in those bodies.</p> <p>Compliance: Minor non-conformity</p> <p>Justification: The SGEC has not provided evidence on free stakeholders’ access to the referenced bodies/committees.</p> <p>SGEC was lacking a proactive approach in demonstrating openness of its committees. However, it should be noted that stakeholder interviews carried out during the country’s visit have shown that the SGEC has not rejected any request for participation and that the current members were appointed based on the SGEC approaching specific stakeholders.</p>

PEFC ST 1001, 4.4 b	
4.4 b [The working group/committee shall]: have balanced representation and decision-making by stakeholder categories relevant to the subject matter and geographical scope of the standard where single concerned interests shall not dominate nor be dominated in the process	
Procedures	<p>Attachment 2-12 (Document 2 – Operational procedures), ch. 4.4.4 b) includes a general statement that the Expert Committee shall have “balanced representation of stakeholders such that no single or no single group of stakeholders with the same interest in light of the subject matter or geographical scope shall dominate the standard setting process”.</p> <p>Attachment 2-12 (Document 2 – Operational procedures), ch. 4.4.4 d) makes a reference to the “well balanced” composition of the Expert Committee and makes an example of stakeholders to be represented: “...well-balanced members who meet the requirements given in the preceding clause such as those individuals who are familiar with the practical matters of each relevant industry (industrial community), those with the knowledge and experience of the certification system among the academics (academic community) and NPOs/environmental NGOs”.</p> <p>Attachment 2-12 (Document 2 – Operational procedures), chapter 5.8 requires a consensus of the Expert Committee that is defined as absence of any opposition to</p>

	<p>“any important part to the interests concerned” and chapter 5.9 requires to establish a working group to resolve the opposition.</p> <p>Conclusion: Conformity</p> <p>Justification:</p> <p>Attachment 2-12, complies with the requirement although the SGEC standard setting procedures do not define specific composition of stakeholders within the Expert Committee. The conformity has been assigned based on the following facts:</p> <ul style="list-style-type: none"> - the document includes a general statement of balanced representation, - the document does not allow any stakeholder group (with the same interest) to dominate the standard setting process, - the document requires that any opposition is considered, investigated and negotiated by a working group. <p>Observation: It should be noted that PEFC ST 1001 has been written as a meta-standard and that it is expected that a national standardization body defines a specific model of stakeholders' representation and decision making. SGEC should define a specific model of the Expert Committee composition or should at least define basic stakeholder groups with the same interest. SGEC should also review the consensus requirements, in particular the resolution of the opposition (see the relevant requirement on consensus) to ensure that the concerned stakeholder is not dominated by other stakeholder groups on the working group negotiating the opposition.</p>
Process	<p>The balanced representation and decision making of stakeholder categories has been assessed for two aspects:</p> <ul style="list-style-type: none"> - Presence of stakeholder categories in four stakeholders bodies, - Balanced decision making of those stakeholder categories. <p>Board of Directors: 23 members: forest industry 6, forest owners 1, NGOs 10 (out of that environmental 0), science and academy 3, trade unions 1, plus 2 SGEC staff members.</p> <p>Councillors Committee: 17 members: forest industry 1, forest owners 1, NGOs 7 (out of that environmental 3), science and academy 7, woman 1.</p> <p>Certification Management Committee: 5 members: NGOs 2 (out of that environmental 1), science and academy 3.</p> <p>Expert Committee: 21 members: forest industry 8, forest owners 1, 10 NGOs (out of that environmental 1), science and academy 1.</p> <p>For membership in the respective bodies, see Annex 1.</p> <p>Compliance: Conformity</p> <p>Justification: Although the composition of individual committees/bodies cannot be considered as balanced and some stakeholder categories are missing (trade unions, indigenous people, government authorities), the conformity statement has been made based on the following arguments:</p> <ul style="list-style-type: none"> - Interviews confirmed that the indigenous peoples (AINU association) have not asked for participation, were informed about the process and opportunities for participation; communication and consultation was held with the government (forest agency), however their participation was restricted by governmental rules; trade unions participated in the Board of Directors and had access to the debate held in the Councillors as well as the Expert Committees.

	<ul style="list-style-type: none"> - Interviewed stakeholders participating in the process stated that they consider the stakeholders participation as well “balanced”. - Expert and Councillors Committees interacted with each other or joint meetings were held. - Interviews confirmed that the work of the Expert and Councillors Committees was based on on-going discussion leading to mutual agreement (consensus) rather than voting.
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PEFC ST 1001, 4.4 c	
4.4c [The working group/committee shall]: include stakeholders with expertise relevant to the subject matter of the standard, those that are materially affected by the standard, and those that can influence the implementation of the standard. The materially affected stakeholders shall represent a meaningful segment of the participants.	
Procedures	<p>Document No. 1, Document No. 2 and its attachment 2-12 define four bodies that allow participation stakeholders, the Board of Directors, the Councilors Committee, the Certification Management Committee and the Expert Committee.</p> <p>Following an interim draft report of this assessment, the SGEC reviewed its standard setting procedures and defined the Expert Committee as principal stakeholder body responsible for the development of a final draft standards.</p> <p>Attachment 2-12 to Document No.2, 4-4-4 c (Standard setting procedures) requires the Expert Committee to “include stakeholders with expertise relevant to the subject matter of the standard, those that are materially affected by the standard, and those that can influence the implementation of the standard. The materially affected stakeholders shall represent a meaningful segment of the participants”.</p> <p>Compliance: Conformity</p> <p>Justification: The wording of Attachment 2-12 is identical with PEFC ST 1001.</p>
Process	<p>Annex 1 shows membership of the respective bodies.</p> <p>Compliance: Conformity</p> <p>Justification: Forest landowners and industries (those mainly affected by the standard) represent a significant proportion of the four committees involved in the standard setting.</p> <p>Strong representation of forest owners, research and academic institutions; as well as forest related NGOs ensures sufficient expertise in the subject matter.</p>

PEFC ST 1001, 4.5	
4.5 The standardising body shall establish procedures for dealing with any substantive and procedural complaints relating to the standardising activities which are accessible to stakeholders.	
Procedures	<p>Document No.2 (Operational Rules), Chapter 7 and its Appendix 2-11-1 and 2-12 define complaints resolution procedures. The scope of the procedures includes all matters relating to the SGEC activities.</p> <p>Compliance: Conformity</p> <p>Justification: The referenced SGEC documentation includes complaints resolution procedures.</p>

	<p>Observation: The complaints resolution procedures are described in three documents. This results in duplicated (or triplicated) statements, unnecessary references as well as minor inconsistencies.</p>
Process	<p>SGEC has not received any formal complaints that would require to apply the SGEC's formal dispute settlement procedures.</p> <p>Communication with two stakeholders (JATAN and AINU people)^[2] are to be considered as requests or comments rather than formal complaints against the SGEC that would require an impartial investigation and formal decision making process.</p> <p>However, SGEC provided evidence^[2] (letters of 24/3/2015 and 15/10/2014) that it considered and responded to both requests.</p> <p>Compliance: Conformity</p> <p>Justification: SGEC has not received a formal complaint.</p>
PEFC ST 1001, 4.5	
4.5a [Upon receipt of the complaint, the standard-setting body shall]: a) acknowledge receipt of the complaint to the complainant,	
Procedures	<p>Document 2, attachment 2-11-1, 5.3 requires that “once the complaint is formally accepted, a permanent contact point shall issue its acknowledgement to the complainant the receipt of the complaint with its contents. During investigation and resolution process, a permanent contact point should inform the status of the complaint to the complainant as appropriate”.</p> <p>Compliance: Conformity</p> <p>Justification: Attachment 2-11, 5.3 satisfies the requirement.</p>
Process	<p>SGEC has not received any formal complaints that would require to apply the SGEC's formal dispute settlement procedures (see also evaluation of PEFC ST 1001, 4.5).</p> <p>Compliance: Conformity</p> <p>Justification: SGEC has not received a formal complaint.</p>
4.5b [Upon receipt of the complaint, the standard-setting body shall]: b) gather and verify all necessary information to validate the complaint, impartially and objectively evaluate the subject matter of the complaint, and make a decision upon the complaint.	
Procedures	<p>Document 2, Article 27 states that “Auditors stipulated in Article 24 of the Statutes shall receive the opinions of the Board of Directors, draft the correction measures, then notify the President to ensure that any appropriate corrective measures are taken”.</p> <p>Document 2, attachment 2-11-1, 5.43 requires that “during investigation and resolution process, the SGEC shall undertake a thorough investigation and seek a resolution in a timely and impartial manner ...”</p> <p>Document 2, attachment 2-11-1, 7 requires that “Auditors shall decide appropriate measures (including precautionary measures) to settle complaints after sufficient consideration on the related matters and consultation with the Board of Directors based on Article 27 of Document 2”.</p> <p>Attachment 2-12 to Document 2 (Operational procedures), ch. 4-5 b requires “to collect and verify all necessary information regarding the complaint, to undertake a thorough investigation and objective evaluation of the subject of the complaint and to make a decision on the complaint”.</p>

	<p>Conclusion: Conformity</p> <p>Justification: The referenced documents require to investigate received complaints by the Auditors in consultation with the Board of Directors.</p>
Process	<p>SGEC has not received any formal complaints that would require to apply the SGEC's formal dispute settlement procedures (see also evaluation of PEFC ST 1001, 4.5).</p> <p>Compliance: Conformity</p> <p>Justification: SGEC has not received a formal complaint.</p>

4.5 [Upon receipt of the complaint, the standard-setting body shall]: c) formally communicate the decision on the complaint and of the complaint handling process to the complainant.	
Procedures	<p>Document 2, attachment 2-11-1, 7.3 requires that "President shall inform the complainant and other stakeholders about the measures concerned promptly."</p> <p>Compliance: Conformity</p> <p>Justification: Attachment 2-11-1 satisfies the requirement.</p>
Process	<p>SGEC has not received any formal complaints that would require to apply the SGEC's formal dispute settlement procedures (see also evaluation of PEFC ST 1001, 4.5).</p> <p>Compliance: Conformity</p> <p>Justification: SGEC has not received a formal complaint.</p>

PEFC ST 1001, 4.6	
4.6 The standardising body shall establish at least one contact point for enquiries and complaints relating to its standard-setting activities. The contact point shall be made easily available.	
Procedures	<p>Document 2, attachment 2-11, 5 requires that a permanent contact point for complaints shall be announced through the SGEC website; the contact point shall provide easy contact channels, such as postal address, telephone, fax and e-mail.</p> <p>Compliance: Conformity</p> <p>Justification: Attachment 2-11 satisfies the requirement.</p>

PEFC ST 1001, 5.1	
5.1 The standardising body shall identify stakeholders relevant to the objectives and scope of the standard-setting work.	
Procedures	<p>Document 2, attachment 2-12, chapter 5-2 makes reference to the stakeholders mapping that results in a list of relevant stakeholders.</p> <p>Compliance: Conformity</p> <p>Justification: The document requires identification of stakeholders relevant to the standard setting.</p>

Process	<p>Following the draft interim report of this assessment (showing non-conformity with this requirement) and assessors visit to Japan, the SGEC carried out a stakeholder mapping exercise for the purposes of inviting stakeholders to participate at the Expert Committee meeting held on 1 October 2015. SGEC has submitted a stakeholder mapping documents^[7, 20] showing identification of a vast number of stakeholder organisations and individuals of all relevant stakeholder groups. SGEC has also noted that based on this initiative the number of the Expert Committee members increased from 10 to 36, plus 7 observers.</p> <p>Compliance: Conformity</p> <p>Justification: SGEC did not carry out proper and systematic stakeholders mapping as a part of the 2014-2015 standard setting/revision process.</p> <p>However, the conformity has been assigned based on the stakeholder mapping exercise of September 2015 carried out as the correction of the non-conformity identified in the draft interim report of this assessment.</p>
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PEFC ST 1001, 5.2

5.2 The standardising body shall identify disadvantaged and key stakeholders. The standardising body shall address the constraints of their participation and proactively seek their participation and contribution in the standard-setting activities.

Procedures	<p>Document 2, attachment 2-12, chapter 5-2 requires, after the stakeholders mapping exercise, identification of key stakeholders (in the field of forest management, timber production, timber processing, marketing, exports, timber consumption, social and environmental aspects, etc., including intellectual or academic experts) and/or disadvantaged stakeholders (such as small-sized forest owners, timber processors and local stakeholders (including Ainu-related organizations in case of Hokkaido).</p> <p>Document 2, attachment 2-12, chapter 5-2 also requires (i) proactive approach concerning the key and disadvantaged stakeholders; to (i) identify constraints of their participation (such as geographical and other conditions in which they are placed; and to (iii) address those constraints.</p> <p>Compliance: Conformity</p> <p>Justification: The SGEC documentation requires identification of key and disadvantaged stakeholders, a proactive approach in seeking their participation, identification of their constraints and addressing the constraints.</p>
Process	<p>Following the draft interim report of this assessment (showing non-conformity with this requirement) and assessor's visit to Japan, the SGEC carried out a stakeholder mapping exercise for the purposes of inviting stakeholders to participate in the Expert Committee meeting held on 1 October 2015. SGEC has submitted a stakeholder mapping document^[7] showing identification of a vast number of stakeholder organisations and individuals of all relevant stakeholder groups. The document was lately amended^[20] and all the stakeholder groups were either marked as "disadvantaged" or "key". The documents ^[7, 20] neither identify constraints of the key and disadvantaged stakeholders nor measure to address those.</p> <p>Compliance: Minor non-conformity</p> <p>Justification: The presented evidence does not provide confidence that the SGEC would identify and address constraints of key and disadvantaged stakeholders. See also different approach in identification of key and disadvantaged stakeholders between the SGEC and PEFC ST 1001.</p>

PEFC ST 1001, 5.3	
5.3 The standardising body shall make a public announcement of the start of the standard-setting process and include an invitation for participation in a timely manner on its website and in suitable media as appropriate to afford stakeholders an opportunity for meaningful contributions.	
Procedures	<p>Attachment 2-12 (Document 2 – Operational procedures), chapter 5-3 requires that “SGEC, upon setting up standards, shall make a public announcement of the start of the standard-setting process, including an invitation for participation on its website or through suitable media such as e-mail, fax in a timely manner to afford stakeholders an opportunity for meaningful contributions.”.</p> <p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation satisfies the requirement.</p>
Process	<p>SGEC implemented two measures to inform stakeholders about the 2014-2015 revision process:</p> <ol style="list-style-type: none"> Published a Business Activities Plan for 2014^[8] that provided general information on the planned SGEC’s activities, including the scheme revision and its mutual endorsement by the PEFC Council. However, the content of the report is not detailed enough to satisfy the PEFC requirements for the announcement of the standard setting revision process. Presentation of the information in the Business annual plan and its posting at the website might be considered as appropriate for stakeholders within the SGEC membership but cannot be considered as suitable for informing stakeholders outside the membership that cannot be expected to search for this kind of information in the published documents. SGEC carried out a stakeholder meeting on 26 August 2015 that informed stakeholders about the standard setting process and PEFC mutual recognition. The invitation to the meeting was made public at the SGEC website and selected stakeholders were also invited by e-mail. However, the meeting itself is not sufficient to satisfy the PEFC requirement for the public announcement of the standard of the standard setting and invitation of stakeholders. <p>Conclusion: Minor non-conformity</p> <p>Justification: The publication of the SGEC’s Business Annual Plan for 2014 and invitation of stakeholders to the stakeholder meeting in August 2014 does not include elements to fully satisfy the PEFC requirement.</p>

PEFC ST 1001, 5.3	
5.3 [The announcement and invitation shall include:] a) information about the objectives, scope and the steps of the standard-setting process and its timetable	
Procedures	<p>Attachment 2-12 (Document 2 – Operational procedures), chapter 5-3 a) requires that the announcement/invitation shall include “information about the objectives, and scope of the standard-setting process and its timetable”.</p> <p>Conclusion: Conformity</p> <p>Justification: SGEC complies with the requirement.</p>
Process	<p>SGEC implemented to measures to inform stakeholders about the 2014-2015 revision process:</p>

	<p>a) Published a Business Activities Plan for 2014^[8] that provided general information on the planned SGEC's activities, including the scheme revision and its mutual endorsement by the PEFC Council.</p> <p>b) SGEC carried out a stakeholder meeting on 26 August 2015 that informed stakeholders about the standard setting process and PEFC mutual recognition. The invitation to the meeting was made public at the SGEC website and selected stakeholders were also invited by e-mail. However, the meeting itself is not sufficient to satisfy the PEFC requirement for the public announcement of the standard of the standard setting and invitation of stakeholders.</p> <p>Compliance: Conformity</p> <p>Justification: Two measures described are deemed as sufficient to inform stakeholders about the objectives, scope and steps of the standard setting/revision.</p> <p>Observation: Presentation of the information in the Business annual plan and its posting at the website might be considered as appropriate for stakeholders within the SGEC membership but cannot be considered as suitable for informing stakeholders outside the membership as those cannot be expected to search for this kind of information in the documents that are published at the SGEC website.</p>
5.3 [The announcement and invitation shall include:] b) information about opportunities for stakeholders to participate in the process	
Procedures	<p>Attachment 2-12 (Document 2 – Operational procedures), chapter 5-3 b) requires that the announcement/invitation shall include “information about opportunities for stakeholders to participate in the process”.</p> <p>Conclusion: Conformity</p> <p>Justification: SGEC complies with the requirement.</p>
Process	<p>SGEC implemented to measures to inform stakeholders about the 2014-2015 revision process:</p> <p>a) Published a Business Activities Plan for 2014^[8] that provided general information on the planned SGEC's activities, including the scheme revision and its mutual endorsement by the PEFC Council;</p> <p>b) SGEC carried out a stakeholder meeting on 26 August 2015^[6] that informed stakeholders about the standard setting process and PEFC mutual recognition.</p> <p>Compliance: Conformity</p> <p>Justification: The submitted documentation does not provide sufficient evidence that a publicly made announcement of the revision process would include information about the opportunities for stakeholders to participate in the process.</p>
5.3 [The announcement and invitation shall include:] c) an invitation to stakeholders to nominate their representative(s) to the working group/committee. The invitation to disadvantaged and key stakeholders shall be made in a manner that ensures that the information reaches intended recipients and in a format that is understandable,	
Procedures	<p>Attachment 2-12 (Document 2 – Operational procedures), chapter 5-3 c) requires that the announcement/invitation shall include “an invitation to stakeholders to nominate their representative(s) to the Expert Committee. The invitation to disadvantaged and key stakeholders shall be made in a manner so that it ensures that the information reaches intended recipients”.</p> <p>Conclusion: Conformity</p>

	Justification: SGEC complies with the requirement.
Process	<p>SGEC implemented to measures to inform stakeholders about the 2014-2015 revision process:</p> <ul style="list-style-type: none"> a) Published a Business Activities Plan for 2014^[8] that provided general information on the planned SGEC's activities, including the scheme revision and its mutual endorsement by the PEFC Council; b) SGEC carried out a stakeholder meeting on 26 August 2015^[6] that informed stakeholders about the standard setting process and PEFC mutual recognition. <p>Compliance: Minor non-conformity</p> <p>Justification: The submitted documentation does not provide sufficient evidence that a publicly made announcement of the revision process would include information about the opportunities for stakeholders to participate in the process.</p>
5.3 [The announcement and invitation shall include:] d) an invitation to comment on the scope and the standard-setting process	
Procedures	<p>Attachment 2-12 (Document 2 – Operational procedures), chapter 5-3 d) requires that the announcement/invitation shall include “an invitation of comments on the scope and the standard-setting”.</p> <p>Conclusion: Conformity</p> <p>Justification: SGEC complies with the requirement.</p>
Process	<p>SGEC implemented two measures to inform stakeholders about the 2014-2015 revision process:</p> <ul style="list-style-type: none"> a) Published a Business Activities Plan for 2014^[8] that provided general information on the planned SGEC's activities, including the scheme revision and its mutual endorsement by the PEFC Council; b) SGEC carried out a stakeholder meeting on 26 August 2015^[6] that informed stakeholders about the standard setting process and PEFC mutual recognition. <p>Compliance: Minor non-conformity</p> <p>Justification: The submitted documentation does not provide sufficient evidence that a publicly made announcement of the revision process would include invitation to stakeholders to comment on the scope and the content of the standard setting / revision process.</p> <p>It is expected that stakeholders could make comments at the stakeholder meeting held on 26 August 2014. However, there was no publicly made invitation to make comments that would be relevant to those stakeholders that did not participate in the meeting.</p>
5.3 [The announcement and invitation shall include:] e) reference to publicly available standard-setting procedures.	
Procedures	<p>Attachment 2-12 (Document 2 – Operational procedures), chapter 5-3 e) requires that the announcement/invitation shall include “a description of standard-setting procedures which is publicly available”.</p> <p>Conclusion: Conformity</p> <p>Justification: SGEC complies with the requirement.</p>

Process	<p>The SGEC has admitted ^[19] that the standard setting procedures (attachment 2-12 to Document No.2) was not available in the beginning of the revision process and was only developed as a part of the process itself.</p> <p>Compliance: Minor non-conformity</p> <p>Justification: SGEC has not made the standard setting procedures available at the time of the beginning of the standard-setting / revision process.</p>
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PEFC ST 1001, 5.4	
<p>5.4 The standardising body shall review the standard-setting process based on comments received from the public announcement and establish a working group/committee or adjust the composition of an already existing working group/committee based on received nominations. The acceptance and refusal of nominations shall be justifiable in relation to the requirements for balanced representation of the working group/committee and resources available for the standard-setting.</p>	
Procedures	<p>Review of the standard setting process:</p> <p>Attachment 2-12 (Document 2 – Operational procedures), chapter 5-4 requires that the “SGEC shall review the standard-setting process based on comments received from the public announcement”.</p> <p>Appointment of the SGEC stakeholders bodies</p> <p>Attachment 2-12 (Document 2 – Operational procedures), chapter 5-4 requires adjustment of the Expert Committee’s composition based on nominations received and justification of the nominations acceptance and refusal.</p> <p>Conclusion: Conformity</p> <p>Justification: SGEC complies with the requirement</p>
Process	<p>Review of the standard setting process</p> <p>SGEC carried out a stakeholder meeting on 26 August 2014^[6] that informed stakeholders about the standard setting process and PEFC mutual recognition. The stakeholders were informed about the objectives of the revision process and were allowed to present their comments to the presented amendments to the scheme and their opinion about the PEFC mutual recognition.</p> <p>Conclusion: Conformity for the review of the standard setting process</p> <p>Justification: Although the submitted documentation includes limited evidence on presentation of detailed schedule of the revision work and consideration of comments on this schedule, the conformity has been assigned based on the following arguments:</p> <ul style="list-style-type: none"> - the stakeholders could present their views on the revision process as a part of the Board of Directors consideration of the Business plan for 2014 and as part of the stakeholder meeting of 26 August 2014, - submitted evidence on the stakeholder meeting of 26 August 2014^[6] shows that no specific comments relating to the planned revision work were made. However, there is sufficient confidence that if submitted, they would be considered together with other comments and views. <p>Appointment of members of the SGEC stakeholders bodies</p> <p>The SGEC submitted information on the membership in various stakeholders’ bodies.</p>

	<p>However, the SGEC has not submitted information relating to invitation of stakeholders to make nominations, nominations received and consideration of those nominations.</p> <p>It should be noted that this requirement is linked to the public invitation to stakeholders to make nominations (5.3c).</p> <p>Compliance: Minor non-conformity for consideration of nominations</p> <p>Justification:</p> <p>SGEC has not submitted information relating to the public invitation to make nominations (5.3c) and on consideration of those nominations.</p> <p>However, it should be noted that following the draft interim report and assessor's visit to Japan, SGEC has invited stakeholders to join the Expert Committee that was then significantly enlarged.</p>
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PEFC ST 1001, 5.5	
5.5 The work of the working group/committee shall be organised in an open and transparent manner where: a) working drafts shall be available to all members of the working group/committee,	
Procedures	<p>Attachment 2-12 (Document 2 – Operational procedures), chapter 5-5 requires that the work of the working group shall be organized in an open and transparent manner where: (a) working drafts shall be available to all members of the Expert Committee.</p> <p>Conclusion: Conformity</p> <p>Justification: The wording is identical with PEFC ST 1001.</p>
Process	<p>The assessment considered records to a sample of meetings for the Expert Committee (17/9/2014, 3/12/2014, 23/1/2015) and for the Councillors Committee (25/9/2014, 3/12/2014, 23/1/2015):</p> <p>The presented records^[9] demonstrate that SGEC invited members of the Committees in advance by E-mail, together with agenda and draft documentation.</p> <p>All interviewed stakeholders that were members of the Expert and/or Councilor's Committee confirmed that SGEC invited all members to the meeting and provided them with agenda and draft documentation.</p> <p>Conclusion: Conformity</p>
5.5 The work of the working group/committee shall be organised in an open and transparent manner where: b) all members of the working group shall be provided with meaningful opportunities to contribute to the development or revision of the standard and submit comments to the working drafts	
Procedures	<p>Attachment 2-12 (Document 2 – Operational procedures), chapter 5-5 requires that the work of the working group shall be organized in an open and transparent manner where: (b) all members of the Expert Committee shall be provided with meaningful opportunities to contribute to the development or revision of the standard and submit comments to the working drafts.</p> <p>Conclusion: Conformity</p> <p>Justification: The wording is identical with PEFC ST 1001.</p>
Process	<p>The assessment considered records to a sample of meetings for the Expert Committee (17/9/2014, 3/12/2014, 23/1/2015) and for the Councillors Committee</p>

	<p>(25/9/2014, 3/12/2014, 23/1/2015) and interview of stakeholders that were members of the Expert and/or Councillors Committee:</p> <p>The presented records^[9] demonstrate that members of the committees were provided with opportunity to present their views and opinions. Members that could not participate in the meeting could provide their opinions by E-mail^[9]. This was also confirmed by all interviewed stakeholders, members of the committees.</p> <p>Conclusion: Conformity</p>
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<p>5.5 The work of the working group/committee shall be organised in an open and transparent manner where: c) comments and views submitted by any member of the working group/committee shall be considered in an open and transparent way and their resolution and proposed changes shall be recorded.</p>	
Procedures	<p>Attachment 2-12 (Document 2 – Operational procedures), chapter 5-5 requires that the work of the working group shall be organized in an open and transparent manner where: (c) comments and views submitted by any member of the Expert Committee shall be considered in an open and transparent way and their resolution and proposed changes shall be recorded.</p> <p>Conclusion: Conformity</p> <p>Justification: The wording is identical with PEFC ST 1001.</p>
Process	<p>The assessment considered records to a sample of meetings for the Expert Committee (17/9/2014, 3/12/2014, 23/1/2015) and for the Councillors Committee (25/9/2014, 3/12/2014, 23/1/2015). The presented records^[9] demonstrate that the committees considered comments and views of the committees members. SGEC kept minutes of the meetings.</p> <p>All interviewed stakeholders that were members of the Expert and/or Councilor's Committee confirmed that the committees were considering all the views and comments in open and transparent way.</p> <p>Conclusion: Conformity</p> <p>Observation: SGEC does not distribute minutes of the Committees' meetings to its members but the minutes are available in the SGEC Secretariat upon request. SGEC should proactively distribute the minutes after the meeting or as a part of the documentation distributed for the next meeting.</p>

<p>PEFC ST 1001, 5.6</p>	
<p>5.6a [The standardising body shall organise a public consultation on the enquiry draft and shall ensure that] the start and the end of the public consultation is announced in a timely manner in suitable media</p>	
Procedures	<p>Attachment 2-12 (Document 2 – Operational procedures), chapter 5-6 a) requires public consultation to be carried out that the start and the end of the consultation shall be announced in timely manner in suitable media.</p> <p>Conclusion: Conformity</p> <p>Justification: Text of the SGEC requirement is identical to the PEFC requirement.</p>
Process	<p>Appendix 2 provides information that the public hearing was carried out on 4 October 2011, 15 October 2014 and 15 November 2014.</p>

	<p>The SGEC has submitted detailed information on the public hearing of 15 October 2014 and 15 November 2014^[5], including screenshots of the SGEC website (http://www.sgec-eco.org, http://www.sgec-eco.org/news/index141015.html) and the text of the invitation in Japanese with the translation of a few lines. The SGEC also submitted evidence that the public hearing announcement was also made in two magazines (Forest Policy News and Daily Forest Products News).</p> <p>Compliance: Conformity</p> <p>Justification: There is sufficient evidence that in 2014, public consultations was organised and announced in a timely manner.</p>
<p>5.6b [The standardising body shall organise a public consultation on the enquiry draft and shall ensure that] the invitation of disadvantaged and key stakeholders shall be made by means that ensure that the information reaches its recipient and is understandable</p>	
Procedures	<p>Attachment 2-12 (Document 2 – Operational procedures), chapter 5-6 b) requires public consultation to be carried out and that the invitation of disadvantaged and key stakeholders shall be made by means that ensure that the information reaches its recipient.</p> <p>Conclusion: Conformity</p> <p>Justification: Text of the SGEC requirement is identical to the PEFC requirement.</p>
Process	<p>SGEC has not submitted evidence that key and disadvantaged stakeholders have been invited to the public consultation by means that ensure that the information reaches its recipient and is understandable (i.e. some kind of “direct communication/invitation”).</p> <p>Compliance: Minor non-conformity</p> <p>Justification: No information/evidence submitted.</p>

5.6c [The standardising body shall organise a public consultation on the enquiry draft and shall ensure that] the enquiry draft is publicly available and accessible	
Procedures	<p>Attachment 2-12 (Document 2 – Operational procedures), chapter 5-6 c) requires public consultation to be carried out and that the enquiry draft is publicly available and accessible.</p> <p>Conclusion: Conformity</p> <p>Justification: Text of the SGEC requirement is identical to the PEFC requirement.</p>
Process	<p>The SGEC has submitted detailed information on the public hearing of 15 October 2014 and 15 November 2014^[5], including screenshots of the SGEC website (http://www.sgec-eco.org, http://www.sgec-eco.org/news/index141015.html) and the text of the invitation in Japanese with the translation of the relevant parts.</p> <p>Although the reference (a link) to the enquiry drafts for the public consultation of 15/10/2014 has not been submitted in English translation, the “google translation” of the referenced website shows that the announcement makes a link to Document No. 3 (the forest management standard) and to Document No. 4 (the CoC guideline).</p> <p>Compliance: Conformity</p> <p>Justification: Documents No. 3 and No 4 were available for the public consultation from the SGEC website.</p>

5.6d [The standardising body shall organise a public consultation on the enquiry draft and shall ensure that] the public consultation is for at least 60 days	
Procedures	<p>Attachment 2-12 (Document 2 – Operational procedures), chapter 5-6 f) requires public consultation to be carried out and that a synopsis of received comments compiled from material issues, including the results of their consideration, should be publicly available through media such as website.</p> <p>Conclusion: Conformity</p> <p>Justification: Text of the SGEC requirement is identical to the PEFC requirement.</p>
Process	<p>The SGEC has submitted detailed information on the public hearing of 15 October 2014 and 15 November 2014^[5], including screenshots of the SGEC website (http://www.sgec-eco.org, http://www.sgec-eco.org/news/index141015.html) and the text of the invitation in Japanese with the translation of a few lines.</p> <p>Although the website screenshot for the public consultation of 15/10/2014 has not been submitted in English translation, the “google translation” of the referenced website shows that the announcement includes a deadline of 15 December 2014.</p> <p>Compliance: Conformity</p> <p>Justification: The consultation of 15 October 2014 meets the PEFC requirement for consultation to last at least 60 days.</p>

5.6e [The standardising body shall organise a public consultation on the enquiry draft and shall ensure that] all comments received are considered by the working group/committee in an objective manner	
Procedures	<p>Document No. 2, attachment 2-12 requires that the President shall convene the public hearing process and consult the Expert Committee with the opinions collected through the public hearing process. Upon receiving their opinions, the President shall consult the Councillors' Committee for their opinions to be presented to the Board of Directors (3-2-2-6).</p> <p>Compliance: Conformity</p> <p>Justification: Comments from the public consultation are expected to be considered by the Expert Committee. Although the procedures do not explicitly require the consideration to be objective, this is ensured by following review by the Councillors' Committee that is independent from the Expert Committee.</p>
Process	<p>Information on the public consultation^[5] includes a record on consideration of comments received from the public consultation. It also includes information that the comments were considered by the Board of Directors on 18 December 2014, and by the Expert Committee and the Councillors' Committee on 23 January 2014.</p> <p>Compliance: Conformity</p> <p>Justification: The presented evidence provides sufficient confidence that the comments from the public consultation were considered by the respective SGEC's bodies.</p>
5.6f [The standardising body shall organise a public consultation on the enquiry draft and shall ensure that] a synopsis of received comments compiled from material issues, including the results of their consideration, is publicly available, for example on a website.	
Procedures	<p>Attachment 2-12 (Document 2 – Operational procedures), chapter 5-6 f) requires public consultation to be carried out and that a synopsis of received comments compiled from material issues, including the results of their consideration, should be publicly available through media such as website.</p> <p>Conclusion: Conformity</p> <p>Justification: Text of the SGEC requirement is identical to the PEFC requirement.</p>
Process	<p>Information on the public consultation^[5] includes a record on consideration of comments received from the public consultation. It also includes information that the results of the consideration were sent by e-mail directly to the commenters and were published at the SGEC website on 23 January 2015.</p> <p>This was verified at http://www.sgec-eco.org/news/index150123.pdf.</p> <p>Compliance: Conformity</p> <p>Justification: SGEC has published at its website comments from the public consultation and results of their consideration.</p>

PEFC ST 1001, 5.7

5.7 The standardising body shall organise pilot testing of the new standards and the results of the pilot testing shall be considered by the working group/committee.

