

SGS INFORMATION GUIDE

FOREST MANAGEMENT CERTIFICATION

WHAT IS FOREST CERTIFICATION?

Certification is the independent evaluation of an organisation's activities against agreed external standards.

The Forest Stewardship Council (FSC) has developed an international standard for forest management certification, called the Principles and Criteria (FSC P&C). The requirements of the FSC P&C concern the environmental, social and economic impacts of forest management. Certification bodies assess compliance with the requirements.

SGS QUALIFOR is a forest certification body, which holds FSC accreditation. This means that products originating from forests certified by SGS Qualifor may carry the FSC trademark.

HOW DOES FOREST CERTIFICATION WORK?

Forest certification is applied to the management of a specific, defined forest area, usually known as the forest management unit (FMU). The sequence followed during the forest certification process is as follows:

- SGS QUALIFOR assessors, for compliance with the certification requirements assess the forest. This is detailed below.**
- If forest management meets the requirements of SGS QUALIFOR, a certificate is issued.**
- SGS QUALIFOR assessors make regular surveillance visits to ensure that the required performance levels are maintained.**
- For products originating from certified forests to be eligible to carry an FSC Trademark certifying the products' origin, an additional Chain-of-Custody evaluation is needed.**

TYPES OF FOREST CERTIFICATION:

Forest management certification is typically applied to an individual FMU, which is assessed and certified as a single unit.

However, there are other options available for small forest areas. As individual units or as a group, small forests can be eligible for evaluation under the SLIMF (Small & Low Impact Managed Forests) scheme, which is specially designed to minimise costs for small enterprises.

In addition, SGS QUALIFOR's Group Certification and Resource Manager Programmes allow small-scale managers of forest resources or timber processors to enter into a group or association, and develop a management system that ensures all members of the group meet the requirements of certification. During evaluation, SGS QUALIFOR assessors inspect the group management system and a sample of the scheme members. As the costs of the

evaluation can be spread among all members, the costs for each individual member are likely to be significantly less than for individual evaluation.

BENEFITS OF FOREST CERTIFICATION

Forest certification commonly acts as an incentive to improve forest management practices. This is because the buyers of wood products are increasingly adopting FSC-accredited certification as an element of timber specification

In terms of the benefits to a forest manager, certification provides:

- independent assurance for customers, stakeholders and investors of the quality of forest management
- access to markets that specify timber products from well-managed forests
- demonstration of the implementation of best practices in forest stewardship

The importance of these factors will continue to increase.

THE QUALIFOR CERTIFICATION PROCESS

SGS QUALIFOR Certification is carried out in the sequence of steps shown below.

1. Pre Evaluation

Pre-Evaluation aims to ensure that you understand the requirements of SGS QUALIFOR evaluation and to help us develop an understanding of your management systems and practices. We use this information to plan the Main Evaluation, including development of audit protocols, scheduling, and evaluation team qualifications

One of our SGS QUALIFOR assessors, together with a local specialist where appropriate, will make a brief visit to your forest area. The three main purposes of the visit will be to:

- ensure that you have a good understanding of the requirements of certification;
- to allow us to gain a good overview of your organisation and its activities in order to prepare for the main evaluation;
- to identify gaps between your current performance and that required by the standard in order to allow you to prepare for the main evaluation.

Our assessor should have the opportunity to meet your key managerial and supervisory staff and will probably find it helpful to see the following documents:

- Copies of forest-related legislation
- Policy statement(s)
- Organisational structure and responsibilities
- Training procedures and job specifications
- Maps showing locations of operations
- Environmental restrictions
- Publicity material
- Management plans
- Internal monitoring/inspection programmes
- Evidence of forestry tenure/use rights
- List of key national and local stakeholders

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- List of chemicals used

At the conclusion of the visit, our assessor will present an overview of your readiness to proceed to the Main Evaluation. Normally within two weeks, we will send you a brief report covering the following aspects:

- The status of current practices in relation to SGS QUALIFOR requirements
- Shortfalls that should be addressed before Main Evaluation takes place
- Other issues that need to be considered before the Main Evaluation
- List of stakeholders whom we propose to contact

It is important to note that Pre-Evaluation may not identify all issues requiring attention. It is your responsibility to ensure that this has been done before the Main Evaluation.

Following the Pre-Evaluation, we may need to modify the fees quoted below for the Main Evaluation. If this is the case, we will send you a revised financial proposal together with the Pre-Evaluation report.

2. Remediating gaps in the management system

Upon receiving the Pre-Evaluation report, you should start to address any deficiencies and weaknesses which could prevent certification. The period needed to correct such problems will depend on their severity and the effort you are able to put into dealing with them. It is obviously in your interest to proceed with the Main Evaluation only after you are confident that all problems identified have been fully addressed. We do require your confirmation that you have taken all necessary actions before we proceed with the next step.

3. Main Evaluation

The Main Evaluation will be conducted in the steps outlined below. A team of assessors, including a SGS QUALIFOR lead Assessor and local specialists will carry out the fieldwork.

Agreement to proceed

When you are satisfied that you are ready to undergo the Main Evaluation, a contract will be signed. Until this point, all dealings between SGS QUALIFOR and your organisation will be strictly confidential. However, as soon as we receive your contract for Main evaluation, we must inform all interested parties (see section on Stakeholder Consultation, below). To allow stakeholders time to respond, a minimum period of 4 weeks must elapse before we can start the main Evaluation fieldwork.

