

NATIONAL VOLUNTARY FOREST CERTIFICATION SYSTEM STANDARD

**REQUIREMENTS FOR CERTIFICATION BODIES
OPERATING AGAINST THE FOREST
MANAGEMENT STANDARD
(Second edition)**



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Name of the Document: Requirements for Certification Bodies operating Certification against the Forest Management Standard

Title of the Document: UA SFM ST 05:2020 (Second edition)

First edition approved by: Council of the Association National Voluntary Forest Certification System **Date:** 24.06.2020

Second edition approved by: Council of the Association National Voluntary Forest Certification System **Date:** 25.02.2021

Published on: 01.03.2021

Entry into force: 01.03.2021

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Introduction

Forest management certification is one of the means to confirm that the organisation has implemented forest management in accordance with its policy and requirements of the relevant standard(s) of the National Voluntary Forest Certification System (hereinafter referred to as NVFCS).

Forest management certification within NVFCS is conducted by certification bodies that are formed based on the principle of two “keys”: one “key” is accreditation and the other one is notification. Accreditation and notification are two different activities to be performed separately. These procedures are administratively separated and performed by different bodies (organisations).

The first “key” is related to evaluation of independence and competence of the certification body to be conducted by the accreditation body being a member of the International Accreditation Forum (IAF). It issues the accreditation certificate to the certification body.

The second “key” is in the hands of the NVFCS governing body, i.e. the Association National Voluntary Forest Certification System (hereinafter referred to as the Association NVFCS), which has set additional requirements (criteria) for the notified certification bodies (see UA SFM ST 06). Therefore, the NVFCS management does not automatically notify all accredited certification bodies.

This principle is used to ensure a high level of management in NVFCS, and ensure confidence in the activities of the certification bodies and increase their responsibility for the evaluation results.

This standard establishes requirements (accreditation criteria) to bodies auditing and certifying forest management. Compliance with these requirements ensures that the certification bodies perform certification in a competent, consistent and impartial manner.

This second edition from the date of publication cancels and replaces the first edition UA SFM ST 05. The second edition has minor technical amendments relating to PEFC Endorsement process of National Voluntary Forest Certification System.

1 Scope

1.1 This standard establishes the requirements for the certification bodies conducting audit and certification of forest management in accordance with the standards UA SFM ST 02 Sustainable Forest Management. General Provisions and UA SFM ST 03 Group Forest Management. Requirements.

1.2 This standard shall be used as a document containing accreditation criteria within the National Voluntary Forest Certification System.

1.3 This document is used jointly with other NVFCS documents.

2 Normative References

2.1 This standard uses references to the following documents:

IAF MD 2, Mandatory Document for the Transfer of Accredited Certification of Management Systems.

IAF MD 4, Mandatory Document for the use of Information and Communication Technology (ICT) for auditing/assessment purposes.

ISO/IEC Guide 2, Standardization and related activities – General vocabulary.

ISO 9000, Quality management systems – Fundamentals and vocabulary.

ISO 9001, Quality management systems – Requirements.

ISO/IEC 17000, Conformity assessment – Vocabulary and general principles.

ISO/IEC 17021-1, Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part 1: Requirements.

ISO 19011, Guidelines for auditing management systems.

ISO 31000, Risk management – Principles and guidelines.

PEFC ST 2001, PEFC Trademarks Rules – Requirements.

Annex 6, Certification and Accreditation Procedures.

UA SFM ST 02 Sustainable Forest Management. General Provisions.

UA SFM ST 03 Group Forest Management. Requirements.

UA SFM ST 06, Procedure for Notification of Certification Bodies in National Voluntary Forest Certification System.

UA SFM ST 07, Procedure for Attestation of the Auditors.

3 Terms and Definitions

3.1 This standard uses terms and definitions set forth in ISO/IEC Guide 2 Standardization and related activities – General vocabulary, ISO 9000 Quality management systems – Fundamentals and vocabulary, ISO/IEC 17000 Conformity

assessment – Vocabulary and general principles, ISO/IEC 17021-1 Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part 1: Requirements, ISO 19011 Guidelines for auditing management systems, PEFC ST 2001, PEFC Trademarks Rules – Requirements, UA SFM ST 02, Sustainable Forest Management. General Provisions and UA SFM ST 03 Group Forest Management. Requirements.

4 Principles

4.1. Certification shall be carried out by impartial independent third parties that cannot be involved in the standard-setting process as a governing body or decision-making body, or in forest management and are unaffected by the certification object.

4.2 The forest management certification body shall apply the certification principles (impartiality, competence, responsibility, openness, confidentiality, responsiveness to complaints, risk-based approach) as guidance for the decisions in accordance with section 4 ISO/IEC 17021-1.

4.3 The forest management certification body shall meet the requirements stipulated in ISO 17021-1. These requirements are stated in the relevant sections of this standard and, if necessary, are elaborated or supplemented with special requirements for forest management certification.

5 General Requirements

All requirements set forth in section 5 of ISO/IEC 17021-1 shall apply.

5.1 The certification body carrying out forest management certification shall have technical competence in the sphere of forest management regarding its economic, social and environmental impact and the criteria of forest certification in accordance with UA SFM ST 02 and UA SFM ST 03.

5.2 The certification body shall clearly understand the National Voluntary Forest Certification System, regarding which it conducts forest management certification.

5.3. Compliance of the certification body with the requirements mentioned above shall be verified by accreditation, as described in section 13.

6 Structural Requirements

All requirements set forth in section 6 of ISO/IEC 17021-1 shall apply.

7 Resource Requirements

All requirements set forth in section 7 of ISO/IEC 17021-1 shall apply.

Requirements to Forest Management Auditors

7.1 The certification body shall be responsible for the activities of competent auditors possessing appropriate technical know-how in certification process and issues associated with forest management certification.

7.2 The auditors of the certification body conducting the forest management certification shall meet the general criteria of ISO 19011 for auditors of quality management systems or for auditors of environmental management systems.

7.3 The certification body shall have a documented process to ensure that auditors have personal qualities, knowledge and skills in accordance with section 7 of ISO 19011.

7.4 The certification body shall ensure relevant **education** of the forest management auditors: complete higher education in forest studies in a nationally accredited educational institution of Ukraine, or obtained in a foreign educational institution, diplomas of which have legal force in Ukraine.

7.5. The certification body shall ensure relevant **practical work experience** of forest management auditors:

- for auditor – at least three years of overall length of service;
- for lead auditor – at least five years of overall length of service.

7.6 The certification body shall ensure relevant **specialized work experience** of forest management auditors: at least three years of continuous length of service in the forest industry or at least three years of length of service in forest educational and/or scientific organisations or forest management certification.

7.7 The certification body shall ensure relevant **special training** of the forest management auditors: successful completion of a training program approved by the Center for preparation and attestation of experts-auditors in the area of forest management certification or forest management and chain of custody certification.

7.7.1 Special auditor training consists of an intramural off-the-job part and a distance part.

7.7.2 Upon successful completion of training programmes, a certificate of special training is issued to the specialists for a period of three years.

7.8. The certification body shall ensure relevant **audit experience** of forest management auditors:

- for auditor - four forest management audits for four organisations for a total of at least 12 days as a trainee auditor;

- for lead auditor – two audits as a PEFC chain of custody auditor during the past year after completing specialized training programmes.