Procedures	<p>Attachment 2-12 (Document 2 – Operational procedures), chapter 5-7 requires that SGEC shall hold Certification Management Committee to consider the necessity of pilot testing of new standards and undertake pilot testing of the new standards in</p>
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	<p>case where the pilot testing is judged necessary, and the results of the pilot testing shall be considered in the deliberation of the Expert Committee.</p> <p>Conclusion: Conformity</p> <p>Justification: The note to the requirement 5.7 of PEFC ST 1001 states that the pilot testing is not necessary in case of the scheme revision where the results of the previous certifications can substitute the pilot testing.</p> <p>The SGEC document establishes a systematic approach of evaluation of the pilot testing necessity by the Certification Management Committee. This approach satisfies the objective of the requirement and its note to carry out pilot testing when it delivers value to the standardization work.</p>
Process	<p>Conclusion: Conformity</p> <p>Justification: The note to the requirement 5.7 of PEFC ST 1001 states that the pilot testing is not necessary in case of the scheme revision where the results of the previous certifications can substitute the pilot testing.</p> <p>SGEC carried out revision of the scheme while the scope of the scheme has not been changed. Therefore, experience from previous certifications could substitute the pilot testing. In addition, SGEC has a specific committee (Certification Management Committee) that is evaluating applicability of the revised draft standard.</p>

PEFC ST 1001, 5.8	
5.8 The decision of the working group to recommend the final draft for formal approval shall be taken on the basis of a consensus.	
Procedures	<p>Attachment 2-12 (Document 2 – Operational procedures), chapter 5-8 requires that the decision of the Expert Committee on the final draft to be submitted to the Board of Directors for its approval shall be based upon consensus. The definition of the consensus defined in attachment 2-12 is identical with the PEFC Council's definition (PEFC ST 1001).</p> <p>Conclusion: Conformity</p> <p>Justification: The SGEC requires consensus at the Expert Committee level.</p>
Process	<p>The minutes^[9] of the meetings for the Expert Committee (17/9/2014, 3/12/2014, 23/1/2015) and for the Councillors Committee (25/9/2014, 3/12/2014, 23/1/2015) do not include a statement that would be sufficiently precise and explicit that the committees reached consensus on the content of the deliberated standards.</p> <p>All interviewed stakeholders confirmed that consensus has been reached at both, the Expert and Councilor's Committees.</p> <p>Conclusion: Conformity</p> <p>Justification: Although the minutes are not explicit concerning the consensus reached, the conformity has been assigned based on the interview of the significant proportion of the Expert/Councilor's Committee members.</p> <p>Observation: SGEC should ensure that the consensus reached, and mechanism of its demonstration (e.g. voting) is explicitly recorded in the minutes of the meetings.</p>

PEFC ST 1001, 5.8	
<p>5.8 In order to reach a consensus the working group/committee can utilise the following alternative processes to establish whether there is opposition:</p> <p>a) a face-to-face meeting where there is a verbal yes/no vote, show of hands for a yes/no vote; a statement on consensus from the Chair where there are no dissenting voices or hands (votes); a formal balloting process, etc.,</p> <p>b) a telephone conference meeting where there is a verbal yes/no vote,</p> <p>c) an e-mail meeting where a request for agreement or objection is provided to members with the members providing a written response (a proxy for a vote), or</p> <p>d) combinations thereof.</p>	
Procedures	<p>Document No. 2, attachment 2-12, 5-8 defines mechanisms to establish whether there is opposition or not. Those mechanisms are identical with PEFC ST 1001.</p> <p>Compliance: Conformity</p> <p>Justification: The wording is identical with PEFC ST 1001.</p>
Process	<p>The minutes^[9] of the meetings for the Expert Committee (17/9/2014, 3/12/2014, 23/1/2015) and for the Councillors Committee (25/9/2014, 3/12/2014, 23/1/2015) do not include a statement that would be sufficiently precise and explicit that the committees reached consensus on the content of the deliberated standards.</p> <p>All interviewed stakeholders confirmed that consensus has been reached at both, the Expert and Councilor's Committees.</p> <p>Conclusion: Conformity</p> <p>Justification: Although the minutes are not explicit concerning the consensus reached, the conformity has been assigned based on the interview of the significant proportion of the Expert/Councilor's Committee members.</p> <p>Observation: SGEC should ensure that the consensus reached, and mechanism of its demonstration (e.g. voting) is explicitly recorded in the minutes of the meetings.</p>

PEFC ST 1001, 5.9	
<p>5.9 In the case of a negative vote which represents sustained opposition to any important part of the concerned interests surrounding a substantive issue, the issue shall be resolved using the following mechanism(s):</p> <p>a) discussion and negotiation on the disputed issue within the working group/committee in order to find a compromise,</p> <p>b) direct negotiation between the stakeholder(s) submitting the objection and stakeholders with different views on the disputed issue in order to find a compromise,</p> <p>c) dispute resolution process.</p>	
Procedures	<p>Document No. 2, attachment 2-12, 5-9 requires that “In any case that a statement of opposition to an important part of the concerned interests to a substantive issue exists, the issue shall be resolved by establishing a working group participated by the stakeholder who expressed the opposition and the working group undertakes investigations, deliberations and any other appropriate actions.”</p> <p>Compliance: Conformity</p> <p>Justification: the SGEC documentation describes one of the steps suggested by PEFC ST 1001.</p>
Process	<p>Conclusion: Conformity</p> <p>See response to 5.8. The evaluation confirms that there was no sustained opposition at the Expert and Councillor’s Committee.</p>

PEFC ST 1001, 5.10	
<p>5.10 Documentation on the implementation of the standard-setting process shall be made publicly available.</p>	
Procedures	<p>Document No. 2, attachment 2-12, 5-10 states that “The document concerning the standard setting process shall be publicly available.”</p> <p>Compliance: Conformity</p> <p>Justification: The wording satisfies the requirement.</p>
Process	<p>During the period 2014-2015, the SGEC has been publishing detailed records on the standard setting at its website www.sgec-eco.org.</p> <p>The SGEC also publishes its annual “business activities plan” and “business annual report” that includes summary information about the planned and performed activities, including standard setting for specific years. The current website (http://www.sgec-eco.org/organization/index.html) includes annual business report for 2014 and annual business activities plan for 2015^[4].</p> <p>In addition, the SGEC has also published information about the PEFC endorsement process including the application for the PEFC endorsement that includes a summary of standard setting and revision activities since 2007.</p> <p>Compliance: Conformity</p> <p>Justification: The SGEC has a systematic approach in publishing its annual business report and in publishing detailed reports/information relating to the standard setting that provides stakeholders with sufficient overview of the performed standard setting/revision activities.</p>

PEFC ST 1001, 5.11	
5.11 The standardising body shall formally approve the standards/normative documents based on evidence of consensus reached by the working group/committee.	
Procedures	<p>Document No. 2, attachment 2-12, 5-10 requires that “the Board of Directors shall officially approve the standard/ normative document, which has been shown to reach a consensus by the Expert Committee, through hearing the opinions of the Counsellors Committee members.”</p> <p>Compliance: Conformity</p> <p>Justification: The wording satisfies the requirement.</p>
Process	<p>Appendix 2, section 2-3-3 includes information that the Expert Committee approved the standards on 3 December 2014, the Councillors’ Committee on 3 December 2014 and the Board of Directors on 18 December 2014.</p> <p>In addition, Appendix 2, section 2-3-4 includes information that the Expert Committee and the Councillor’s Committee considered comments from the public consultation on 23 January 2015 and that the Board of Directors approved the standards on 25 March 2015.</p> <p>Compliance: Conformity</p> <p>Justification: The documents were approved by the Board of Directors based on positive decision of the Expert and Councillors Committees.</p>

PEFC ST 1001, 5.12	
5.12 The formally approved standards/normative documents shall be published in a timely manner and made publicly available.	
Procedures	<p>Document No. 2, attachment 2-12, chapter 5-12 requires that officially approved standards/normative documents shall be published in a timely manner and made publicly available.</p> <p>Compliance: Conformity</p> <p>Justification: The procedures satisfy the requirement.</p>
Process	<p>The formally approved documents (25 March 2015) have been published by the SGEC at its website on 1 April 2015 (http://www.sgec-eco.org/news/270401.pdf).</p> <p>Compliance: Conformity</p> <p>Justification: The standard was formally published within one week of its formal approval.</p> <p>Note: The SGEC Board of Directors adopted revised version of Document No. 3 and Document No. 4 on 10 December 2015 and this fact is referenced in the document.</p>

PEFC ST 1001, 6.1	
6.1 The standards/normative documents shall be reviewed and revised at intervals that do not exceed a five-year period. The procedures for the revision of the standards/normative documents shall follow those set out in chapter 5.	
Procedures	<p>Document No. 2, attachment 2-12, 6-1 requires that “The certification standards shall be reviewed and revised at intervals that do not exceed a five-year period. The procedures for the revision shall follow those set out in the preceding chapter”.</p> <p>Compliance: Conformity</p> <p>Justification: The procedures satisfy the requirement.</p>
Process	<p>The previous versions of the SGEC forest management and chain of custody standard were formally approved on 25 March 2014.</p> <p>Compliance: Conformity</p> <p>Justification: The documents were adopted in a shorter period than 5 years.</p> <p>Note: The SGEC Board of Directors adopted revised version of Document No. 3 and Document No. 4 on 10 December 2015 and this fact is referenced in the document. The transition period was set up on 1 January 2016.</p>

PEFC ST 1001, 6.2	
6.2 The revision shall define the application date and transition date of the revised standards/normative documents.	
Process	<p>Document No. 2, attachment 2-12, 6-2 requires that the application date shall not exceed one year from the document publication, 6-3 requires that the transition date shall not exceed one year except in justified circumstances.</p> <p>Document No. 3 (the forest management standard “supplementary article 2” states that “the Board of Directors, on 1st April 2015, has decided to amend this Operational Rules. Notwithstanding this amendment, the previous Operational Rules may be effective up until 30 September 2015.</p> <p>Document No. 4 (the chain of custody guidelines), supplementary article 2 states that “the Board of Directors, on 1st April 2015, has decided to amend this Operational Rules. Notwithstanding this amendment, the previous Operational Rules may be effective up until 30 September 2015”.</p> <p>Compliance: Conformity</p> <p>Justification: The document itself does not define its application date. It is expected that the application date is the same as the document’s approval date.</p> <p>The transition date is defined by supplementary articles and is set up on 30 September 2015.</p> <p>Note: The SGEC Board of Directors adopted revised version of Document No. 3 and Document No. 4 on 10 December 2015 and this fact is referenced in the document. The transition period was set up on 1 January 2016.</p>

PEFC ST 1001, 6.3

6.3 The application date shall not exceed a period of one year from the publication of the standard. This is needed for the endorsement of the revised standards/normative documents, introducing the changes, information dissemination and training.

Process	<p>Document No. 2, attachment 2-12, 6-2 requires that the application date shall not exceed one year from the document's publication.</p> <p>Document No. 3 (the forest management standard) and Document No. 4 (the chain of custody guidelines) do not define the application date.</p> <p>Compliance: Conformity</p> <p>Justification: The documents themselves do not define their application dates. It is expected that the application date is the same as the date of the document's publication.</p> <p>However, it should be noted that the documents define neither their approval nor publication dates. Those shall be searched in the records for the standard setting process or from a date of website announcements.</p> <p>Note: The SGEC Board of Directors adopted revised version of Document No. 3 and Document No. 4 on 10 December 2015 and this fact is referenced in the document. The transition period was set up on 1 January 2016.</p>
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PEFC ST 1001, 6.4

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

Process	<p>Document No. 2, attachment 2-12, 6-3 requires that the transition date shall not exceed one year except in justified circumstances.</p> <p>Document No. 3 (the forest management standard "supplementary article 2" states that "the Board of Directors has decided to amend this Operational Rules. Notwithstanding this amendment, the previous Operational Rules may be effective up until 30 September 2015".</p> <p>Document No. 4 (the chain of custody guidelines), supplementary article 2 states that "the Board of Directors, on 1st April 2015, has decided to amend this Operational Rules. Notwithstanding this amendment, the previous Operational Rules may be effective up until 30 September 2015".</p> <p>Compliance: Conformity</p> <p>Justification: The transition date does not exceed the one year period.</p> <p>Note: The SGEC Board of Directors adopted revised version of Document No. 3 and Document No. 4 on 10 December 2015 and this fact is referenced in the document. The transition period was set up on 1 January 2016.</p>
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8.3 Requirements for group forest management certification

8.3.1 Introduction and summary

The SGEC scheme allows group certification as a certification model that is suitable to the fragmented forest ownership structure in Japan.

The requirements for group certification are defined in attachment 2-4 of Document No.2: “*Operational Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)*”.

The text of attachment 2-4 is nearly identical with PEFC ST 1001, only with minor scheme specific requirements and re-structuring of some parts of the document (eligibility criteria of PEFC ST 1002, chapter 4 have been moved into chapters Scope (1) and Responsibilities of the group entity (3-1 and 3-2)).

It should be noted that PEFC ST 1002 has been developed as a meta-standard and within the spirit of this document it is expected that national schemes would define more detailed requirements and rules governing the group certification. With the identical wording of attachment 2-4, the SGEC scheme could be considered as meeting the requirements but is not meeting the spirit of the PEFC meta-standard.

The assessment **concludes conformity** with the PEFC Council requirements.

Observation (not causing non-conformity with PEFC requirements)

- **Internal audits:** The scheme defines that all participants shall be audited annually. Together with a general requirement that the internal audits shall provide confidence in the whole group’s conformity it satisfies the PEFC requirements. However, the SGEC procedures for group certification are very general and in many cases identical with PEFC ST 1002. The SGEC should develop more detailed requirements for internal audits, competence of internal auditors and resolution of non-conformities.

8.3.2 Detailed assessment

PEFC ST 1002, 4.1	
4.1 Does the forest certification scheme provide clear definitions for the following terms in conformity with the definitions of those terms presented in chapter 3 of PEFC ST 1002:2010:	
a) the group organisation,	Doc 2: Operation rules, attn. 2-4 identical with PEFC ST 1002 Conclusion: Conformity
b) the group entity,	Doc 2: Operation rules, attn. 2-4 identical with PEFC ST 1002 Conclusion: Conformity
c) the participant,	Doc 2: Operation rules, attn. 2-4 identical with PEFC ST 1002 Conclusion: Conformity
d) the certified area,	Doc 2: Operation rules, attn. 2-4 identical with PEFC ST 1002 Conclusion: Conformity
e) the group forest certificate, and	Doc 2: Operation rules, attn. 2-4 identical with PEFC ST 1002 Conclusion: Conformity
f) the document confirming participation in group forest certification.	Doc 2: Operation rules, attn. 2-4 identical with PEFC ST 1002 Conclusion: Conformity

PEFC ST 1002, 4.1.2	Doc 2: Operation rules, attn. 2-4
4.1.2 In cases where a forest certification scheme allows an individual forest owner to be covered by additional group or individual forest management certifications, the scheme shall ensure that non-conformity by the forest owner identified under one forest management certification is addressed in any other forest management certification that covers the forest owner.	<p>Chapter 3-1 (3) requires that “in cases where a part/ all of a participant’s forest under the group forest certificate is covered by an additional group or individual forest management certificate, the group entity shall ensure that the participant shall report any non-conformity to the group entity, if it arises with respect to the additional forest management certificate, and shall address it as a subject of “implementation and review of an annual internal auditing program” stipulated in 3-2-(3) of this attachment and take necessary measures based on additional information requested to the participant regarding the status of the said non-conformity”.</p> <p>Chapter 3-1 (2) requires that “the whole group organization shall implement an audit for all the participants based on an annual internal auditing program that provides sufficient confidence in the conformity of the whole group organization with the SFM”.</p>
Conclusion: Conformity	
Justification: The quoted SGEC’s requirements require consideration of non-conformities from	

“another certifications” in the group entity’s internal auditing programme. For this purpose, a participant is required to inform the group entity about any non-conformity identified in another certifications.

In addition, the SGEC requires that all participants are covered by the internal audits (no reference to sampling). This provides a higher level of confidence that any apparent non-conformity of a participant is found and resolved.

PEFC ST 1002	Doc 2: Operation rules, attn. 2-4
<p>4.1.3 The forest certification scheme shall define requirements for group forest certification which ensure that participants’ conformity with the sustainable forest management standard is centrally administered and is subject to central review and that all participants shall be subject to the internal monitoring programme.</p>	<p>Chapter 3-1 requires that:</p> <p>“(1) Eligibility of individual forest owner identified under one forest management certification shall be subject to the evaluation by the certification body and all participants shall be subject to the internal auditing program and the group entity shall define requirements for such internal auditing program.</p> <p>(2) The forest management certification scheme shall define requirements for an annual internal auditing program that provides sufficient confidence in the conformity of the whole group organization with the SFM”.</p> <p>Chapter 3-2 include requirements for the group entity that ensure central administration, central review and internal monitoring program</p>
<p>Conclusion: Conformity</p> <p>Justification: The compliance is ensured through the requirements for responsibility of the group organisation.</p>	

PEFC ST 1002	Doc 2: Operation rules, attn. 2-4
<p>4.1.4 The forest certification scheme shall define requirements for an annual internal monitoring programme that provides sufficient confidence in the conformity of the whole group organisation with the sustainable forest management standard.</p>	<p>Chapter 3-1 requires that:</p> <p>“(1) Eligibility of individual forest owner identified under one forest management certification shall be subject to the evaluation by the certification body and all participants shall be subject to the internal auditing program and the group entity shall define requirements for such internal auditing program.</p> <p>(2) The whole group organization shall implement an audit for all the participants based on an annual internal auditing program that provides sufficient confidence in the conformity of the whole group organization with the SFM.”</p>
<p>Conclusion: Conformity</p> <p>Justification: The scheme defines that all participants shall be audited annually. This provides sufficient confidence that the internal audit evaluates and confirms conformity of individual participants with the forest management standard.</p> <p>Observation: The SGEC procedures for group certification are very general and in many cases identical with PEFC ST 1002. The SGEC should develop more detailed requirements for internal audits, competence of internal auditors and resolution of non-conformities.</p>	

PEFC ST 1002, 4.2.1	Doc 2: Operation rules, attn. 2-4
<p>4.2.1 The forest certification scheme shall define the following requirements for the function and responsibility of the group entity:</p>	
<p>a) To represent the group organisation in the certification process, including in communications and relationships with the certification body, submission of an application for certification, and contractual relationship with the certification body;</p>	<p>Chapter 3-1(1) is identical with PEFC ST 1002. Conclusion: Conformity</p>
<p>b) To provide a commitment on behalf of the whole group organisation to comply with the sustainable forest management standard and other applicable requirements of the forest certification scheme;</p>	<p>Chapter 3-1(2) states: “To provide a commitment on behalf of the whole group organization to comply with the relevant requirements of the forest certification scheme” Conclusion: Conformity Justification: The document does not refer to the forest management standard as the key standard for the group certification. However, the conformity has been assigned as the forest management standard is considered as “the relevant requirement of the scheme”.</p>
<p>c) To establish written procedures for the management of the group organisation;</p>	<p>Chapter 3-2(3) is identical with PEFC ST 1002. Conclusion: Conformity</p>
<p>d) To keep records of:</p> <ul style="list-style-type: none"> - the group entity and participants’ conformity with the requirements of the sustainable forest management standard, and other applicable requirements of the forest certification scheme, - all participants, including their contact details, identification of their forest property and its/their size(s), - the certified area, - the implementation of an internal monitoring programme, its review and any preventive and/or corrective actions taken; 	<p>Chapter 3-2(3) is identical with PEFC ST 1002. Conclusion: Conformity</p>
<p>e) To establish connections with all participants based on a written agreement which shall include the participants’ commitment to comply with the sustainable forest management standard. The group entity shall have a written contract or other written agreement with all participants covering the right of the group entity to implement and enforce any corrective or preventive measures, and to initiate the exclusion of any participant from the scope of certification in the event of non-conformity with the sustainable forest management standard;</p>	<p>Chapter 3-2(4) is identical with PEFC ST 1002. Conclusion: Conformity</p>

f) To provide participants with a document confirming participation in the group forest certification;	Chapter 3-2(5) is identical with PEFC ST 1002. Conclusion: Conformity
g) To provide all participants with information and guidance required for the effective implementation of the sustainable forest management standard and other applicable requirements of the forest certification scheme;	Chapter 3-2(6) is identical with PEFC ST 1002.. Conclusion: Conformity
h) To operate an annual internal monitoring programme that provides for the evaluation of the participants' conformity with the certification requirements, and;	Chapter 3-2(7) is identical with PEFC ST 1002. Conclusion: Conformity
i) To operate a review of conformity with the sustainable forest management standard, that includes reviewing the results of the internal monitoring programme and the certification body's evaluations and surveillance; corrective and preventive measures if required; and the evaluation of the effectiveness of corrective actions taken.	Chapter 3-2(8) is identical with PEFC ST 1002. Conclusion: Conformity

PEFC ST 1002	Doc 2: Operation rules, attn. 2-4
4.3.1 The forest certification scheme shall define the following requirements for the participants:	
a) To provide the group entity with a written agreement, including a commitment on conformity with the sustainable forest management standard and other applicable requirements of the forest certification scheme;	Chapter 3-3(1) is identical with PEFC ST 1002. Conclusion: Conformity
b) To comply with the sustainable forest management standard and other applicable requirements of the forest certification scheme;	Chapter 3-2(8) is identical with PEFC ST 1002. Conclusion: Conformity
c) To provide full co-operation and assistance in responding effectively to all requests from the group entity or certification body for relevant data, documentation or other information; allowing access to the forest and other facilities, whether in connection with formal audits or reviews or otherwise;	Chapter 3-2(8) is identical with PEFC ST 1002. Conclusion: Conformity
d) To implement relevant corrective and preventive actions established by the group entity.	Chapter 3-2(8) is identical with PEFC ST 1002. Conclusion: Conformity

8.4 Requirements for forest management standard

8.4.1 Introduction and summary

Scope and content of the standard

The requirements for sustainable forest management are defined in Document No. 3 *Principles, Indicators and Guidelines for SGEN Forest Management Certification – Requirements for Forest Management Certification*. The requirements for SFM are structured according to seven Principles:

Principle 1: Identification of the forest areas which are subject to the certification and definition of the management policy in the forest areas

Principle 2: Conservation of biological diversity

Principle 3: Conservation and maintenance of soil and water resources

Principle 4: Maintenance of productive capacity, health and vitality of forest ecosystem

Principle 5: Legal and institutional framework for sustainable forest management

Principle 6: Maintenance and enhancement of socio-economic benefits

Principle 7: Monitoring and disclosure of information

The document is supported by definitions (chapter 2) that also includes a list of relevant international conventions and domestic acts.

It is concluded that Document No.3 is logically structured and that the standard's concept is used consistently throughout the document. The document includes sufficiently detailed management system as well as performance based requirements that allows the standard to be used for the purposes of conformity assessment activities.

Summary of the content of Document No 3

Principle 1: Identification of the forest areas which are subject to the certification and definition of the management policy in the forest areas

The principle focuses on identification of ownership/tenure rights; identification of forest property on the map and in forest inventory registry document(s); forest management plan; objectives and management principles, management system and on continuous improvement.

Principle 2: Conservation of biological diversity

The principle describes basic objectives of the conservation of biological diversity and lists elements that shall be included in the forest management plan.

The principle includes protection of primary forests and regulates its conversion to planted forests.

Conservation of biological diversity is based on identification and protection of "primary elements (natural forests, wetland, grass land, etc) and "constituting elements" (flora and fauna) that shall be identified on the map and tier protection supported by technical guidelines.

Conservation of endangered and protected species is defined by references to the IUCN Red List and protection of the species as well as their habitats is required.

The document ensures protection of rare flora and fauna, standing nest trees, standing dead wood, hollow trees, fallen dead wood, protection of natural vegetation including understory vegetation, regulates collection of wild flora and fauna and introduction of alien species;

The document requires precautionary measures and minimization of impacts on biological diversity in case on infrastructure construction.

Principle 3: Conservation and maintenance of soil and water resources

The principle includes detailed and comprehensive requirements on protection of soil and water resources, including: minimization of negative impacts in the forest management plan; training and dissemination of information to contractors and operators; identification of areas with special consideration for soil and water protection; minimization of impacts in infrastructure construction, logging, skidding and transportation operations; avoidance of spillage of chemicals, regulation of their proper storage, collection and disposal.

Principle 4 Maintenance of productive capacity, health and vitality of forest ecosystem

The principle includes detailed and comprehensive requirements for sustainable production and harvest of both wood and non-wood forest products and multiple functions of forests.

The document requires precautionary principles to ensure maintenance and enhancement of forest soundness and vitality with forest pest and disease control plan and specific requirement relating to the protection against forest fires. The document includes detailed requirements for harvesting, tending, thinning and regeneration, including references to technical manuals and guidelines. The operation shall reflect site conditions and shall lead to diverse forests with site suitable species of local provenances. GMOs are banned.

The use of chemicals, including pesticides shall be minimized and controlled.

Principle 5 Legal and institutional framework for sustainable forest management

The principle requires compliance with domestic regulations and ratified international conventions; requires attention to legal and customary rights, their recognition and respect; promotion of health and vitality of local communities and respect to traditional forest management practices. Within the valid legislation, the document requires communication with local stakeholders (in planning process) and experts.

The documents focuses on training of employees and contractors, labour rights and conditions; and health and safety protection measures.

Principle 6 Maintenance and enhancement of socio-economic benefits

The principle focuses on effective and sustainable use of forest resources and various forest products; includes basic requirements for chain of custody and construction of infrastructure. The document refers to the relationship with public and provides recreational opportunities; protects cultural and historical sites and makes reference to a sink of carbon against the global warming; research and consideration of governmental policies and subsidy measures.

Principle 7 Maintenance and enhancement of socio-economic benefits

The principle focuses on monitoring of forest resources and implementation of forest management plan; and public availability of forest management plan and monitoring results.

Compliance with PEFC ST 1003

Document No.3 complies with the requirements of PEFC ST 1003 except **two minor non-conformities**.

Forest conversion (PEFC ST 1003, 5.1.11)

The scheme defines requirements for conversion of primary forests to forest planted forests; conversion of forest to other land type and conversion of forest to other use relating to forest infrastructure. Exemptions are defined by three conditions: “small area”; negligible impact on biodiversity; and compliance with regional and municipal planning and legislation.

Concerning the conversion of forests to other land types, the requirements are primarily based on the Protection Forest System defined by the Forest Act, Forest Planning System and Forest Land Development Permission System, Natural Parks Act and Conservation Areas Act.

Japan legislation defines detailed permission system regulating conversion of forests to other land use. The permission system includes consideration of soil, water and environment protection and is also based on the regional and municipal planning system. The regional and municipal planning system also includes consideration of comments and opinions of the public. Nearly 50 % of forests is classified as “protection forests” and it is expected that conditions for obtaining the conversion permission (although not specifically outlined in the legislation) are even more restrictive. Concerning the protection of “primary forests”, SGEN provided information^[21] that significant part of the primary forests in Japan is covered by the areas regulated by the National Parks Act and National Conservation Areas Act.

The minor non-conformity has been assigned based on the following arguments:

- Conditions for conversion of primary forests to planted forest (2-1-3) and indirectly also for conversion of forests to other land types (2-1-4) is limited in size by the term “unless in small areas” that is ambiguous for the purposes of forest certification;
- The permission system for conversion of forests into other land use does not cover (i) conversion smaller than 1 ha, (ii) conversion where national, prefectural and municipal governments are the developers.

However, the assessment also concludes that this minor non-conformity is **justifiable** and should not prevent the SGEN scheme from obtaining the PEFC endorsement based on the following arguments:

- a) Conversion of forests in Japan is not a critical issue as the forest area is rather stable and its size is long-term projected as stable in the key governmental planning documents;
- b) Legal conditions for conversion of forests, the mandatory planning system as well as confidence in the law enforcement system in Japan can be considered as sufficient to fulfil the objective of the PEFC requirement for conversion although not fully satisfying the detail of the PEFC requirements;
- c) It was reported that the “the permission system for conversion into other land type” does not apply to situations where national, prefectural and municipal governments are the developers. However, it is expected that internal governmental procedures and the public control should ensure sufficient consideration of public benefits, environmental and social aspects;

- d) Legislation and legal conditions relating to protection forests (including national, quasi-national parks and conservation areas) established based on special legislation provide sufficient confidence that those areas are managed to fulfil their primary functions (nature protection, conservation, etc.) and that any conversion would be considered as human intervention with fundamental impact on those functions and thus avoided or significantly restricted.

Indigenous peoples' rights (PEFC ST 1003, 5.6.4)

The requirements of the Document No. 3 are based on and are following the national legislative process and governmental policy(ies) for AINU people. The Document No. 3 recognises AINU people as indigenous people and requires consideration, from the management point of view, of the AINU's policy based on "Ainu Culture Promotion Act"^[12] and the Expert Report (2009)^[13].

The Expert report^[13] also refers to (i) development of "the Symbolic Space for Ethnic Harmony" for the purposes of education, research, and the exhibition of the history and culture of the Ainu, as well as for the training of successors for their traditional craft skills; and to (ii) promotion of the land use and resources to ensure that the contemporary use of land and resources embodies their cultural inheritance in a comprehensive manner. The report embodies the objectives of ILO 169 and UNDRIP.

The SGEC requirements ensure that:

- Forest manager recognises AINU people as the indigenous people,
- Forest manager considers the legal requirements and governmental policy relating to AINU people,
- Forest manager considers AINU people as a stakeholder, hears their view, consults with indigenous people or establishes a process to arrive at a fair solution (this should be done in prior and open manner).

However, the minor non-conformity has been assigned based on the following argumentation:

- Mandatory nature of ILO 169 and UNDRIP is not clear. They are listed amongst "international conventions", ratified or not, that are expected to be respected (2-5). However, chapter 2-5 also states that forest owner shall follow domestic acts relating to the areas relevant to such areas. Chapter 5-1 then states that only "ratified conventions" shall be complied with. ILO 169 has not been ratified; UNDRIP is not the international convention and as such has not been ratified. Therefore, there is uncertainty between 2-5 and 5.1/5-1-1 and it is unclear whether ILO 169 and UNDRIP should be followed, respected or complied with²⁷.
- The document does not include provisions relating to the "Free, Prior and Informed Consent" although note 1 to 5-2-5 envisages communication with the indigenous people in free and open manner prior to certification.

Closing remarks: The extent of the rights of AINU people in Japan is still negotiated by the Japanese government. Within this period, the SGEC is not fully recognising AINU's land claims that could be considered as justified based on ILO 169 and UNDRIP, Article 26 and bases its requirements on recognition of AINU people and intensive communication/consultation of forest manager with the AINU people. This approach could be considered as "justifiable" taking into account the last part of the PEFC requirement 5.6.4 (PEFC ST 1003). However, the assessor has decided not to completely close the

²⁷ However, it should also be noted that the mandatory status of ILO 169 and UNDRIP is not even evident from PEFC ST 1003, 5.6.4 as it uses the wording "such as ILO 169 and UNDRIP."

non-conformity in order to encourage the SGEC and the PEFC Council to continue in an on-going dialogue between the AINU people and the SGEC.

It is recommended that the PEFC Council provides the SGEC sufficient time to find a solution that would be mutually acceptable by the AINU representatives and other SGEC stakeholders.

8.4.2 Detailed assessment

PEFC ST 1003, 4.1a	Appendix 1, Doc. 3
<p>4.1 The requirements for sustainable forest management defined by regional, national or sub-national forest management standards shall</p> <p>a) include management and performance requirements that are applicable at the forest management unit level, or at another level as appropriate, to ensure that the intent of all requirements is achieved at the forest management unit level.</p>	<p>The document includes both management system (management planning, monitoring, documented procedures, training and competences of staff, etc.) as well as performance based requirements.</p> <p>All the requirements of the document are designed for a forest management unit level.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document complies with the requirement.</p>	

PEFC ST 1003, 4.1b	Appendix 1, Doc. 3
<p>4.1 The requirements for sustainable forest management defined by regional, national or sub-national forest management standards shall</p> <p>b) be clear, objective-based and auditable.</p>	<p>In general, the wording of the document is clear, objective based on auditable.</p> <p>In some cases, the document is lacking a detail required by the PEFC Council or the requirements are conflicting and this is reported for the specific PEFC requirement to which the issue relates.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirement.</p>	

PEFC ST 1003, 4.1c	Appendix 1, Doc. 3
<p>4.1 The requirements for sustainable forest management defined by regional, national or sub-national forest management standards shall</p> <p>c) apply to activities of all operators in the defined forest area who have a measurable impact on achieving compliance with the requirements.</p>	<p>The document requires identification of ownership/tenure rights of the land and its forest resources (1-1). Where “the administrator” is different from the owner or tenure right owner, owner’s will shall be identified through a contract (1-1-3).</p> <p>The document No. 3, 5-4 requires that “forest manager shall assure that the employees and contractors follow the forest management criteria, indicators and guidelines (forest management standard)...”.</p> <p>Note: Chapters 1-4 and 1-5 referenced in the Checklist relates to the management planning (1-4) and management system (1-5).</p>
<p>Conclusion: Conformity</p>	

Conclusion: conformity

Justification: The document No. 3 requires contractor's compliance with the forest management standard.

PEFC ST 1003, 4.1d	Appendix 1, Doc. 3
<p>4.1 The requirements for sustainable forest management defined by regional, national or sub-national forest management standards shall</p> <p>d) require record-keeping that provides evidence of compliance with the requirements of the forest management standards.</p>	<p>The document, chapter 7-3 and 7-3-1 requires keeping various data related to the forest concerned. In case of forest operations conducted, category-wise, fiscal year-wise and site-wise operational records shall be kept.</p> <p>The document, chapter 4-3-1 requires to keep harvesting and regeneration data.</p> <p>The document, chapter 4-5-2 requires to keep tending operation data.</p> <p>The document, chapter 4-6-3 requires to keep thinning operation data.</p>
<p>Conclusion: conformity</p> <p>Justification: The document No. 3 includes a general requirement for records keeping; it defines specific records to be kept as well as minimum time period of the records keeping.</p>	

PEFC ST 1003, 5.1.1	Appendix 1, Doc. 3
<p>5.1.1 Forest management planning shall aim to maintain or increase forests and other wooded areas and enhance the quality of the economic, ecological, cultural and social values of forest resources, including soil and water. This shall be done by making full use of related services and tools that support land-use planning and nature conservation.</p>	<p>The document includes requirements relating to:</p> <ul style="list-style-type: none"> - biological diversity conservation (Principle 2); - regulation of forest conversion (2-1-2, 2-1-3) - protection of soil and water resources (Principle 3) - maintaining productive capacity, health and vitality (Principle 4), including limitations to harvest level (4-2), regeneration of forests (4-3) and selection of species in artificial regeneration (4-3-3) - enhancement of recreational functions of forests (6-2-1, 6-3) - protection of cultural and historical sites (6-4). <p>The document requires forest management planning to control and regulate those forest functions.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document makes references to the enhancement of the economic, ecological cultural and social values and to soil and water protection functions of forest resources. Management planning is referenced as the key instrument in maintaining those forest functions.</p> <p>Although the document does not make an explicit reference to the maintenance and increase in the forest area, the compliance can be deduced from other requirements of the document relating to the forest conversion, conversion of abandoned agricultural land as well as from requirements relating to sustainable harvest level.</p>	

PEFC ST 1003, 5.1.2	Appendix 1, Doc. 3
<p>5.1.2 Forest management shall comprise the cycle of inventory and planning, implementation, monitoring and evaluation, and shall include an appropriate assessment of the social, environmental and economic impacts of forest management operations. This shall form a basis for a cycle of continuous improvement to minimise or avoid negative impacts.</p>	<p>The document, 1-4 requires a forest management plan with clear identification of management objectives (1-4-1, 1-4-2), management principles (1-4-3).</p> <p>The document, 1-5 requires a management system and its operation to be conducted in line with the forest management plan.</p> <p>The document, 4-1 requires that “forest manager shall assess the economic, social and ecological impact, taking account of the development process of forest management planning, forest inventory data, the implementation of the plan and the result of monitoring, build up a cycle of sustainable improvement of forest management and establish an appropriate operational structure for implementation”.</p> <p>The document, 4.1-3 requires monitoring of sample plots.</p> <p>The document, Principle 7 relates to the monitoring of forest resources and forest operations that shall be reflected in the revision of a management plan (7-1); 7-1-1 requires evaluation of environmental impacts.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document includes requirements relating to the economic, social and ecological impact assessment, inventory, planning, implementation and monitoring as well as links them into a logical cycle and improvement loop. The document makes reference to the evaluation of environmental impacts.</p>	

PEFC ST 1003, 5.1.3	Appendix 1, Doc. 3
<p>5.1.3 Inventory and mapping of forest resources shall be established and maintained, adequate to local and national conditions and in correspondence with the topics described in this document.</p>	<p>The document, 1-2 requires forest inventory registry documents in which forests concerned, type of forests, age and growing stock can be identified.</p> <p>The document, 1-3 requires mapping of forest resources.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document includes provisions for forest inventory and for mapping of forest resources.</p>	

PEFC ST 1003, 5.1.4	Appendix 1, Doc. 3
<p>5.1.4 Management plans or their equivalents, appropriate to the size and use of the forest area, shall be elaborated and periodically updated. They shall be based on legislation as well as existing land-use plans, and adequately cover the forest resources.</p>	<p>The document, 1-1-1 requires a land registry, forest registry or forest management plan documents with identification of a forest owner/tenure rights owner.</p> <p>The document, 1-2-1 requires a forest inventory registry document with identification of the forest concerned, type of forest, age and growing stock. Those documents shall be updated in five-years cycle of the forest inventory.</p> <p>The document, 1-4 requires a forest management plan to be developed for the term of 5 years or 10 years (revised every 5 years) based on municipal forest management plan and requires basic policy towards the forest management. The note to the requirement provides clarification that the term “forest management plan” in that document covers both statutory (the plan formally approved by municipal government) as well as non-statutory plan.</p> <p>The forest management plan shall be elaborated based on forest inventory data (4-1). Management activities in natural forests described in the forest management plan shall be “appropriate to regional forest management plan as well as municipal management plan”.</p> <p>The document, 5-1 require that all domestic acts shall be complied with.</p> <p>The document, 6-7 requires that the forest management plan shall take into account various government policies designed in the municipal forest management plan.</p> <p>The document 7-1 requires that data from monitoring of forest resources are considered in the revision of the management plan.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document requires a forest management plan, specifies its periodicity and its compliance with municipal forest management plan.</p>	

PEFC ST 1003, 5.1.5	Appendix 1, Doc. 3
<p>5.1.5 Management plans or their equivalents shall include at least a description of the current condition of the forest management unit, long-term objectives; and the average annual allowable cut, including its justification and, where relevant, the annually allowable exploitation of non-timber forest products.</p>	<p>The document, 1-2 requires forest inventory registry with identification of the forest concerned, type of forest, age and growing stock.</p> <p>The document, 1-4 requires a forest management plan with clear identification of management objectives (1-4-1, 1-4-2), management principles (1-4-3).</p> <p>The document, 4-2 requires that “harvesting level shall be within the level of forest management plan”.</p> <p>The document, 4-2 requires that harvesting of non-wood forest products shall be set within a level of sustainable management.</p> <p>The document, 4-2-1 requires that a “harvesting operation plan” shall include information on the site to be harvested, harvesting method, the size and volume of the site, the ratio of harvesting, the season of harvesting.</p> <p>Planning system in Japan</p> <p>SGEC provided evidence and clarification of forest management planning carried out at the regional, municipal and management unit levels^[10] that is based on the Forest Act. Forest management plan is required to include ‘Long-term policy for forest management’ and ‘Implementation plan of harvesting (thinning and final cutting), and planting and tending to ensure sustainable harvest under the long-term forest management policy. The consistency of forest management plan with the municipal forest management plan constitutes the prerequisite for authorisation of the forest management plan by the municipal government.</p> <p>Regional Forest Plan shall include information on planned volume of harvest^[10]. Municipal forest improvement plan shall include (i) standard final harvesting age, standard methods of harvesting and other matters on cutting of standing trees and bamboos and (ii) standard thinning age, standard methods of thinning and tending and other matters on thinning and tending. The Forest Act also includes a mechanism for enforcing the implementation of the municipal plan by prior announcement of harvest and possibility of a mayor to amend the planned harvest level.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document requires a forest inventory registry document with description of forest resources. The forest management plan shall then include management objectives and management principles. The harvesting level can be indirectly deduced from the requirement 4-2</p>	

although not specified as “the average annual allowable cut”. The document also requires sustainable harvest level for non-wood forest products.