Preparation

We will develop a checklist based on the endorsed FSC national standard if it exists. If not, we will develop a checklist based on the generic SGS QUALIFOR evaluation checklist together with any draft local FSC standard, any additional local requirements or Codes of Practice, and initial contacts with stakeholders. The checklist will be made available to stakeholders for comment and may need to be revised to accommodate comment received. We will also contact you to arrange details of evaluation dates, travel and logistics.

Stakeholder Consultation

A requirement for all FSC main Evaluations is that we carry out consultations with individuals and groups who have an interest in management of forest areas to be certified. These usually include environmental interest groups, local government agencies and forest authorities, forest user groups, workers unions, local communities and representatives of local indigenous people.

In order to maintain credibility and transparency, you are advised to identify all your key stakeholders and inform them of your intention to seek certification as early as possible in the process.

Upon receiving your Notice to Proceed, we will write to all identified local, national and international stakeholders to inform them of the planned evaluation and ask for their views on relevant forestry management issues. In addition we will post a notice on the Internet at the SGS QUALIFOR website.

□ Field Evaluation

The Evaluation Team will begin to the evaluation with an opening meeting, which will provide an opportunity for them to explain the process to management staff and answer any questions.

The opening meeting will probably be followed by an inspection of your main forestry management documentation. This will involve a detailed examination of your policies, management plans, systems, procedures, instructions and controls. The assessors will evaluate the adequacy of coverage of the SGS QUALIFOR Programme requirements in these documents.

After completing the document review, we will carry out field evaluations. These aim to determine how closely your activities in the field comply with your documented management systems and the SGS QUALIFOR Programme requirements.

Our assessors will interview your staff, operators and contractors to determine their familiarity with and their application of your policies, procedures and practices that are relevant to their activities. They will also visit a randomly selected sample of sites to evaluate whether your practices meet the required performance levels.

□ Stakeholder Interviews

Meetings or telephone interviews will be held with important stakeholders as determined by the responses to our notification letters. These consultations will aim to clarify the nature of any issues raised and your responses to them. Any issue thus raised or information obtained will be presented to you for an initial response. However, the identity of stakeholders that participate in this process will remain confidential and will not be declared to you.

□ Summing Up and Closing Meeting

At the conclusion of the field evaluation, we will present our findings to your management at a closing meeting. Our lead assessor will inform you whether you will be recommended for certification and will describe any areas of non-conformance with the SGS QUALIFOR Programme. Such shortfalls will be raised as one of two types of Corrective Action Request (CAR):

- Major CARs which must be addressed and re-assessed before certification can proceed
- Minor CARs, which do not preclude certification, but must be addressed within an agreed time frame, and will be checked at the first surveillance visit.

The final decision on certification, however, depends on an independent Peer Review and a subsequent internal SGS Forestry review of the evaluation report.

□ Chain-of-Custody Inspection

A chain-of-Custody inspection must be carried out before any organisation may use the FSC trademark on its products. The purpose of this process is to ensure that wood entering the production process is drawn solely from certified forest or, if not, then adequately segregated. Forest management evaluations typically cover only inspection of Chain-of-Custody from harvest site to the “forestry gate”.

Reporting

Following the field evaluation we will prepare a draft report in English or Spanish and the language most commonly spoken in the country or region where your FMU(s) are located. These reports will, detail all our findings. This will include an outline of the forest areas assessed, a description of all CARs raised and the justification for our recommendation.

Peer Review and Internal Review

A requirement of accreditation to the Forest Stewardship Council is that SGS QUALIFOR certification evaluation reports must be submitted for a process of Peer Review. This involves scrutiny of the report by nationally recognised, independent forest experts. The experts will evaluate the methodology used by our evaluation team and the validity of the evaluation findings.

A committee of our senior staff will then review the report and the Peer Reviewers' comments. In some instances further CARs can be raised, although at this stage Major CARs are highly unlikely. The final decision on certification is made following this internal review.

4. Certification Registration

If the result of the evaluation and review process is positive, we will issue a certificate, together with information about conditions of its use. A certificate is valid for 5 years, after which a full re-evaluation is required.

Following registration, we will provide you free of charge with up to 3 copies of each report, a licensing agreement, and FSC logos on electronic media.

We must also provide the FSC with a summary of our report, which will then be made publicly available. All such summary reports can be viewed on the SGS QUALIFOR website.

5. Surveillance

After each certificate is issued, we will visit you regularly to ensure that the standards assessed at certification are being maintained. The first visit will be approximately 6 months after the certificate is issued, and subsequent visits at least annually and more frequently if there are issues needing to be monitored such as outstanding Corrective Action Requests.

Surveillance visits for Group or Resource Manager certification schemes will also be more frequent if there is significant growth or change within the group. For group schemes, surveillances will be carried out earlier than the nominal date if:

- there is an order of magnitude change in the number of group members;
- there is an order of magnitude change in the area of forest covered by the group certificate;
- there is a significant change in the type of membership of the group in terms of size, forest type, location, management or any other relevant feature.

Local assessors will wherever possible, carry out surveillance visits.

6. Certificate renewal

An SGS QUALIFOR certificate is normally valid for a period of 5 years. After this time, because of changes in regulations, technical and scientific information and stakeholder expectations, we are required to re-assess your entire forestry management system.