Note: Individuals having at least three years of continuous length of service in PEFC chain of custody certification at the certification body and experience of a lead auditor are not required to participate in audits. This length of service and work experience is considered instead of audits.

7.9 The certification body shall ensure relevant **competence** of the forest management auditors.

a) participation in audits:

- for auditor - at least five audits within NVFCS for three years;
- for lead auditor - at least three audits as an audit manager within NVFCS for three years.

b) advanced training:

- for auditor – once in three years according to the training programme approved by the Center for preparation and attestation of experts-auditors;
- for lead auditor – once in two years according to the training programme approved by the Center for preparation and attestation of experts-auditors.

c) satisfactory attestation once in three years.

7.10 The certification body shall ensure that the **audit team** has overall competence in forest industry and in forest management which is suitable for audits within NVFCS and includes:

a) forest management requirements, principles underlying these requirements and their application;

b) terminology of the forest industry, thematic and sectoral bases of which refer to the forest management standard;

c) application of methods, technologies, processes, procedures related to forest management, as well as to the forest industry, so that the audit team can assess compliance within the established audit scope and generate appropriate audit findings and conclusions;

d) consultations with stakeholders shall be done with filling the Anti-Bribery and Corruption Checklist (Appendix 4) of this Standard, in particular local governmental and non-governmental organisations related to the activities of the audited item and representing environmental, social and economic interests;

e) principles, methods and techniques of risk management related to forest management, as well as to the forest industry, so that the auditor can identify and assess the risks and opportunities associated with the audit objectives.

7.11 The Center for preparation and attestation of experts-auditors performs the procedure of competence assessment (attestation) in accordance with the requirements of UA SFM ST 07 and, in case of a positive decision, issues to the candidate auditor a certificate of the auditor's competency indicating his areas of activity.

8 Information Requirements

8.1 Public Information

All requirements set forth in clause 8.1 of ISO/IEC 17021-1 shall apply.

8.2 Certification Documents

8.2.1 The certification body shall issue by any means it chooses certificates to the certified clients.

8.2.2 The content of the certificate shall meet the requirements of Appendix 1 to this standard.

8.2.3 The certificate issuing date shall not be earlier than the date of the certification decision.

8.2.4 The certificate validity period shall be not more than five years.

8.2.5 Certificates shall be issued in Ukrainian. At the client's request, the certificates can be issued by the certification body in English.

8.2.6 The certification body shall immediately provide the Association NVFCS with information on each forest management certificate issued to any organisation in Ukraine and/or information on any changes concerning the validity and scope of these certificates in the already issued certificates in accordance with the signed PEFC-notification contract (UA SFM ST 06).

8.3 Reference to Certification and the PEFC Trademark Use

8.3.1 The certification body shall develop rules for the PEFC trademark management. Among other things, their traceability shall be ensured by the certification body. There shall be no ambiguity in the PEFC trademark or its accompanying text regarding the subject matter of certification and the issuing certification body.

8.3.2 The certification body shall establish the rules governing the use of any claims in the accompanying information that the certified client has a certified forest management.

8.3.3 The certification body shall, based on legally enforceable agreements, require the certified client:

a) to meet the requirements of the certification body when referring to its certification status in the mass media, such as the Internet, brochures, advertisements or other materials;

b) not to make or allow any misleading claims about its certification;

c) not to use or allow the use of the certificate or any part thereof in any misleading manner;

d) upon suspension or termination of the certificate, to discontinue to refer to it for promotional purposes, as ordered by the certification body ;

e) to make adjustments to all promotional materials when narrowing the scope of certification;

f) not to imply that the validity of the certificate covers the activities that do not fall within the scope of certification;

g) not to use its certificate in such a way that it may damage the reputation of the certification body and/or NVFCS and lead to a loss of public confidence.

8.3.4 The certification body shall properly control its ownership and take appropriate actions in response to incorrect references to the certification status or misleading use of certificates, PEFC trademarks or audit reports.

Note: Such actions can include requirements for corrections and corrective actions, suspension, termination of certification, publication of information on violations and, if necessary, filing a lawsuit.

8.4 Confidentiality

All requirements set forth in clause 8.4 of ISO/IEC 17021-1 shall apply.

8.4.1 The certification body shall notify the client in advance that it is obliged to provide information to the Association NVFCS, in accordance with the signed PEFC-notification contract (UA SFM ST 06), and notify of the scope and use of the information provided. The certification body shall have the client's written consent to provide such information.

8.5 Information Exchange between a Certification Body and Its Clients

8.5.1 Information on the certification activity and requirements

The certification body shall provide the clients with the following up-to-date information:

a) information (or references) of NVFCS and details on the certification work on the initial and subsequent stages, including submission of application, initial audits, surveillance audits, as well as the procedure for issuing, refusing to issue, confirming

the certificate, expanding or narrowing the certification scope, suspending, extending or terminating the certificate;

b) the normative requirements for certification;

c) information on the fees for application, initial certification and continuing certification;

d) the certification body's requirements for clients, namely:

1) to comply with certification requirements;

2) to make all necessary arrangements for the conduct of the audits, including access to all processes and areas, records and personnel for the purposes of initial certification, surveillance audit, recertification and complaint analysis;

3) to provide the presence of observers, if necessary;

e) documents describing the rights and duties of certified clients, including requirements, when making reference to its certification in communication of any kind in line with the requirements in 8.3 of this standard;

f) information on processes for handling complaints and appeals.

8.5.2 Notice of changes by NVFCS and the certification body

The certification body shall give its certified clients due notice of any changes to its requirements for certification that affect the client. The certification body shall verify that each certified client complies with the new or reviewed requirements.

8.5.3 Notice of changes by a client

The certification body shall have legally enforceable arrangements to ensure that the certified client informs the certification body, without delay, of all matters that may affect the capability of forest management to continue to fulfil the requirements of the standard(s) for which it was certified. These include, for example, changes relating to:

a) the legal, commercial, organisational status or ownership;

b) organization and management (e.g. key managerial, decision-making or technical staff);

c) contact address and location of sites;

d) scope of activity within forest management;

e) major changes to forest management, etc.

The certification body shall take action as appropriate.

9 Process Requirements

9.1 General Provisions

9.1.1 The certification body shall establish internal procedures for forest management certification in accordance with the NVFCS forest certification scheme.

9.1.2 The applicable procedures for forest management certification shall meet the requirements stipulated in ISO 17021 or be consistent with them.

9.1.3 The applicable audit procedures shall meet the requirements of ISO 19011 or be consistent with them.

9.1.4 The certification requirements to forest management of the organisation are contained in the certification requirements of standards UA SFM ST 02 and UA SFM ST 03 (if necessary).

9.1.5 The certification body can provide publicly available documents, such as manual, clarifications and interpretations concerning application of the NVFCS documents published by the PEFC Council and the Association NVFCS.

9.1.6 Forest management certification within NVFCS provides for the following certification types:

- a) individual forest management certification is certification of one individual or legal entity (within Ukraine only);
- b) group forest management certification is certification of several legal entities (within Ukraine only).