The legislation requires the forest management plan to include a harvest level that is then compared with the harvest level of the municipal forest management plan. This authorisation process provides for justification of the harvest level.

PEFC ST 1003, 5.1.6	Appendix 1, Doc. 3
<p>5.1.6 A summary of the forest management plan or its equivalent appropriate to the scope and scale of forest management, which contains information about the forest management measures to be applied, is publicly available. The summary may exclude confidential business and personal information and other information made confidential by national legislation or for the protection of cultural sites or sensitive natural resource features.</p>	<p>The document, 7-4 requires that a summary of the forest management plan shall be open to public in principle. 7-4-1 then states that the public availability is stated or planned during the planning process. Personal information, secret documents stipulated by legislation and secret information linked with natural environmental conservation shall not be made public.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document includes provision for public availability of a summary of the forest management plan.</p>	

PEFC ST 1003, 5.1.7	Appendix 1, Doc. 3
<p>5.1.7 Monitoring of forest resources and evaluation of their management shall be periodically performed, and results fed back into the planning process.</p>	<p>The document, Principle 7 includes comprehensive requirements for monitoring of forest resources, including monitoring carried out at the FMU level as well as collaborative monitoring (7-2).</p>
<p>Conclusion: Conformity</p> <p>Justification: The document defines requirements for forest monitoring.</p> <p>It is understood from the context of the document that the monitoring shall be performed periodically or as an on-going activity. However, the minor non-conformity has been assigned as the document does not define the periodicity of the monitoring.</p> <p>Note: The non-conformity has been assigned based on the PEFC Council's interpretation of the requirement (see Annex 2).</p>	

PEFC ST 1003, 5.1.8	Appendix 1, Doc. 3
<p>5.1.8 Responsibilities for sustainable forest management shall be clearly defined and assigned.</p>	<p>The document, 1-1 requires identification of ownership/tenure rights.</p> <p>The document, 1-5-1 requires that management system and its operational organisation shall be well arranged for execution of forest management plan and the role, responsibility and authority of respective person in charge shall be clear.</p>

Conclusion: Conformity

Justification: The document complies with the requirement.

PEFC ST 1003, 5.1.9	Appendix 1, Doc. 3
<p>5.1.9 Forest management practices shall safeguard the quantity and quality of the forest resources in the medium and long term by balancing harvesting and growth rates, and by preferring techniques that minimise direct or indirect damage to forest, soil or water resources.</p>	<p>The document, 6-1-1 requires that the level of harvest of wood and non-wood forest products shall not exceed the long term sustainable level.</p> <p>The document, 3-1 requires minimisation of negative impacts on soil and water resources; 3-3 regulates impacts of logging, skidding and log transportation on water resources and soil.</p> <p>The document, 4-1-2 requires logging methods, regeneration methods and regeneration species shall be selected “in a way harmonising natural environment and enhancing resilience of the forest of the site”.</p> <p>The document 4-2-2 requires “technical manuals” for harvesting methods with due consideration of conservation of soil, water and biological diversity as well as landscape diversity.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document requires a sustainable level of harvest and management methods minimising negative impacts on soil, water and forest resources.</p>	

PEFC ST 1003, 5.1.10	Appendix 1, Doc. 3
<p>5.1.10 Appropriate silvicultural measures shall be taken to maintain or reach a level of the growing stock that is economically, ecologically and socially desirable.</p>	<p>The document, 4-2 requires a sustainable level of harvesting; 4-2-1 refers to a harvesting plan with information on the site harvested, harvesting method, the ration of harvesting, the size and volume of the site and the season of harvesting.</p> <p>The document, 4-3 includes requirements relating to regeneration (regeneration methods, species, and number of trees regenerated).</p> <p>The document, 4-6 includes requirements for thinning, its planning, site specific thinning ratio, its volume and timing. 4-6-1 requires a thinning technical manuals for a “thinning method, its ratio, its age, its interval and stand density”.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document does not explicitly refer to a “desirable growing stock”. However, the conformity with the PEFC requirement is based on the fact that the requirements included in the document relating to the sustainable level of harvest, appropriate regeneration methods and</p>	

tending methods lead to the desirable growing stock. Also the reference to the “stand density” mentioned in 4-6-1 supports the compliance statement.

PEFC ST 1003, 5.1.11	Appendix 1, Doc. 3
<p>5.1.11 Conversion of forests to other types of land use, including conversion of primary forests to forest plantations, shall not occur unless in justified circumstances where the conversion:</p> <ul style="list-style-type: none"> a) is in compliance with national and regional policy and legislation relevant for land use and forest management and is a result of national or regional land-use planning governed by a governmental or other official authority including consultation with materially and directly interested persons and organisations; and b) entails a small proportion of forest type; and c) does not have negative impacts on threatened (including vulnerable, rare or endangered) forest ecosystems, culturally and socially significant areas, important habitats of threatened species or other protected areas; and d) makes a contribution to long-term conservation, economic, and social benefits. 	<p>Requirements of Document 3:</p> <p>“2-1-3 Conversion of primary forest to planted forest shall not occur unless in a small area and in justifiable conditions such as follows:</p> <ul style="list-style-type: none"> a. The impact of conversion deems to be negligible in light of fundamental management principles on maintenance and improvement of diversity of ecosystem, species and gene, as defined in this standard. b. Conversion does not violate the regional forest plan, municipal forest management plan and relevant acts and legislations related to the conservation of ecosystem such as Nature Conservation Act and Natural Parks Act. <p>2-1-4 With regard to converting forests in other type of land use, the conversion shall be undertaken in an appropriate manner based upon Protection Forest System, Forest Planning System and Forest Land Development Permission System defined by Forest Act as well as relevant acts and legislations such as Nature Conservation Act and Natural Parks Act in addition to the previous clause.”</p> <p>The document, 2-1-5 requires that “Those planted forests, which does not have justifiable reasons for conversion after 31 December 2010, shall be treated as disqualified forests which failed to meet the requirements stipulated in this document.</p> <p>The document, 6-1-6 requires that “Conversion of forest to other land use related to forest infrastructures shall be properly conducted in accordance with relevant acts and regulations within minimum impact associated with sustainable management of forest related.</p> <p>The document, Principle 2 includes requirements relating to the protection of biodiversity and specific biotops/protected areas.</p> <p>The document, 6-4 requires protection of cultural and historical site.</p> <p>Legal requirements relating to the conversion of forests into other land use^[5]:</p> <ul style="list-style-type: none"> - Conversion of Protection forests into other land use require permission of the Prefectural governors. The land form modification shall

	<p>not hinder achievement of the protection forests' purpose (Forest Act, Art. 36). Although the legislation does not define specific procedures for the Protection forests conversion, it is assumed, based on the very restrictive approach for the management of those areas, that any conversion would be evaluated in much more restrictive way than in case of other forests.</p> <ul style="list-style-type: none"> - Conversion of forests (private and public) under the Regional Forest Plan to other land use bigger than 1 ha requires permission of a Prefectural government under the "Forest Land Development Permission System (except for protection forests, forests in protection facility area and coastal conservation area), (Forest Act, Art 10-2 to 10-4.. - The permission is not given in case of a risk of (i) soil erosion, land slide, forest land disasters, (ii) floods, (iii) adverse impacts on water resources, (iv) adverse impacts in the environment (Forest Act, Art. 10-2-3). - The permission is not required in cases where (i) the developer is the national government or local governments, (ii) in case of urgent needs at a time of the extraordinary disasters, and (iii) in case of a project of high public needs (Forest Act, Art. 10-2-1). - Development of Regional Forest Plans and Municipal Forest Plans require public consultation and consideration of public comments and opinions (Forest Act, Art. 6.1 and 6.2). <p>Natural Conservation Act and National Park Act</p> <p>SGEC has provided introduction^[21] to the principles of protection of national parks, quasi national parks and conservation areas based on the Natural Conservation Act and the National Park Act. This outline^[21] does not include specific references to the conversion issue but includes restrictions relating to "human interventions". In addition, it includes information that "significant part" of "primary forests" in Japan are covered by the legislation, i.e. are designed as parks or conservation areas.</p> <p>Situation in Japan</p> <p>Targeted amount of a total forest area to be maintained in Japan is stipulated in the Forest Planning System. Actually, total area of forest in Japan is 25 million ha and the figure is stable in the past 10 years. Ratio of planted forests and natural forests, i.e. 40% for planted forests and 60% for natural forests, have also not been changed in recent years^[10]. It can be assumed</p>
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	<p>that forests in Japan are adequately maintained under current laws and regulations and are not threatened by the forest conversion.</p> <p>47,9 % of forests in Japan (both public as well as private forests) is classified as protection forests that are attaining public purposes such as water conservation, soil conservation and other disaster prevention, conservation and improvement of living environment (11 categories). Timber harvesting, modifying land form and other human interventions are restricted in the protection forests for maintaining particular forest functions^[10].</p> <p>Conversion of forests to other use is controlled by legislation and during period 2003-2011 as annually between 1500 and 3000 hectares^[10] (0.006 – 0.012 %).</p>
<p>Conclusion: Minor non-conformity (justifiable)</p> <p>Justification: The document defines requirements for conversion of (i) <u>primary forests to planted forest</u>; (ii) <u>conversion of forests to other land type</u> and (iii) <u>conversion of forest to forest infrastructure</u>. Exemptions for the conversion into planted forests (i) and to other land type (ii) are defined by three conditions: “small area”; negligible impact on biodiversity; and compliance with regional and municipal planning and legislation. Concerning the conversion of forests to other land type, the document refers to the system Protection Forest System defined by Forest Act, Forest Planning System and Forest Land Development Permission System, Natural Parks Act and Conservation Areas Act. The term “in addition to the previous clause” stated at the end of 2-1-4 is interpreted as that the conditions stipulated for the conversion of primary forests into planted forests (2-1-3) should also be applied for the conversion of forests to other land type.</p> <p>Japan legislation defines detailed permission system regulating conversion of forests to other land use. The permission system includes consideration of soil, water and environment protection and is also based on the regional and municipal planning system. The regional and municipal planning system also includes consideration of comments and opinions of the public. Nearly 50 % of forests is classified as “protection forests” and it is expected that conditions for obtaining the conversion permission are even more restrictive there. Concerning the protection of “primary forests”, SGEC provided information^[21] that significant part of the primary forests in Japan is covered by the areas regulated by the National Parks Act and National Conservation Areas Act.</p> <p>The minor non-conformity has been assigned based on the following arguments:</p> <ul style="list-style-type: none"> - Conditions for conversion of primary forests to planted forest (2-1-3) and indirectly also conversion of forests to other land types (2-1-4) is limited in size by the term “unless in small areas” that is ambiguous for the purposes of forest certification; - The permission system for conversion of forests into other land use does not cover (i) conversion smaller than 1 ha, (ii) conversion where national, prefectural and municipal governments are the developers. <p>However, the assessment also concludes that this minor non-conformity is justifiable and should not prevent the SGEC scheme from obtaining the PEFC endorsement based on the following arguments:</p> <ol style="list-style-type: none"> a) Conversion of forests in Japan is not a critical issue as the forest area is rather stable and its size is long-term projected as stable in the key governmental planning documents; b) Legal conditions for conversion of forests, the mandatory planning system as well as confidence in the law enforcement system in Japan is considered as sufficient to fulfil the objective of the PEFC requirement for conversion although not fully satisfying the detail of the PEFC requirements; 	

<p>c) It is expected that although the “the permission system for conversion into other land type” does not apply to situations where national, prefectural and municipal governments are the developers, internal governmental procedures and the public control should ensure sufficient consideration of public benefits, environmental and social aspects;</p> <p>d) Legislation and legal conditions relating to protection forests (including national, quasi-national parks and conservation areas) established based on special legislation provide sufficient confidence that those areas are managed to fulfil their primary functions (nature protection, conservation, etc.) and that any conversion would be considered as human intervention with fundamental impact on those functions and thus avoided or significantly restricted.</p>

PEFC ST 1003, 5.1.12	Appendix 1, Doc. 3
5.1.12 Conversion of abandoned agricultural and treeless land into forest land shall be taken into consideration, whenever it can add economic, ecological, social and/or cultural value.	The document, 4-8-4 states that conversion of abandoned agriculture land into forests shall be considered if it increases economic, environmental or cultural values.
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirement.</p>	

PEFC ST 1003, 5.2.1	Appendix 1, Doc. 3
5.2.1 Forest management planning shall aim to maintain and increase the health and vitality of forest ecosystems and to rehabilitate degraded forest ecosystems, whenever this is possible by silvicultural means.	<p>The document, Principle 4 focuses on maintenance of health and vitality of forest ecosystems.</p> <ul style="list-style-type: none"> - Precautionary biological measures shall be utilised in the planning to maintain and enhance “forest soundness and vitality (4-1-2), - Site suitable species, regeneration methods, number of trees shall be included in a technical manual for regeneration artificial (4-3-2, 4-3-3, 4-3-4), - Natural forest management shall include a tree selection guidelines, proper regeneration after harvesting and regeneration assistance (4-4-1, 4-4-2). - Technical guidelines for tending methods and their timing to enhance species diversity and “multi-layered root system”, hardwood species and non-targeted species shall be remained (4-5-1), - Destroyed natural ecosystems in primary forest/similar natural forests shall be restored by the use of natural recovery power (4-8-4).
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the PEFC requirement with one observation made.</p>	

Observation: The rehabilitation of destroyed ecosystem (4-8-4) is limited to primary forests/similar natural forests while that PEFC requirements is more general and focuses on all “degraded forest ecosystems”.

PEFC ST 1003, 5.2.2	Appendix 1, Doc. 3
<p>5.2.2 Health and vitality of forests shall be periodically monitored, especially key biotic and abiotic factors that potentially affect health and vitality of forest ecosystems, such as pests, diseases, overgrazing and overstocking, fire, and damage caused by climatic factors, air pollutants or by forest management operations.</p>	<p>The document, 7-1 requires that monitoring as a tool for evaluating the effects of implementation of forest management plan shall be implemented as appropriate. 7-1-1 then also includes an example of pest/disease/animal damage, frost/snow damage, forest fire, including natural fire amongst the monitored items.</p> <p>The document 7-3-1 requires that “site-wise and fiscal year-wise operational record shall be kept. Site-wise and fiscal year-wise damage status of pests and disease, animals, forest fire, severe weather shall be recorded”.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document includes comprehensive requirements for monitoring of forest resources that also includes monitoring of biotic and abiotic having impact on forest health and vitality. Although the list provided in the document does not include all items listed in the PEFC requirement, the wording of both standards is introduced with “such as” that is interpreted as an open list of examples rather than an exclusive list.</p> <p>The specific periodicity of the monitoring is linked to the five years revision of the forest management plan (5 years) and annual/fiscal records on damage status.</p>	

PEFC ST 1003, 5.2.3	Appendix 1, Doc. 3
<p>5.2.3 The monitoring and maintaining of health and vitality of forest ecosystems shall take into consideration the effects of naturally occurring fire, pests and other disturbances.</p>	<p>The document, 7-1 requires that monitoring as a tool for evaluating the effects of implementation of forest management plan shall be implemented as appropriate. 7-1-1 then also includes an example of pest/disease/animal damage, frost/snow damage, forest fire, including natural fire amongst the monitored items.</p> <p>The document 7-3-1 requires that “site-wise and fiscal year-wise operational record shall be kept. Site-wise and fiscal year-wise damage status of pests and disease, animals, forest fire, severe weather shall be recorded”.</p>
<p>Conclusion: Conformity</p> <p>Justification: Although an explicit requirement for consideration of naturally occurring disturbances is missing in the document (except for natural fire), the conformity has been assigned based on the following considerations:</p> <ul style="list-style-type: none"> - the document requires the monitoring and identification of causes of all relevant biotic and abiotic factors, regardless of whether they occur naturally or are “human” based; 	

- it is assumed that the term “naturally occurring” in the PEFC requirement relates to those disturbances that occur in natural ecosystems not significantly influenced or changed by human activities (that are in those ecosystems natural) and that the purpose of this requirement is to consider those factors that would naturally occur in those undisturbed ecosystems and play an important role in their development. It should be noted that such ecosystems and related disturbances are rather rare in the Japanese forestry context.

PEFC ST 1003, 5.2.4	Appendix 1, Doc. 3
<p>5.2.4 Forest management plans or their equivalents shall specify ways and means to minimise the risk of degradation of and damages to forest ecosystems. Forest management planning shall make use of those policy instruments set up to support these activities.</p>	<p>The document, Principle 4 focuses on maintenance of health and vitality of forest ecosystems and defines specific means for minimising the risk and degradation and damages to forest ecosystems.</p> <ul style="list-style-type: none"> - Precautionary biological measures shall be utilised in the planning to maintain and enhance “forest soundness and vitality (4-1-2), - Site suitable species, regeneration methods, number of trees shall be included in a technical manual for regeneration artificial (4-3-2, 4-3-3, 4-3-4), - Natural forest management shall include a tree selection guidelines, proper regeneration after harvesting and regeneration assistance (4-4-1, 4-4-2). - Technical guidelines for tending methods and their timing to enhance species diversity and “multi-layered root system”, hardwood species and non-targeted species shall be remained (4-5-1), - Destroyed natural ecosystems in primary forest/similar natural forests shall be restored by the use of natural recovery power (4-8-4). <p>The document, 2-5(5) provides a list of national legislation (policy instruments) that also relate to minimisation of risk of degradation and damages to forests. Principle 5 then requires compliance with the legislation.</p> <p>The document, 7-1 requires monitoring of forest resources, including its review, evaluation and setting improvement points (7-1-1).</p> <p>The document, 6-7 requires that the forest management plan shall take into account the use of relevant government policies and subsidy measures.</p>
<p>Conclusion: Conformity</p> <p>Justification: The Standard satisfies the requirement mainly through the comprehensive set of requirements for harvesting regeneration, tending and thinning (Principle 4). In additional monitoring of forest health and vitality factors is covered by monitoring requirements, and it is</p>	

expected that the review, evaluation and improvement (7-1-1) also applies to it. The document also makes a comprehensive list to policy instruments, legislation and government policies.

PEFC ST 1003, 5.2.5	Appendix 1, Doc. 3
<p>5.2.5 Forest management practices shall make best use of natural structures and processes and use preventive biological measures wherever and as far as economically feasible to maintain and enhance the health and vitality of forests. Adequate genetic, species and structural diversity shall be encouraged and/or maintained to enhance the stability, vitality and resistance capacity of the forests to adverse environmental factors and strengthen natural regulation mechanisms.</p>	<p>The document, 4-1-2 requires to use biological precaution measures associated with natural site conditions to maintain and enhance forest soundness and vitality.</p> <p>The document, 4-2-2 refers to the use of “non-clear cut operation, promotion of hardwood species, consideration of multi-storied forest, consideration of ecosystem associated with the site conditions.</p> <p>The document, 4-3 requires to use site specific suitable species and local provenances of seeds or seedlings (4-3-3) in artificial regeneration, site specific regeneration method (4-3-2).</p> <p>The document, 4-4 requires that the management of natural forests shall consider characteristics of the site; tree selection guidelines, regeneration assistance operations shall be developed based on “forest phase and type” (4-4-2).</p> <p>The document, 4-5 requires a tending plan to be developed based on site conditions; technical guidelines for tending methods and its timing shall be developed to enhance species diversity and “multi-layered root system, hardwood species and non-targeted species shall be retained (4-5-1).</p>
<p>Conclusion: Conformity</p> <p>Justification: The document makes several requires adherence of management operations (harvesting, regeneration, tending, thinning) to site conditions and characteristics of natural ecosystems. Although “the use of natural processes” is not explicitly stipulated in the document, it can be deduced from the referenced requirements.</p> <p>The document makes references to species and structural diversity. Although the genetic diversity is not explicitly stated, it can be deduced from the requirements for seeds and seedlings of local provenances.</p>	

PEFC ST 1003, 5.2.6	Appendix 1, Doc. 3
<p>5.2.6 Lighting of fires shall be avoided and is only permitted if it is necessary for the achievement of the management goals of the forest management unit.</p>	<p>The document, 4-8 requires that lightening of forest shall only be conducted with permission and conditions by the head of municipal government.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document does not explicitly condition the use of “forest lightening” to the achievement of the management goals. However, it is expected that the permission and conditions</p>	

set up by the municipal authorities make sufficient restriction of the lightening and delivers the same objective as the PEFC requirement.

PEFC ST 1003, 5.2.7	Appendix 1, Doc. 3
<p>5.2.7 Appropriate forest management practices such as reforestation and afforestation with tree species and provenances that are suited to the site conditions or the use of tending, harvesting and transport techniques that minimise tree and/or soil damages shall be applied. The spillage of oil during forest management operations or the indiscriminate disposal of waste on forest land shall be strictly avoided. Non-organic waste and litter shall be avoided, collected, stored in designated areas and removed in an environmentally-responsible manner.</p>	<p>The document, 3-1 requires negative impact on soil and water resources shall be minimised in advance in the forest management plan and its operational processes.</p> <p>The document, 3-3-2 requires that methods and season of logging, skidding and log transportation shall include measure for protection of “forest floor surface” and prevent water pollution. Environmentally friendly methods reflecting site conditions such as geographical features, soil and vegetation.</p> <p>The document, 3-4 requires measure to avoid spillage of chemical materials such as fuels and oil machinery or other contaminant as well as “agriculture chemicals”. 3-4-1 requires a manual for storage place, storage method and use of fuel, oil and other chemicals. Non-organic waste shall be collected and stored in designed area with environmentally sound method.</p> <p>The document, 4-1-2 requires to use biological precaution measures associated with natural site conditions to maintain and enhance forest soundness and vitality.</p> <p>The document, 4-3 requires to use site specific suitable species and local provenances of seeds or seedlings (4-3-3) in artificial regeneration, site specific regeneration method (4-3-2).</p> <p>The document, 4-4 requires that the management of natural forests shall consider characteristics of the site; tree selection guidelines, regeneration assistance operations shall be developed based on “forest phase and type” (4-4-2).</p> <p>The document, 4-5 requires a tending plan to be developed based on site conditions; technical guidelines for tending methods and its timing shall be developed to enhance species diversity and “multi-layered root system, hardwood species and non-targeted species shall be retained (4-5-1).</p>
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirement.</p> <p>The document requires site suitable species and provenances (4-3) and tending, harvesting and transportation methods that are environmentally friendly and minimise impact on water and soil resources (3-1, 3-3-2). Although the document is not explicit on the damages to trees, it is</p>	

expected that the required environmentally friendly methods considering “site conditions such as geographical features, soil and vegetation” (3-3-2) will also avoid damages to trees.

The document satisfies the requirement on spillage of fuel, oil and other chemicals and disposal of non-organic waste (3-4).

PEFC ST 1003, 5.2.8	Appendix 1, Doc. 3
<p>5.2.8 The use of pesticides shall be minimised and appropriate silvicultural alternatives and other biological measures preferred.</p>	<p>The document, 4-1-2 requires biological precaution measures associated with natural site conditions to be fully utilized to maintain and enhance forest soundness and vitality.</p> <p>The document, 4-7 requires that “the use of chemicals such as pesticides shall comply with laws and regulations and shall limit minimum level”. 4-7-1 requires a “forest pest and disease plan” that shall be relevant to maintain biological diversity and soil and water conservation. 4-7-3 requires minimisation of the use of chemicals, including herbicides.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document regulates the use of pesticides by mandatory reference to laws and regulations. It requires minimisation of the pesticides use and usage of biological precaution measures.</p>	

PEFC ST 1003, 5.2.9	Appendix 1, Doc. 3
<p>5.2.9 The WHO Type 1A and 1B pesticides and other highly toxic pesticides shall be prohibited, except where no other viable alternative is available.</p>	<p>The document, 4-7 requires that “the use of chemicals such as pesticides shall comply with laws and regulations and shall limit minimum level”. 4-7-1 requires a “forest pest and disease plan” that shall be relevant to maintain biological diversity and soil and water conservation.</p> <p>The document, 4-7-3 requires that “the use of forestry chemicals (including herbicide) shall be minimized. When used, a control manual shall be established in compliance with the Agricultural Chemicals Regulation Act and other relevant regulations, and the chemicals shall be used in accordance with the manual. Notwithstanding the above, the “WHO Type 1A and 1B” pesticides shall be prohibited, except where no other viable alternative is available. In this respect, the chemicals to which alternatives do not exist are defined and listed in Attachment 3-2 as the chemicals exceptionally allowed”.</p> <p>Attachment 3-2 allows exceptional use of Zinc phosphide as a pesticide against mice control. SGEC argues that although there exists other rodenticides for mice control (daifashin-base, coumarin-base and chlorophacinone-base) they are not applicable in the field because they need to be continuously ingested by mice during certain period. There is no rodenticide except for zinc phosphide that can be effectively applied to mouse damage in the current circumstances^[11]. Attachment 3-2 also makes reference to the respective legislation and to the consideration of environment.</p>
<p>Conclusion: Conformity</p> <p>Document No. 3 requires compliance with legislation and only allows to use pesticides that are allowed by the regulatory process. SGEC makes explicit prohibition of WHO 1A and 1B and lists a single pesticide in attachment 3-2 that is exceptionally allowed (Zinc phosphide). SGEC provided sufficient evidence^[11] that there is no other viable option.</p>	

PEFC ST 1003, 5.2.10	Appendix 1, Doc. 3
<p>5.2.10 Pesticides, such as chlorinated hydrocarbons whose derivatives remain biologically active and accumulate in the food chain beyond their intended use, and any pesticides banned by international agreement, shall be prohibited.</p>	<p>The document, 4-7 requires that “the use of chemicals such as pesticides shall comply with laws and regulations and shall limit minimum level”.</p> <p>The document, 4-7-3 requires that “the use of forestry chemicals (including herbicide) shall be minimized. When used, a control manual shall be established in compliance with the Agricultural Chemicals Regulation Act and other relevant regulations, and the chemicals shall be used in accordance with the manual”.</p> <p>Japan has ratified the Stockholm as well as Rotherdam conventions relating to pesticides.</p>
<p>Conclusion: Conformity</p> <p>SGEC provided evidence^[11] that chlorinated hydrocarbons are not included amongst allowed pesticides. There is sufficient confidence that the ratified international conventions have been incorporated in the national legislation.</p>	

PEFC ST 1003, 5.2.11	Appendix 1, Doc. 3
<p>5.2.11 The use of pesticides shall follow the instructions given by the pesticide producer and be implemented with proper equipment and training.</p>	<p>The document, 4-7-3 requires minimisation of the use of chemicals, including herbicides and requires control manuals to be in compliance with agricultural chemicals control act.</p> <p>The document, 5-4-2 requires employees’ training and guidance policy for forest management activities.</p> <p>The document, 5-5 requires training and guidance (including safety manuals and guidance – 5-5) for employees and contractors on work safety.</p> <p>The document, 4-7-3 requires that “the use of forestry chemicals (including herbicide) shall be minimized. When used, a control manual shall be established in compliance with the Agricultural Chemicals Regulation Act and other relevant regulations, and the chemicals shall be used in accordance with the manual”.</p> <p>SGEC provided evidence^[11] that the producers usage (control) manual is a part of the pesticides registration process.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document requires a “control manual” and general training on forest management and work safety. The manual is also a part of the pesticides authorisation process.</p>	

PEFC ST 1003, 5.2.12	Appendix 1, Doc. 3
5.2.12 Where fertilisers are used, they shall be applied in a controlled manner and with due consideration for the environment.	The document, 3-4-2 requires that the use of fertilisers shall be applied in a controlled manner and with due consideration for the environment.
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirement.</p>	

PEFC ST 1003, 5.3.1	Appendix 1, Doc. 3
5.3.1 Forest management planning shall aim to maintain the capability of forests to produce a range of wood and non-wood forest products and services on a sustainable basis.	<p>The document, 4-1-3 requires that “sustainability of long-term forest management shall be considered through grasping resources status based upon the result of sample plots monitoring and levelling age class composition”.</p> <p>The document, 4-1 requires that harvesting level shall be within the level of forest management plan”; Harvesting of non-wood forest products shall be within a level of sustainable management.</p> <p>The document, 6-1-1 requires that “level of harvest of wood and non-wood forest products shall not exceed the long-term sustainable level.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirement for sustainable production of wood and non-wood forest products.</p>	

PEFC ST 1003, 5.3.2	Appendix 1, Doc. 3
5.3.2 Forest management planning shall aim to achieve sound economic performance taking into account any available market studies and possibilities for new markets and economic activities in connection with all relevant goods and services of forests.	The document, 6-1-3 requires that “forest manager shall aim to achieve sound economic activities taking consideration of market analysis, feasibility study of new market as well as full range of goods and services of forest.
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirement.</p>	

PEFC ST 1003, 5.3.3	Appendix 1, Doc. 3
5.3.3 Forest management plans or their equivalents shall take into account the different uses or functions of the managed forest area. Forest management planning shall make use of those policy instruments set up to support the	The document, 4-1-1 requires that forest management plan shall be developed and implemented in such a way that recognises, maintains and promote importance of multiple values.