9.2 Pre-Certification Activities

9.2.1 Application

9.2.1.1 Application for certification sent by a client to the certification body is a basis for commencement of work.

At least the following information shall be included in or attached to the application:

- a) the desired scope of the certification (scope of forest management);
- b) general description of the organisation, its name, legal and physical address, legal status, areas of forestry lands, ecologically important areas, information on human and technical resources;
- c) identification of outsourced processes used by the organisation that will affect conformity to requirements;
- d) the standard(s) for which the organisation seeking certification has applied;
- e) certification type: individual, group (number of group members);
- f) expected PEFC trademark application;
- g) the organisation's statement of consent to abide by the certification rules stipulated by this standard and provide information required for the audit.

9.2.1.2 The client shall draw up the application in Ukrainian.

9.2.2 Application review

9.2.2.1 The certification body registers the application, reviews the application and additional information relevant to certification in order to ensure that:

a) the information on the applicant organisation and its forest management is sufficient for audit;

b) any known differences in understanding of the requirements have been resolved between the certification body and the applicant organisation;

c) the certification body has competence and ability to perform the certification activity;

d) the scope of certification sought, the site(s) of the applicant organisation's operations, time required to complete audits and any other points influencing the certification activity are taken into account (language, safety conditions, threats to impartiality, etc.).

e) the client's documentation preliminarily complies with the certification requirements.

Note: As part of the preliminary inspection of the applicant, the auditor shall check the applicant for violations of applicable legislation that critically contradict with the requirements of the standard UA SFM S T02, UA SFM ST 03 using the following resources:

a) <https://opendatabot.ua/> or <https://youcontrol.com.ua/> - court decisions, arrears of taxes and payments, wages and other information;

b) <https://inspections.gov.ua/> - inspection control, inspection reports and instructions of various controlling bodies, in particular the State Ecological Inspectorate.

9.2.2.2 Following the review of the application, the certification body notifies the client in writing of its decision to accept or refuse the application for certification. In case of accepting the application for certification, cost of application review is included in the certification contract. In case of refusal to accept the application, the certification body states the reason for a negative decision in the notice.

9.2.2.3 Based on this review, the certification body shall determine the level of competence needed to form an audit team.

9.2.3 Audit programme

9.2.3.1 An audit programme for the full certification cycle shall be developed to clearly identify the audit activities necessary to demonstrate that the client's forest management fulfils the requirements for certification to the selected standard(s). The audit programme for the full certification cycle shall cover all forest management requirements.

9.2.3.2 The audit programme shall include a two-stage initial audit, surveillance audits during the validity period of the certificate after its issuance and recertification audit before expiration of the certificate. There is a five-year cycle for forest management certification. The certification cycle(s) begins with the certification

decision. Subsequent cycles begin with the recertification decision (see Clause 9.7.3 of this standard). When determining the audit programme and making any amendments to it, the following shall be taken into account:

- a) size of the client organisation;
- b) scope and complexity of forest management;
- c) previous audit findings;
- d) complaints against the client received by the certification body;
- e) changes in the certification requirements;
- f) changes in the statutory requirements;
- g) changes in the accreditation requirements, etc.

9.2.3.3 Surveillance audits shall be conducted at least once a year, except in recertification years. The date of the first surveillance audit following initial certification shall not be more than 12 months from the certification decision date.

Note: It may be necessary to adjust the frequency of surveillance audits subject to seasonal or other factors.

9.2.3.4 If the certification body takes into account the already conducted certification audit of the client or audits conducted by another certification body, it shall obtain and retain sufficient evidence, such as reports and documentation on corrective actions, to any nonconformity. This documentation shall confirm the compliance with the requirements of this standard. The certification body shall, based on the information obtained, justify and record any adjustments to the existing audit programme and follow up the implementation of corrective actions concerning previous nonconformities.

9.2.4 Determining the labour input of the audit

9.2.4.1 The certification body shall have documented procedures for determining the labour input of the audit. For each client, the certification body shall establish the time required to plan and complete the effective audit of the forest management.

9.2.4.2 When determining the labour input of the audit, the certification body shall, among others, take into account the following:

- a) requirements of the relevant forest management standard(s);
- b) size and complex logistics of the organisation, in particular the number of participants in the group organisation in case of group forest management certification, and complexity of its forest management;
- c) technological features and legislative regulation;
- d) involvement of co-contractors (outsourcing) for any activity covered by forest management;

- e) any previous audit findings;
- f) number and size of sites, taking into account their location and features associated with the audit;
- g) risks associated with the organisation's processes or activities and other factors.
- h) PEFC trademark use;
- i) use of the Earth remote sensing methods;
- j) use of unmanned aerial vehicles during on-site audits;
- k) several working languages during the audit (a need for a translator/interpreter), etc.

Note: The time spent to get to the audit sites and back is not taken into account when calculating the number of audit days to assess forest management.

9.2.4.3 The labour input of the audit established by the certification body and its justification shall be registered.

9.2.4.4 The labour costs of any team member who is not an auditor (i.e. technical experts, translators and interpreters, observers) shall not be taken into account when calculating the labour input of the audit.

Note: Use of interpreters and translators can increase the audit time.

9.2.5 Sampling inspections

9.2.5.1 If the sites located in different places and engaging in similar activities covered by the client's forest management are selectively inspected during the audit, the certification body shall develop a sampling programme to ensure proper audit of the forest management. The rationale for the sampling plan shall be documented for each client.

Note: Sampling may not be applied at those sites where no similar production activities are performed.

9.2.5.2 In the case of group forest management certification, the certification body shall develop a sampling programme based on Appendix 1 to this standard.

9.3 Planning Audits

9.3.1 Determining audit objectives, scope and criteria

9.3.1.1 The audit objectives shall be determined by the certification body. The audit scope and criteria, including any changes, shall be established by the certification bodies after discussion with the client.

9.3.1.2 The audit objectives shall describe what is to be accomplished by the audit and shall include the following:

- a) establishing conformity of the client's forest management with the audit criteria;
- b) evaluation of the effectiveness of forest management to ensure continual achievement of the objectives set by the organisation;
- c) spheres for possible improvement of forest management, if necessary;
- d) compliance of the PEFC trademark use with the requirements of PEFC ST 2001, PEFC Trademarks Rules – Requirements (if necessary);
- e) collecting data in accordance with the PEFC notification contract (UA SFM ST 06).

Notes:

1 Forest management certification is not a verification of compliance with laws and regulations.

2 The PEFC trademark and PEFC claim use shall be verified during the surveillance and recertification audit. The initial audit shall evaluate the proposed or expected use of the PEFC trademark and PEFC claims.

9.3.1.3 The audit scope shall establish the extent and boundaries of the audit, such as sites, organisational units, activities and processes to be audited. When the initial certification or recertification includes several audits (e.g. at different sites), the scope of a single audit cannot cover the entire scope of certification, but all audits combined shall correspond to the scope defined in the certificate.

9.3.1.4 The audit criteria shall be used as a basis for determining conformity and include:

- a) requirements of a certain normative document(s) of forest management;
- b) certain processes and documentation of forest management developed by the organisation.

9.3.2 Audit team selection and assignments

9.3.2.1 General provisions

9.3.2.1.1 The certification body shall establish a procedure for selecting and appointing the audit team members, including its leader (lead auditor), subject to gender approach and competence required to achieve the audit objectives. If the audit is performed by one person, he must have the competence necessary to perform the duties of the lead auditor regarding this audit. The audit team members shall have the

overall competence established by the certification body in accordance with paragraph 9.2.2.3 of this standard.

Note: Guide on selecting the audit team and audit team leader is contained in ISO 19011: 2018, clause 5.5.4.

9.3.2.1.2 The following shall be considered when deciding on the size and composition of the audit team:

- a) the audit objectives, scope, criteria and estimated time of the audit;
- b) overall competence of the audit team members required for achieving the audit objectives;
- c) certification requirements;
- d) language and culture.

9.3.2.1.3 The required knowledge and skills of the lead auditor and auditors can be supplemented by the knowledge and experience of technical experts, translators and interpreters, who shall work under the guidance of the auditor. If translators and interpreters are used, they shall be selected so as not to improperly affect the audit.

Note: Criteria for selecting technical experts are set individually in each particular case, based on the audit team's needs and the audit scope.

9.3.2.1.4 Under agreement with the audit team members, the lead auditor shall assign to each team member the responsibilities for reviewing specific processes, functions, facilities, areas or work. The required competence shall be taken into account, as well as the effectiveness and efficiency of use of the audit team abilities, as well as various functions and responsibilities of auditors, trainee auditors and technical experts. The terms of reference can be changed during the audit to ensure that the audit objectives are met.

9.3.2.2 Observers, technical experts and guides

9.3.2.2.1 Observers

The presence and justification of observers during an audit activity shall be agreed to by the certification body and organisation prior to the conduct of the audit. The audit team shall ensure that observers do not unduly influence or interfere in the audit process or outcome of the audit.

Note: The observers can be employees of the organisation, consultants, the accreditation body staff that interacts with the certification body, NVFCS representatives, stakeholders or other rightful persons.

9.3.2.2.2 Technical experts

The role of technical experts during an audit shall be agreed by the certification body and the organisation prior to the conduct of the audit. The technical expert shall not act as an auditor in the audit team. Technical experts shall work with auditors.

Note: Technical experts can provide advice to the audit team for the preparation, planning or conduct of audit activities.

9.3.2.2.3 Guides

Each auditor shall have a guide, unless otherwise agreed between the lead auditor and the organisation. Guides are assigned to the audit team to assist in the audit. The audit team shall ensure that the guides do not affect or interfere with the audit and do not influence the audit findings.

Notes:

1 The guide's duties can include:

- a) establishing contacts and setting terms for meetings and discussions;
- b) organisation of visits to specific areas or subdivisions of the organisation;
- c) taking measures to inform the audit team members of the rules and procedures for ensuring on-site safety and implementing these rules and procedures by the audit team members;
- d) witnessing the audit procedure on behalf of the client;
- e) providing clarifications or information at the auditor's request.

2 Where applicable, the person whose work is being assessed can act as a guide.

9.3.3 Audit Plan

9.3.3.1 General provisions

The certification body shall ensure that a plan is drawn up for each audit specified in the audit programme to establish the basis for the audit agreement and the audit schedule.

Note: Guide on audit plan preparation is contained in ISO 19011: 2018, clause 6.3.2.

9.3.3.2 Preparing the audit plan

The audit plan shall be consistent with the audit objectives and scope. The audit plan shall at least include or refer to the following:

- a) audit objectives;
- b) audit criteria;
- c) audit scope;
- d) terms of audits and items to be assessed;
- e) estimated time, duration of on-site audits and methods of work used;
- f) functions and responsibilities of the audit team members and guides.

9.3.3.3 Providing information on the tasks of the audit team

The tasks assigned to the audit team shall be defined. The audit team shall:

- a) assess and verify for compliance the structure, policies, processes, procedures, records and other documents related to the client's forest management;
- b) determine whether the processes meet all the requirements regarding the expected scope of certification;
- c) ensure that the processes and procedures have been established, implemented, are maintained in working order to ensure confidence in the organisation's forest management;
- d) notify the client to take appropriate actions on any discrepancies between the client's policies, objectives and tasks.

9.3.3.4 Providing information on the audit plan

Information on the audit plan shall be provided to the client in a timely manner, the term of work shall be agreed with it in advance.

9.3.3.5 Providing information on the audit team members

The certification body shall provide the client with the last name and, upon request, provide general information on each member of the audit team so that the client has time to review the information provided and, in case of objections, disagree with the appointment of any member of the audit team, and the certification body has the time to reform the group if there are objective reasons for this.

9.4 Initial Certification

9.4.1 Initial certification audit

9.4.1.1 General provisions

Initial certification of forest management shall be audited in two stages: stage 1 (preliminary audit) and stage 2.

9.4.1.2 First stage of the audit

9.4.1.2.1 Planning shall ensure that the objectives of the first stage are achieved, and the client shall be informed in a timely manner of all work planned to be performed during the first stage on the site.

Note: For the first stage, it is not necessary to develop and approve a separate audit plan (see Clause 9.3.3 of this standard).

9.4.1.2.2 The first stage of the audit shall be conducted in order to:

- a) analyse forest management documentation;
- b) assess the client's location and specific conditions for site location (participants of group organisation for group forest management certification);
- c) discuss readiness for the second stage of the audit with the client's staff;
- d) analyse the client's condition and its understanding of the standard requirements, in particular, significant aspects, processes, objectives;
- e) collect necessary information on the scope of forest management, in particular on exceptions from the scope of forest management;
- f) analyse resource allocation for the second stage of the audit and coordinate with the client the details of the second stage of the audit, in particular access to forest management documents on the second stage of the audit, safety procedures for auditors and representatives of the audited item who will accompany the auditors;
- g) ensure correct prioritizing during planning of the second stage of the audit based on a clear understanding of the client's forest management and operation of sites in accordance with UA SFM ST 02 and participants in accordance with UA SFM ST 03;
- h) assess that the level of implementation of certification requirements is sufficient to acknowledge the client's readiness to conduct the second stage of the audit.

9.4.1.2.3 Documented conclusions on the first stage and readiness to conduct the second stage of the audit shall be communicated to the client, including an indication of problem areas that could be classified as nonconformities during the second stage of the audit.

Note: It is not necessary for the first stage conclusion to meet all the requirements for an audit report (see Clause 9.5.8 of this standard).

9.4.1.2.4 When establishing the time interval between the first and second stages of the audit, the client's needs related to elimination of problem areas identified during the first stage of the audit shall be considered. The certification body may also need to adjust the preparations for the second stage of the audit. In case of significant changes that could affect operation of the management system, the certification body shall consider the need to re-conduct a part or all of the activities of the first stage of the audit. The client shall be informed that the findings obtained during the first stage of the audit may lead to the postponement or cancellation of the second stage of the audit.

9.4.1.3 Second stage of the audit

The purpose of the second stage of the audit is to assess the implementation of certification requirements by the client. It shall include the following:

- a) information and evidence of compliance with all requirements of the applicable forest management standard(s);
- b) assessment of compliance of the client's forest management and activities with statutory and regulatory requirements;
- c) assessment of the client's management of its processes;
- d) conduct of internal audits.

9.4.1.4 Initial certification audit conclusions

The audit team shall analyse all information and audit evidence gathered during the first and second stages of the audit to agree on the audit conclusions based on the audit findings.