<p>production of commercial and non-commercial forest goods and services.</p>	<p>Principle 2 focuses in detail on maintenance of productive capacity, health and vitality; Principle 3 on forest biodiversity, Principle 3 on socio-economic functions (6-2, 6-3 recreation, 6-4 cultural values).</p> <p>The document, 6-7 requires that forest management plan shall take into account the use of relevant government policies and subsidy measures for fulfilling various functions designed in the municipal forest management plan.</p>
<p>Conclusion: Conformity</p> <p>Justification: The Standard satisfies the requirement.</p>	

PEFC ST 1003, 5.3.4	Appendix 1, Doc. 3
<p>5.3.4 Forest management practices shall maintain and improve the forest resources and encourage a diversified output of goods and services over the long term.</p>	<p>The document, 4-1-1 requires that forest management plan shall be developed and implemented in such a way that recognises, maintains and promote importance of multiple values.</p> <p>The document, 6-1-1 requires effective use of forest products and sustainable level of harvest of wood and non-wood products; 6-1-3 requires sound economic activities taking into consideration of market analysis, feasibility study of new market as well as full range of goods and services.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document requires sustainable production (6-1-1) as well as diversified outputs (4-1-1, 6-1-1 and 6-1-3). All requirements of the document support maintenance and improvement of forest resources.</p>	

PEFC ST 1003, 5.3.5	Appendix 1, Doc. 3
<p>5.3.5 Regeneration, tending and harvesting operations shall be carried out in time, and in a way that does not reduce the productive capacity of the site, for example by avoiding damage to retained stands and trees as well as to the forest soil, and by using appropriate systems.</p>	<p>The document, 4-3 focused on regeneration to be carried out within a planned period (4-3), with site suitable species (4-3, 4-3-3), duration of regeneration of regeneration following the standards under the municipal management plan (4-3-1), technical manuals shall be developed (4-3-2).</p> <p>The document, 4-5 focuses on tending operations with request for development of technical guidelines (4-5-1); enhancement of species diversity and multi-layered root system (4-5-1).</p> <p>The document, 4-6 focuses on thinning operations; its proper planning, site specific thinning ratio and timing (4-6-1); a thinning manual shall be developed (4-6-2); promotion of hardwood species, dead wood, hollow trees (4-6-2).</p> <p>The document, 4-2 focuses on harvesting operations; support to “non-clear cut” operation (4-2); development of harvesting plan with identification of harvested site, method, harvesting ratio, size and volume of the site and harvesting season (4-2-1); development of a technical manual for harvesting methods, age and ratio.</p> <p>The document, chapter 3-1 requires minimisation of impact on soil and water resources; minimisation of negative impacts during construction of forest roads and bridges (3-1-3); protection of water resources and forest floor surface during logging, skidding and log transportation (3-3); environmentally friendly methods reflecting the site conditions such as geographical features, soil and vegetation (3-3-2).</p>
<p>Conclusion: Conformity</p> <p>Justification: The document defines detailed requirements for harvesting, tending, thinning and regeneration operations that are satisfying the requirement. The operations are required to protect soil and water resources. The document does not explicitly requires avoidance of damages to trees, however, this could be deduced implicitly from the “due care” during the operations and applications of environmentally friendly methods (3-3).</p>	

PEFC ST 1003, 5.3.6	Appendix 1, Doc. 3
<p>5.3.6 Harvesting levels of both wood and non-wood forest products shall not exceed a rate that can be sustained in the long term, and optimum use shall be made of the harvested forest products, with due regard to nutrient off-take.</p>	<p>The document, 4-2 requires harvesting level within the level of forest management plan. Harvesting of non-wood forest products shall be set within a level of sustainable management.</p> <p>The document, 6-1-1 requires that level of harvest of wood and non-wood forest products shall not exceed the long-term sustainable level.</p>
<p>SGEC provided the following explanation to the issue of the nutrient off-take^[15]: Japan, surrounded by the sea, has a warm and humid climate and most of the forests fall under temperate or warm-temperate forest. Basically forest floor debris can be easily decomposed, forming rich forest soil. Therefore ensuring proper illumination intensity inside the forest by thinning to attain proper tree density can prevent from deterioration of the forest soil fertility, through helping the development of the root system and the growth of tree trunks and realizing proper forest management which promotes growth of understory vegetation and activities of small animals and microorganisms in the soil prevents soil erosion inside the forest and enables effective material cycle in the forest ecosystem”.</p> <p>Conclusion: conformity</p> <p>Justification: The document requires a sustainable level of harvest. The missing reference to the “nutrient off-take” is justifiable. The nutrient’s issue is implicitly covered by other SGEC requirements.</p>	

PEFC ST 1003, 5.3.7	Appendix 1, Doc. 3
<p>5.3.7 Where it is the responsibility of the forest owner/manager and included in forest management, the exploitation of non-timber forest products, including hunting and fishing, shall be regulated, monitored and controlled.</p>	<p>The document, 4-2 requires harvesting level within the level of forest management plan. Harvesting of non-wood forest products shall be set within a level of sustainable management.</p> <p>The document, 6-1-1 requires that level of harvest of wood and non-wood forest products shall not exceed the long-term sustainable level.</p> <p>Principle 7 defines detailed requirements for monitoring of implementation of the forest management plan.</p>
<p>Conclusion: Conformity</p> <p>Justification: The Standard satisfies the requirement. It requires sustainable harvest level for non-wood forest products. Reference to the forest management plan that is setting the harvest level (4-2) and monitoring of the plan’s implementation ensures that the exploitation is “regulated, monitored and controlled”.</p>	

PEFC ST 1003, 5.3.8	Appendix 1, Doc. 3
<p>5.3.8 Adequate infrastructure such as roads, skid tracks or bridges shall be planned, established and maintained to ensure efficient delivery of goods and services while minimising negative impacts on the environment.</p>	<p>The document, 2-4-4 requires that construction of infrastructure shall apply precautionary measures; biomaterials shall be used (as appropriate) and the infrastructure shall be designed with environmental integrity and minimising damage to the ecosystem.</p> <p>The document, 3-5-1 requires planning of roads and skid tracks that minimises the environmental impact on natural conditions of the site and pays full attention to water and soil.</p> <p>The document, 3-5-2 requires that “structure of management of road and skid track shall be organised and appropriate maintenance service shall be conducted.</p> <p>The document, 6-1-5 requires that infrastructures shall be designed, constructed and maintained for “effective deliberation of forest goods and services while minimising negative impact on the environment”.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirement for both, the effective delivery of goods as well as minimisation of impacts on the environment.</p>	

PEFC ST 1003, 5.4.1	Appendix 1, Doc. 3
<p>5.4.1 Forest management planning shall aim to maintain, conserve and enhance biodiversity on ecosystem, species and genetic levels and, where appropriate, diversity at landscape level.</p>	<p>The document, 2-1 requires management principles for conservation of biological diversity at landscape level and forest stands level.</p> <p>The document, 2-1-1 requires that fundamental management principles on maintenance of biological diversity of ecosystem, species and gene shall be stated in the forest management plan based upon character of forest.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirement.</p>	

PEFC ST 1003, 5.4.2	Appendix 1, Doc. 3
<p>5.4.2 Forest management planning, inventory and mapping of forest resources shall identify, protect and/or conserve ecologically important forest areas containing significant concentrations of:</p> <p>a) protected, rare, sensitive or representative forest ecosystems such as riparian areas and wetland biotopes;</p>	<p>The document, 2-1-1 requires that</p> <p>a) fundamental management principles on maintenance of biological diversity of ecosystem, species and gene shall be stated in the forest management plan based upon character of forest.</p> <p>b) Appropriate management plan on maintenance of biological diversity at landscape level,</p>

<p>b) areas containing endemic species and habitats of threatened species, as defined in recognised reference lists;</p> <p>c) endangered or protected genetic <i>in situ</i> resources; and taking into account</p> <p>d) globally, regionally and nationally significant large landscape areas with natural distribution and abundance of naturally occurring species.</p>	<p>c) Technical guidelines on some representative forest types in term of maintenance and improvement of biological diversity.</p> <p>The document, 2-1-2 requires preservation of primary forests, including adjacent buffer zones.</p> <p>The document, 2-2 requires identification of “primary elements” (natural forest including primary forests, Satoyama forest, grass land, wetland, pond, farm land) for securing biological diversity shall be identified and management principles shall be stated.</p> <p>The document, 2-2-1 requires that “constituting elements in the area shall be identified in the map. Flora and fauna shall be recorded and primary species shall be under technical guidelines for conservation and management.</p> <p>The document, 2-2-2 requires conservation plan as well as management plan for “riparian forest, wetland and biotope”.</p> <p>The document, 2-3 requires conservation measures for “Critically endangered, Endangered, Vulnerable and Near Threatened species (in the IUCN Red List) and their habitats. 2-3-1 requires identification of habitats of those species and their strict protection.</p> <p>The document, 2-4 requires protection of natural vegetation.</p>
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Conclusion: Conformity

Justification: The document satisfies the requirement as:

- a) Requires identification and protection of rare, sensitive and representative ecosystems through identification of “primary” and “constituting elements” of biological diversity within the areas (2-2, 2-2-1), conservation plan for riparian forest, wetland, and special biotopes (2-2-2), protection of primary forests (2-1-2), and natural vegetation (2-4),
- b) Requires identification and protection of IUCN Red list species and their habitats, and their protection (2-3)
- c) Requires management plan for maintenance and improvement of bio-diversity at the landscape level (2-1).

The document does not explicitly refer to identification and protection of “protected and endangered genetic resources”. However, it is assumed that this would be covered by identification of the biodiversity’s “primary and constituting elements” (2-2) and especially through protection of habitats of IUCN Red List species (2-3). The document includes a general requirement for setting management principles for protection of “gene diversity”.

PEFC ST 1003, 5.4.3	Appendix 1, Doc. 3
5.4.3 Protected and endangered plant and animal species shall not be exploited for commercial purposes. Where necessary, measures shall be taken for their protection and, where relevant, to increase their population.	The document, 2-3 requires conservation measures for “Critically endangered, Endangered, Vulnerable and Near Threatened species (in the IUCN Red List) and their habitats. 2-3-1 requires identification of habitats of those species and their strict protection.
<p>Conclusion: Conformity</p> <p>Justification: The document does not have an explicit requirement banning commercial exploitation of protected/endangered species. However, it is assumed that strict protection of those species and their habitats required by the document, excludes commercial or any other exploitation of those species.</p>	

PEFC ST 1003, 5.4.4	Appendix 1, Doc. 3
5.4.4 Forest management shall ensure successful regeneration through natural regeneration or, where not appropriate, planting that is adequate to ensure the quantity and quality of the forest resources.	The document, 4-4 defines requirements for the management of natural forests; requires due consideration of site characteristics and appropriate regeneration operation. 4-4-2 refers to “tree selection guidelines” for natural forests including operation method, forest phase and type and technical guidelines for “ratio of felling” and its cycle. 4-4-2 also refers to “regeneration assistance operations such as treatment of soil surface.
<p>Conclusion: Conformity</p> <p>Justification: Although not explicit, the wording of 4-4 implies that natural regeneration shall be applied in natural forests (reference to the tree selection guidelines or to the regeneration assistance).</p>	

PEFC ST 1003, 5.4.5	Appendix 1, Doc. 3
5.4.5 For reforestation and afforestation, origins of native species and local provenances that are well-adapted to site conditions shall be preferred, where appropriate. Only those introduced species, provenances or varieties shall be used whose impacts on the ecosystem and on the genetic integrity of native species and local provenances have been evaluated, and if negative impacts can be avoided or minimised.	<p>The document, 4-3 and 4-3-1 make reference to the site suitable species taking into aspects of water resources conservation, protection of from soil erosion and environmental conservation (4-3-1). Local provenances of seeds and seedlings shall be used (4-3-1).</p> <p>The document, 4-3-1 requires that alien species shall be avoided “if negative effect on the ecosystem is assumed”. 2-4-3 requires that new introduction of alien species shall be carefully considered to avoid its effect on ecosystem. If introduction is decided, careful monitoring of its negative effects shall be conducted.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirement.</p>	

The document does not explicitly refer to “native species” and requires “site suitable species”. The conformity is based on assumption that native species would always qualify as “site suitable” and would therefore be preferred in the operation.

PEFC ST 1003, 5.4.6	Appendix 1, Doc. 3
<p>5.4.6 Afforestation and reforestation activities that contribute to the improvement and restoration of ecological connectivity shall be promoted.</p>	<p>The document 2-1-1 (b) requires a management plan for maintenance and improvement of biological diversity at landscape level.</p> <p>The document, 2-2-2 requires conservation plan for protection of “riparian forest, wetland and biotope”.</p> <p>The document, 3-2-1 requires protection of forest belt in the area of ridges and streams for soil, water resources, biological diversity and landscape conservation. Such protection forest belt shall be identified on-site based upon the map and in the forest management plan. 3-2-2 requires for the protection forest belt vegetation associated with site specific conditions and softwood and hardwood mixture.</p>

Conclusion: Conformity

Justification/observation: The document does not include an explicit reference to the maintenance and improvement of ecological connectivity. However, the conformity has been assigned based on the following facts, assumptions and justifications:

- (7) The document includes strong and systematic requirements for consideration and conservation of biological diversity at the landscape level. It is assumed that ecological connectivity will be amongst fundamental considerations for biodiversity at the landscape level;
- (8) It is assumed that¹ watercourses and riparian areas are the most important elements of the ecological connectivity. The document includes strong requirements relating to the protection forest belt amongst watercourses and protection of riparian areas, wetlands, etc.
- (9) The document includes strong systematic tools for protection of biological diversity such as mapping, management plans, conservation plans, adherence to municipal forest management plans, etc. The systematic approach is fundamental for conservation of ecological connectivity and biodiversity at the landscape level.

PEFC ST 1003, 5.4.7	Appendix 1, Doc. 3
<p>5.4.7 Genetically-modified trees shall not be used.</p>	<p>The document, 4-3-3 prohibits the use of genetically modified organisms.</p>

Conclusion: Conformity

Justification: The document satisfies the requirement.

PEFC ST 1003, 5.4.8	Appendix 1, Doc. 3
<p>5.4.8 Forest management practices shall, where appropriate, promote a diversity of both horizontal and vertical structures such as uneven-aged stands and the diversity of species such as mixed stands. Where appropriate, the practices shall also aim to maintain and restore landscape diversity.</p>	<p>The document, 2-4-1 requires that “understory and forest edge vegetation” shall be maintained.</p> <p>The document, 4-2-2 promotes non-clear cut operation and introduction of multi-storied forest with due consideration of ecosystem associated with the site condition.</p> <p>The document, 4-3-3 requires site specific suitable species.</p> <p>The document, 4-4-2 expects natural regeneration methods for natural forests.</p> <p>The document, 4-5-1 requires enhancement of species diversity and “multi-layered root system” in tending operations, 4-6-3 promotes hardwood, standing dead wood hollow trees, etc. in thinning operations.</p> <p>The document, 2-1, and 2-1-1 requires conservation of biological conservation at the landscape level.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirement. It requires/promotes both diverse horizontal and vertical structures, species diversity and makes strong references to conservation of biological diversity at the landscape level.</p>	

PEFC ST 1003, 5.4.9	Appendix 1, Doc. 3
<p>5.4.9 Traditional management systems that have created valuable ecosystems, such as coppice, on appropriate sites shall be supported, when economically feasible.</p>	<p>The document, 4-4 requires a forest management plan for natural forests and consideration of site specifications. It make an example of stamp sprouted forest.</p> <p>The document, 5-2-4 requires that forest manager shall respect traditional forest management practices in Satoyama and other area as far as economically feasible.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirement.</p>	

PEFC ST 1003, 5.4.10	Appendix 1, Doc. 3
<p>5.4.10 Tending and harvesting operations shall be conducted in a way that does not cause lasting damage to ecosystems. Wherever possible, practical measures shall be taken to improve or maintain biological diversity.</p>	<p>The document, 4-5 focuses on tending operations with request for development of technical guidelines (4-5-1); enhancement of species diversity and multi-layered root system (4-5-1).</p> <p>The document, 4-6 focuses on thinning operations; its proper planning, site specific thinning ratio and timing (4-6-1); a thinning manual shall be developed (4-6-2); promotion of hardwood species, dead wood, hollow trees (4-6-2).</p> <p>The document, 4-2 focuses on harvesting operations; support to “non-clear cut” operation (4-2); development of harvesting plan with identification of harvested site, method, harvesting ratio, size and volume of the site and harvesting season (4-2-1); development of a technical manual for harvesting methods, age and ratio.</p> <p>The document, chapter 3-1 requires minimisation of impact on soil and water resources; minimisation of negative impacts during construction of forest roads and bridges (3-1-3); protection of water resources and forest floor surface during logging, skidding and log transportation (3-3); environmentally friendly methods reflecting the site conditions such as geographical features, soil and vegetation (3-3-2).</p>
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirement.</p>	

PEFC ST 1003, 5.4.11	Appendix 1, Doc. 3
<p>5.4.11 Infrastructure shall be planned and constructed in a way that minimises damage to ecosystems, especially to rare, sensitive or representative ecosystems and genetic reserves, and that takes threatened or other key species – in particular their migration patterns – into consideration.</p>	<p>The document, 2-4-4 requires that the construction of infrastructures such as roads and check dams, precaution measures (side ditch and crossing ditch of forest road and fish ladder) not hampering growth and propagation of small animals shall be conducted. The constructional materials for such infrastructures shall be from bio-materials appropriate and those infrastructures shall be designed with environmental integrity and minimizing the damage to the ecosystem.</p> <p>The document, 3-5-1 requires planning of roads and skid tracks that minimises the environmental impact on natural conditions of the site and pays full attention to water and soil.</p> <p>The document, 6-1-5 requires that infrastructures shall be designed, constructed</p>

	and maintained for “effective deliberation of forest goods and services while minimising negative impact on the environment”.
<p>Conclusion: Conformity</p> <p>Justification: The Standard satisfies the requirement.</p> <p>The Standard does not explicitly require to minimise damages to all types of ecosystems listed in the PEFC requirement. However, it can be assumed that the general requirement on the protection of the important ecosystems (Principle 2) would also cover their protection in case of infrastructure building.</p>	

PEFC ST 1003, 5.4.12	Appendix 1, Doc. 3
5.4.12 With due regard to management objectives, measures shall be taken to balance the pressure of animal populations and grazing on forest regeneration and growth as well as on biodiversity.	The document, 4-5-3 requires that if the number of wild animals inhabited is significant and causing damage to forest, precautions measures to reduce the animal pressures on the growth and biodiversity shall be taken. Appropriate measures shall be taken where forest is used for grazing.
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirement.</p>	

PEFC ST 1003, 5.4.13	Appendix 1, Doc. 3
5.4.13 Standing and fallen dead wood, hollow trees, old groves and special rare tree species shall be left in quantities and distribution necessary to safeguard biological diversity, taking into account the potential effect on the health and stability of forests and on surrounding ecosystems.	<p>The document, 2-3-2 requires measures for protection rare flora and fauna through protection of standing trees worthy for nest trees, protection of standing dead wood, hollow trees and fallen dead wood worthy for bait of insects and birds and improvement of their habitats.</p> <p>The document, 4-6-2 requires that in thinning operation, hardwood species, standing dead wood, hollow trees in the site shall be retained.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirement.</p>	

PEFC ST 1003, 5.5.1	Appendix 1, Doc. 3
<p>5.5.1 Forest management planning shall aim to maintain and enhance protective functions of forests for society, such as protection of infrastructure, protection from soil erosion, protection of water resources and from adverse impacts of water such as floods or avalanches.</p>	<p>The document, Principle 3 includes comprehensive and detailed requirements for conservation and maintenance of soil and water resources.</p> <p>The document, 3-1 requires minimisation of the negative impact in the forest management plan.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirement.</p>	

PEFC ST 1003, 5.5.2	Appendix 1, Doc. 3
<p>5.5.2 Areas that fulfil specific and recognised protective functions for society shall be registered and mapped, and forest management plans or their equivalents shall take these areas into account.</p>	<p>The document, 3-1-2 requires that the area requested for special consideration in soil and basin system conservation shall be identified in the map and the appropriate measures for enhancing soil conservation functions shall be taken.</p> <p>The document, 3-3-1 requires that if logging is planned in the areas with high protection function against disaster in mountain, type of logging and size of logging area shall be consistent with soil and water resources conservation. Where the forest is designed as water resources maintenance and improvement forest under municipal forest management plan, logging plan shall be fit in the standards and models under municipal forest management plan.</p> <p>The document, 3-3-1 requires that if logging is planned in the areas with high protection function against disaster in mountain, type of logging and size of logging area shall be consistent with soil and water resources conservation.</p> <p>The document, 3-3-2 requires protection of “forest floor surface” in logging, skidding and log transportation and environmentally friendly methods reflecting the site conditions such as geographical features, soil and vegetation.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirement.</p>	

PEFC ST 1003, 5.5.3	Appendix 1, Doc. 3
<p>5.5.3 Special care shall be given to silvicultural operations on sensitive soils and erosion-prone areas as well as in areas where operations might lead to excessive erosion of soil into watercourses. Inappropriate techniques such as deep soil tillage and use of unsuitable machinery shall be avoided in such areas. Special measures shall be taken to minimise the pressure of animal populations.</p>	<p>The document, 3-1-2 requires that the area requested for special consideration in soil and basin system conservation shall be identified in the map and the appropriate measures for enhancing soil conservation functions shall be taken.</p> <p>The document, 3-3-1 requires that if logging is planned in the areas with high protection function against disaster in mountain, type of logging and size of logging area shall be consistent with soil and water resources conservation.</p> <p>The document, 3-3-2 requires protection of “forest floor surface” in logging, skidding and log transportation and environmentally friendly methods reflecting the site conditions such as geographical features, soil and vegetation.</p> <p>The document, 4-5-3 requires that if the number of wild animals inhabited is significant and causing damage to forest, precautionary measures to reduce the animal pressures on the growth and biodiversity shall be taken. Pressure of grazing shall be controlled.</p>
<p>Conclusion: Conformity Justification: The document satisfies the requirement.</p>	

PEFC ST 1003, 5.5.4	Appendix 1, Doc. 3
<p>5.5.4 Special care shall be given to forest management practices in forest areas with water protection functions to avoid adverse effects on the quality and quantity of water resources. Inappropriate use of chemicals or other harmful substances or inappropriate silvicultural practices influencing water quality in a harmful way shall be avoided.</p>	<p>The document, 3-2 requires to establish “protection forest belt” in the area of ridges and streams for soil, water, biological diversity and landscape conservation.</p> <p>The document, 3-3 requires that “in the course of logging, skidding and log transportation, upon considering effect on adjacent water resources and protection function against debris flow, measures for protection of forest floor surface shall be carefully taken”.</p> <p>The document, 3-3-1 requires that if logging is planned in the areas with high protection function against disaster in mountain, type of logging and size of logging area shall be consistent with soil and water resources conservation. Where the forest is designed as water resources maintenance and improvement forest under municipal forest management plan, logging plan shall be fit in the standards and models under municipal forest management plan.</p>

	<p>The document, 3-3-2 requires protection of “forest floor surface” and prevention of water pollution in logging, skidding and log transportation and environmentally friendly methods reflecting the site conditions such as geographical features, soil and vegetation.</p> <p>The document, 3-4 requires measure to avoid spillage of chemical materials such fuel and oil for machinery or other contaminant as well as agriculture chemical into basin.</p>
<p>Conclusion: Conformity Justification: The document satisfies the requirement.</p>	

PEFC ST 1003, 5.5.5	Appendix 1, Doc. 3
<p>5.5.5 Construction of roads, bridges and other infrastructure shall be carried out in a manner that minimises bare soil exposure, avoids the introduction of soil into watercourses and preserves the natural level and function of water courses and river beds. Proper road drainage facilities shall be installed and maintained.</p>	<p>The document, 3-1-3 requires that in forest road and bridge construction design, exposure of bare soils shall be minimised, soil flow into water course shall be avoided and water course and its bed shall be maintained. Also appropriate drainage of forest road shall be allocated and maintained.</p> <p>The document, 3-5 requires soil and water conservation measures to be taken for road and skid track construction. 3-5-1 requires adherence to rules and regulations of forest road and of forest conversion and minimisation of impacts on the characteristic of water use in downstream as well as to pay full attention to water and soil conservation in the planning process. 3-3-2 requires appropriate maintenance.</p>
<p>Conclusion: Conformity Justification: The Standard satisfies the requirement.</p>	

PEFC ST 1003, 5.6.1	Appendix 1, Doc. 3
<p>5.6.1 Forest management planning shall aim to respect the multiple functions of forests to society, give due regard to the role of forestry in rural development, and especially consider new opportunities for employment in connection with the socio-economic functions of forests.</p>	<p>The document, 6-1 refers to the effective use of forest resources in various purposes and to the contribution to the local economy, including job opportunities through collaboration with local community and stakeholders. 6-1-2 refers to the promotion of various certified forest products and dissemination of knowledge into local community</p>
<p>Conclusion: Conformity Justification: The document satisfies the requirement.</p>	

PEFC ST 1003, 5.6.2	Appendix 1, Doc. 3
5.6.2 Forest management shall promote the long-term health and well-being of communities within or adjacent to the forest management area.	The document, 5-2-3 requires that “the forest management shall be associated with promotion of long-term health and welfare of the communities within and adjacent the said forest”.
Conclusion: Conformity Justification: The document satisfies the requirement although it lacks further detail.	

PEFC ST 1003, 5.6.3	Appendix 1, Doc. 3
5.6.3 Property rights and land tenure arrangements shall be clearly defined, documented and established for the relevant forest area. Likewise, legal, customary and traditional rights related to the forest land shall be clarified, recognised and respected.	<p>The document, 1-1 requires identification of ownership/tenure rights and availability of evidence in the form of land registry, forest registry of forest management plan documents.</p> <p>The document, 5-2 requires attention to legal and customary rights to use local resources that shall be clarified (5-2-1) that respect to the recognised rights in the forest management plan.</p>
Conclusion: Conformity Justification: The document satisfies the requirement.	

PEFC ST 1003, 5.6.4	Appendix 1, Doc. 3
5.6.4 Forest management activities shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO 169 and the UN Declaration of the Rights of Indigenous Peoples, which shall not be infringed upon without the free, prior and informed consent of the holders of the rights, including the provision of compensation where applicable. Where the extent of rights is not yet resolved or is in dispute there are processes for just and fair resolution. In such cases forest managers shall, in the interim, provide meaningful opportunities for parties to be engaged in forest management decisions whilst respecting the processes and roles and responsibilities laid out in the policies and laws where the certification takes place.	<p>ILO Convention 169 and United Nations Declaration on the Right of Indigenous Peoples (UNDRIP) are listed amongst Definitions 2-5 with the text that “Conventions which are not ratified in Japan among those listed shall be respected, and forest managers shall follow the domestic acts related to the area relevant to such conventions.”</p> <p>The document, 5-1 and 5-1-1 require that “ratified international conventions” shall be complied with.</p> <p>The document, 5-2 states that “Legal or customary right to use local forest resources shall be paid specula attention”. Additional requirements 5-2-1 and 5-2-2 include general requirements relating to identification, recognition and respect of the customary rights.</p> <p>The document, 5-2-5 requires that “Forest manager, recognizing that the Ainu living in Hokkaido are the indigenous people who have their original language, religion and cultural characteristics, shall give consideration, from a forest management viewpoint, to promotion of the Ainu policy based upon Act on the</p>

	<p>Promotion of Ainu Culture, and Dissemination and Enlightenment of Knowledge about Ainu Tradition, etc (hereinafter referred to as 'the Ainu Culture Promotion Act') and 'the Experts' report on the promotion of the Ainu policy' (hereinafter referred to as 'the Report').</p> <p>Moreover, forest manager in the district where the Ainu are identified as the stakeholders shall provide explanation to those stakeholders who are potentially affected by the forest management, hear their views on the matters related to forest management and, if necessary, have the process for consultation. Forest manager shall also have the process to arrive at a fair solution in the case that the consultation is not settled.</p> <p>Note 1: When a forest manager provide explanation to or hear opinions of the stakeholders on forest management certification, it should be done prior to certification in a free manner.</p> <p>Note 2; "Ainu Culture Promotion Act" was enacted in 1997, aiming to realize a society in which the pride of Ainu people as an ethnic group is respected. "Advisory Council for Future Ainu Policy" was established within the Japanese government, in response to the "Declaration on the Rights of Indigenous Peoples (UNDRIP)" adopted by the United Nations General Assembly in 2007, and the "Resolution to Recognize the Ainu as an Indigenous People" adopted by the House of Representatives and the House of Councilors in 2008.</p> <p>Afterwards, the final report of the advisory council, released in July 2009, stated that the future Ainu policy should be developed based on the recognition of indigenesness of Ainu people. Furthermore, following the above report, the "Council for Ainu Policy Promotion" was established in the Government in order to promote integrated and effective Ainu policy reflecting opinions of Ainu people etc.</p> <p>In light of the above historical context, the Government is currently promoting policies in which priorities are put on promotion, enlightenment and dissemination of Ainu culture, and improvement of livelihood of Ainu people".</p>
<p>Conclusion: Minor non-conformity</p> <p>Justification: The requirements of the Document No. 3 are based on and are following the national legislative process and governmental policy(ies) for AINU people. The Document No. 3 recognises AINU people as indigenous people and requires consideration, from the management point of view, of the AINU's policy based on "Ainu Culture Promotion Act" ^[12] and the Expert Report (2009) ^[13].</p>	

The Expert report^[13] also refers to (i) development of “the Symbolic Space for Ethnic Harmony” for the purposes of education, research, and the exhibition of the history and culture of the Ainu, as well as for the training of successors for their traditional craft skills; and to (ii) promotion of the land use and resources to ensure that the contemporary use of land and resources embodies their cultural inheritance in a comprehensive manner. The report embodies the objectives of ILO 169 and UNDRIP.

The SGEC requirements ensure that:

- Forest manager recognises AINU people as the indigenous people,
- Forest manager considers the legal requirements and governmental policy relating to AINU people,
- Forest manager considers AINU people as a stakeholder, hears their view, consults with indigenous people or establishes a process to arrive at a fair solution (this should be done in prior and open manner).

However, the minor non-conformity has been assigned based on the following argumentation:

- Mandatory nature of ILO 169 and UNDRIP is not clear. They are listed amongst “international conventions”, ratified or not, that are expected to be respected (2-5). However, chapter 2-5 also states that forest owner shall follow domestic acts relating to the areas relevant to such areas. Chapter 5-1 then states that only “ratified conventions” shall be complied with. ILO 169 has not been ratified; UNDRIP is not the international convention and as such has not been ratified. Therefore, there is uncertainty between 2-5 and 5.1/5-1-1 and it is unclear whether ILO 169 and UNDRIP should be followed, respected or complied with.
- The document does not include provisions relating to the “Free, Prior and Informed Consent” although note 1 to 5-2-5 envisages communication with the indigenous people in free and open manner prior to certification.

Closing remarks: The extent of the rights of AINU people in Japan is still negotiated by the Japanese government. Within this period, the SGEC is not fully recognising AINU’s land claims that could be considered as justified based on ILO 169 and UNDRIP, Article 26 and bases its requirements on recognition of AINU people and intensive communication/consultation of forest manager with the AINU people. This approach could be considered as “justifiable” taking into account the last part of the PEFC requirement 5.6.4 (PEFC ST 1003). However, the assessor has decided not to completely close the non-conformity in order to encourage the SGEC and the PEFC Council to continue in an on-going dialogue between the AINU people and the SGEC.

It is recommended that the PEFC Council provides the SGEC sufficient time to find a solution that would be mutually acceptable by the AINU representatives and other SGEC stakeholders.

PEFC ST 1003, 5.6.5	Appendix 1, Doc. 3
<p>5.6.5 Adequate public access to forests for the purpose of recreation shall be provided taking into account respect for ownership rights and the rights of others, the effects on forest resources and ecosystems, as well as compatibility with other functions of the forest.</p>	<p>The document, 6-2 and 6-2-1 require the space and opportunity for citizens to come in touch with nature, including recreation and for larger owners requires measures to support the forests’ recreational function.</p> <p>The document, 6-3 requires that forest designated for recreational use shall be treated for such purpose. 6-3-1 requires zoning of forests for recreational use in the forest management plan. 6-3-2 makes reference to zoning of recreational forests in municipal forest management plan and requires adherence to its rules and regulations relating to the recreational use. 6-3-3 includes requirements relating to facilities of the forest recreation. 6-3-4 requires that public access to forests for recreational use</p>

	<p>shall be properly arranged with due consideration of forest owner's rights and use rights, impact on forest resources and its ecosystem and balance with other function.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document requires to ensure opportunity for citizens to access forests. Specific and comprehensive requirements for forests that are identified as recreational or conservation forests within a municipal forest management plan. For those forests, the document ensures public access as well as includes additional comprehensive requirements to maintain and enhance their recreational function.</p>	

PEFC ST 1003, 5.6.6	Appendix 1, Doc. 3
<p>5.6.6 Sites with recognised specific historical, cultural or spiritual significance and areas fundamental to meeting the basic needs of local communities (e.g. health, subsistence) shall be protected or managed in a way that takes due regard of the significance of the site.</p>	<p>The document, 6-4 requires protection of cultural and historical sites. 6-4-1 requires identification of designed cultural properties under the act on protection of cultural properties. 6-4-2 requires consideration of cultural properties in other forests that is appropriately recognised by local communities and requires proactively serve social benefits.</p> <p>The document makes several references to a municipal forest management plan in relation to forest functions and relating zoning.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirements relating to the specific historical and cultural sites. Although the document does not make an explicit reference to the protection of areas that are fundamental to meeting basic needs of local communities, the conformity has been stated based on the fact that the document makes several mandatory references to municipal forest management plan that allows local communities to define areas with important social functions for the local communities.</p>	

PEFC ST 1003, 5.6.7	Appendix 1, Doc. 3
<p>5.6.7 Forest management operations shall take into account all socio-economic functions, especially the recreational function and aesthetic values of forests by maintaining for example varied forest structures, and by encouraging attractive trees, groves and other features such as colours, flowers and fruits. However, this shall be done in a way and to an extent that does not lead to serious negative effects on forest resources, and forest land.</p>	<p>The document, 6-3 requires that forest designated for recreational use shall be treated for such purpose. 6-3-1 requires zoning of forests for recreational use in the forest management plan. 6-3-2 makes reference to zoning of recreational forests in municipal forest management plan and requires adherence to its rules and regulations relating to the recreational use. 6-3-3 includes requirements relating to facilities of the forest recreation. 6-3-4 requires that public access to forests for recreational use shall be properly arranged with due consideration of forest owner's rights and use rights, impact on forest resources and its ecosystem and balance with other function.</p>

	<p>The document, 6-2 requires measures to allow citizens to come in “touch with nature” and for environmental education.</p> <p>Principle 2 and 4 requires species and structural diversity of forests.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document is consistent with the requirement although it primarily focuses on recreation and environmental education. It is assumed that the aesthetic function is closely related to the species and structural diversity required by the document.</p>	

PEFC ST 1003, 5.6.8	Appendix 1, Doc. 3
<p>5.6.8 Forest managers, contractors, employees and forest owners shall be provided with sufficient information and encouraged to keep up-to-date through continuous training in relation to sustainable forest management as a precondition for all management planning and practices described in this standard.</p>	<p>The document, 5-3 requires that employees and contractors shall be properly trained and guided on biological diversity in the course of management plan implementation.</p> <p>The document, 5-4-2 requires employees and contractors training and guidance relating to log processing, forest management, forest inventory, field supervising, management planning and sales.</p> <p>The document, 5-5 requires training and guidance of employees and contractors on work safety.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirement.</p>	

PEFC ST 1003, 5.6.9	Appendix 1, Doc. 3
<p>5.6.9 Forest management practices shall make the best use of local forest-related experience and knowledge, such as those of local communities, forest owners, NGOs and local people.</p>	<p>The document, 5-2-5 requires that “forest manager shall identify the stakeholders by using appropriate information, provide explanation to those stakeholders who are potentially affected by the forest management and hear their views on the matters related to forest management. If necessary, forest manager shall also hear from the municipal office concerned the process of discussions by experts who review the municipal forest management plan.</p> <p>In the course of developing forest management plan, forest manager shall make the best use of local forest-related experience and knowledge, such as those of local communities, forest owners, NGOs and local people”.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirements.</p>	

<p>5.6.10 Forest management shall provide for effective communication and consultation with local people and other stakeholders relating to sustainable forest management and shall provide appropriate mechanisms for resolving complaints and disputes relating to forest management between forest operators and local people.</p>	<p>The document, 5-2-5 requires that forest manager shall “identify stakeholders with appropriate information, and shall hear their views on the items relating to forest certifications stipulated by relevant acts and local regulations in the course of forest management plan development. Forest manager shall also hear the process of discussions by eminent intellectual experts who review the municipal forest management plan from the municipal office concerned”.</p> <p>The document, 5-1-4 requires that “forest manager shall set up opportunities for hearing the opinions of local people and define the procedure for resolving complaints and disputes from them in relation to forest management”.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirements for both the stakeholders consultation as well as the dispute settlement.</p>	

<p>PEFC ST 1003, 5.6.11</p>	<p>Appendix 1, Doc. 3</p>
<p>5.6.11 Forestry work shall be planned, organised and performed in a manner that enables health and accident risks to be identified and all reasonable measures to be applied to protect workers from work-related risks. Workers shall be informed about the risks involved with their work and about preventive measures.</p>	<p>The document, 5-5 requires that necessary training and guidance of employees and contractors on work safety shall be conducted. 5-5-1 requires work safety manuals and guidance, its check sheet, daily reports, risk assessment report and record of work accidents shall be provided to employees and contractors. Work safety training, self-daily work safety check, risk assessment, work safety inspection and work safety and health training shall be conducted. 5-5-2 requires that employer shall have institutional safety and health management structure that is based upon labour safe and health act and associated rules and regulations.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirement.</p>	

<p>PEFC ST 1003, 5.6.12</p>	<p>Appendix 1, Doc. 3</p>
<p>5.6.12 Working conditions shall be safe, and guidance and training in safe working practices shall be provided to all those assigned to a task in forest operations.</p>	<p>The document, 5-5 requires that necessary training and guidance of employees and contractors on work safety shall be conducted. 5-5-1 requires work safety manuals and guidance, its check sheet, daily reports, risk assessment report and record of work accidents shall be provided to employees and contractors. Work safety training, self-daily work safety check, risk assessment, work safety inspection</p>

	<p>and work safety and health training shall be conducted. 5-5-2 requires that employer shall have institutional safety and health management structure that is based upon labour safe and health act and associated rules and regulations.</p>
<p>Conclusion: Conformity Justification: The document satisfies the requirement.</p>	

PEFC ST 1003, 5.6.13	Appendix 1, Doc. 3
<p>5.6.13 Forest management shall comply with fundamental ILO conventions.</p>	<p>The document, Definitions 5-2 (1) lists all 8 fundamental ILO conventions, two of them ILO No. 105 and ILO No. 111 have not been ratified by Japan.</p> <p>Definitions 5-2 (1) also states that states that in case of fundamental ILO Conventions that were not ratified by Japan, forest managers shall follow the relevant domestic acts related.</p> <p>The document, 5-1 and 5-1-1 states that ratified international conventions shall be complied with.</p> <p>Labour Standards Act (1947)^[14] states that “Employers shall not force Workers to work against their will through the use of physical violence, intimidation, confinement, or any other means which unfairly restrict the mental or physical freedom of said Workers” (Article 5).</p> <p>Labour Standards Act (1947)^[14] states that “Employers shall not use the nationality, creed or social status of any Workers as a basis for engaging in discriminatory treatment with respect to wages, working hours or other working conditions” (Article 3).</p>
<p>Conclusion: conformity Justification: The standard requires compliance with 6 ratified ILO fundamental conventions for two that have not been ratified (ILO No. 105 and No. 111) national legislation shall be followed. National labour legislation in Japan satisfies the unrated ILO Conventions.</p>	

PEFC ST 1003, 5.6.14	Appendix 1, Doc. 3
5.6.14 Forest management shall be based inter-alia on the results of scientific research. Forest management shall contribute to research activities and data collection needed for sustainable forest management or support relevant research activities carried out by other organisations, as appropriate.	The document, 6-6 requires that forest managers shall actively and properly contribute to data collection related to research activities in sustainable forest management, in consideration of the principle that forest management shall be based upon scientific research results.
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirement by reference to “research based forest management” and by contribution to research by data collection.</p>	

PEFC ST 1003, 5.7.1	Appendix 1, Doc. 3
5.7.1 Forest management shall comply with legislation applicable to forest management issues including forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous people; health, labour and safety issues; and the payment of royalties and taxes.	<p>The document, 5-1 requires compliance with all domestic acts; 5-1-1 refers to compliance with all domestic acts relating to forest management, protection and conservation of forest ecosystem, tenure right of land/forest, health, labour and safety and tax system.</p> <p>Definition 5-2 (2) make a list of applicable domestic acts.</p>
<p>Conclusion: Conformity</p> <p>Justification: The document requires compliance with legislation, defines areas of the applicable legislation and makes an exclusive list of the applicable legislation.</p> <p>Although 5-1-1 does not include “land-use rights for indigenous people”, it is assumed that the issue is covered by term “tenure right” and by the specific reference to “Act on promotion of Ainu culture...” listed amongst the listed domestic acts.</p>	

PEFC ST 1003, 5.7.2	Appendix 1, Doc. 3
5.7.2 Forest management shall provide for adequate protection of the forest from unauthorised activities such as illegal logging, illegal land use, illegally initiated fires, and other illegal activities.	The document, 5-1-4 requires that forest manager shall promote to prevent unauthorised activities, including illegal ones by setting sign boards and other media for proper protection of forest.
<p>Conclusion: Conformity</p> <p>Justification: The document satisfies the requirement.</p>	

8.5 Assessment of the chain of custody requirements

8.5.1 Introduction and summary

SGEC has submitted as a part of its application the SGEC scheme specific chain of custody standard developed for the purposes of the usage of the SGEC claims and to support the use of the SGEC Logo and label.

The chain of custody requirements are defined in Document No. 4, *Guidelines for SGEC CoC certification – Requirements for CoC certification*. Requirements for CoC multisite certification are defined in attachment 2-8 of document No. 2 (Operational Rules).

The wording of both documents is nearly identical with PEFC ST 2002 and in most cases only references to “PEFC” were replaced by “SGEC”. During the assessment process, the SGEC resolved non-conformities identified in a draft interim report by amending Document No. 4.

Duality of chain of custody certification in Japan

SGEC has developed its own chain of custody standard as well as its own requirements for chain of custody certification bodies²⁸. Although the SGEC scheme does not make any reference to the PEFC International Chain of Custody Standard (PEFC ST 2002), it is assumed that certification against this standard will continue in Japan even after the PEFC endorsement of the SGEC scheme. This duality of PEFC chain of custody certification in Japan needs to be considered in the PEFC endorsement and especially in the administration of the PEFC scheme as defined by PEFC GD 1004.

It is assumed that the PEFC endorsed scheme is becoming responsible for chain of custody certifications against PEFC ST 2002 and this “responsibility” is defined by a formal adoption of the international PEFC standard. It is also assumed that this would also apply when the scheme develops its own chain of custody standard but the chain of custody certification against PEFC ST 2002 is still available in Japan.

However, the SGEC’s “responsibility” can be deduced from the procedures for notification of certification bodies operating PEFC chain of custody certification (PEFC ST 2002).

²⁸ The PEFC Council’s documentation does not define requirements for scheme specific chain of custody standards. However, it can be deduced from requirements of Annex 6 referring to the “scheme specific chain of custody standard” that this approach is possible.

Results of the assessment of the SGEC chain of custody guidelines

The SGEC chain of custody standard **complies** with the PEFC international chain of custody standard

Observations (not affecting conformity with PEFC requirements)

- The requirements for chain of custody are separated between two documents, Document No. 4 and Attachment 2-8 to Document No. 2 (Operational procedures). The fact that a multi-site organisation shall search for requirements for multi-site chain of custody organisation in several documents and attachments (2-8) is not very rational and user-friendly solution.
- Document No. 4 makes references to external documents (e.g. PEFC ST 2001 and PEFC ST 2002) within the text of the document. However, it does not include a chapter with normative references that would list and clearly identify all the referenced documents (an identifier and a full title of the documents). This is in particular important as the references in the text are not complete (PEFC ST 2001 vs PEFC ST 2001:2008).
- Document No. 4 includes requirements for the usage of the PEFC official claims in chapter 6-3 that primarily focuses on the usage of logos/labels. It would be more logical to define instead the use of the PEFC official claim in Appendix 1 to Document No. 4 together with the definition of the SGEC official claim.

8.5.2 Detailed assessment

Terms and Definitions (PEFC ST 2002, chapter 3)	
3.	Are the terms and definitions of the scheme specific CoC standard in compliance with chapter 3?
<p>Document No. 4, section 2: The definitions used in Document No. 4 section 2 are identical with chapter 3 of PEFC ST 2002, except:</p> <p>(10) Definition of the “plantation forests” is replaced by “planted forests”;</p> <p>(11) Reference to EN 463 in note to the “Recycled material” is replaced by reference to grades of recovered paper defined by Japan Paper Recycling Promotion Center;</p> <p>(12) Definition of “Legality verification based on Japanese government procurement policy” is added</p> <p>Compliance: conformity</p> <p>Justification: the small modifications in the definitions do not have impact on performance of the chain of custody and compatibility with PEFC ST 2002.</p> <p>Observation: The definition of “plantation forests” in PEFC ST 2002 is only included because it is mentioned under the definition of controversial sources. However, Document No.4 replaced the “plantation forests” definition by continues to use the term in the definition of the controversial sources.</p> <p>The reference to the “Legality verification” should be made under normative documents rather than in the chapter of definitions.</p>	
Identification of material/products	
4	<p>Does the scheme specific CoC standard require identification of the material/products in compliance with chapter 4?</p> <p>Document No. 4, chapter 3 is nearly identical with chapter 4 of PEFC ST 2002, it has omitted some of the notes.</p> <p>Compliance: Conformity</p> <p>Justification: The notes omitted in Document No 4 do not have impact on chain of custody results or compatibility with PEFC ST 2002.</p>
PEFC Due Diligence System (DDS) for avoidance of raw material from controversial sources	
5.1	<p>Are the general requirements of the DDS of the scheme specific CoC standard in compliance with 5.1?</p> <p>Document No. 4, chapter 4.1 is nearly identical with PEFC ST 2002; except for genetically modified organisms (4-1-8) where additional text “for time being” has been inserted.</p> <p>Compliance: Conformity</p> <p>Justification: The text inserted for the genetically modified organisms in Document No 4 does not have impact on chain of custody results or compatibility with PEFC ST 2002.</p>
5.2	<p>Does the DDS of the scheme specific CoC standard require gathering of information in compliance with 5.2?</p> <p>Document No. 4, chapter 4.2 is identical with PEFC ST 2002.</p> <p>Compliance: Conformity</p>
5.3	<p>Does the DDS of the scheme specific CoC standard include requirements for a risk assessment in compliance with 5.3?</p> <p>Document No. 4, 4.3 is nearly identical with PEFC ST 2002; except for</p> <p>a) exemption to establish DDS (5.3.1) where the PEFC ST 2002 exempts material supported by the PEFC recognised certificate as Document No. 4 exempts only material supported by the SGEC recognised</p>

		<p>certificate (SGEC forest management and SGEC CoC certificate);</p> <p>b) recognition of other certification schemes other than “SGEC endorsed” (in PEFC ST 2002 is other than PEFC endorsed).</p> <p>Compliance: Conformity</p> <p>Justification: The SGEC wording is more restrictive as the PEFC certified material (certified by other schemes/standards) shall be assessed through the SGEC DDS.</p>
5.4	Does the DDS of the scheme specific CoC standard require the consideration of substantiated concerns in compliance with 5.4?	<p>Document No. 4, chapter 4.4 is identical with PEFC ST 2002.</p> <p>Compliance: Conformity</p>
5.5	Does the DDS of the scheme specific CoC standard include requirements for management of high-risk supplies in compliance with 5.5?	<p>Document No. 4, chapter 4.5 is identical with PEFC ST 2002.</p> <p>Compliance: Conformity</p>
5.6	Does the DDS of the scheme specific CoC standard include requirements concerning the placement of material on the market which are in compliance with 5.6?	<p>Document No. 4, chapter 4.6 is identical with PEFC ST 2002.</p> <p>Compliance: Conformity</p>
Chain of custody methods		
	Does the scheme specific CoC standard allow physical separation and percentage based method as chain of custody methods?	<p>Document No. 4 defines requirements for both the physical separation and percentage based methods.</p>
6.2.1	Are the general requirements for the physical separation method in compliance with 6.2.1?	<p>Document No. 4, chapter 5.2.1 is identical with PEFC ST 2002.</p> <p>Compliance: Conformity</p>
6.2.2	Are the requirements for the separation of certified material/products in compliance with 6.2.2?	<p>Document No. 4, chapter 5.2.2 is identical with PEFC ST 2002.</p> <p>Compliance: Conformity</p>
6.3.1	Are the requirements for the application of the percentage based method in compliance with 6.3.1?	<p>Document No. 4, chapter 5.3.1 uses the term “shall” for the usage of the percentage based method while the text “applies to” in PEFC ST 2002 is only indicative.</p> <p>Compliance: Conformity</p>
6.3.2	Does the scheme specific CoC standard include requirements for the definition of the product group in compliance with 6.3.2?	<p>Document No. 4, chapter 5.3.2 uses the identical text for the definition of the product group.</p> <p>Compliance: Conformity</p>
6.3.3	Does the scheme specific CoC standard include requirements for the calculation of the certification percentage in compliance with 6.3.3?	<p>Document No. 4, chapter 5.3.3 uses the identical text for the calculation of the certification percentage.</p> <p>Compliance: Conformity</p>

6.3.4	Does the scheme specific CoC standard include requirements for the transfer of the calculated percentage to the outputs, which are in compliance with 6.3.4?	Document No. 4, chapter 5.3.4 uses the identical text for the calculation of the certification percentage. It includes an additional requirement relating to the house construction where the percentage of certified material applies to the main structural material of the house constructed. Compliance: Conformity Justification: The additional requirement does not have impact on compatibility with PEFC ST 2002.
Sale of and communication on claimed products		
7.1	Does the scheme specific CoC standard include requirements for the documentation associated with sold/transferred products in compliance with 7.1?	Document No. 4, chapter 6.1 uses the identical text for the calculation of the certification percentage. Compliance: Conformity
7.2	Does the scheme specific CoC standard include requirements for the use of logos and labels in compliance with 7.2?	Document No. 4, chapter 6.2 and 6.3 require that “the CoC organization can use and display PEFC logos, labels and official claims on SGEC-certified products after the mutual recognition between SGEC and PEFC becomes effective. Upon using PEFC logos and labels, the display of PEFC logs and labels shall be done appropriately following PEFC ST 2002 “Forest Product CoC –requirements-“, PEFC ST 2002 Appendix 1 “Specification of the PEFC claims” and PEFC ST 2001 “PEFC Logo Usage Rules – requirements-“. Compliance: Conformity Justification: Document No. 4 requires compliance with PEFC ST 2001 concerning the PEFC Logo/label usage. Observation: It should be noted that other referenced documents (PEFC ST 2002 and its Appendix 1) are not relevant for the usage of the PEFC Logo/label. In addition, Document No. 4 does not include a chapter with normative references that would clearly identify the referenced documents (an identifier and a full title of the documents). This is in particular important as chapter 6.3 does not include complete references (PEFC ST 2001 vs PEFC ST 2001:2008).
Management system		
8.1	Does the scheme specific CoC standard require management responsibilities for the organisation's management in compliance with 8.1?	Document No. 4, chapter 7.1 with PEFC ST 2002. Compliance: Conformity
8.2	Does the scheme specific CoC standard include requirements for responsibilities and authorities for C-o-C in compliance with 8.2?	Document No. 4, chapter 7.2 is identical with PEFC ST 2002.

		Compliance: Conformity
8.3	Does the scheme specific CoC standard include requirements for documented procedures in compliance with 8.3?	Document No. 4, chapter 7.3 is identical with PEFC ST 2002. Compliance: Conformity
8.4	Does the scheme specific CoC standard include requirements for record keeping in compliance with 8.4?	Document No. 4, chapter 7.4 is identical with PEFC ST 2002. Compliance: Conformity
8.5	Does the scheme specific CoC standard include requirements for resource management in compliance with 8.5?	Document No. 4, chapter 7.5 is identical with PEFC ST 2002. Compliance: Conformity
8.6	Does the scheme specific CoC standard include requirements for inspection and control in compliance with 8.6?	Document No. 4, chapter 7.6 is identical with PEFC ST 2002. Compliance: Conformity
8.7	Does the scheme specific CoC standard include requirements for complaint resolution procedures in compliance with 8.7?	Document No. 4, chapter 7.7 is identical with PEFC ST 2002. Compliance: Conformity
8.8	Does the CoC standard include requirements for subcontracting in compliance with 8.8?	Document No. 4, chapter 7.6 is identical with PEFC ST 2002. Compliance: Conformity
Social, health and safety requirements		
9.	Does the scheme specific CoC standard include social, health and safety requirements in compliance with chapter 9?	Document No. 4, chapter 8 states that “the CoC organization shall comply with the Fundamental ILO Conventions (except for those which are not ratified by Japan) and the Labour Standard Act and other domestic legislations related to ILO 105 and ILO 111, which are not ratified by Japan”. Compliance: Conformity Justification: Although chapter 9 states that the requirements “are based on” the fundamental ILO conventions, there is expectation that the organisations will be in compliance with the ILO conventions. The Labour Standard Act includes requirements relating to the abolition of forced labour (ILO 105) and non-discrimination and equal opportunities (ILO 111).
Specification of PEFC claims		
Ap pen dix. 1	Does the scheme specific CoC standard include a definition of certified raw material, neutral and other raw material (for the purposes of PEFC claims / labelling) in compliance with Appendix 1?	Document No 4, attachment 4-1 includes requirements for SGEC claim “x % SGEC certified” and for “SGEC controlled sources”. The text is identical with Appendix 1 of PEFC ST 2002 with the word “PEFC” being replaced by “SGEC” Compliance: Conformity

		Justification: the definition of the SGEC claims complies with the definition of the PEFC claims as it more restrictive than the PEFC definition and only allows SGEC material to qualify for the SGEC claim. Upon the PEFC endorsement of the SGEC claim, the SGEC material is a subset of the PEFC material.
Ap p.1	Does the national standard specify formal PEFC claims in compliance with 1.2 and 2.2?	<p>Document No. 4 has been specifically developed for the purposes of the SGEC claims. It neither defines nor refers to the PEFC formal claims.</p> <p>Chapter 6-3 states “The CoC organization can use and display PEFC logos, labels and official claims on SGEC-certified products after the mutual recognition between SGEC and PEFC becomes effective”.</p> <p>Upon using PEFC logos and labels, the display of PEFC logs and labels shall be done appropriately following PEFC ST 2002 “Forest Product CoC –requirements-“, PEFC ST 2002 Appendix 1 “Specification of the PEFC claims” and PEFC ST 2001 “PEFC Logo Usage Rules – requirements-“.</p> <p>Compliance: Conformity</p> <p>Justification: Chapter 6-3 allows to use the PEFC official claims (understood as x% PEFC certified)” on the SGEC certified products. Appendix 1 to Document No. 4 ensures that the claims on the SGEC certified products conforms to Appendix 1 to PEFC ST 2002.</p> <p>Observation:</p> <p>The SGEC official claim is defined in Appendix 1 to Document No. 4. It would be more logical to define the use of the PEFC official claim also in Appendix 1 to Document No. 4.</p>
Implementation of chain of custody by multisite organisations (only for standards which include rules for multisite or group certification)		
A2, 2	Does the scheme specific CoC standard define “multisite organisation” in compliance with Appendix 2, 2?	<p>Document No.2, Attachment 2-8 defines the multi-site organisation in an identical way that PEFC ST 2002, except the maximum turnover for the sites of the producer group (2-6) that is limited to 100 million Yen (cca 800.000 EUR). PEFC ST 2002 sets the limit at the 9 million CHF.</p> <p>Compliance: conformity</p> <p>Justification: concerning the turnover limit the SGEC standard is more restrictive than PEFC ST 2002.</p>
A2, 3.1	Does the scheme specific CoC standard include requirements for multisite organisations in compliance with Appendix 3, 3.1?	<p>Document No. 2, attachment 2-8, 3-1 has similar or identical requirements as PEFC ST 2002.</p> <p>Compliance: conformity</p>

A2, 3.2. 1.	Does the scheme specific CoC standard include requirements for the function and responsibilities of the central office in compliance with chapter Appendix 3, 3.2.1?	Document No. 2, attachment 2-8, 3-2 has similar or identical requirements as PEFC ST 2002 and covers elements described in PEFC ST 2002, Appendix 3, 3.2.1. Compliance: Conformity
A2, 3.2. 2	Does the scheme specific CoC standard include requirements for function and responsibilities of sites connected to a multisite organisation in compliance with Appendix 3, 3.2.2?	Document No. 2, attachment 2-8, 3-1 has similar or identical requirements as PEFC ST 2002. Compliance: Conformity

8.6 Requirements for certification bodies

8.6.1 Requirements for chain of custody certification bodies

8.6.1.1 Introduction and summary

Duality of chain of custody certification in Japan

SGEC has developed its own chain of custody standard as well as its own requirements for chain of custody certification bodies²⁹. Based on the fact that the SGEC defines notification procedures for certification against PEFC ST 2002, it is assumed that the certification against this standard will continue in Japan even after the PEFC endorsement of the SGEC scheme. This duality of the PEFC chain of custody certification in Japan needs to be considered in the PEFC endorsement and especially in the administration of the PEFC scheme as defined by PEFC GD 1004.

It is assumed that the PEFC endorsed scheme is becoming responsible for chain of custody certifications against PEFC ST 2002 and that the scheme shall ensure that those certifications are carried out by certification bodies that are meeting PEFC ST 2003. It is also assumed that this “responsibility” is defined by a formal adoption of those two international PEFC standards. This should also apply when the scheme develops its own chain of custody standard but the chain of custody certification against PEFC ST 2002 is still available in Japan.

Applicable PEFC requirements for assessing scheme specific requirements for chain of custody certification bodies

Annex 6 of the PEFC Technical Document defines requirements for certification bodies, those that are general as well as those that apply specifically to certification bodies operating against a scheme specific chain of custody standard. This implies that Annex 6 should be used as the reference base for the assessment of the scheme specific requirements for certification bodies operating against a scheme specific chain of custody standard.

PEFC ST 2003 explicitly states that the requirements apply to certification bodies operating against the PEFC International Chain of Custody standard³⁰. The document does not include any reference that the document should be also used as a meta-standard for assessment of scheme specific requirements for certification bodies operating against a scheme specific chain of custody standard.

However, PEFC Council instructed the assessor to carry out the assessment of the scheme specific requirements for chain of custody certification bodies against PEFC ST 2003. It is assumed that this approach is taken to reflect the fact that Annex 6 has not been updated since 2007 and that it does not take into account application of PEFC ST 2003 (adopted in 2002). In addition, it is assumed that the PEFC Council intends to achieve consistency and compatibility in chain of custody certifications regardless of whether they are issued against the international or a scheme specific chain of custody standard. Performance of certification bodies meeting a common level defined in PEFC ST 2003 leads to this objective.

Therefore, the assessment of the scheme specific requirements for certification bodies has been carried out against PEFC ST 2003.

²⁹ The PEFC Council's documentation does not define requirements for scheme specific chain of custody standards. However, it can be deduced from requirements of Annex 6 referring to the “scheme specific chain of custody standard” that this approach is possible.

³⁰ PEFC ST 2003, chapter 1, Scope

Assessment approach

PEFC ST 2003 has not been developed as a meta-standard with generic requirements that are then further developed at the national level. Instead, it was developed as a set of specific and detailed requirements that are directly applicable to certification bodies. This fact has to be taken into account when assessing another standard that is defined by the SGEC as well as when interpreting the results of the evaluation.

Therefore, the assessment focuses on compatibility of the two standards (sets of requirements) and especially on compatibility of certification results (impacts of those requirements on certification results) rather than on “literal” compliance of the SGEC requirements with PEFC ST 2003.

SGEC requirements for chain of custody certification bodies

SGEC has defined requirements for certification bodies in the following documents:

- Document No. 2: Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)
- Attachment 2-10 to Document No 2: Requirements for Certification Bodies operating certification under SGEC certification scheme
- Attachment 2-10-1-1 to Document No. 2: Requirements for accreditation of certification bodies
- Attachment 2-10-1-2 to Document No. 2: Requirements for notification of certification bodies
- Attachment 2-10-2 to Document No. 2: Multisite chain of custody certification
- Attachment 2-10-3 to Document No. 2: Requirements of qualification for personnel of evaluation team
- Attachment 2-13 to Document No. 2: Certification and Accreditation Procedures
- Attachment 2-13-1 to Document No. 2: Educational programs related to certification standards and auditing training and experiences

Those documents, or parts of the documents, define requirements for both forest management as well as chain of custody certification bodies.

Accreditation and certification framework

The SGEC documentation (Document No. 2, Article 19 and attachment 2-1-1-1) requires that the certification bodies shall be accredited against ISO 17065 by an accreditation body that is a signatory to the IAF’s multilateral arrangement for product certification and that the certificates shall be issued as “accredited” certificates.

Assessment result

The SGEC requirements for SGEC chain of custody certification **comply with** the PEFC requirements.

In addition, it should be noted that an interview of the SGEC representatives and certification bodies held in August 2015 identified that none of the certification bodies had been accredited and none of their issued SGEC chain of custody certificates (August 2016) had been issued as “accredited” certificates. SGEC information provided in February 2016 ^[21] states that 2 of 3 certification bodies were accredited in October 2015 and that “accredited” evaluation will take place after the PEFC

endorsement. This fact needs to be taken into account when formulating the PEFC endorsement decision.

8.6.1.2 Detailed assessment

PEFC ST 2003, Compliance with ISO 17065	SGEC Documentation
<p>PEFC ST 2003 requires the certification body to comply with all requirements of ISO 17065.</p>	<p>Attachment 2-13, 2-1-2-1 requires that certification bodies shall fulfil requirements defined in ISO/IEC 17065 Conformity assessment – Requirements for bodies certifying products, processes and services within the scope of SGEC scheme.</p>
<p>Conclusion: Conformity</p> <p>Justification: SGEC requires compliance with ISO 17065.</p>	

PEFC ST 2003, Legal requirements	SGEC Documentation
<p>4.1.1 Where the certification body makes use of the PEFC Logo on the certification document or for any other purposes linked to the PEFC certification scheme, the use shall only be carried out based on a valid licence issued by the PEFC Council or the relevant PEFC National Governing Body.</p> <p>4.1.2 Where the certification body makes use of the PEFC Logo on the certification document, it shall make clear to the client organisation that the PEFC Logo on the certificate only refers to the client organisation's compliance with the PEFC certification scheme and does not provide the client organisation with the right to use the PEFC Logo.</p>	<p>Attachment No. 2-10 of Document No. 2 (Operational procedures), chapter III, 1-1 requires that the use of the PEFC Logo shall comply with PEFC ST 2001.</p> <p>Attachment No. 2-10 of Document No. 2 (Operational procedures), chapter III, 1-3 requires that "Where the certification body makes use of the SGEC/PEFC logo on the certification document, it shall inform and make clear that the SGEC/PEFC logo on the certificate only refers to the certified forest owners/managers` compliance with the SGEC/PEFC certification scheme and does not provide the certified forest owners/managers with the right to use the SGEC/PEFC logo".</p>
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation defines that the use of the PEFC Logo shall comply with PEFC ST 2001. It is not explicit that the requirement applies to the use by the certification body or the use by the certified client. However, this could be implicitly deduced from the fact that Attachment 2-10 defines, in principle, requirements for certification bodies.</p> <p>The SGEC documentation also requires the certification body to clarify, for its clients, the meaning of the PEFC Logo on the certificate (if used).</p>	

PEFC ST 2003, Confidentiality	SGEC Documentation
<p>4.5 The certification body shall inform the client organisation that it is obliged to provide information to the PEFC Council or a PEFC National Governing Body. In order to comply with the ISO/IEC 17065 for confidentiality, the certification body shall have the written consent of the client organisation for the information disclosed to the PEFC council or the PEFC National Governing Body.</p>	<p>Attachment 2-10 of the Document 2 (Operational procedures), 1-7 requires that “the certification body shall inform the CoC organization that it is obliged to provide information to SGEC. In order to comply with the ISO/IEC 17065 for confidentiality, the certification body shall have the written consent of the CoC organization for the information disclosed to SGEC”.</p>
<p>Conclusion: Conformity Justification: The SGEC documentation satisfies the requirement.</p>	

PEFC ST 2003, Personnel	SGEC Documentation
<p>6.1.1.1 The certification body shall ensure that all personnel carrying out the key activities, such as contract review, auditing, granting of certification, monitoring of auditors, etc. have the relevant and appropriate knowledge and competencies corresponding to these activities.</p>	<p>Document 2, article 19 (2) requires knowledge and skills of the certification body relevant to the chain of custody, forest products and rules and regulations relating to forest products.</p> <p>Attachment 2-10, III/2-1-3 describes general competence requirements for “reviewers and decision makers”.</p> <p>Attachment 2-10, III/2.2 defines requirements for auditors.</p>
<p>Conclusion: Conformity Justification: The SGEC documentation includes general requirements for personnel responsible for auditing, review of audit report and granting of certification.</p>	

PEFC ST 2003, Auditors	SGEC Documentation
<p>6.1.1.2 The certification body shall have a documented process to ensure that auditors have personal attributes, knowledge and skills in accordance with clauses 7.1, 7.2.1, 7.2.2, 7.2.3.1, 7.2.3.2 and 7.2.3.4 of ISO 19011:2011.</p>	<p>Attachment 2-13, 2-2-2 requires that auditors shall fulfil general criteria for quality and environmental management system auditors as defined in ISO 19011.</p>
<p>Conclusion: Conformity Justification: The SGEC documentation requires auditors’ compliance with ISO 19011. In addition, it should be noted that ISO 17065 requires in general, competency of all personnel involved in the certification process and the certification body to identify relevant competency criteria. It is expected that ISO 17065 itself satisfies the general PEFC requirement.</p>	

PEFC ST 2003, Auditors	SGEC Documentation
<p>6.1.1.2.1 Education</p> <p>6.1.1.2.1.1 The certification body shall ensure that auditors have the knowledge corresponding to at least a secondary education that includes or is supplemented with courses related to forest based and related industries where the auditor(s) conducts chain of custody audits.</p> <p>6.1.1.2.1.2 The specific education relating to forest based and related industries can be substituted by working experience in these sectors if the certification body can demonstrate it is equivalent to the required education.</p>	<p>Attachment 2-10, chapter III/2 requires that auditors shall meet any of the following requirements:</p> <ul style="list-style-type: none"> a) Ph.D. in agriculture (including forest and forestry); b) Professional Engineer in forest management; c) Registered forester for extension services; d) Forest products inspector registered by JAS; e) Veterans in management, extension, inspection and research related to wood-products and timber business who meet the following criteria: <ul style="list-style-type: none"> - More than 4 years' experience with Master degree - More than 6 years' experience with Bachelor degree - More than 8 years' experience with Associate degree - More than 12 years' experience with High school certificate
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation accepts different type of forestry specific education or recognised qualification/registration. Working experience can substitute and contribute to the specific forestry education. Although conditions for some registrations (e.g. "forest products inspector") is not specified, the SGEC requirements are compatible with PEFC ST 2003.</p> <p>Observation: It should be noted that the SGEC requirements are mainly focused on forestry education while the PEFC ST 2003 focuses on "forest based and related sector".</p>	

PEFC ST 2003, Auditors	SGEC Documentation
<p>6.1.1.2.2 Chain of custody training</p> <p>The certification body shall ensure that auditors, in the last two years, have participated in an education programme in chain of custody of forest based products that is recognised by the PEFC Council or a PEFC National Governing Body.</p>	<p>Attachment 2-10-3, 3-1 requires that the certification bodies shall ensure that auditors shall participate in an education program stipulated in Attachment 2-13-1. After initial participation in the above program, the certification bodies shall ensure that auditors shall participate in subsequent program in every two years.</p> <p>Attachment 2-10-3 requires that the certification bodies shall ensure that auditors have performed FM or CoC audits for a first qualification or for maintain the qualification of the auditor as stipulated in Attachment 2-13-1.</p> <p>Attachment 2-13, 2-2-2 requires that auditors engaged in CoC certification shall have participated CoC certification educational programs acknowledged by SGEC within last two years.</p> <p>Attachment 2-13-1 details the requirements for educational programs that shall cover:</p> <ul style="list-style-type: none"> - requirements defined in ISO/IEC 17065; - general criteria for auditors as defined in ISO 19011; - requirements related to SGEC CoC certification.
<p>Conclusion: Conformity</p> <p>Justification: The SGEC requires SGEC recognised training for chain of custody auditors and 2 years periodicity of auditors' training.</p>	

PEFC ST 2003, Auditors	SGEC Documentation
<p>6.1.1.2.3 Audit training</p> <p>The certification body shall ensure that auditors have successfully completed training in audit techniques based on ISO 19011.</p>	<p>Attachment 2-10, III/2-1-2 requires that the certification body shall conduct its educational programs for the personnel of evaluation team in line with its standards based upon ISO 19011.</p> <p>Attachment 2-13, III/2-2-2b (audit training and experiences) requires that "auditors engaged in CoC certification have participated CoC certification training courses or actual CoC certification process acknowledged by SGEC".</p> <p>Attachment 2-13-1 details the requirements for educational programs that shall cover:</p> <ul style="list-style-type: none"> (13) requirements defined in ISO/IEC 17065 (14) general criteria for auditors as defined in ISO 19011 (15) requirements related to SGEC CoC certification
<p>Conclusion: Conformity</p>	

Justification: The SGEC documentation requires both internal as well as an external SGEC recognised training that covers ISO 19011 requirements.