9.5 On-Site Audits

9.5.1 General provisions

9.5.1.1 The certification body shall develop a procedure for conducting on-site audits. They shall start with an opening meeting and end with a closing meeting. If any part of the audit is conducted at a remote distance (remote audit) using appropriate information and communication technology tools (hereinafter referred to as the ICT tools) and unmanned aerial vehicles, the certification body shall ensure that such work is performed by the staff having appropriate level of competence. Evidence obtained during this type of audit shall be sufficiently convincing to enable the auditor to judge and decide on the compliance of the concerned requirement.

9.5.2 Conducting the opening meeting

All requirements set forth in clause 9.4.2 of ISO/IEC 17021-1 shall apply.

9.5.2.1. The opening meeting shall be chaired by the lead auditor with the participation of the audit team members, management and, if necessary, with leading experts.

Note: Guide on opening meeting is contained in ISO 19011: 2018, clause 6.4.3.

9.5.3 Communication during the audit

All requirements set forth in clause 9.4.3 of ISO/IEC 17021-1 shall apply.

Note: Guide on communication is contained in ISO 19011: 2018, clause 6.4.4.

9.5.4 Obtaining and verifying information

9.5.4.1 During the audit, information relating to the audit objectives, scope and criteria (including information relating to the relationships between functions, operations and processes) shall be collected on the basis of appropriate sampling methods and verified in such a way as to become the audit evidence.

9.5.4.2 Methods of obtaining information include, in particular:

- a) interviews and polls of the organisation's employees and stakeholders (e.g. public institution, local government, environmental organisations, etc.)
- b) observation of processes and operations;
- d) analysis of documentation and records;
- e) collection and analysis of data on remote zoning of the Earth and data obtained with using unmanned aerial vehicles, other available external information (publications in mass media, court registers, etc.).

Note: Guide on the places of obtaining information and access thereto, analysis of documented information during the audit, collection and verification of information is also contained in ISO 19011: 2018, clauses 6.4.5 - 6.4.7.

f) Auditor shall verify the company's compliance with applicable legislation by filling checklist in accordance with Appendix 4. This checklist shall be used by the auditor in all interviews and surveys of the organization's staff and stakeholders (eg government agencies, local governments, environmental organizations, etc.).

9.5.4.3. The auditor shall verify and collect information from the following official resources:

- a) State Enterprise "Forestry Innovation and Analytical Center"
<https://www.ukrforest.com/> – register of logging tickets, mapping of fellings;
- b) Public cadastral map <https://map.land.gov.ua/> – land use right, nature reserve fund, Emerald Network.

9.5.5 Identifying and recording audit findings

All requirements set forth in clause 9.4.5 of ISO/IEC 17021-1 shall apply.

9.5.6 Preparing audit conclusions

All requirements set forth in clause 9.4.6 of ISO/IEC 17021-1 shall apply.

Note: Guide on preparing audit conclusions is contained in ISO 19011: 2018, clause 6.4.8.

9.5.7 Conducting the closing meeting

All requirements set forth in clause 9.4.7 of ISO/IEC 17021-1 shall apply.

Note: Guide on conducting the closing meeting is contained in ISO 19011: 2018, clause 6.4.10.

9.5.8 Audit report

All requirements set forth in clause 9.4.8 of ISO/IEC 17021-1 shall apply.

Note: Guide on preparing audit report is contained in ISO 19011: 2018, clause 6.4.10.

9.5.8.1 The audit report shall also contain:

a) confirmation that the client effectively monitors the PEFC certificate and trademark use;

b) a statement of the forest management compliance with the summary evidence relating to:

- ability of forest management to meet the applicable requirements and achieve the planned results;

- conduct of internal audits;

c) a conclusion on legality of the certification scope;

d) a general conclusion on achievement of audit objectives.

9.5.8.2 The audit findings, conclusions and recommendations are drawn up by the committee in the form of an audit report (Appendix 3 of this standard).

9.5.8.2 The lead auditor shall prepare a public version (summary) of the audit report taking into account confidential information, including a summary of the conclusions regarding the compliance of the auditee's forest management with the standard requirements. The summary shall be sent to the Association NVFCS for posting on the official website (<http://woodcertification.com.ua/>), freely available to the public.

9.5.9 Cause analysis of nonconformities

The certification body shall require the client to analyse the causes and describe the specific corrections and corrective actions implemented or planned to be implemented in order to eliminate the discovered nonconformities within a fixed period.

9.5.10 Effectiveness of corrections and corrective actions

All requirements set forth in clause 9.4.10 of ISO/IEC 17021-1 shall apply.

9.6 Certification Decision

Requirements set forth in clauses 9.5.1 – 9.5.3 of ISO/IEC 17021-1 shall apply.

9.6.1 When the matter to issue a certificate is referred by one certification body to another body, the latter shall have a procedure for obtaining all required information to make a certification decision.

Note: In case of certification transfer, the certification body shall act in accordance with IAF MD2.

9.6.2 Information for granting recertification

The certification body shall decide on recertification based both on the recertification audit findings, and the results of analysis of forest management functioning for the duration of the certificate and complaints received from the PEFC participants.

9.7 Maintaining Certification

9.7.1 General provisions

9.7.1.1 The certification body shall maintain the certification by demonstrating that the client continues to satisfy the requirements of the forest management standard(s). The certification body can maintain the client's certification, guided by a positive opinion of the lead auditor, without further independent analysis and decision-making, provided that:

a) the certification body shall have a system in place according to which, in case of any nonconformity or other situation that may lead to suspension or termination of certification, the lead auditor notifies the certification body of the need to analyse this fact by personnel with appropriate competence (see clause 7.2.8 of this standard) and who did not participate in the audit to determine the possibility of confirming the certification;

b) the competent personnel of the certification body monitors surveillance audit activities, including monitoring of the auditors' reports, in order to confirm that the certification activities are carried out effectively.

9.7.1.2 Information on confirmation, suspension, renewal, narrowing or expansion of certification, recertification is timely sent to the Association NVFCS in accordance with the signed PEFC-notification contract (UA SFM ST 06).

9.7.2 Surveillance activities

9.7.2.1 General provisions

9.7.2.1.1 The certification body shall arrange surveillance activities in such a manner that forest management is regularly monitored, taking into account changes to the certified client and its forest management.

9.7.2.1.2 A surveillance activities shall be conducted annually. The certification body shall conduct at least four surveillance audits before the certificate expires.

Notes:

1 “Annually” means once every 12 months.

2 If the certificate is valid for less than five years, the number of surveillance audits may be reduced accordingly.

3 It may be necessary to adjust the frequency of surveillance audits subject to seasonal or other factors.

9.7.2.1.3 The surveillance activities shall include on-site audits to assess the compliance of the certified client’s forest management with certain standard requirements for which the certificate is issued. Other surveillance activities may include:

a) requests from the certification body to the certified client regarding aspects of certification;

b) analysis of any statements of the certified client related to its activities (e.g. in promotional materials, on the website);

c) address to the certified client to obtain documented information (in hard or soft copies);

d) collection of data on remote zoning of the Earth, other available external information (publications in mass media, court registers, etc.) and other methods of monitoring the activities of a certified client.

9.7.2.2 Surveillance audit

A surveillance audit is an on-site audit, but it does not necessarily imply an audit of the entire forest management and shall be planned in such a manner as to allow the certification body to remain assured that the certified client’s forest management continues to meet the requirements between the recertification audits.