PEFC ST 2003, Auditors	SGEC Documentation
<p>6.1.1.2.4 Working experience</p> <p>6.1.1.2.4.1 For a first qualification of an auditor, the certification body shall ensure that the auditor has a minimum of three (3) years full time experience in the forest based and related industries.</p> <p>6.1.1.2.4.2 The number of years of total work experience may be reduced by one (1) year, if the auditor has completed a tertiary education appropriate and relevant to forest based and related industries.</p>	<p>Attachment 2-10, chapter III/2-1-1 requires that “the audit team shall have knowledge of, 1) the certification standard (SGEC-COC Standard) and 2) the certification audit and shall include those who are qualified under either of the under-mentioned categories from a) to d) [<i>different education levels in forestry sector</i>] with minimum two years of working experience, or by the category e) [<i>working experience from 4-12 years based on an education level</i>].</p>
<p>Conclusion: Conformity</p> <p>Attachment 2-10 defines the minimum working experience. The conformity is based on the assumption that the different education levels are classified as tertiary education.</p>	

PEFC ST 2003, Auditors	SGEC Documentation
<p>6.1.1.2.5 Audit experience</p> <p>6.1.1.2.5.1 For a first qualification of an auditor, the certification body shall ensure that the auditor within the last three years has performed chain of custody audits for at least four organisations under the leadership of a qualified auditor. The number of chain of custody audits in training can be reduced by two (2) audits for auditors that are qualified for ISO 9001 or 14001 auditing in the sector of forest based and related industries.</p> <p>6.1.1.2.5.2 For maintaining the qualification of the auditor, the certification body shall ensure that the auditor has performed a minimum of five (5) external audits per year including at least two (2) chain of custody audits where the sum of these audits should cover at least seven (7) man-day of audit work.</p>	<p>Attachment 2-13-1, 3.2 includes requirements for audit experience for qualification of an auditor: For a first qualification of an FM or CoC auditor, the certification bodies shall ensure that the (candidate) auditor within the last three years has performed relevant audits for at least four client organizations under the leadership of a qualified auditor in line with the requirements for SGEC FM certification or the requirements for SGEC CoC certification (or PEFC CoC of Forest Based Products-Requirements ST 2002:2013). The number of FM audits in training can be reduced by two audits for auditors that are qualified for ISO 9001 or 14001 auditing in the forestry sector.</p> <p>Attachment 2-13-1, 3.2 includes requirements for audit experience to maintaining the qualification of the auditor: For maintaining the qualification of the auditor, the certification bodies shall ensure that the auditor has performed a minimum of five external audits per year where the sum of these audits should cover at least seven man-day of audit work in principle in line with the relevant requirements above.</p>
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation includes requirements that are identical to PEFC ST 2003.</p>	

PEFC ST 2003, Auditors	SGEC Documentation
<p>6.1.1.2.6 Competencies</p> <p>6.1.1.2.6.1 The certification body shall ensure that auditors demonstrate ability to apply knowledge and skills in the following areas:</p> <p>a) audit principles, procedures and techniques (see 7.2.3.2.a of ISO 19011): to enable the auditor to apply those appropriate to different audits and ensure that audits are conducted in a consistent and systematic manner.</p> <p>b) organisation situations (see 7.2.3.2c of ISO 19011), including organizational size, structure, functions and relationships, general business processes and related terminology and cultural and social customs such as knowledge of the client organisation working language: to enable the auditor to comprehend the organisation’s operational context.</p> <p>c) applicable international legislation and country specific forest governance and law enforcement system relevant to forest based raw material procurement and avoidance of raw material from controversial sources: to enable the auditor to comprehend the client organisation’s contractual relationships with suppliers and evaluate the client organisation’s procedures for avoidance of raw material from controversial sources. Knowledge and understanding of this area shall cover:</p> <ul style="list-style-type: none"> - contracts and agreements, - forest governance and law enforcement system of countries of the uncertified raw material origin, - international treaties and conventions relating to forest products trade (CITES). <p>6.1.1.2.6.1 The certification body shall ensure that auditors demonstrate ability to apply terminology, knowledge, understanding and skills in the following areas of the chain of custody of forest based products:</p> <p>a) principles and requirements of the chain of custody standard,</p> <p>b) products, processes and practices in the specific sector, applied raw material flow, measurements and control measures,</p> <p>c) the application of management systems to forest based and related industries and interaction between their components,</p> <p>d) information systems and technology for, authorisation , security, distribution and control of documents, data and records,</p>	<p>Attachment 2-10-3, 3-3-1 requires that the certification bodies shall ensure that auditors demonstrate ability to apply terminologies, knowledge, understanding and skills related to Document 2, 3 and 4.</p> <p>Attachment 2-10-3, 3-3-2 requires that the certification bodies shall ensure that auditors demonstrate ability to apply knowledge and skills in the following areas:</p> <p>a) audit principles, procedures and techniques: to ensure that audits are conducted in a consistent and systematic manner.</p> <p>b) organization situations including organizational size, structure, functions and relationships, general business processes and knowledge of the client organization: to enable the auditor to comprehend the organization’s operational context.</p> <p>c) 2-5 Normative references of international conventions and domestic acts in Document 3 and 2-9 Controversial sources in Document 4: to enable the auditors to review the procedures to minimize the risk that the client organization’s procured material originates in controversial sources through recognizing international conventions and domestic acts related.</p> <p>Attachment 2-10-3, 3-3-3 requires that the certification bodies shall provide evidence of annual monitoring of FM or CoC auditors applying methods such as audit witness, reviewing audit reports or client organizations’ feedback, etc. based on the frequency of their usage and the level of risk linked to their activities. In Particular, the certification bodies shall review the competence of its personnel in the light of their performance in order to identify training needs.</p> <p>Attachment 2-13 requires that certification bodies have the responsibility to use competent auditors that have adequate technical know-how on the certification process and issues related to FM or CoC certification.</p>

<p>e) application of PEFC and other product labels and claims, and f) application of the measures to avoid procurement of raw material from controversial sources, including the relevant risk assessment methodology and indicators.</p> <p>6.1.1.2.6.3 The certification body shall provide evidence of annual monitoring of chain of custody auditors applying methods such as audit witnessing, reviewing audit reports or client organisations' feedback, etc. based on the frequency of their usage and the level of risk linked to their activities. In particular, the certification body shall review the competence of its personnel in the light of their performance in order to identify training needs.</p>	
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation includes competency requirements relating to (i) audit principles and (ii) client's business and organisational situation that is compatible with PEFC ST 2003. The SGEC also requires monitoring of auditors competency.</p> <p>Concerning the competencies relating to the content of the SGEC CoC standard, the SGEC documentation has a simple requirement for knowledge of Document No. 4 (chain of custody standard). Although not as detailed as PEFC ST 2003, this is compatible with PEFC ST 2003.</p> <p>The SGEC documentation refers to the knowledge of domestic acts and international conventions while the PEFC ST 2003 requires knowledge of the legislation of the material origin. However, this can be deduced from the reference to the definition of the term controversial sources that covers the legislation of the material origin.</p>	

PEFC ST 2003, Application	SGEC Documentation
<p>7.2.1 The client organisation, as a minimum, shall provide the following information as a part of the application for chain of custody certification:</p> <ul style="list-style-type: none"> a) corporate entity, name, address and legal status, b) chain of custody documented procedures of the client organisation as defined in the chain of custody standard, c) descriptive identification of the products covered by the chain of custody, and d) sites covered by the chain of custody in the case of multi-site certification (as defined in the chain of custody standard). <p>7.2.2 The client organisation, as a minimum, shall provide for products covered by the chain of custody, the following information relating to the application of the optional requirements of the chain of custody standard:</p> <ul style="list-style-type: none"> a) chain of custody method b) method of calculation of the certification percentage 	<p>Attachment 2-10, III/3-1-1 defines content of the application that is identical with chapters 7.2.1, and 7.2.2.</p>

<p>c) transfer of certification percentage to output products</p> <p>d) applied definition of the origin , and</p> <p>e) intended application of the PEFC Logo usage rules.</p> <p>7.2.3 Where the client organisation is using different chain of custody methods (a-e) for various products or at various sites, in case of multisite organisation, the application shall include information specified under a) to e) separately for each product and/or site.</p>	
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation is identical with PEFC ST 2003.</p>	

PEFC ST 2003, Application review	SGEC Documentation
<p>7.3.1 The certification body shall have documented procedures to ensure that an audit plan is established for each audit to provide basis for agreement regarding the conduct and scheduling of the audit activities. The audit plan shall be communicated and the dates of the audit shall be agreed upon, in advance with the client organisation.</p> <p>7.3.2 In the case of multisite certification, the audit plan shall list the sites to be sampled.</p> <p>7.3.3 The certification body shall have documented procedures for selecting and appointing the audit team, including audit team leader.</p> <p>7.3.4 The certification body should carry out review of the client organisation’s documentation (see 7.2 b) prior to the on-site audit to determine the conformity of the chain of custody documentation with the audit criteria according to clause 6.3.1 of ISO 19011</p>	<p>Attachment 2-10, III/3-2-1 requires that documents provided by the client shall be reviewed, prior to the on-site review, within the necessary scope of evaluation of SGEC CoC certification.</p> <p>Attachment 2-10, III/3-2-2 requires that the certification body shall decide the number of personnel necessary for document review and on-site review.</p> <p>Attachment 2-10, III/3-1-2-2 requires that “the certification body shall have documented procedures to ensure that an audit plan is established for each audit to provide basis for agreement regarding the conduct and scheduling of the audit activities. The audit plan shall be notified to the applicant and the dates of the audit shall be agreed with the applicant in advance”.</p>
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation broadly covers the requirement for the “audit plan”, for “selecting and appointing” auditors by defining the number of auditors. The SGEC documentation also requires review of the client’s documentation.</p>	

PEFC ST 2003, Evaluation – scope	SGEC Documentation
<p>7.4.1 The scope of the chain of custody audit is:</p> <p>a) to determine the conformity of the client organisation’s chain of custody process with the requirements of the chain of custody standard and the relevant Appendix with the definition of the raw material origin and its effective implementation;</p> <p>b) to determine the conformity of the client organisation’s management system with the requirements of the chain of custody standard and its effective implementation;</p> <p>c) to determine the conformity of the client organisation’s chain of custody process with requirements for the avoidance of raw material from controversial sources where applicable (DDS requirements in the chain of custody standard) and its effective implementation;</p> <p>d) to determine the conformity of the client organisation with the PEFC logo usage rules and its effective implementation; and Note: The usage of the PEFC Logo and PEFC claims is to be evaluated at the time of the surveillance and re-certification audits.</p> <p>e) to identify areas for potential improvement of the client organisation’s chain of custody.</p> <p>7.4.2 The certification body shall conduct the initial audit of a chain of custody following the relevant guidance provided in ISO 19011, clause 6.4. The initial audit and re-certification audits shall be conducted on-site.</p>	<p>Attachment 2-10 of Document 2, I/1.3 require that “The principles, indicators and guidelines for products evaluation by the certification bodies shall be as follows:...- Document 4 Guidelines for SGEC CoC Certification</p> <p>Attachment 2-13, 3-3 requires that the certification body shall carry out control of SGEC logo usage, as stipulated in Attachment 2-2, if the certified entity is a SGEC logo user.</p> <p>Attachment 2-13, chapter 3-3-2 requires that “the minimum time for the on-site review is one half of a man day”.</p> <p>Attachment 2-10, III. 3-2-3-2 makes definition of the applied certification criteria; i.e. the applied chain of custody standard including the following;</p> <p>a) chain of custody method,</p> <p>b) method of calculation of the certification percentage,</p> <p>c) transfer of certification percentage to output products,</p> <p>d) applied definition of the origin,</p> <p>e) the SGEC logo usage rules, PEFC ST:2001:2008 ver2 “PEFC Logo Usage Rules – Requirements”</p> <p>f) requirements for avoidance of raw material from controversial sources,</p> <p>g) other necessary certification standards.</p> <p>Attachment 2-10, III. 3-2 requires that “The certification body shall conduct the initial audit of a chain of custody following the relevant guidance provided in ISO 19011, clause 6.4. The initial audit and re-certification audits shall be conducted on-site”.</p>
<p>Conclusion: Conformity</p> <p>Justification: The SGEC defines the scope of the chain of custody certification by reference to the Document No. 4 and includes specific certification criteria that are in compliance with PEFC ST 2003. The reference to ISO 19011 for initial and re-certification audits are identical with PEFC ST 2003.</p>	

PEFC ST 2003, Evaluation – audit time	SGEC Documentation
<p>7.4.3 The certification body shall have documented procedures for determining audit time, and for each client organisation the certification body shall determine, with input from the auditor and / or technical expert, the time needed to plan and accomplish a complete and effective audit of the client organisation’s chain of custody. The audit time determined by the certification body, and the justification for</p>	<p>Attachment 2-13, chapter 3-3-2 requires that “the minimum time for the on-site review is one half of a man day”.</p>

<p>the determination, shall be recorded. The minimum time for the on-site audit is one half of a man day with the exemption to micro enterprises.</p> <p>Note: Micro enterprises are defined as having fewer than 10 employees and annual turnover or global balance less than 2 million EUR, or equivalent in the national currency.</p> <p>7.4.4 In determining the audit time, the certification body should consider among other things, the following aspects:</p> <ul style="list-style-type: none"> a) the requirements of the chain of custody standard, b) size and complexity of the client organisation’s operation, number of product types and product lines covered by the production batch(es) and their unity, c) extent of supplies that could create a high risk of procurement of raw material from controversial sources, d) extent of PEFC Logo labelling activities, e) any outsourcing of any activities included in the scope of the chain of custody standard, f) the results of any prior audits, including those of client organisation’s management systems, g) number of sites and multi-site considerations. 	
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation requires a minimum duration of audit. The SGEC scheme does not include additional considerations in determining the audit time. However, this is in the PEFC requirement introduced by the word “should” that indicates guidance rather than mandatory requirement.</p>	

PEFC ST 2003, Evaluation report	SGEC Documentation
<p>7.4.5 The evaluation report shall identify the parts of the client organisation’s organisation, processes and product groups and their products covered by the chain of custody.</p> <p>7.4.6 The evaluation report shall define the applied certification criteria; i.e. the chain of custody standard and its parts that are applicable to the client organisation’s chain of custody, including:</p> <ul style="list-style-type: none"> a) chain of custody method (chapter 4 and 5 of the chain of custody standard), b) method of calculation of the certification percentage, c) transfer of certification percentage to output products, 	<p>Document 2, Article 11 (1) requires that the certification body produces a certification report.</p> <p>Document 2, Article 11 (3) requires that based on the report the SGEC shall make a public notice.</p> <p>Attachment 2-10 of Document No. 2, III. 3-2-3-1 requires that “the evaluation report shall identify the parts covered by the chain of the custody with respect to the applicant’s organization, processes and production batches/products”.</p> <p>Attachment 2-10 of Document No. 2, III. 3-2-3-2 requires the evaluation report to include the definition of the applied certification criteria; i.e. the applied chain of custody standard including the following: a) chain of custody method, b) method of calculation of the certification</p>

<p>d) applied definition of the origin, e) the PEFC logo usage rules, and f) requirements for avoidance of raw material from controversial sources.</p> <p>7.4.7 If the certification criteria differ for individual products/product groups, the definition described in 7.4.6 shall be made separately for each product/product group.</p>	<p>percentage, c) transfer of certification percentage to output products, d) applied definition of the origin, e) the SGEC logo usage rules, PEFC ST:2001:2008 ver2 “PEFC Logo Usage Rules – Requirements” f) requirements for avoidance of raw material from controversial sources, g) other necessary certification standards.</p>
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation satisfies the requirement.</p>	

PEFC ST 2003, Non-conformities	SGEC Documentation
<p>7.6.1 Audit findings shall be classified as major nonconformities, minor nonconformities and observations.</p> <p>7.6.2 Major and minor nonconformities shall be corrected and the corrective action(s) verified by the certification body before granting a certification and recertification.</p> <p>7.6.3 Major and minor nonconformities identified in the surveillance audits shall result in corrective action(s) by the client organisation resolving the nonconformities. The corrective action plan, including a timeframe shall be reviewed and accepted by the certification body. The time period for completion of the corrective action(s) for major nonconformities identified in surveillance audits and their verification by the certification body shall follow the rules of the certification body but not exceed 3 months. Corrective action(s) for minor nonconformities shall be verified no later than during the next audit.</p> <p>7.6.4 Corrective action(s) for all nonconformities identified in initial, surveillance and recertification audits shall be verified by the certification body by site visit or other appropriate forms of verification.</p>	<p>Document 2, Article 16 (1) defines conditions for cancellation of the certificate: (1) Corrective measures are not taken, (2) Serious violation against these operational rules are confirmed, (3) Anti-social evidences are found in certified products, (4) Considerable divergence from other CoC principles are found.</p> <p>Attachment 2-10 of Document No. 2, III. 3-2-4 includes requirements for non-conformities that are identical with PEFC ST 2003.</p>
<p>Conclusion: Conformity</p> <p>The SGEC documentation includes requirements for non-conformities that are identical with PEFC ST 2003.</p>	

PEFC ST 2003, Certificate – content	SGEC Documentation
<p>7.7.1 The certification document shall include at least the following information:</p> <ul style="list-style-type: none"> a) identification of the certification body, b) name and address of the client organisation or its parts whose chain of custody is subject to certification, c) scope of the certification granted (see 7.7.2), d) accreditation mark as prescribed by the accreditation body (including accreditation number where applicable), and the date of granting, extending or renewing certification and the expiry date or recertification due date (see 12.2.6). The effective date on a certification document shall not be before the date of the certification decision. 	<p>Attachment 2-10, III/3-4-2 defines the content of the certificate:</p> <ul style="list-style-type: none"> a) the certification body b) name and address of CoC organization c) category of business in which CoC is subject to certification d) scope of the certification granted e) term of validity. <p>Attachment 2-13, 4-1 requires that “an accredited certificate shall bear an accreditation symbol of the relevant accreditation body”.</p>
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation defines requirements for the content of a certificate. Although the “accreditation mark” is not listed amongst the requirements, it is required in another document under accreditation requirements.</p>	

PEFC ST 2003, Certificate – scope	SGEC Documentation
<p>7.7.2 The scope of certification shall include at least the following information:</p> <ul style="list-style-type: none"> a) chain of custody standard identification, b) applied chain of custody method, c) products covered by the chain of custody. <p>7.7.4 Where different definitions of the raw material origin have been applied for individual products/product groups, the scope of the certification document (12.2.2 b) shall be identified for individual products. Where the scope of the certification is included in an appendix to the certificate, the certificate shall include a reference to the appendix as an integral part of it.</p>	<p>Attachment 2-10, III/3-4-4 defines the scope of the certification to be made on the certificate:</p> <ul style="list-style-type: none"> a) CoC principles, indicators and guidelines applied; b) CoC method applied; c) applied definition of the origin; d) category of products certified.
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation covers the requirement 7.7.2. Although the SGEC documentation does not require the scope to be defined separately for products/product groups, this can be deduced from the general requirements.</p>	

PEFC ST 2003, Certificate – validity	SGEC Documentation
<p>7.7.5 Based on a client organisation's request, the certification body shall issue the certification document in an internationally common language – or at least in English.</p> <p>7.7.6 The certification shall be granted for a maximum of 5 years.</p> <p>7.7.7 The certification body shall make information on the validity and scope of any issued certification document publicly available.</p> <p>7.7.8 Certification bodies shall immediately inform the relevant PEFC National Governing Body or the PEFC Council where the PEFC National Governing Body</p>	<p>Document 2, Article 12 (1) requires 5 years validity of the certificate.</p> <p>Attachment 2-13 requires that the certification body shall inform the SGEC about all issued FM and CoC certificates and changes concerning validity and scope of these certificates.</p>
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation does not require that the certification body shall make the certificate to be available in English (upon request); information on the issued certificates to be made publicly available.</p> <p>However, this has not been classified as non-conformity as:</p> <ul style="list-style-type: none"> a) it is assumed that the certification is a client-oriented business and certification body will satisfy the client's request for the English version of the certification even without stipulated in the SGEC documentation; b) information on issued certificates are provided to the SGES that makes it publicly available. 	

PEFC ST 2003, Surveillance	SGEC Documentation
<p>7.9.1 The surveillance audits shall be carried out at least annually.</p> <p>7.9.2 The surveillance shall be carried out at the client organisation's site. The annual onsite surveillance audit at the client organisation's premises can be replaced by other audit techniques, such as documentation and records review and the period between on-site surveillance audits shall not exceed two (2) years where:</p> <ul style="list-style-type: none"> a) the certification body can demonstrate that audit techniques used deliver sufficient confidence in the certified entity's compliance with the certification criteria, b) the client organisation is a micro enterprise, c) no nonconformity was raised during the previous initial, surveillance or re-certification audit, d) the client organisation procurement does not include high risk supplies, and e) the client organisation provides the certification body with all the individual records required to be kept by the chain of custody 	<p>Document 2, Article 14 (1) requires annual regular evaluation.</p> <p>Attachment 2-10, 3-6-3 includes text identical to chapter 7.9.2 of PEFC ST 2003; 3-6-4 includes text identical to 7.9.3 of PEFC ST 2003.</p>

<p>standard or a list of all the records which allow the certification body to establish an independent sampling.</p> <p>7.9.3 The on-site surveillance audit can also be avoided and replaced by other audit technique where the submitted records provide sufficient evidence that the client organisation has not procured and has not made claims on certified raw material since the last certification, surveillance or re-certification audit. The period between the on-site surveillance audits shall however not exceed two (2) years.</p> <p>7.9.4 The minimum time for the surveillance and re-certification audit is the same as for the initial audit defined in 10.2.1 and 10.2.2.</p>	
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation includes requirements that are identical to PEFC ST 2003, 7.9.2 -7.9.3.</p> <p>The issue of audit time is discussed under PEFC ST 2003, 7.4.3.</p>	

PEFC ST 2003, Appendix 1, Accreditation	SGEC Documentation
<p>The PEFC Council requires that chain of custody certification shall be carried out by certification bodies who are accredited by accreditation bodies that are signatories of the Multilateral Recognition Arrangement (MLA) for product certification of IAF or IAF's Regional Accreditation Groups.</p> <p>The scope of the accreditation shall explicitly cover the PEFC chain of custody standard (PEFC ST 2002:2010, Chain of Custody of Forest Based Products – Requirements) in its valid version and/or with reference to any future changes and amendments adopted by the PEFC Council and presented at the PEFC Council official website www.pefc.org.</p> <p>The scope of accreditation shall also explicitly state ISO/IEC 17065, this document and other requirements against which the certification body has been assessed.</p>	<p>Document 2 (Operational Procedures), article 19 (1) requires that the certification body shall be accredited against ISO 17065 by a national accreditation body that is a signatory to IAF's multi-lateral arrangement (MLA) for product certification. The scope shall include reference to the SGEC forest management standard, the SGEC chain of custody standard and related attachments. Article 19 then makes reference to attachment 2-10-1-1 that includes the same requirements plus additional details (e.g. source of valid SGEC documentation).</p> <p>Chapter 4-1 of attachment 2-13 states that "The certification bodies, carrying out FM or CoC certification, shall be accredited by meeting requirements stipulated in SGEC Document 2, Article 19 so as to ensure the credibility of the certification work. An accredited certificate shall bear an accreditation symbol of the relevant accreditation body".</p>
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation complies with the PEFC requirement.</p> <p>Observation: Article 19 of Document No. 2 makes a general reference to Annex 1 of PEFC ST 2003 for both SGEC forest management as well as SGEC chain of custody certification. It should be noted that PEFC ST 2003 has not links to forest management certification.</p>	

PEFC ST 2003, Appendix 2 Notification	SGEC Documentation
<p>The certification body operating the PEFC recognised chain of custody certification shall be notified by the PEFC Council or other PEFC authorised body for the specific country in which it operates.</p>	<p>Document 2, Article 19 requires public notice of certification bodies (notification) issued by the SGEC based on valid accreditation and for certification bodies that are registered in Japan.</p> <p>Document 2, Article 20 defines application for the public notice.</p> <p>Attachment 2-13, 5-1 requires that certification bodies operating chain of custody certification against SGEC CoC guidelines shall be notified by the SGEC.</p> <p>Attachment 2-13-2 defines procedures for notification.</p>
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation includes requirements for notification of chain of custody certification bodies.</p> <p>Note: It should be noted that the content of the SGEC notification requirements and procedures are assessed separately under chapter 8.9.</p>	

PEFC ST 2003, Appendix 3, Multi-site certification	SGEC Documentation
1. Eligibility criteria for the multi-site client organisation	Attachment 2-8 includes requirements for multi-site chain of custody organisation.
<p>Conclusion: Conformity</p> <p>Justification: Although these requirements are not included under the SGEC requirements for certification bodies, they are in principle covered by attachment 2-8 (requirements for multisite chain of custody organisation).</p>	

PEFC ST 2003, Multi-site certification	SGEC Documentation
2. Eligibility criteria for the certification body	Attachment 2-10-2 of Document 2, ch. 1 includes requirements for eligibility criteria that are identical with PEFC ST 2003.
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation is identical with the relevant PEFC ST 2003 requirements.</p> <p>Note: It should be noted that there are two chapters [1] in Attachment 2-10-2, the referenced chapter should be numbered as [2].</p>	

PEFC ST 2003, Multi-site certification	SGEC Documentation
2.1 Contract review	Attachment 2-10-2 of Document 2, ch. 2-1 includes requirements for contract review that are identical with PEFC ST 2003.
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation is identical with the relevant PEFC ST 2003 requirements.</p>	

PEFC ST 2003, Multi-site certification	SGEC Documentation
2.2 Audit	Attachment 2-10-2 of Document 2, ch. 2-2 includes requirements for eligibility criteria that are identical with PEFC ST 2003.
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation is identical with the relevant requirements of PEFC ST 2003.</p>	

PEFC ST 2003, Multi-site certification	SGEC Documentation
2.3 Non-conformities	Attachment 2-10-2 of Document 2, ch. 2-3 includes requirements for non-conformities that are identical with PEFC ST 2003.
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation is identical with the relevant PEFC ST 2003 requirements.</p>	

PEFC ST 2003, Multi-site certification	SGEC Documentation
2.4 Certificates	Attachment 2-10-2 of Document 2, ch. 2-4 includes requirements for certificates that are identical with PEFC ST 2003.
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation is identical with the relevant PEFC ST 2003 requirements.</p>	

PEFC ST 2003, Multi-site certification	SGEC Documentation
3.1 – 3.2 Sampling	Attachment 2-10, 3-3-1 includes requirements that are identical with 3.1.2, 3.1.3, 3.1.5, 3.1.6 of Appendix 3 of PEFC ST 2003. Attachment 2-10, 3-3-2 includes requirements that are identical to chapter 3.2 of Appendix 3 to PEFC ST 2003
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation includes identical requirements to PEFC ST 2003, 3.1 and 3.2</p> <p>Observation: Although the requirements are identical, it should be noted that it is not evident from the SGEC documentation that those requirements apply to multi-site certification. It needs to be deduced from the text referring to sites in plural and sampling of several sites.</p>	

PEFC ST 2003, Multi-site certification	SGEC Documentation
3.3 Audit time	Attachment 2-10-2 of Document 2, ch. 3 includes requirements for audit time that are identical with PEFC ST 2003.
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation is identical with the relevant PEFC ST 2003 requirements.</p>	

PEFC ST 2003, Multi-site certification	SGEC Documentation
3.4 Additional sites	Attachment 2-10, 3-3-3 includes requirements that is identical to chapter 3.4 of Appendix 3 of PEFC ST 2003.
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation includes identical requirements.</p>	

8.6.2 Assessment of requirements for forest management certification bodies

8.6.2.1 Introduction and summary

Coverage and scope of requirements

The assessment of requirements for certification bodies operating forest management certification is carried out against Annex 6 of the PEFC Council Technical Document. Those parts of Annex 6 that refer to the chain of custody certification are not considered.

SGEC has defined requirements for certification bodies in the following documents:

- Document No. 2: Operation Rules of Forest Management Certification and Forest Products Chain of Custody Certification by Sustainable Green Ecosystem Council (SGEC)
- Attachment 2-10 to Document No 2: Requirements for Certification Bodies operating certification under SGEC certification scheme
- Attachment 2-10-1-1 to Document No. 2: Requirements for accreditation of certification bodies
- Attachment 2-10-1-2 to Document No. 2: Requirements for notification of certification bodies
- Attachment 2-10-3 to Document No. 2: Requirements of qualification for personnel of evaluation team
- Attachment 2-13 to Document No. 2: Certification and Accreditation Procedures
- Attachment 2-13-1 to Document No. 2: Educational programs related to certification standards and auditing training and experiences.

The above referenced documents include requirements for certification bodies operating both, the forest management as well as chain of custody certification.

Certification and accreditation framework

The SGEC documentation (Document No. 2, Article 19 and attachment 2-1-1-1) requires that the certification bodies shall be accredited against ISO 17065 by an accreditation body that is a signatory to the IAF's multilateral arrangement for product certification and that the certificates shall be issued as "accredited" certificates.

In addition, it should be noted that the interview of the SGEC representatives and certification bodies identified that none of the current certification bodies have been accredited and none of their currently issued forest management certificates are "accredited" certificates. This fact needs to be taken into account when formulating the PEFC endorsement decision.

Control of the PEFC Logo

The SGEC documentation requires the certification body to control the usage of the SGEC Logo as well as the PEFC Logo where the PEFC Logo is used.

PEFC notification of certification bodies

The SGEC documentation requires a “public notice” of certification bodies that is issued by the SGEC. It is assumed that the “public notice” will serve the purpose of the “PEFC notification” when the scheme is endorsed by the PEFC Council and when the SGEC signs with the PEFC Council the “PEFC Administration Contract” based on PEFC GD 1004.

Assessment conclusion:

The scheme’s requirements for certification bodies, their accreditation and notification **comply with** Annex 6 of the PEFC Technical Document.

In addition, it should be noted that an interview of the SGEC representatives and certification bodies held in August 2015 identified that none of the certification bodies had been accredited and none of their issued SGEC chain of custody certificates (August 2016) had been issued as “accredited” certificates. SGEC information provided in February 2016 ^[21] states that 2 of 3 certification bodies were accredited in October 2015 and that “accredited” evaluation will take place after the PEFC endorsement. This fact needs to be taken into account when formulating the PEFC endorsement decision.

8.6.2.2 Detailed assessment

Annex 6 of the PEFC TD	Document 2, attachment 2-13 of Document 2
Does the scheme documentation require that certification shall be carried out by impartial, independent third parties that cannot be involved in the standard setting process as governing or decision making body, or in the forest management and are independent of the certified entity?	Chapter 2-1-1 requires that certifications shall be carried out by impartial, independent third parties that cannot be involved in the standard setting process as governing or decision making bodies, or in the forest management and are independent of certified entity.
<p>Conclusion: Conformity</p> <p>Justification: The wording is identical with Annex 6.</p>	

Annex 6 of the PEFC TD	Document 2, attachment 2-13 of Document 2
Does the scheme documentation require that certification body for forest management certification shall fulfil requirements defined in ISO 17021 or ISO Guide 65?	Chapter 2-1-2-1 requires that the certification body shall fulfil requirements defined in ISO/IEC 17065 Conformity assessment – Requirements for bodies certifying products, processes and services within the scope of SGEC scheme.
<p>Conclusion: Conformity</p> <p>Justification: Attachment 2-13 satisfies the requirement.</p>	

Annex 6 of the PEFC TD	Document 2, attachment 2-10 of Document 2, attachment 2-13 of Document 2
Does the scheme documentation require that certification bodies carrying out forest certification shall have the technical competence in forest management on its economic, social and environmental impacts, and on the forest certification criteria?	<p>Article 2 (2-1) of Document 2 requires that the certification body shall have a knowledge and skills of forest management, economic, social and environmental aspects; shall have technical skills to apply the SGEC requirements and knowledge of the applicable legislation.</p> <p>Chapter 2-1 of attachment 2-13 requires the certification body to have good knowledge of forest management its economic, social and environmental impacts.</p> <p>Chapter II (2-1) attachment 2-10 defines detailed requirements for the certification body's personnel concerning its formal education, experience and training.</p>
<p>Conclusion: Conformity</p> <p>Justification: The referenced SGEC requirements satisfy the PEFC requirement.</p>	

Annex 6 of the PEFC TD	Document 2, attachment 2-13 of Document 2
Does the scheme documentation require that certification bodies shall have a good understanding of the national PEFC system against which they carry out forest management or C-o-C certifications?	Chapter 2-1-2-4 requires that the certification body shall have good understanding of the PEFC system, chapter 2-1-2-3 requires good understanding of the SGEC system.
<p>Conclusion: Conformity</p> <p>Justification: Attachment 2-13 satisfies the requirement.</p>	

Annex 6 of the PEFC TD, 3.2	Document 2, attachment 2-10 of Document 2, attachment 2-13 of Document 2
Does the scheme documentation require that certification bodies have the responsibility to use competent auditors and who have adequate technical know-how on the certification process and issues related to forest management certification?	<p>Chapter 2-2-2 of attachment 2-13 requires the certification body to use competent auditors that shall undergo the SGEC training covering both the SGEC forest management requirements as well as certification process and procedures.</p> <p>Chapter II (2-1) of attachment 2-10 defines detailed requirements for the certification body's personnel concerning its formal education, experience and training.</p> <p>Auditors shall meet defined types of a formal education in forestry / agriculture sector or to have predefined work experience. The auditors shall also have a training on certification process based on ISO 19011.</p>
<p>Conclusion: Conformity</p> <p>Justification: The referenced SGEC documentation satisfies the requirement.</p>	

Annex 6 of the PEFC TD, 3.2	Document 2, attachment 2-13 of Document 2
Does the scheme documentation require that the auditors must fulfil the general criteria of ISO 19011 for Quality Management Systems auditors or for Environmental Management Systems auditors?	Chapter 2-2-2 of attachment 2-13 requires that the auditors shall fulfil general requirements of ISO 19011.
<p>Conclusion: Conformity</p> <p>Justification: Attachment 2-13 satisfies the requirement.</p>	

Annex 6 of the PEFC TD, 3.2	Document 2, attachment 2-10 of Document 2, attachment 2-13 of Document 2
Does the scheme documentation include additional qualification requirements for auditors carrying out forest management audits?	Attachment 2-10 and 2-13 define specific requirements for auditors' formal education and work experience as well as mandatory training recognised/organised by the SGEC.
Conclusion: Not mandatory requirement	

Annex 6 of the PEFC TD, 3.2	Document 2, attachment 2-13 of Document 2
Does the scheme documentation require that certification bodies shall have established internal procedures for forest management certification?	Chapter 3-1 requires that the certification shall established internal procedures satisfying the SGEC requirements of Document 2 and its relevant attachments.
Conclusion: Conformity	
Justification: Attachment 2-13 satisfies the requirement.	

Annex 6 of the PEFC TD, 4	Document 2, attachment 2-13 of Document 2
Does the scheme documentation require that applied certification procedures for forest management certification shall fulfil or be compatible with the requirements defined in ISO 17021 or ISO Guide 65?	Chapter 2-1-2-1 requires that the certification body shall fulfil requirements defined in ISO/IEC 17065 Conformity assessment – Requirements for bodies certifying products, processes and services within the scope of SGEC scheme.
Conclusion: Conformity	
Justification: Attachment 2-13 satisfies the requirement.	

Annex 6 of the PEFC TD, 4	Document 2, attachment 2-10 of Document 2, attachment 2-13 of Document 2
Does the scheme documentation require that applied auditing procedures shall fulfil or be compatible with the requirements of ISO 19011?	<p>Chapter II. 2-1-2 of attachment 2-10 requires that the certification shall have an educational programme for auditors based on ISO 19011.</p> <p>Chapter 2-2-2 of attachment 2-13 requires that the auditors shall fulfil general requirements for quality and environmental auditors of ISO 19011.</p> <p>Chapter II. 3 of attachment 2-10 includes detailed procedures for forest management auditing. Chapter 3-2 requires that “the certification body shall conduct the initial audit</p>

	of a forest management following the relevant guidance provided in ISO 19011”.
<p>Conclusion: Conformity</p> <p>Justification: SGEC documentation makes reference to ISO 19011 concerning the auditing procedures.</p> <p>In addition, attachment 2-10 includes detailed requirements for auditing of forest management, including sampling and that it is expected that the educational programme based on 19011 would promote auditing procedures defined in ISO 19011.</p>	

Annex 6 of the PEFC TD, 4	Document 2, attachment 2-13 of Document 2
Does the scheme documentation require that certification body shall inform the relevant PEFC National Governing Body about all issued forest management and chain of custody certificates and changes concerning the validity and scope of these certificates?	Chapter 3-2 requires that the certification body shall inform the SGEC about all issued forest management certificates and changes concerning validity and scope of these certificates.
<p>Conclusion: Conformity</p> <p>Justification: Attachment 2-13 satisfies the requirement.</p>	

Annex 6 of the PEFC TD, 4	Document 2, attachment 2-10 of Document 2
Does the scheme documentation require that certification body shall carry out controls of PEFC logo usage if the certified entity is a PEFC logo user?	Attachment 2-10 of document 2, II.1-1-1 requires that “in case where PEFC logo is used, PEFC ST 2001:2008 (PEFC Logo Usage Rules – Requirements ver. 2) shall apply”.
	Attachment 2-10 of document 2, II.3-2-3-2 lists PEFC ST 2001 amongst the certification criteria.
<p>Conclusion: Conformity</p> <p>Justification: Attachment 2-10 satisfies the requirement.</p>	

Annex 6 of the PEFC TD, 4	Document 2
Does a maximum period for surveillance audits defined by the scheme documentation not exceed more than one year?	Article 7 requires that the forest owners/managers shall have an annual regular evaluation on the status of the certified forest management.
<p>Conclusion: Conformity</p> <p>Justification: Document 2 satisfies the requirement.</p>	

Annex 6 of the PEFC TD, 4	Document 2
Does a maximum period for assessment audit not exceed five years for forest management certifications?	Article 6 requires that the certificate remains effective for five years.
<p>Conclusion: Conformity</p> <p>Justification: Document 2 satisfies the requirement.</p>	

Annex 6 of the PEFC TD, 4	Document 2, attachment 2-13 of Document 2
Does the scheme documentation include requirements for public availability of certification report summaries?	Chapter 3-5 of attachment 2-13 requires that a summary of evaluation report written by the certification body, shall be made available to the public. However, the personal information shall be excluded from the summary above.
<p>Conclusion: Conformity</p> <p>Justification: Attachment 2-13 satisfies the requirement.</p> <p>It should be noted that the referenced requirement makes reference to attachments 2-5 and 2-7 for the detail of the certification reports' public summary. However, those attachments are not included in the submitted documentation.</p>	

Annex 6 of the PEFC TD, 4	Document 2, attachment 2-13 of Document 2
Does the scheme documentation include requirements for usage of information from external parties as the audit evidence?	Chapter 3-4 of attachment 2-13 requires that evaluation related to the conformity with the FM standard shall include relevant information from external parties (e.g. government agencies, community groups, conservations organizations, etc.) as appropriate.
<p>Conclusion: Conformity</p> <p>Justification: Attachment 2-13 satisfies the requirement.</p>	

Annex 6 of the PEFC TD, 4	Document 2, attachment 2-10 of Document 2, attachment 2-13 of Document 2
Does the scheme documentation include additional requirements for certification procedures?	Document 2, attachment 2-10 and 2-13 include additional requirements relating to the certification procedures, auditing and sampling.
<p>Conclusion: Not mandatory requirement</p>	

Annex 6 of the PEFC TD, 5	Document 2, attachment 2-13 of Document 2
Does the scheme documentation require that certification bodies carrying out forest management certification shall be accredited by a national accreditation body?	Document 2 (Operational Procedures), article 19 (1) requires that the certification body shall be accredited against ISO 17065 by a national accreditation body that is a signatory to IAF's multi-lateral arrangement (MLA) for product certification. The scope shall include reference to the SGEC forest management standard, the SGEC chain of custody standard and related attachments. Article 19 then makes reference to attachment 2-10-1-1 that includes the same requirements plus additional details (e.g. source of valid SGEC documentation).
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation satisfies the requirement.</p>	

Annex 6 of the PEFC TD, 5	Document 2, attachment 2-13 of Document 2
Does the scheme documentation require that an accredited certificate shall bear an accreditation symbol of the relevant accreditation body?	Chapter 4-1 states that an accredited certificate shall bear an accreditation symbol of the relevant accreditation body.
<p>Conclusion: Conformity</p> <p>Justification: Attachment 2-13 satisfies the requirement.</p>	

Annex 6 of the PEFC TD, 5	Document 2, attachment 2-13 of Document 2
Does the scheme documentation require that the accreditation shall be issued by an accreditation body which is a part of the International Accreditation Forum (IAF) umbrella or a member of IAF's special recognition regional groups and which implement procedures described in ISO 17011 and other documents recognised by the above mentioned organisations?	<p>Document 2 (Operational Procedures), article 19 (1) requires that the certification body shall be accredited against ISO 17065 by a national accreditation body that is a signatory to IAF's multi-lateral arrangement (MLA) for product certification. The scope shall include reference to the SGEC forest management standard, the SGEC chain of custody standard and related attachments. Article 19 then makes reference to attachment 2-10-1-1 that includes the same requirements plus additional details (e.g. source of the valid SGEC documentation).</p> <p>Chapter 4-1 of attachment 2-13 states that "An accredited certificate shall bear an accreditation symbol of the relevant accreditation body".</p>
<p>Conclusion: Conformity</p> <p>Justification: The SGEC documentation satisfies the requirement.</p>	

Annex 6 of the PEFC TD, 5	Document 2, attachment 2-13 of Document 2
<p>Does the scheme documentation require that certification body undertake forest management as “accredited certification” based on ISO 17021 or ISO Guide 65 and the relevant forest management or chain of custody standard(s) shall be covered by the accreditation scope?</p>	<p>Document 2 (Operational Procedures), article 19 (1) requires that the certification body shall be accredited against ISO 17065 by a national accreditation body that is a signatory to IAF’s multi-lateral arrangement (MLA) for product certification. The scope shall include reference to the SGEC forest management standard, the SGEC chain of custody standard and related attachments. Article 19 then makes reference to attachment 2-10-1-1 that includes the same requirements plus additional details (e.g. source of valid SGEC documentation).</p> <p>Chapter 4-3 requires that “The certification bodies, carrying out FM or CoC certification, shall be accredited based on ISO/IEC 17065 in accordance with Article 19 of SGEC Document 2 and the relevant FM or CoC standards shall be covered by the SGEC accreditation scope”.</p>
<p>Conclusion: Conformity Justification: The SGEC documentation satisfies the requirement.</p>	

Annex 6 of the PEFC TD, 5	Document 2, attachment 2-13 of Document 2
<p>Does the scheme documentation include a mechanism for PEFC notification of certification bodies?</p>	<p>Chapter 5-1 requires that “certification bodies operating FM certificate against SGEC FM principles, indicators and guidelines and/or CoC certificate against SGEC CoC guidelines shall be notified by the SGEC”.</p>
<p>Conclusion: Conformity Justification: Attachment 2-13 satisfies the requirement.</p> <p>It should be noted that the “SGEC notification” will serve the purpose of the “PEFC notification” when the scheme is endorsed by the PEFC Council and when the SGEC signs with the PEFC Council the “PEFC Administration Contract” based on PEFC GD 1004.</p>	

Annex 6 of the PEFC TD, 5	Document 2, attachment 2-13 of Document 2
<p>Are the procedures for the notification of certification bodies non-discriminatory?</p>	<p>Chapter 5-2 requires that the notification procedures shall be non-discriminatory and that they can only include: administrative conditions, financial conditions and compliance with requirements for certification bodies verified by the accreditation process.</p>
<p>Conclusion: Conformity Justification: The SGEC documentation satisfies the requirement.</p>	

8.7 Requirements for dispute settlement procedures in the administration of the PEFC scheme

8.7.1 Introduction and summary

The PEFC Council's requirements for the dispute settlement in the administration of the PEFC scheme are defined in PEFC GD 1004:2009, ch. 8.1 and require that "*The PEFC Council and the authorised bodies shall have written procedures for dealing with complaints relating to the governance and administration of the PEFC scheme.*" The scope of the term "administration of the PEFC scheme" is further clarified as activities of the PEFC authorised body for a) PEFC notification of certification bodies, b) PEFC Logo usage licensing and c) operation of the PEFC Registration System.