9.7.3 Recertification

9.7.3.1 Recertification audit planning

9.7.3.1.1 The purpose of the recertification audit is to confirm the continued conformity and effectiveness of the sustainable forest management as a whole, as well as its continued relevance and applicability for the scope of certification. A recertification audit is planned and conducted to evaluate the continued fulfilment of all of the requirements of the relevant forest management standard(s). It shall be planned and conducted in due time in order to enable for timely renewal of the certification before the certificate expiry date.

9.7.3.1.2 Recertification activities shall include the analysis of previous surveillance audit reports and shall consider the forest management functioning during the last certification cycle.

9.7.3.1.3 During the recertification audit of forest management, the first stage of the audit (preliminary audit) may be required in cases of major changes in forest management, organisation or operating conditions of forest management (e.g. legislation amendments).

Note: Such changes can occur at any time throughout the certification cycle, and the certification body may need to conduct an additional audit (see Clause 9.7.4 of this standard), which can include two stages.

9.7.3.2 Recertification audit

9.7.3.2.1 The recertification audit shall include an on-site audit.

9.7.3.2.2 If major nonconformities are discovered during the recertification audit, the certification body shall establish the period within which corrections and corrective actions shall be taken. They shall be performed and inspected before the certificate expires.

9.7.3.2.3 If the recertification work is successfully completed before expiration of the issued certificate, the validity of the new certificate may be fixed based on the validity of the existing certificate. The new certificate shall be dated either on the day of the recertification decision or at a later date.

9.7.3.2.4 If the recertification audit activities have not been fully completed by the certification body before expiration of the certificate, or if the body has not verified the implementation of corrections and corrective actions for any major nonconformity, the recertification decision shall not be made and the validity of the certificate shall not be extended. The client shall be informed of this with an explanation of the consequences arising out of it.

9.7.3.2.5 Upon expiration of the issued certificate, the certification body can renew the certificate within 6 months, provided that the non-performed recertification activities are fully completed, otherwise at least the second stage of the audit shall be conducted. In this case, the certificate shall be dated either on the day of the recertification decision or at a later date, and the expiry date of the certificate shall be fixed based on the previous certification cycle.

9.7.4 Additional audits

9.7.4.1 Expanding the scope of certification

Based on the application for expansion of the scope of the previously issued certificate, the certification body shall analyse the application and determine the inspection activities required for decision-making. Their performance can be combined with surveillance audit activities.

9.7.4.2 Unscheduled audits

The certification body may need to conduct an unscheduled audit of the certified client to investigate complaints or in response to changes that have occurred or to monitor the termination of the client's certificate. In such cases:

- a) the certification body shall justify and notify the certified clients in advance (e.g. in the documents specified in clause 8.5.1 of this standard) of the conditions under which such audits will be conducted;
- b) the certification body shall consider very carefully the composition of the audit team due to the client's inability to object to the members of the audit team.

9.7.5 Narrowing the scope, suspending or terminating the certification

9.7.5.1 The certification body shall develop the policy and documented methodology(s) for use, termination or narrowing of the certification scope and identify further actions to be taken by the certification body.

9.7.5.2 The certification body shall terminate the certificate in cases where, for example:

- a) the client's certified forest management cannot fulfil the certification requirements on a recurring basis or to a significant extent;
- b) the certified client does not allow conducting of surveillance or recertification audits with necessary frequency;
- c) the certified client voluntarily requests for termination of the certificate.

9.7.5.3 Upon suspension, the certificate shall become temporarily invalid.

9.7.5.4 The certification body shall renew the suspended certificate if the problem that caused the suspension of the certificate has been resolved. Failure to resolve the problems that caused suspension of the certificate within the period set by the certification body leads to termination of the certificate or narrowing of the certification scope.

Note: The period of suspension of the certificate shall not exceed 12 months.

9.7.5.5 The certification body shall narrow the scope of certification to exclude non-compliant spheres if the client is permanently or substantially unable to comply with the certification requirements regarding these spheres. The certification scope shall be narrowed in accordance with the requirements of the standard used during certification.

9.7.5.6 Upon suspension and termination of the certificate, the certification body shall inform the client that the further use of the PEFC trademark and claims is not

allowed. In case of termination of certification, the certification body shall monitor compliance with these requirements by the client.

9.8 Appeals

All requirements set forth in clause 9.7 of ISO/IEC 17021-1 shall apply.

9.8.1 The certification body shall notify the Association NVFCS within 30 days of any appeals filed by the client.

9.8.2 The certification body shall submit the reports on appeal investigation on the part of the clients to the Association NVFCS. The reports shall include the following information:

- a) name and contact information of the appellant;
- b) requirements of the appellant and the grounds on which it considers the decision made by the certification body to be incorrect;
- d) summary of the appeal investigation process;
- e) decision made on the appeal.

9.9 Complaints

All requirements set forth in clause 9.8 of ISO/IEC 17021-1 shall apply.

9.9.1 The certification body shall notify the Association NVFCS within 30 days of any substantiated complaints against their certified client that it received or became aware of.

9.9.2 The certification body shall submit to the Association NVFCS the reports on complaint investigation against the certified clients. The reports shall include the following information:

- a) name and contact information of the complainant;
- b) name and contact information of the defendant;
- c) subject matter of the complaint;
- d) summary of the complaint investigation process;
- e) decision made on the complaint.

9.10 Client Records

All requirements set forth in clause 9.9 of ISO/IEC 17021-1 shall apply.

10 Management System Requirements for Certification Bodies

All requirements set forth in section 10 of ISO/IEC 17021-1 shall apply.

10.1 Upon request, the annual internal audit findings related to the results of forest management certification activities shall be submitted to the Association NVFCS.

11 Payment for Work

11.1 Payment for certification work (including surveillance audit and other necessary additional audits) is made on the basis of the contract between the client and the certification body.

11.2 Payment for work is based on the following principles:

- a) all actually performed certification works are paid on a contractual basis at the expense of the client's own funds, who applied for the relevant work;
- b) payment is made under the terms of 100% prepayment of certification work;
- c) payment is made regardless of the decisions based on the result of certification;
- d) daily rate of auditors and experts involved in the performance of work, including surveillance audit work, shall be set by the certification body independently, based on the established conditions of remuneration of employees.

11.3 The amount of payment for work depends on many factors, including:

- a) standard requirements;
- b) number of employees (scale of the client);
- c) areas of forestry lands;
- d) complexity of the applied production methods;
- e) number of site locations (subdivisions, sites, participants of group organisation for group forest management certification);
- f) technological and legislative peculiarities;
- g) any previous audit findings;
- h) risks associated with the client's processes or activities and other factors.

11.4 Payment for work includes:

- a) cost of work (services) of the certification body;
- b) cost of the surveillance audit;
- c) fee for issuing the certificate;
- d) fee for granting the PEFC trademark usage license;
- e) annual fee for the issued certificate.

12 Working Language

Documents to be registered and issued within the audit, as well as correspondence of the certification body are drawn up in Ukrainian. At the request of the auditee, the certificates, as well as decisions (on issuance/refusal to issue a certificate, confirmation, suspension, termination of the certificate, narrowing or expansion of the certification scope) can be issued by the certification body in English. The PEFC trademark usage license can be issued by the Association NVFCS in both Ukrainian and English.