The SGEN requirements for complaints and dispute resolution are defined in Chapter 7 of Document No. 2 and then detailed in attachment 2-11-1. The procedures address any complaints relating to the SGEN scheme³¹ made by those "who have received disadvantages from SGEN certification system"³². The procedures regulate the contact point for the complaints, receipt of the complaints, investigation and resolutions of the complaints, recording and communication with the complainants and other parties.

Attachment 2-11-1 complies with requirements of PEFC GD 1004 relating to the dispute settlement.

³¹ Attachment 2-11-1 to Document No. 2, scope

³² Document No. 2, chapter 7

8.7.2 Detailed assessment

PEFC GD 1004, 8.1

8.1 ...the authorised bodies shall have written procedures for dealing with complaints relating to the governance and administration of the PEFC scheme.

Attachment 2-11-1 to Document 2 defines requirements for complaints and disputes against the SGEC scheme. The document is based on Chapter 7 of Document 2 that states that “Those who have received disadvantages from SGEC certification system can claim their complaints to the SGEC”.

Compliance: Conformity

Justification: SGEC has written procedures for complaints resolution. The scope of the procedures allows any complaints relating to the SGEC scheme.

PEFC GD 1004, 8.2

8.2a [Upon receipt of the complaint, the procedures shall provide for]: acknowledgement of the complaint to the complainant

Attachment 2-11-1 to Document 2, chapter 5-3 states that “Once the complaint is formally accepted, a permanent contact point shall issue to the complainant the receipt of the complaint with its contents. During investigation and resolution process, a permanent contact point should inform the status of the complaint to the complainant as appropriate”.

Compliance: Conformity

Justification: Attachment 2-11-1 satisfies the requirement.

8.2b [Upon receipt of the complaint, the procedures shall provide for]: gathering and verification of all necessary information, validation and impartial evaluation of the complaint, and decision making on the complaint

Document 2, Article 27 states that “Auditors stipulated in Article 24 of the Statutes shall receive the opinions of the Board of Directors, draft the correction measures, then notify the President to ensure that any appropriate corrective measures are taken”.

Document 2, attachment 2-11-1, 5.3 requires that “during investigation and resolution process, the SGEC shall undertake a thorough investigation and seek a resolution in a timely and impartial manner ...”

Document 2, attachment 2-11-1, 7 requires that:

“7-1 Auditors shall decide appropriate measures (including precautionary measures) to settle complaints after sufficient consideration on the related matters and consultation with the Board of Directors based on Article 27 of Document 2.

7-2 President shall carry out the measures decided according to the previous section promptly”.

Document 2, attachment 2-11-1, 3-2 requires that “Auditors stipulated in Article 27 of the Operational Rules shall be responsible for dealing with complaints. The secretariat shall provide its supportive work for Auditors”.

Compliance: Conformity

Justification: Document 2 includes brief description of procedures for dispute resolution that indicates that it should be carried out in impartial and timely manner. The auditors are responsible for the investigation and decision making on the complaints; the President is responsible for the complaints resolution process and for implementation of measures and reporting.

8.2c [Upon receipt of the complaint, the procedures shall provide for]: formal communication of the decision on the complaint and the complaint handling process to the complainant and concerned parties

Document 2, attachment 2-11-1, 4.3 requires that “formal communication of the decision on the complaint and the complaint dealing process to the complainant and concerned parties (stakeholders)”.

Compliance: Conformity

Justification: Attachment 2-11-1 satisfies the requirement.

8.2d [Upon receipt of the complaint, the procedures shall provide for]: appropriate corrective and preventive actions.

Document 2, attachment 2-11-1, 7 requires that:

“7-1 Auditors shall decide appropriate measures (including precautionary measures) to settle complaints after sufficient consideration on the related matters and consultation with the Board of Directors based on Article 27 of Document 2.

7-2 President shall carry out the measures decided according to the previous section promptly”.

Compliance: Conformity

Justification: Attachment 2-11-1 satisfies the requirement. The terms “appropriate measures (including precautionary measures)” are considered as compatible with “corrective and preventive actions” used in PEFC GD 1004.

8.8 Requirements for PEFC Logo usage licensing

8.8.1 Introduction and summary

PEFC GD 1004:2009 requires that the PEFC authorised body shall have written procedures for the issuance of PEFC Logo licenses and specifies areas that shall be covered by those procedures.

The SGEC has submitted attachment 2-2-1-2 to Document No. 2 (Operational procedures) that define PEFC logo licencing procedures. The procedures:

- Makes reference to PEFC GD 1004 and the PEFC authorisation of the SGEC,
- Makes reference to PEFC ST 2001,
- Include conditions for issuance of the PEFC Logo license (general and specific to PEFC logo user groups A-D),
- Describes process of the PEFC Logo license issuance, including responsibilities,
- Define validity of licenses by PEFC logo user groups,
- Make reference to a PEFC Logo usage contract (not a part of the submitted documentation),
- Define conditions for one-off logo usage,
- Include a specimen Logo usage contract.

Assessment results

The submitted documentation has been assessed against PEFC GD 1004 and **fully complies** with the PEFC requirements.

It should be noted that currently the PEFC authorised body for Japan is PEFC Asia Promotion and this organisation is obliged to comply with PEFC GD 1004. However, the work of the PEFC Asia Promotion is not under control of the SGEC and is not a part of the SGEC scheme.

Observations

The following observation relating to the SGEC procedures for the issuance of the PEFC logo license have been made:

- a) The submitted document does not include a date of its approval, respectively of its amendment. It is therefore not evident that the submitted document has been formally approved by the SGEC.
- b) The submitted document does not allow forest owners/managers that are participating in group certification to apply for the PEFC Logo license as they do not hold a forest management certificate but are covered by such a group certificate.

8.8.2 Detailed assessment

PEFC GD 1004, 4.1b

4.1b [The tasks of the administration of the PEFC scheme...is performed by] PEFC authorised body for the PEFC certifications and PEFC Logo licensing in countries for which they have been authorised by the PEFC Council.

Attachment 2-2-1-2, chapter 1 (Scope) states that “this document stipulates rules which shall be followed in case of issuance of PEFC logo usage license to entities registered in Japan that are SGEN certified forest owners/managers, SGEN CoC organizations, PEFC CoC organizations or other users, by SGEN as the National Governing Body in Japan under authorization from PEFC based on a contract between SGEN and PEFC Council for administration of PEFC scheme.

Compliance: Conformity

The SGEN document allows licensing to entities registered in Japan and makes reference to the contract with the PEFC Council.

PEFC GD 1004, 6.1.1

6.1.1 The PEFC Logo usage licence shall be issued to an individual legal entity based on the requirements of PEFC ST 2001:2008.

Attachment 2-2-1-2, chapter 1 (Scope) makes reference to PEFC ST 2001:2008. The definition of the logo usage groups and conditions for the issuance of the licenses under those groups (ch. 4.1 and 4.2) are compatible with PEFC ST 2001:2008.

Compliance: Conformity

Justification: The SGEN procedures comply with the PEFC requirement.

PEFC GD 1004, 6.1.2

6.1.2 The PEFC Council and authorised bodies may issue a PEFC Logo usage multi-licence to a holder of a multi-site chain of custody certificate, which covers the whole or a part of the multisite organisation provided that:

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

Attachment 2-2-1-2, chapter 4.2 states that “The holder of multisite CoC certification which central office is located in Japan can apply for multi-license covering the whole or a part of the scope of the multisite certification provided that: a) the central office and the sites are a part of a single legal entity or b) the central office and the sites are a part of a single company with a single management and organizational structure”.

Compliance: Conformity

Justification: The document is consistent with PEFC GD 1004.

PEFC GD 1004, 6.2.1

6.2.1 The licensing body shall have written procedures for the PEFC Logo licensing

Attachment 2-2-1-2 defines procedures for the issuance of the PEFC Logo licenses.

Compliance: Conformity

Justification: The SGEC documentation satisfies the PEFC requirement.

PEFC GD 1004, 6.2.1

6.2.1a [The licensing body shall have written procedures for the PEFC Logo licensing to ensure that]: the PEFC Logo usage licence is based on a written contract between the licensing body and the PEFC Logo user

Attachment 2-2-1-2, chapter 4-2 requires for all the logo users groups (B, C and D) to sign a PEFC Logo licence contract with the SGEC. A specimen contract is a part of the document.

Compliance: Conformity

Justification: The SGEC documentation sufficiently covers the PEFC requirement.

6.2.1b [The licensing body shall have written procedures for the PEFC Logo licensing to ensure that]: the PEFC logo user complies with the PEFC Logo usage rules (PEFC ST 2001:2008)

Attachment 2-2-1-2, attached sheet 1 (a specimen contract) requires the PEFC Logo user to comply with PEFC ST 2001.

Compliance: Conformity

Justification: The procedures, respectively the specimen contract complies with the PEFC requirements.

6.2.1c [The licensing body shall have written procedures for the PEFC Logo licensing to ensure that]: the scope of the PEFC Logo usage (logo usage groups) is clearly defined

Attachment 2-2-1-2, chapter 4-2 defines three logo usage groups that can receive licenses from the SGEC that are compatible with PEFC ST 2001:2008.

Compliance: Conformity

Justification: The SGEC satisfies the PEFC requirement.

Observation: For the logo user group B, the SGEC documentation is limited to a holder of the SGEC forest management certificate. In case of the group forest management certification, this wording excludes forest owners/managers participating in the group certification from the access to the PEFC Logo licence.

6.2.1d [The licensing body shall have written procedures for the PEFC Logo licensing to ensure that]: the PEFC Logo usage licence can be terminated by the licensing body in the case of the PEFC Logo user's non adherence to the conditions of the PEFC logo usage rules (PEFC ST 2001:2008) or in the case of cancellation of the contract between the PEFC Council and the authorised body

Attachment 2-2-1-2, attached sheet 1 (a specimen contract), Article 6 describes conditions for cancelation of the contract, including non-compliance with the PEFC Logo usage rules and cancellation of the contract between the SGEC and the PEFC Council.

Compliance: Conformity

Justification: The contract satisfies the PEFC requirement.

6.2.1e [The licensing body shall have written procedures for the PEFC Logo licensing to ensure that]: where unauthorised use has taken place, the PEFC Logo usage licence provides for contractual penalty of one fifth of the market value of the products to which the unauthorised logo use relates, unless the PEFC Logo user proves that such unauthorised use was unintentional. In the latter case, the penalty will be limited to 15,000 CHF.

Attachment 2-2-1-2, attached sheet 1 (a specimen contract), Article 5 includes a penalty clause that is consistent with PEFC GD 1004.

Compliance: Conformity

Justification: The contract is consistent with PEFC GD 1004.

PEFC GD 1004, 6.2.2

6.2.2 The licensing body shall have a mechanism for the investigation and enforcement of the compliance with PEFC Logo usage rules (PEFC ST 2001:2008) and shall take actions, including legal if necessary, to protect the PEFC Logo trademark.

The SGEC documentation includes requirements for certification bodies relating to the control of the PEFC Logo usage during the certification process.

Attachment 2-2-1-2, attached sheet 1 (a specimen contract), Article 9 allows the SGEC to carry out its own investigation of the PEFC Logo user (group B and C) and requires that the license holder (group B and C) enters into a contract with the certification body to assess compliance with PEFC ST 2001 and to report to the SGEC.

Compliance: Conformity

Justification: The contract includes a mechanism for the investigation and enforcement of the compliance with PEFC Logo usage rules.

8.9 Requirements for PEFC Notification of certification bodies

8.9.1 Introduction and summary

PEFC GD 1004:2009, chapter 5 requires that the notifying body shall have procedures for the issuance of PEFC notification and lists areas that shall be covered by those procedures.

Who is the “notifying body” in Japan?

The “notifying body” (also the “PEFC authorised body”) is established by a contract (Administration of the PEFC scheme) with the PEFC Council based on PEFC GD 1004. The “notifying body” has the right to recognise (notify) certification bodies to issue “PEFC recognised” forest management and chain of custody certificates.

Currently, the PEFC Council has authorised PEFC Asia Promotions as the “PEFC authorised body” (the notifying body) for Japan. This organisation can notify certification bodies to issue chain of custody certificates against the PEFC international chain of custody standard (PEFC ST 2002).

The SGEC, as the PEFC National Governing Body has a right to become the “PEFC Authorized Body” for Japan and to sign the contract with the PEFC Council. When doing so, the PEFC Council would need to resolve the “duality” of the PEFC notification in Japan (and administration of the PEFC scheme in general)³³.

What is covered by the notification?

The PEFC notification shall cover all PEFC recognised certifications (forest management as well as chain of custody certifications). In Japan, subject to the PEFC endorsement of the SGEC scheme, there will be operational two “PEFC recognised” chain of custody certification schemes, one using the PEFC International Chain of Custody standard³⁴ and the second using the SGEC chain of custody guidelines³⁵. This duality will also have an impact on the administration of the PEFC notification.

The SGEC defines notification procedures separately for:

- a) Certification bodies operating SGEC forest management and chain of custody certification and
- b) Certification bodies operating chain of custody certification against PEFC ST 2002.

³³³³ PEFC GD 1004 is written based on a principle that there is a single “PEFC authorised Body” for a geographical unit (usually a country).

³⁴ PEFC ST 2002

³⁵ Document No.4

SGEC procedures for notification

The SGEC procedures for notification of certification bodies are described in:

- Document No. 2, Article 19-20 (only for SGEC certifications);
- Attachment 2-13 of Document No. 2 (only for SGEC certifications);
- Attachment 2-13-2 of Document No. 2

It should be noted that also attachment 2-11 of Document No. 2 includes references to notification of certification bodies. However, its text does not establish any procedures as it is identical with PEFC GD 1004. Therefore, the text of attachment 2-11 is not considered in the detailed assessment presented in the next chapter.

Attachment 2-13-2 to Document No. 2 (Notification of certification bodies operating certification of SGEC and/or PEFC) includes two sections, one for certification bodies operating SGEC forest management and chain of custody certification and second for certification bodies operating chain of custody certification against PEFC ST 2002. The procedures define conditions for the issuance of the notification, responsibility of the certification body as well as validity of the notification. Each section also includes a specimen notification contract.

Following the structure of the SGEC documentation, the assessment of the notification procedures has been carried out separately for:

- a) Certification bodies operating SGEC forest management and chain of custody certification and
- b) Certification bodies operating chain of custody certification against PEFC ST 2002

Results of the assessment

The presented procedures **comply with** PEFC GD 1004 for all types of certification defined above as they:

- Correctly define the scope of the notification by applicable certification standards and country (Japan);
- Correctly define conditions of the notification concerning the recognised certification standards, certification procedures and accreditation status (of both the certification body and issued certificates);
- Require a notification contract to be signed;
- Include appropriate conditions for the notification cancellation;
- Include provision for information transfer;
- Do not include discriminatory measures.

Observations:

- The notification is in the SGEC documentation defined in three documents with significant overlap of requirements presented in each of the documents.

8.9.2 Detailed assessment

PEFC GD 1004, 4.1b

4.1b [The tasks of the administration of the PEFC scheme...is performed by] PEFC authorised body for the PEFC certifications and PEFC Logo licensing in countries for which they have been authorised by the PEFC Council.

SGEC has not yet been authorised by the PEFC Council as the “PEFC Authorised Body” for Japan. Therefore, the SGEC is not in position to issue “PEFC notification”.

This authorisation will predefine the scope of the notification activities, in particular whether the SGEC will be the only “PEFC authorised body” in Japan or it will share the tasks of the “PEFC scheme administration” with the PEFC Asia Promotion that is currently the sole “PEFC Authorised Body” for Japan.

PEFC GD 1004, 5.1

5.1 The notifying body shall have written procedures for the PEFC notification.

Document 2, Articles 19-23 includes requirements for “notification of certification bodies” that cover: (i) requirements for the notification; (ii) application for the notification; (iii) renewal of the notification; (iv) fee and (v) withdrawal of the notification.

Document 2, attachment 2-13, chapter 5 includes general requirements for the “notification of certification bodies”.

Document 2, attachment 2-13-2 defines a specific requirements for notification of certification bodies separately for certification bodies operating (i) SGEC certifications (both forest management and chain of custody) and (ii) chain of custody certification against the PEFC international chain of custody standard (PEFC ST 2002).

Compliance: Conformity

Justification: The SGEC has written procedures for notification.

PEFC GD 1004, 5.1

5.1a [The notifying body shall have written procedures for the PEFC notification which ensure that]: the PEFC notified certification body is meeting the PEFC Council’s and PEFC endorsed scheme’s requirements for certification bodies.

Notification for SGEC certification (forest management and chain of custody)

The conditions for notification of certification bodies are defined in the following documents:

Document 2, Article 19 requires that:

Section 1 (1): “The certification bodies shall be accredited as being in conformity with the international standard for the product certification body (ISO/IEC 17065) by accreditation bodies that are signatories of the Multilateral Recognition Arrangement (MLA) for product certification of International Accreditation Forum (IAF)”.

Section 1 (2): The scope of the accreditation shall cover the SGEC documents for forest management and chain of custody certification.

Section 1 (3): The certification shall be registered in Japan.

Section 2: very general requirements for knowledge and skills relating to forest management and chain of custody certification and PEFC scheme with no specific references to other relevant SGEC documentation with requirements for certification bodies.

Document 2, Attachment 2-13

Article 5-2: states that the only conditions (in order to ensure impartiality) for notification are those stated in Article 19 and 20, administrative conditions (communication, information transfer), financial conditions, and compliance with requirements for certification bodies verified by accreditation.

Document 2, Attachment 2-13-2

Chapter 3: Defines the following conditions for notification in addition to addition to Article 19 and 20 of SGEC Document Attachment 2-10, 2-10-1-1 and 2-10-1-2 of Document 2 as well as chapter 5-2 of Attachment 2-13: 3.2 Information disclosure; 3.3 Valid accreditation: "The certification bodies applying for forest management certification shall have valid accreditation issued by the accreditation body by meeting the requirements given in Article 19 of SGEC Document 2" and 3.4 Signing of a SGEC notification contract.

Chapter 5: requires the notified certification body: to carry out forest management and chain of custody certification in accordance with Article 19 of Document 2 (accreditation); to inform on the accreditation status and to pay a notification fee.

Document 2, Attachment 2-13-2, attached sheet 1 (SGEC notification contract):

Article 2.1: To keep valid accreditation issued in compliance with Article 19 of Document No.2 and inform SGEC about its status;

Article 2.2: To carry out forest management and chain of custody certification against the SGEC scheme documentation within the scope of the accreditation;

Article 2.3: To provides SGEC with information on issued certificates;

Article 2.4: To pay to the SGEC a notification fee.

Compliance for "SGEC notification": Conformity

Justification: The multiple documentation of the SGEC scheme described above ensures that the notified certification body carries out SGEC forest management certification and SGEC chain of custody certification according to SGEC requirements within the scope of the valid accreditation.

Notification for PEFC certification (against PEFC ST 2002)

Document 2, Attachment 2-13-2 (Notification of certification bodies conducting PEFC certification)

- Chapter 2 (Scope) states that the document governs notification of certification bodies operating chain of custody certification against PEFC ST 2002
- Chapter 3.2.1 states that "The certification bodies applying for CoC certification shall have valid accreditation issued by the accreditation body by meeting the requirements given in PEFC 2003:2012 and its Annex 1"
- Chapter 5.1 states that "carry out the PEFC CoC certification within the valid accreditation in accordance with PEFC 2003:2012 and its Annex 1"

Document 2, Attachment 2-13-2 (Attached sheet 2)

- Chapter 2.1: "The Certification Body is obliged to have and keep valid accreditation issued in compliance with PEFC ST 2003:2012 and its Annex 1".
- Chapter 2.2: "The Certification Body shall carry out the CoC certification against PEFC ST 2002:2013 ... within the scope of the valid accreditation"

Compliance for “PEFC notification”: Conformity

Justification: The referenced documentation described above ensures that the notified certification body carries out the “PEFC chain of custody certification” against PEFC ST 2002 (PEFC chain of custody standard) and in compliance with PEFC ST 2003 (PEFC requirements for CoC certification bodies within the scope of the valid accreditation).

5.1b [The notifying body shall have written procedures for the PEFC notification which ensure that]: the scope of the PEFC notification, i.e. type of certification (forest management or chain of custody certification), certification standards and the country covered by the notification, is clearly defined

Notification for SGEC certification (forest management and chain of custody)

Attachment 2-13-2 (Part 1: Notification of certification bodies conducting SGEC certification) and attached sheet 1 (a notification contract) clearly state that the notification covers forest management certification against Document No. 3 and chain of custody certification against Document No. 4. As both standards are scheme (SGEC) specific, it is expected that the notification only applies to entities in Japan.

Notification for PEFC certification (against PEFC ST 2002)

Attachment 2-13-2 (Part 2: Notification of certification bodies conducting PEFC certification) and attached sheet 2 (a notification contract) clearly states that the notification covers certification against PEFC ST 2002 issued to entities in Japan.

Compliance: Conformity

5.1c [The notifying body shall have written procedures for the PEFC notification which ensure that]: the PEFC notification may be terminated by the notifying body in the case of the certification body’s non adherence to the conditions of the PEFC notification or in the case of the cancellation of the contract between the PEFC Council and the authorised body

Notification for SGEC certification (forest management and chain of custody)

Attachment 2-13-2 (Part 1: Notification of certification bodies conducting SGEC certification), 6.2 states that the notification contract can be terminated in case of the certification body’s non-adherence to the conditions of the notification.

Attached sheet 1 (a notification contract) is more specific and allows different situations in which the contract can be cancelled/terminated including violation of the contract as well as termination by SGEC with 3 months without specific reason. It is expected that this three-months’ notice cancellation by the SGEC can also be used in case of the termination of the contract between the PEFC Council and the SGEC.

Notification for PEFC certification (against PEFC ST 2002)

Attachment 2-13-2 (Part 2: Notification of certification bodies conducting PEFC certification), 6.2 states that the notification contract can be terminated in case of the certification body’s non-adherence to the conditions of the notification.

Attached sheet 2 (a notification contract) is more specific and allows different situations in which the contract can be cancelled/terminated including violation of the contract as well as termination by SGEC with 3 months without specific reason. It is expected that this three-months’ notice cancellation by the SGEC can also be used in case of the termination of the contract between the PEFC Council and the SGEC.

Compliance: Conformity

5.1d [The notifying body shall have written procedures for the PEFC notification which ensure that]: the PEFC notification is based on a written contract between the notifying body and the PEFC notified certification body.

Notification for SGEC certification (forest management and chain of custody)

Attachment 2-13-2 (Part 1: Notification of certification bodies conducting SGEC certification) requires the certification body to sign a notification contract.

Attached sheet 1 provides a specimen notification contract.

Notification for PEFC certification (against PEFC ST 2002)

Attachment 2-13-2 (Part 2: Notification of certification bodies conducting PEFC certification) requires the certification body to sign a notification contract.

Attached sheet 2 provides a specimen notification contract.

Compliance: Conformity

5.1e [The notifying body shall have written procedures for the PEFC notification which ensure that]: the PEFC notified certification body provides the notifying body with information on certified entities as required by the PEFC Registration System.

Notification for SGEC certification (forest management and chain of custody)

Attachment 2-13-2 (Part 1: Notification of certification bodies conducting SGEC certification) and Attached sheet 1 (a notification contract) require the certification body to provide the SGEC with information on certified entities.

Notification for PEFC certification (against PEFC ST 2002)

Attachment 2-13-2 (Part 2: Notification of certification bodies conducting PEFC certification) and Attached sheet 2 (a notification contract) require the certification body to provide the SGEC with information on certified entities.

Compliance: Conformity

5.1f [The notifying body shall have written procedures for the PEFC notification which ensure that]: the PEFC notification does not include any discriminatory measures, such as the certification body's country of origin, affiliation to an association, etc.

Notification for SGEC certification (forest management and chain of custody)

Neither attachment 2-13-2 (Public notice of certification bodies conducting SGEC certification) nor Attached sheet 1 (a notification contract) includes provisions that would create discrimination of certification bodies.

Notification for PEFC certification (against PEFC ST 2002)

Neither attachment 2-13-2 (Public notice of certification bodies conducting SGEC certification) nor Attached sheet 2 (a notification contract) includes provisions that would create discrimination of certification bodies.

Compliance: Conformity

Annex 1: Stakeholders representation in the SGEC bodies

The following information is based on Appendix 2 of the SGEC application for the PEFC endorsement.

List of Full Members as of 27 June 2014	
1	Japan Forestry Association
2	Japan Forest Conservation Association
3	Japan Forest Road Association
4	Zenkoku-kokuyurin-zorinseisangyo-renrakukyogikai (Japan National Forest Contractors Association)
5	Japan Plywood Manufacturers Association
6	National Federation of Forest Owners Co-operative Associations
7	Japan Wood Market Federation
8	The Japan Forestry Association
9	Suigenrin-zorin-kyogikai-rengokai (Association of Contractors of Water Conservation Forest Development)
10	Japan International Forestry Promotion & Cooperation Center
11	The Japan Forestry Association
12	Japan Lumber Inspection & Research Association
13	Japan Forestry Civil Engineering Co. Ltd.
14	Japan Laminated Wood Products Association
15	Japan Federation of Wood-industry Associations
16	Japan Overseas Forestry Consultants Association
17	The Forestry Mechanization Society
18	Wooden Home Builders Association of Japan
19	Japan Paper Association
20	Forest Technology Consultants Council
21	Japanese Federation of Forest and Wood Workers Union

List of members of Board of Directors of SGEC as of 27 June 2014			
1	Tomohide Akiyama	(Former) Japan Forestry Association	Honorary Chair
2	Satohiko Sasaki	Japan International Forestry Promotion & Cooperation Center	Chair
3	Yukichi Konohira	Tokyo University of Agriculture and Technology (Professor Emeritus)	Vice- Chair
4	Naoto Maeda	Japan Forestry Association	Vice- Chair
5	Haruyoshi Iwasaki	Japanese Federation of Forest and Wood Workers Union	Director
6	Shunsaku Hiranoyama	National Federation of Forest Owners Co-operative Associations	Director
7	Michiko Ooki	Consumer Science Center	Director
8	Itsuhito Ohnuki	(Former) The Japan Forestry Association	Director
9	Tokiharu Okazaki	Fairwood Partners	Director
10	Tatsuya Kajiya	National Land Afforestation Promotion Organization	Director
11	Kiyoshi Kamikawa	Japan Paper Association	Director
12	Susumu Kawakita	Japan Plywood Manufacturers' Association	Director
13	Hideo Sakai	The University of Tokyo	Director
14	Kazuhito Shiga	University of Tsukuba	Director
15	Hisao Sudo	Forest Culture Association	Director
16	Kiyoo Nakagawa	Sustainable Green Ecosystem Council(SGEC)	Director (Chief Secretary)
17	Hideki Nose	Wooden Home Builders Association of Japan	Director
18	Shoichiro Bando	Japan Federation of Wood-industry Associations	Director
19	Michio Hirose	OISCA International .Japan	Director
20	Kazuyuki Morita	Japan Federation of Wood-industry Associations	Director
21	Hisao Yamada	Sustainable Green Ecosystem Council(SGEC)	Executive Director
22	Kenji Uchiyama	The Forestry Mechanization Society	Auditor
23	Hiroshi Hagiwara	Japan Forest Foundation	Auditor

List of members of Councilors of SGEC as of 27 June 2014			
1	Mitsuhiro Minowa	The Japan Forestry Association	Chair
2	Hiroshi Jyodo	Forestry and Forest Products Research Institute	Deputy Chair
3	Nobutoshi Akao	Institute for Global Environmental Strategies	
4	Akira Amano	Architect	
5	Naoto Ando	The University of Tokyo (Professor Emeritus)	
6	Motoaki Ookuma	The University of Tokyo (Professor Emeritus)	
7	Yoshikazu Kano	Japan University of Economics	
8	Akira Kinugawa	Forest Management Association of Japan	
9	Katsuhisa Kohroki	University of Tsukuba	
10	Yuki Sakamoto	Global Environmental Forum	
11	Noriko Kaihatsu	The Nature Conservation Society of Japan	
12	Masao Haga	Tokyo College of Environment	
13	Seiji Hayama	Wild Bird Society of Japan	
14	Yasushi Hibi	Conservation International Japan	
15	Takashi Fujiwara	The Woodmiles Forum	
16	Kenichi Mizuno	NPO TVE Japan	
17	Mutsuko Yamagata	Morimori Network (female networking)	

List of members of Certification Management Committee of SGEC as of 27 June 2014			
1	Mitsuhiro Minowa	The Japan Forestry Association	Chair
2	Katsuhisa Kohroki	University of Tsukuba	Deputy chair
3	Motoaki Ookuma	The University of Tokyo (Professor Emeritus)	
4	Yuki Sakamoto	Global Environmental Forum	
5	Masao Haga	Tokyo College of Environment	

List of members of Expert Committee of SGEC as of 27 June 2014			
1	Kiyoshi Tanaka	Japan Forestry Association	Chair
2	Akihiko Araya	Forest Economic Research Institute	Deputy Chair
3	Tokiharu Okazaki	Fairwood Partners	
4	Tatsuyuki Kataoka	Japan Laminated Wood Products Association	
5	Kiyoshi Kamikawa	Japan Paper Association	
6	Susumu Kawakita	Japan Plywood Manufacturers' Association	
7	Toshio Nakano	Japan Plywood Inspection Corporation	
8	Katsuhisa Kohroki	University of Tsukuba	
9	Taro Sasaki	National Federation of Forest Owners Co-operative Associations	
10	Ryo Sasaki	Japan Lumber Inspection & Research Association	
11	Muneo Segawa	Japan International Forestry Promotion & Cooperation Center	
12	Kokichi Kogure	Oji Forest & Products Co., Ltd.	
13	Yoshikazu Nakao	Locally Certified Wood Use Promotion Association	
14	Kiyoo Nakagawa	Sustainable Green Ecosystem Council (SGEC)	
15	Makiko Horio	PEFC Asia Promotion	
16	Yoshimitsu Hibino	Japan Flooring Association	
17	Takashi Fujiwara	The Woodmiles Forum	
18	Masaki Mashita	Keidanren Committee on Nature Conservation	
19	Tetsuo Matsumoto	Nippon Paper Industries Co., Ltd.	
20	Hisao Yamada	Sustainable Green Ecosystem Council (SGEC)	
21	Hisashi Watanabe	Sustainable Green Ecosystem Council (SGEC)	

Annex 2: Comments from the PEFC Council’s international consultation

Comment	Response
<p>Comments on “DOCUMENT 2 Operation Rules of Forest Management Certification and Forest Products Chain Custody Certification by Sustainable Ecosystem Council (SGEC)”</p> <p>1. As to Chapter 2, Article 3 Section 1(2) “Hearing from a wide range of stakeholders”, we, Ainu Association of Hokkaido requires to be identified as an indigenous peoples organization for having an argument with.</p> <p>2. As to Supplementary article 6, we, Ainu Association of Hokkaido thinks that it is necessary to examine the confirmation about whether external commissioned organizations or CoC certification bodies under special measures on periodical regular evaluation have accurate and adequate historical, legal, cultural knowledge on indigenous peoples, the Ainu.</p> <p>3. Additionally to the two points above, regarding on “2-3 Stakeholder” of Attachment 2-12, “Standard Setting”, we, Ainu Association of Hokkaido calls for the recognition as the stakeholder (the same as 1), the proper status on committees described on “3-2-1 Committees” of Attachment 2-12.</p>	<p>The PEFC requirements (PEFC ST 1001, 4.3) requires that stakeholders shall have access to a working group/committee that is responsible for consensus building. Those committees shall have balanced stakeholders’ representation and decision making.</p> <p>In addition, before the start of the standard setting, the standardisation body is required to identify relevant stakeholders and amongst them “key and disadvantaged” stakeholders (PEFC ST 1001, 5.1).</p> <p>(16)The assessment (draft interim report) concluded non-conformities of the SGEC standard setting procedures relating to the definition of balanced representation, decision making as well as identification of stakeholders, including “key and disadvantaged stakeholders”.</p> <p>It should be noted that the SGEC has revised its standard setting procedures (Document 2-12) in order to respond to the non-conformities.</p>
<p>Comments on “DOCUMENT 3 Indicators and Guidelines for SGEC Forest Management Certification Requirements for Forest Management Certification”</p> <p>1. Regarding with (1) International convention from “2-5 Normative references of international conventions and domestic acts” of “2. Terms and definition”</p> <ul style="list-style-type: none"> • SGEC should add the ILO convention No.50 (Recruiting of Indigenous Workers) into (a) Fundamental ILO convention. Taking into account that the government of Japan ratified this convention and it has different rule for indigenous workers from that for general workers from ethnic majority. Additionally, the ILO Convention No.50 is still in force domestically. Furthermore, the government of Japan still remains document response to ILO that “in Japan indigenous workers do not exist anymore”, therefore it is necessary to clarify the background around the Ainu even though its context of the convention has a little superannuated part. • SGEC should add the International Convention on the Elimination of All Forms of Racial 	<p>The assessment concluded that the inclusion of ILO 160 and UN Declaration on Indigenous Peoples Rights in the “Terms and Definitions” chapter of Document No. 3 is not sufficient to meet the PEFC requirements as the document does not ensure that those documents represent a mandatory part of the standard.</p> <p>The assessment also concluded that the PEFC requirements relating to indigenous peoples rights (PEFC ST 1003, 5.6.4) are not sufficiently covered by the SGEC requirements of Document No. 3.</p> <p>The PEFC Council does not require compliance with ILO Convention No. 50. As such this issue should be presented and discussed during the standard setting/revision process and decided upon consensus amongst stakeholders. Similarly, the consensus principle defined by PEFC gives indigenous people a strong position in negotiating issues of their interests.</p>