In this case, the client (certificate holder) additionally pays for the preparation of documents in a language other than Ukrainian.

13 Accreditation

13.1 The certification bodies carrying out certification of forest management shall be accredited by an accreditation body that is a part of the International Accreditation Forum (IAF) or a member of IAF recognised regional groups, and performs the procedures described in ISO 17011 and other documents acknowledged in the organisations mentioned above.

13.2 For accreditation, the Association NVFCS provides the accreditation body with the necessary standards and technical documents. If the certification bodies are accredited by a body other than a Ukrainian body, the Association NVFCS shall provide the necessary documentation in English at their request.

13.3 Certification shall be carried out within the scope of valid accreditation, which shall be confirmed by an accreditation body's mark / symbol being placed on the forest management certificate.

13.4 A certification body certifying the forest management shall be accredited on the basis of ISO 17021. The scope of accreditation shall cover PEFC ST 2001, PEFC Trademarks Rules – Requirements in the valid version posted on the PEFC website www.pefc.org, UA SFM ST 02, Sustainable Forest Management. General Provisions and UA SFM ST 03 Group Forest Management. Requirements in the valid versions posted on the website of the Association NVFCS <http://woodcertification.com.ua/>. The PEFC notification agreement in the field of forest management certification, included in UA SFM ST 06, contains the appropriate wording on the need to have and maintain valid accreditation.

14 Notification

Notification of the certification bodies is carried out in accordance with UA SFM ST 06.

Appendix 1 (Obligatory) Minimum Requirements to the Certificate Contents

The certificate shall contain at least the following information:

1 Name and address of the client whose forest management was certified.

2 Date of issue, expanding or narrowing of the scope of certification, renewal of the certificate which shall not be earlier than the date of the certification decision.

Note: The certification body can, after expiration of the certificate, keep the initial date of issue specified in the certificate, provided that:

a) the start and end dates of the current certification cycle are clearly defined;

b) the end date of the final certification cycle is indicated next to the date of the recertification audit.

3 Validity of the certificate according to the recertification cycle.

4 Certificate inventory number.

5 Certification type (individual, group).

6 Identification of the standard(s), including indication of the publication status (e.g. issue number and/or revision date), which is used in the course of the audit of a certified client.

7 Scope of certification.

Note: If the scope of certification is included in the appendix to the certificate, the certificate shall contain a reference to the appendix, and the appendix shall be considered as part of the certificate and shall be provided whenever the certificate is requested.

8 Number of the PEFC trademark usage license (if available).

9 Accreditation mark / symbol.

10 Name and address of the certification body; other information (e.g. number of accreditation certificate) may be used in such a way as not to mislead or allow varying interpretations.

11 If any revised certificates are issued, the means of distinguishing them from outdated documents shall be provided.

Appendix 2 (Obligatory) Group Forest Management Certification

This appendix is designed for audit and certification of group forest management to provide sufficient confidence in compliance of the organisation's group forest management with the certification requirements, and to demonstrate that an audit is a practical and justifiable means from economic and functional points of view.

2 Criteria of a group organisation

2.1 Criteria of a group organisation are contained in clause 4.1.3 of UA SFM ST 03.

3 Criteria of the Certification Body

3.1 General

3.1.1 The certification body shall provide the client with information on the criteria set out in clause 4.1.3 of UA SFM ST 03 before the audit, and shall not conduct the audit unless all the criteria of a group organisation are met. Prior to the start of the audit, the certification body shall inform the client that the certificate will not be issued if the audit reveals nonconformities as to these criteria.

3.2 Analysing the contract

3.2.1 The certification body's procedures shall ensure that the initial analysis of the contract identifies the complexity and scope of the activities included in the forest management to be certified, as well as any differences between the participants of a group organisation as a basis for determining the sampling level.

3.2.2 The certification body shall define the key objective of the certification client. The contract shall allow the certification body to engage in activities in the territory of all participants of the group organisation.

3.2.3 The certification body shall conduct a preliminary survey of the group entity and analyse the risk level of the participants for sampling in the form of a table. The similarity of participants shall be taken into account when applying sampling procedures.

3.2.4 The certification body shall keep records to demonstrate performance of the actions specified in clauses 3.2.1 - 3.2.3 of this Appendix.

Table. Determination Criteria of the Participant's Risk Level for Sampling

No	Index of risk identification	Risk level for sampling		
		low risk (0)	medium risk (1)	high risk (2)
1	Form of incorporation	public	communal	private
2	Biogeographic region	lowland	low mountain range	high mountain range
3	Electronic register of timber on all stages of manufacturing process	full	partial	none
4	Intensity of forest use of wood resources	less than 50% of average current change in stock	50 - 100% of average current change in stock	over 100% of average current change in stock
5	Forest conversion	none	stopped	present
6	Work performed in the forest by	full-time staff	full-time staff and contractors	contractors only
7	Biological diversity	area of ecologically important sites is less than 10%	area of ecologically important sites is 10-50%	area of ecologically important sites is over 50%
8	Socio-economic functions of the forest	area of commercial forest category is over 50%	area of commercial forest category is 10-50%	area of commercial forest category is less than 10%
9	Interaction with local communities	no disputes	resolved disputes	pending disputes
10	Resources for administration, operations, training and research	full supply	incomplete supply	partial supply
11	Management and law enforcement	no administrative and criminal offenses	resolved offenses	pending offenses

3.3 Audit

3.3.1 The certification body shall have documented procedures for conducting audits of group forest management clients. Such procedures, including verification of documentation and records, on-site assessments, etc., which shall determine how the certification body can understand that the forest management requirements actually are applied to all participants and that all criteria specified in UA SFM ST 02 are met.

3.3.2 If more than one audit team is involved in the audit of the group forest management, the certification body shall appoint a single lead auditor, who will be responsible for reviewing general conclusions made by all audit teams and for preparing the audit report.

3.4 Nonconformities

3.4.1 If nonconformities are discovered in any participant during the client's internal audit or during an audit conducted by the certification body, an assessment

shall be made to determine whether similar nonconformities can be present in other participants. Therefore, the certification body shall require the client to review its nonconformities to determine whether they indicate nonconformity of the entire forest management in all participants. If it turns out that the nonconformities affect the forest management of all participants, the client shall perform corrective actions not only for the group entity, but also for individual participants. If it turns out that the nonconformities do not affect the forest management of all participants, the client shall have an opportunity to submit a justification to the certification body to limit corrective actions only for individual participants.

3.4.2 The certification body shall require the evidence of corrective actions and increase the sampling rate until it is convinced of restoring control.

3.4.3 When making a decision during the initial or recertification audits, a client for group forest management certification shall be denied a certificate if nonconformity is discovered in any participant, until satisfactory corrective actions are performed.

3.4.4 The client may not seek to exclude this “problem” participant from the scope of certification in the course of certification in order to overcome an obstacle that arises due to nonconformity of one participant.

3.5 Certificates

3.5.1 A single certificate with the name and address of the client’s group entity is issued to the client for group forest management certification. The list of participants covered by the certificate can be indicated in the certificate itself or in an appendix thereto. Such appendix is an integral part of the certificate and shall not be used separately from it.