<p>Discrimination, which the government of Japan has ratified since 1995. (This point was already adopted by SGEC.</p> <ul style="list-style-type: none"> • 2. Regarding with Principle 5: Legal and institutional framework for sustainable forest management, SGEC should add and modify articles for sharing the information of the fundamental recognition of the indigenous peoples' rights and for continuous considerations and arrangements about the rights mentioned in "5-2 Legal or customary right to use local forest resources shall be paid specula attention." And "5-2-1 Existence of common rights and fishing rights or other customary rights in the forest applied for certification" which would mean 'shared use' called 'kyou-you rin-ya' in state forest area and land & resources rights stipulated in ILO No.169 and UNDRIP. And also SGEC needs to clarify the status of indigenous peoples in the forest management plans in related organizations. 	
<p>Comments on "DOCUMENT 4 Guidelines for SGEC CoC Certification Requirements for CoC Certification"</p> <ol style="list-style-type: none"> 1. Regarding to paragraph 3 "Any inquiry on the SGEC, (snip) the English language version is the official document for the maters linked to the PEFC" of "1 Scope", in order not to go wrong, SGEC should inform stakeholders the outlines and get consents from them. 2. Regarding to "indigenous peoples' property, tenure and use rights" of "2-9 Controversial sources", we, Ainu Association of Hokkaido requests SGEC would take the above all comments from out association into accounts to deal with it on each issue. 	<ol style="list-style-type: none"> 1. The reference to a "leading" or decisive language in chapter Scope and in Preface is confusing. The purpose of such a statement should be to resolve possible discrepancies between translations of the same document. Therefore, one language should be decided as being the "decisive". The SGEC approach is confusing as this can result in different interpretations of the same text based on the language used. 2. It should be noted that the SGEC definition 2-9 as well as the relevant definition of "controversial sources" in the PEFC ST 2002 refer to the indigenous peoples rights as defined in the legislation. <p>It is the responsibility of the PEFC/SGEC certified company to establish a due diligence system to avoid material from controversial sources. As a part of the due diligence system the company shall also consider comments and complaints of submitted by a third party. This provides Ainu people with an opportunity to comment on any violations of their rights and those rights shall be considered as a part the DDS.</p>
<p>On the SGEC Forest Management Certification Standard and respect for indigenous peoples' rights</p> <p>With regard to endorsement and mutual recognition between PEFC and national schemes, Annex 3 is mentioned in Section 4. "PEFC Council Standard and Scheme Requirements for regional, national and sub-national schemes" of Annex 7 "Endorsement and Mutual Recognition of National Schemes</p>	<p>The assessment concluded that the inclusion of ILO 160 and UN Declaration on Indigenous Peoples Rights in the "Terms and Definitions" chapter of Document No. 3 is not sufficient to meet the PEFC requirements as the document does not ensure that those documents represent a mandatory part of the standard.</p> <p>The assessment also concluded that the PEFC requirements relating to indigenous peoples rights (PEFC ST 1003, 5.6.4) are not sufficiently</p>

<p>and their Revision.” At present, Annex 3 corresponds to PEFC ST 1003:2010 “Sustainable Forest Management – Requirements.” Therefore, schemes and standards applying for PEFC Council endorsement and mutual recognition “shall demonstrate conformance with “PEFC ST 1003:2010. It is thought that a comprehensive revision of relevant provisions of the SGEC standards will be required for alignment with the PEFC standards. In particular, in order to maintain consistency with the provision in PEFC ST1003:2010 Section 5.6.4 that “forest management activities shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO No.169 and the UN Declaration on the Rights of Indigenous Peoples,” it is necessary for the SGEC standards to introduce provisions on respect for the rights of indigenous peoples on the basis of consultation with representatives of the Ainu peoples. According to a statement from Hokkaido Ainu People developed last year regarding forest certification, we think that Ainu Association of Hokkaido have an understanding that at least forest management activities in national forests and Hokkaido prefectural forests in Hokkaido areas do not respect the rights stipulated in ILO No.169 and UNDRIP at this point.</p> <p>In light of the above, it is proposed as follows:</p> <p>ILO No.169 is listed in “2-5 normative references of international conventions and domestic acts” in “2. Terms and definitions” in the current revised version. However, in “Principle 5: Legal and institutional framework for sustainable forest management,” it is merely stated that “5-1 All domestic acts and international conventions ratified shall be complied (with).” The Japanese government has not yet ratified ILO 169, so these passages seem to contradict each other. In order for the SGEC standard to conform to the PEFC standard, it is necessary to change the wording in Principle 5 as follows:</p> <p>“5-1 all domestic acts and normative international conventions and United Nations declarations shall be complied (with).” So as to ensure the compliance with international conventions not ratified by Japan like ILO No.169.</p> <p>Furthermore, “2-5 normative references of international conventions and domestic acts” should be revised as “2-5 normative references of international conventions, UN declarations and domestic acts”.</p>	<p>covered by the SGEC requirements of Document No. 3.</p> <p>The SGEC has amended Document No. 3 to respond to the translation issue.</p>
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<p>Furthermore, it is stated that “5-2 Legal or customary right to use local forest resources shall be paid specula attention,” but, this translation is not the same as original Japanese version. In Japanese version, it says that “shall be respected”. Also, it is not clear whether such rights include the customary and traditional rights of indigenous peoples. Also, Therefore, revisions such as follows should at least be made to ensure clarity:</p> <p>“5-2 Legal, customary or traditional rights to use local forest resources including indigenous peoples’ rights shall be respected,”</p> <p>“5-2-1 Existence of common rights and fishing rights or other customary and traditional rights in the forest applied for certification (including land and resource rights as stipulated in ILO 169 and UNDRIP) shall be clarified and its status in the forest management plan shall be available.”</p> <p>5-2-2 When such customary and traditional rights are recognized, the right to use, own and occupy and benefits shall be properly secured in the forest management plan based upon the status of use, ownership and occupation.” In order to include other customary and traditional rights explicitly, the “common rights” should be replaced by “customary and traditional rights”. And not only “the right to use” but also “the right to own and occupy” should be mentioned as stipulated in ILO No.169 or UNDRIP as above.</p> <p>Furthermore, it should be clearly mentioned in these provisions that “forest management activities shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO 169 and the UN Declaration on the Rights of Indigenous Peoples, which shall not be infringed upon without the free, prior and informed consent of the holders of the rights, including the provision of compensation where applicable.” As stated in the Section 5.6.4 of PEFC ST1003:2010.</p>	
<p>1. Regarding respect for workers’ rights in the SGEC forest management certification standard</p> <p>The revised SGEC standard states that “5-4-1 Forest owner or forest manager shall comply with the fundamental ILO conventions (except from those conventions not ratified by Japan), labor standards act related to ILO No. 105 and No. 111, both of which are not ratified by Japan as well as other relevant domestic acts and shall enrol social security system such as employee’s unemployment insurance, health insurance, pension insurance and retirement allowance mutual fund.” However, PEFC ST 1003:2010</p>	<p>The assessment concluded that the application of and reference to the fundamental ILO Conventions in Document No. 3 is not sufficient to meet the PEFC Council requirements.</p> <p>The PEFC Council requires to meet all fundamental ILO Conventions, regardless of whether they are ratified by the government or not.</p> <p>The compliance with the PEFC Council requirement has been assigned based on evaluation of the Japanese labour act.</p>

<p>stipulates that “5.6.13 Forest management shall comply with fundamental ILO conventions. Note: In countries where the fundamental ILO conventions have been ratified, the requirements of 5.7.1 apply. In countries where a fundamental convention has not been ratified and its content is not covered by applicable legislation, specific requirements shall be included in the forest management standard.” Therefore, wording needs to be included in the revised SGEC forest management certification standards to clearly describe specific requirements not covered by domestic acts should be checked for substantial compliance with ILO No.105 and ILO No.111, and also relevant checkpoints covered by domestic acts.</p>	
<p>2. Regarding SGEC principle 2: Conservation of biological diversity</p> <p>The revised SGEC standard states that “2-3 Appropriate conservation measures shall be provided for the species and their habitat under the categories of Critical Endangered, Endangered, Vulnerable and Near Threatened in the IUCN Red List of Threatened Species.” But such measures should be applied to Red List of Act on Conservation of Endangered Species of Wild Fauna and Flora in Japan as well. So, it should be changed as follows: “2-3 Appropriate conservation measures shall be provided for the species and their habitat under the categories of Critical Endangered, Endangered, Vulnerable and Near Threatened in the IUCN Red List of Threatened Species and Japanese Red List of Act on Conservation of Endangered Species of Wild Fauna and Flora.”</p>	<p>The assessment has noted that the wording of Document No 3, 2-3 only refers to the species on the “IUCN Red List”.</p> <p>However, the “Japanese Red List” is covered by the normative list of legislation (2-5(2)) and chapter 5-1 requires compliance with national acts.</p>
<p>PEFC GD 1007:2012 “Endorsement and Mutual Recognition of National Systems and their Revision” mentions PEFC ST 1003:2010, <i>Sustainable Forest Management – Requirements</i> as one of the normative references for national forest certification systems seeking mutual recognition with PEFC. PEFC ST 1003:2010 includes ILO No. 169, <i>Indigenous and Tribal Peoples Convention, 1989</i> and <i>United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), 2007</i> among the normative references that must be complied with in this regard. PEFC ST 1003:2010 goes on to state in Section 5.6.4 that “Forest management activities shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO 169 and the UN Declaration on the Rights of Indigenous Peoples, which shall not be infringed upon without the free, prior and informed consent of</p>	<p>The assessment concluded that the inclusion of ILO 160 and UN Declaration on Indigenous Peoples Rights in the “Terms and Definitions” chapter of Document No. 3 is not sufficient to meet the PEFC requirements as the document does not ensure that those documents represent a mandatory part of the standard.</p> <p>The assessment also concluded that the PEFC requirements relating to indigenous peoples rights (PEFC ST 1003, 5.6.4) are not sufficiently covered by the SGEC requirements of Document No. 3.</p>

<p>the holders of the rights, including the provision of compensation where applicable.”</p> <p>SGEC Document 3 “Principles, Indicators and Guidelines for SGEC Forest Management Certification – Requirements for Forest Management Certification” does mention UNDRIP and ILO 169 in Section 2-5 “normative references of international conventions and domestic acts.” However, the document needs to indicate more concretely how the rights of indigenous peoples enshrined in UNDRIP and ILO 169, including the rights to 1) free, prior and informed consent (FPIC), 2) adequate compensation, and 3) resolution of complaints and disputes, are to be ensured. SGEC Document 3 lacks specific provisions on these three key issues.</p> <p>Furthermore, indigenous peoples should be mentioned explicitly as one of the important stakeholder groups to be consulted and represented in the stakeholder processes as well as governing bodies and committees of SGEC.</p>	
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Annex 3: Stakeholders survey

TJConsulting, Luxembourg

Stakeholders' questionnaire

Assessment of the SGEC forest certification scheme against
the requirements of the PEFC Council

16 July 2015

Background

The SGEC standard for sustainable forest management was submitted for endorsement by the PEFC Council.

The PEFC Council has selected TJConsulting to carry out the assessment of the standard and the SGEC scheme against the PEFC Council requirements. The scheme assessment also includes consideration of stakeholders' comments and views presented within the international consultation announced by the PEFC Council at its website (www.pefc.org) and **this questionnaire that was directly distributed to stakeholders relevant to sustainable forest management in Japan.**

TJConsulting would like to encourage all relevant stakeholders to provide information that will contribute as a valuable input necessary for the credible and impartial assessment of the SGEC.

Stakeholders are free and encouraged to further distribute the questionnaire to another stakeholders in Japan.

Objective

This questionnaire aims at obtaining and considering stakeholders comments and views relating to the development and revision of the SGEC scheme, in particular its Document 3 with requirements for forest management, its openness, transparency, stakeholders participation and consensus building elements.

The questions used in this questionnaire are based on PEFC requirements included in PEFC ST 1001:2010 (Standard setting procedures – Requirements).

The questionnaire shall be returned to TJConsulting (tymrak@tj-consult.com) by **21 August 2015**. In case of an additional time needed, please contact Mr Tymrak directly.

Questionnaire

1. Contact details

Name of the organisation:

Stakeholder group:

E-mail:

2. Have you noticed a public announcement made by SGEC relating to the start of the development/revision of the SGEC scheme and invitation of stakeholders to participate?

- Yes No
- at the SGEC website
- by SGEC press release
- at public magazine and media
- by direct mailing

Note:

3. Did you have access to the standard setting procedures/ rules of the SGEC?³⁶

- Yes No

Note: Yes

4. Have you been invited to nominate your representative to SGEC working groups (other stakeholder bodies responsible for the revision of the standard(s) and consensus building)?³⁷

- Yes No
- by general invitation at the website, in media, etc.
- by direct mailing or other communication
- We have made a nomination that was
- accepted
- rejected

Note:

³⁶ A written document containing organisation and procedures of the standard setting/revision process.

³⁷ PEFC requires that the standardisation body shall establish a working group/committee with responsibilities for the development of a standard(s) and consensus building that is (i) accessible to stakeholders; (ii) has balance representation of stakeholders decision making and (iii) includes stakeholders with expertise in the subject matter and materially affected stakeholders (PEFC ST 1001:2010, 4.4).

5. Have you noticed the public consultation on a draft SGEC scheme?

- Yes No
- at the website
 - by SGEC press release
 - at public magazine and media
 - by direct mailing

Note:

6. Have you made comments during the public consultation and have they been considered?

- Yes, we have submitted comments No, we have not submitted comments
- Our comments:
- were considered
 - were not considered

Note:

7. Have you submitted any complaint relating to the standard setting/revision process?

- Yes No

Note: [Click here to enter text.](#)

For those stakeholders that had their representative in a SGEC body (ies)

8. Has the work of the SGEC stakeholder body(ies) been organised in an open and transparent way?³⁸

Yes

No

Note:

9. Have stakeholders reached the consensus on the content of the SGEC scheme?

Yes

No

Note:

Other comments

9. Other comments and views on the SGEC standard setting/revision process or content of the scheme?

³⁸ PEFC Council requires that members of the working group/committee responsible for the development of a standard(s) shall have access to draft documents in a timely manner; shall be given opportunity to participate in its work and submit their comments; their comments shall be considered in a transparent way.

Annex 4: Report from visit to Japan

The visit to Japan was conducted by Mr Jaroslav Tymrak during four days from 24 to 27 August 2015.

Objective of the visit

The objective of the visit was:

- Gathering additional information on the standard setting process and verification of the information submitted as a part of the scheme application, mainly through interview of the applicant's office, office of SGEC that was responsible for the standard setting and relevant stakeholders' interview;
- Evaluation of organisational relationships and tasks of different bodies involved in the implementation of the scheme.
- Clarification of issues and non-conformities identified in the interim report.

Programme and timetable of the visit

Date	24 August	25 August	26 August	27 August
Day	Monday	Tuesday	Wednesday	Thursday
Itinerary	Meeting with SGEC Introduction Presentation of findings of the draft interim report Clarification of issues and non-conformities identified in the draft interim report	Stakeholders meetings	Stakeholders meetings	Meeting with SGEC Clarification of issues and non-conformities identified in the draft interim report closing meeting

Stakeholders visited and interviewed

Mr Tymrak met during the Japan's visit a large number of stakeholders relevant to the SGEC process. Due to the time limitations of the visit, individual organisations could not be interviewed individually, but were grouped based on their common interest to ensure openness of the discussion.

The main topic of the discussion was the SGEC standard setting process and their participation in the process as well as general affiliation with the SGEC. The meetings also focused on topics relating to the scheme that are relevant and of interest of the particular stakeholder group.

The following organisations have been met and interviewed:

SGEC	Kiyoo Nakagawa
	Miyabe Shuichi
PEFC Asia Promotions	Haruyoshi Takeuchi
	Makiko Horiro
Ministry of Agriculture, Forestry and Fisheries	Toshio Uno
	Toru Yamada
	Shuji Oki
	Koji Hongo
	Satoshi Saitou
The Japan Forestry Association	Kiyoshi Tanaka
Japan Paper Association	Kiyoshi Kamikawa
Japan Federation of Wood-Industry Association	Morita Kazuyuki
Japan Plywood Manufacturers' Association	Susumu Kawakita
Japan Laminated Wood Products Association	Tatsuyuki Kataoka
Japan Overseas Forestry Consultants Association	Mishima Seichi
Japan Federation of Wood-Industry Associations	Taro Sasaki
Nippon Paper Industries Co., Ltd	Tetsuo Matsumoto
Oji Forest & Paper C., Ltd	Kokichi Kogure
Friends of the Earth Japan (E-NGO)	Junichi Mishiba
The Nature Conservation Society of Japan	Seiichi Dejima
WWF Japan (E-NGO)	Mutai Hashimoto
Global Environmental Forum (E-NGO)	Yuki Sakamoto
AINU association (indigenous people)	Yukio Sato
	Tadashi Kato
BWI Japanese Affiliates Council (BWI-JAC), (trade unions)	Haruyoshi Iwasaki
OISCA (The Organisation for Industrial Spiritual and Cultural Advancement International), (social NGO)	Michio Hirose
Consumer Science Center	Michiko Ooki
Forest Economic Research Institute	Mitsuhiro Minowa

JAB, Japan Accreditation Board	Takashi Horie
JIA (certification body)	Mamoru Yanagisawa
JAFTA (certification body)	Atushi Seki
SGS (certification body)	Satoko Sasaki

Annex 5: Responses to the Panel of Experts' review

A draft final report has been submitted for review to a Panel of Experts appointed by the PEFC Council. The Panel consisted of Mr Hannu Valtanen, Prof Hans Kopp and Mr Kent Gustavsson.

The table below does not include editorial comments that were largely accepted and the report altered accordingly.

Report chapter / page	Consultant's report statement	PoE member finding	Consultant's response
	General comment	<p>In order to better understand the report, some background information should be included in the very beginning of the report – or in the executive summary, but preferable before the recommendation chapter!</p> <p>Also some words are needed to explain SGEC system as well as reasons why the scheme has decided to co-operate with international forest certification systems and apply for mutual recognition of the PEFC – Also the role of the PEFC organisation in Asia should be here clarified!</p>	<p>The structure of the report follows PEFC GD 1007.</p> <p>The structure of the SGEC scheme and its development has been added to chapter 8.1 and 8.2.</p> <p>It is the assessor's opinion that the motivations behind the SGEC membership in the PEFC Council or the PEFC presence in Asia is outside the scope of this assessment.</p>
4. / p. 5	<p>Following the evaluation of the SGEC scheme against the PEFC Council's requirements, TJConsulting recommends to the Board of Directors to endorse the SGEC scheme with the following conditions resolving the minor non-conformities identified in the assessment:</p> <ul style="list-style-type: none"> - SGEC to actively engage with AINU Association of Hokkaido in order to 	<p>The recommendation is clear, but the conditions are by far unclear. All the identified minor non-conformities plus assessor's proposals how to deal with these should be listed here. It is almost impossible to find out, which is the number of minor non-conformities the assessor has identified. I found 18 (?)</p>	<p>The structure of the recommendation and its link to the Executive Summary follows PEFC GD 1007.</p> <p>The conditions have been amended as additional evidence has been submitted and evaluated.</p> <p>The numbering of the minor non-conformities has been explained with reference to the Executive summary chapter.</p>

	<p>develop a mutually acceptable solution for recognition of AINU people's rights in the SGEC forest management standard (6);</p> <ul style="list-style-type: none"> - SGEC to resolve the minor non-conformities (7) relating to the issuance of the PEFC Logo licenses before the PEFC Council signs with the SGEC a contract on the "Administration of the PEFC scheme" . <p>In addition, the PEFC endorsement should only be limited to those certifications that are issued by accredited certification bodies as "accredited" certifications in compliance with the PEFC requirements and requirements of the PEFC endorsed scheme.</p>	<p>Do the numbers in brackets mean the running number of the minor non-conformity or the amount of minor non-conformities? These numbers are very misleading.</p> <p>Are there two or three conditions which have to be fulfilled for the positive recommendation of the assessor?</p> <p>Provided these conditions are fulfilled, are the minor non-conformities then resolved?</p> <p>However, the footnote 1) says that four minor non-conformities need not to be resolved.</p> <p>In footnotes 2) and 3) clarifications of the forest certification situation in Japan have been explained, but these clarifications are not part of the recommendation but background information of the assessor's report – and should be put in the report text.</p>	
5.1 / p. 6	<p>Concerning the conformity with the PEFC requirements defined in PEFC ST 1001, the SGEC has decided to revise attachment 2-12 as a response to the draft reports of this assessment. The latest version of attachment 2-12 is based on and includes majority of clauses that are identical with PEFC ST 1001.</p>	<p>The documents of the standard setting process have been written well after the process took place? Is it acceptable from the credibility point of view of the process?</p>	<p>The rationale for the assessors consideration of amended documents is explained in chapter 8.2.</p> <p>It is logical that standard setting procedures need to be developed before the standard setting process start as they should govern the process.</p> <p>In case of the SGEC scheme, as explained in chapter 8.2 the procedures have only been</p>

			<p>developed during the process and then significantly amended during the assessment process. The assessor considered the amendments made as “corrective actions” to resolve the non-conformities although the amended procedures will only be applied during the next revision of the scheme.</p> <p>Any other approach would require to repeat the whole revision process in order to close the non-conformities for the standard setting procedures.</p>
5.1 / p. 6	<p>The following minor non-conformities have been identified:</p> <p>(1) Identification of key and disadvantaged stakeholders and their constraints and addressing the constraints (PEFC ST 1001, 5.2);</p> <p>(2) Announcement of the revision process and invitation of stakeholders to participate (PEFC ST 1001, 5.3 b, c, d, e);</p> <p>(3) Consideration of nominations to the SGEC standard setting body(ies) (PEFC ST 1001, 5.4);</p> <p>(4) Public consultation: invitation to key and disadvantaged stakeholders</p>	<p>There are no information, how to deal with these minor non-conformities. Normally equal participation or at least equal possibilities to participate for different stakeholders have been valued as an important or very important issue in forest certification.</p>	<p>To resolve those minor non-conformities would require to repeat the whole revision process. Therefore, the assessor concluded that the importance of those minor non-conformities is not so significant and that the standard revision process does not need to be repeated.</p> <p>The rational for this decision is given in the Recommendation chapter and was also added to the chapter 5.1.</p>
5.3 / p. 7	<p>However, it should be noted that the conversion of forests is not a critical issue as the forest area in Japan is stable and the legal conditions for forest conversion based on a case-by-case permission system as well as legislation relating to management of protected areas can be considered as sufficient to fulfil the objectives of the PEFC requirement</p>	<p>A minor non-conformity has been identified. But here the assessor explains extensively why this non-conformity should not prevent the SGEC scheme from obtaining the PEFC endorsement. – All identified minor non-conformities should be treated in a similar way by giving more explanations!</p>	<p>Chapter 8.4 provides detailed explanation of the situation in Japan relating to the conversion of forests. The assessor concluded that there is “minor non-conformity” with the PEFC requirement but that this non-conformity is justifiable taking into account applicable legislation in Japan as well as particular circumstances relating to forest cover in Japan.</p>

	<p>although not fully satisfying the detail of the PEFC requirements.</p> <p>Therefore, the assessment also concludes and provides argumentation that this minor non-conformity should not prevent the SGEC scheme from obtaining the PEFC endorsement.</p>		
5.4.1 / p. 8	<p>...it is assumed that this type of certification will continue even after the PEFC endorsement of the SGEC scheme. This duality of PEFC chain of custody certification in Japan needs to be considered in the PEFC endorsement...</p>	<p>Comment only: does this mean that in the future Japanese wooden products may carry two labels: PEFC-logo and SGCE-logo?</p>	<p>Yes.</p>
5.8 / p. 11	<p>It should be noted that currently the PEFC authorised body for Japan is PEFC Asia Promotion and this organisation is obliged to comply with PEFC GD 1004. However, the work of the PEFC Asia Promotion is not under control of the SGEC and is not a part of the SGEC scheme.</p> <p>Provided that the PEFC Council decides to transfer the "Administration of the PEFC scheme" from PEFC Asia Promotion to the SGEC, the PEFC Council should address the minor non-conformities identified in this assessment.</p>	<p>Comment only: I understood that with these minor non-conformities SGCE is not able to authorize the use of PEFC logo, but ask for PEFC Asia to authorize it for a company? On the other hand in paragraph 8.1.3 p. 20 can be read that as a result of the recommendation of this assessment SGEC is able to authorize both SGCE and PEFC logos?</p> <p>Are there as many as 6 minor non-conformities listed? How these non-conformities should then be addressed or treated? I would like to see these minor non-conformities listed here in the report.</p>	<p>The PEFC endorsement does not allow the SGEC to issue PEFC Logo licenses in Japan. For this, the SGEC would need to sign a specific contract with the PEFC Council.</p> <p>It should be noted that the minor non-conformities relating to the PEFC Logo licensing have been corrected during the Panel of Expert's review and the reported was altered accordingly.</p>
8.1.4 / p. 21	<p>8.1.4 Observation relating to the structure of the SGEC scheme</p>	<p>The content of this chapter is very relevant!</p>	<p>The observations are relevant but cannot be reported as "non-conformities" as the PEFC Council does not have requirements relating to the structure of the PEFC scheme.</p>
8.2.1 / p. 23	<p>The assessment of the standard setting procedures is based on the latest version of Attachment 2-12 and it needs to be</p>	<p>As commented already above, this fact may be understandable, but very odd: a process has been carried out and</p>	<p>Response provided above.</p>

	noted that this version of the document did not govern the revision process of 2014-2015 and that there are logically discrepancies in this assessment between the written procedures and the description of the revision process itself.	afterwards you write down procedures, how the process should have been carried out in order to fulfil PEFC requirements!!	
8.2.1 / p. 24	<p>A minor non-conformity was identified for the following PEFC requirement:</p> <ul style="list-style-type: none"> - The bodies were not fully accessible to stakeholders, members were appointed by the President or the Board of Directors; there was no open invitation to stakeholders to nominate their representatives and transparent process of the nominations selection (PEFC ST 1001, 4.4a). <p>A minor non-conformity described in the detailed assessment relates to the fact that the SGEC has not made direct invitation to key and disadvantaged stakeholders to contribute to the public consultation.</p> <p>A minor non-conformities has been identified in the standard setting procedures (Attachment 2-12) that do not include procedures for publication of formally approved standards (PEFC ST 1001, 5.12) .</p>	<p>In the text of this paragraph the assessor identifies minor non-conformities and then on page 27 presents again a list of these (4). In the detailed assessment part as many as 8 non-conformities have been listed.</p> <p>I would like to see some comments of the assessor, how to deal with these non-conformities.</p> <p>In the public discussion of forest certification these identified issues are often considered important.</p> <p>Also the observations of the assessor (Balanced representation of stakeholders in the standard setting committee, Distribution of minutes of the meetings, Consensus recording) are important issues. – There are many minor issues in the standard setting process -> how much minor non-conformities together are acceptable and may make up a major non-conformity?</p>	The minor non-conformities have been grouped in order to enhance readability of the report. Nevertheless, specific reference to the relevant PEFC requirements have been made.
8.4.1 / p. 64, 66	<p>5.1.11 Forest conversion</p> <p>5.6.4 Indigenous peoples' rights</p>	These subtitles with numbers are confusing. It is part of the chapter number 8.4.1 but 5.1.11 and 5.6.4 refer something else!	The numbers refer to the numbering of the PEFC requirements used in the detailed assessment chapter.

		<p>The two non-conformities are not identified in the same manner as in the previous chapter – it is confusing.</p> <p>Otherwise, the chapter 8.4.1 is very informative and well structured.</p>	<p>The numbering has been amended to make clear that those numbers relate to the numbering of PEFC ST 1003.</p>
8.5.1 / p. 109	Observations (not affecting conformity with PEFC requirements)	These are constructive observations and should be taken in consideration in the SGEC!	
8.5.2 / 7.2 / p. 112	Compliance: Compliance	Compliance: Conformity	Amended
8.6.1.2 / p. 134	<p>Conclusion: Minor non-conformity</p> <p>Justification: The SGEC documentation is identical with the relevant PEFC ST 2003 requirements.</p>	This minor non-conformity is not dealt in the text of the paragraph 8.6.1 Why?	<p>This was a mistake and the conclusion should read “conformity”.</p> <p>The report was amended.</p>
8.6.2.1 / p. 137	<p>The SGEC documentation (Document No. 2, Article 19 and attachment 2-1-1-1) requires that the certification bodies shall be accredited against ISO 17065 by an accreditation body that is a signatory to the IAF’s multilateral arrangement for product certification and that the certificates shall be issued as “accredited” certificates.</p> <p>In addition, it should be noted that the interview of the SGEC representatives and certification bodies identified that none of the current certification bodies have been accredited and none of their currently issued forest management certificates are “accredited” certificates.</p>	The documentation “requires”, but in real life the requirement does not mean anything? I do not understand...	<p>The SGES is in the process of transfer from unaccredited to accredited certifications. Therefore, the documentation complies but the currently issued certificates are still “unaccredited”.</p> <p>As a result of this situation, the assessor made clear recommendation that the PEFC Council should formulate the PEFC endorsement to only cover those certifications that comply with the PEFC assessed and endorsed documentation.</p>

	This fact needs to be taken into account when formulating the PEFC endorsement decision.		
8.8.1 7 p. 150	<p>The assessment has been carried out against PEFC GD 1004 and the following minor non-conformities have been identified:</p> <ul style="list-style-type: none"> - Geographical limitation of the issuance of the licenses by SGEC to entities registered in Japan is not clear (4.1b); - Procedures explicitly allow issuance of the PEFC Logo licenses to entities registered outside Japan in case of holders of multi-site chain of custody certificates (6.1.2); - Procedures do not require user's compliance with PEFC ST 2001 (6.2.1b); - Procedures do not include conditions for cancellation of the PEFC Logo licenses (6.2.1d); - Procedures do not include provisions relating to unauthorised use of the PEFC Logo (6.2.1e); - Procedures do not include a mechanism for the investigation and enforcement of the compliance with PEFC Logo usage rules (6.2.2). 	Together these minor non-compliances seem to form a major one?	The minor non-conformities have been corrected during the Panel of Experts' review and the report was altered accordingly.
8.9 / pp. 156-157	Content of the chapter	Question: When SGEC becomes the notifying body of Japan, who is responsible for to check that all non-conformities identified in this assessment report will be dealt in a proper manner?	The SGEC will become the notifying body when it signs the "PEFC administration" contract with the PEFC Council. It should be noted that the contract can even be signed before the PEFC endorsement as the PEFC membership is sufficient precondition.

			The PEFC Council will decide on how to evaluate corrective actions relating to the non-conformities identified in the report.
	General	It is obvious that assessment reports usually have been written in this sequence: detailed assessment, assessment report, summaries, executive summary. In other words: from the end of the report to the beginning of the report. That is why it is normally almost impossible to try to understand the content of the executive summary. My proposal is that the writers of the reports pay some attention to this fact. It is important that the reader understands what the terms/issues/etc. means in the text he/she is reading. If that is not the case, it is obvious that certain amount of antipathy against the report easily pops up!!!	The structure of the report follows PEFC GD 1007. Cross-referencing has been altered to improve readability of the report.

Report chapter / page	Consultant's report statement	PoE member finding	Consultant's response
Doc 2 art 19 /144	... by a national accreditation body that is a signatory to IAF's multi-lateral arrangement (MLA) for product certification.	Document 2 do not include "... IAF's special recognition regional groups ..."	The SGEC requirement should be considered as more stringent than the PEFC Council's requirement and thus in compliance with the PEFC requirement.

Report chapter / page	Consultant's report statement	PoE member finding	Consultant's response
	<p>1.) Am major problem (for me) are quotations of the Japanese scheme with mistakes of terms in the English language. I have raised this point several times in connection with other national schemes. First, it is not always clear, where a quotation begins or ends, because the symbols "....." are lacking, difficult to trace or whether it is the assessor's text. I do understand that an assessment can neither exchange terms nor correct mistakes in quotations. On the other hand, an assessment of a scheme or its revision is a unique if not the only opportunity to do just this. Otherwise mistakes are carried on and continue to be mistakes. In this case it is f.e. the use of singular and plural or the use of the article (the/a/an), probably due to translation from the Japanese into the English language. I suggest that the assessment has at least to point to linguistic weaknesses.</p> <p>2.) In the detailed assessment parts the assessor places short summaries from the scheme (it is his interpretation) rather than the original version vice versa against the relevant PEFC meta standard in order to prove conformity or non-conformity. I think this is fair and appropriate (although other assessors do not do so).</p>		<p>Ad 1) Quotations from the scheme are always introduced in the report with symbols "...". The text in the quotation is not altered or modified".</p> <p>It should be noted that the scheme will be applied in its original language, i.e. in Japanese. Therefore, usage of proper English in the translated documents of the scheme is important for international audience but is irrelevant for implementation of forest certification and its results.</p> <p>Ad 2) The detailed assessment makes summary of the schemes requirements. The purpose of this approach is the fact that quoting exact wording of the scheme's requirements would make the report extremely long.</p>
		Were all relevant documents available in English?	Yes, all evaluated documentation and evidence was submitted in English (Or relevant parts of documents/evidence).
		What are the main non-wood products?	Mushrooms, herbs, venison.
		Natural regeneration should always get preferences, not only in natural forests, so does biological control.	A part of Japanese forestry are forest plantations with planting considered as primary regeneration method.
		Are illegal cuttings an issue in Japan?	No.
		Rights and management of hunting and shooting does not come out clearly (wildlife management)	Hunting in Japan is usually not a part of forest management activities but are regulated and control separately from forest management.

		Is public access guaranteed both in public and private forest	Not all forests are open for public access. Adequate public access (as required by PEFC ST 1003) is ensured by appropriate zoning of forests, forest management planning at the municipal level and management of recreational opportunities at the forest management unit level.
		Only the ILO conventions are mentioned. What about the others (f.e. WA, CBD etc.)?	PEFC ST 1003 does not require compliance with all international conventions. In general, it is expected that ratified international conventions are implemented through national legislation.
83		Instead of "ecological connectivity" ...corridors or....	Altered
127 7.4.1.b		"half a man's day"	The text is in inverted commas". This means that the text has been taken directly from the SGEC documentation without any modifications including grammar mistakes.