3.5.2 A sub-certificate can be issued to the client for each participant covered by the certificate, provided that such a sub-certificate indicates the same scope or sub-scope of this scope of certification, as well as a clear reference to the main certificate. The sub-certificate shall contain the information that “the validity of this certificate depends on the validity of the main certificate”. In cases where the sub-certificate has also its own number, it shall be associated with the certificate number and included in the certificate in accordance with clause 3.5.1 of this standard.

3.5.4 The certificate shall be withdrawn in full unless the group entity or any participant meets the necessary criteria for preserving the certificate (see subsection 3.2 of this Appendix).

3.5.5 New participants may be added by the certification body only during surveillance or recertification audits. The certification body shall be informed in advance by the client of its desire to add new participants.

3.5.6 Participants may be excluded in-between the audits on the basis of the submission of the group entity. Group participants excluded from group forest management certification based on nonconformities cannot be accepted within 12 months after exclusion.

4 Sampling for On-Site Audits

4.1 Methodology

4.1.1 In order to cover the participants by sampling depending on the risk level, the certification body shall categorize them based on the results of risk assessment (Table).

4.1.2 For each indicator item, a point is given to the participants: 0 (low risk); 1 (medium risk) to 2 (high risk).

4.1.3 Based on the total points, the participants are categorized into:

1-5 – low risk category;

5-15 – medium risk category;

15 and more – high risk category.

4.1.4 Depending on categorizing specified in clause 4.1.3, the audit participants are selected.

4.1.5 At least 25% of the sample shall be selected randomly.

4.1.6 The rest of the participants of the annual internal audit, at most 75%, are determined on the basis of risk categorizing.

4.1.7 If the participants are represented by all three categories:

– 10% are participants in the low risk category;

– 25% are participants in the medium risk category;

– 40% are participants in the high risk category.

4.1.8 If participants are represented by two risk categories:

– 25% are participants in the lower risk category;

– 50% are participants in the higher risk category.

4.1.9 If all participants fall into the same risk category, the entire sample shall be random.

4.1.10 The sample for the annual surveillance audit shall not include participants who had internal audit or audit of the certification body in the previous one/three years, if possible, based on the calculation formula.

4.1.11 The selection does not have to be made at the beginning of the audit process. It can be done after the audit of the group entity. In any case, the group entity shall be informed of the participants selected as a result of the sampling. This can be done in a fairly short time, but there shall be enough time to prepare for the audit.

4.1.12 The group entity shall be inspected during each initial, surveillance and recertification audit beyond the sample.

4.2 Sample size

4.2.1 The certification body shall have documented procedures to define sampling within the audit and certification of group forest management. All factors described in this appendix shall be considered when determining the sample.

4.2.2 If application of the certification body's own procedures results in a smaller sample than it would be if the general guidelines set out below were applied, the certification body shall state the reasons justifying the use of its own procedures and demonstrate that it is operating in accordance with its approved procedures.

4.2.3 The minimum number of participants visited per audit shall be determined by formulas 1 - 4 depending on the situation:

a) The sample size during the initial audit shall be the square root of the number of participants: $(y = \sqrt{x})$ (1), rounded to an integer.

b) If the results of internal audits or previous audits of certification bodies have not revealed any major nonconformities, the sample size may be further reduced by a factor of 0.8: $(y = 0,8 \sqrt{x})$ (2), rounded to an integer.

c) In case of group forest certification with the participants who had joint membership in pre-existing organisations corresponding to the group organisation types specified in clause 4.1.3 (b, c) of the standard UA SFM ST 02, the sample size during the first internal audit may be reduced by a factor of 0.8: $(y = 0,8 \sqrt{x})$ (3), rounded to an integer, and if the results of internal audits or previous audits of certification bodies have not revealed any major nonconformities, the sample size may be further reduced by a factor of 0.6: $(y = 0,6 \sqrt{x})$ (4), rounded to an integer.

4.2.4 The sample size shall be increased if the risk analysis of the organisation of group forest management certification conducted by the certification body indicates an increased risk.

4.3 Time spent on the audit

4.3.1 The certification body shall provide a justification for the time spent on the audit of the client for group forest management certification, in terms of the general time allocation policy for the audit.

4.3.2 The minimum time to conduct an audit for each individual participant in the framework of the initial, surveillance, recertification audit is the same as for a regular on-site audit.

Appendix 3 (Obligatory) Minimum Requirements to the Content of the Forest Management Audit Report

The forest management audit report shall contain at least the following information:

1 Title page, in particular:

1.1 Information on the certification body (name of the organisation, its head, contact details).

1.2 Information on the client (name of the organisation, its head and contact person, contact details).

1.3 Location of the certified territory.

1.4 Certificate inventory number.

1.5 Certificate issuing date and expiry date.

1.6 Terms of the audit.

1.7 Report approval date.

2 General information on the client.

3 Description of forest management, in particular:

3.1 Certification type (individual, group).

3.2 Brief information on group participants in case of group forest management certification.

3.3 Description of forest areas included in the scope of certification (total area of forests in the scope of certification, forest site area, other data on forest areas included in the scope of certification).

3.4 Number of employees, including contractors, working in the forest within the scope of certification.

3.5 Data on different forest categories included in the scope of certification.

3.6 Forests with restricted forest use.

3.7 Data on the use of chemical pesticides.

3.8 List of main timber species.

3.9 Annual allowable cutting rate.

3.10 List of products and/or product groups included in the scope of certification.

3.11 Rights to use forest resources.

3.12 Brief description of the forest management plan.

3.13 Data on development of allowable cutting rate for the past and current years.

4 General information on tracking and identification of certified products.

5 General information on the applicable certification requirements.

6 Description of assessment procedure, in particular:

6.1 Description of assessment methods, in particular methods for determining the duration of the audit and methods for selecting sites for field assessment.

6.2 Audit stage (preliminary, baseline, surveillance).

6.3 Composition of the audit team.

6.4 Audit plan.

6.5 Description of the audit.

6.6 Consultation with Stakeholders, including for every interview and consultation filled checklists Appendix 4.

6.7 List of sites visited during the assessment.

6.8 Use of additional methods during the assessment, for example, use of unmanned aerial vehicles, etc.

6.9 Time spent on the audit in man-days.

6.10 Data on reviewers.

7 Audit findings, in particular:

7.1 Assessment of corrective actions implemented by the client to eliminate nonconformities of the previous audit.

7.2 Audit findings demonstrating conformity or nonconformity.

7.3 List of corrective actions and deadlines for their implementation.

7.4 Certification decision.

Appendix 4(Obligatory) Anti-Bribery and Corruption CHECKLIST
Anti-Bribery and Corruption CHECKLIST based on “Law Compliance in the Forestry Sector” World Bank Document

Name of organisation	<input type="text"/>
Name, position and group of Stakeholder	<input type="text"/>
Identification of area within the premises	<input type="text"/>
Date of audit	<input type="text"/>
Audit undertaken by (print name)	<input type="text"/>

Illegal logging

Please answer if the next practices have place?	Yes	No	N/A	Comments
Logging protected species?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Duplication of forest tickets?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Girdling or ring-barking, to kill trees so that they can be legally logged?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Contracting with local entrepreneurs to buy logs from protected areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Logging outside boundaries of area specified in forest ticket?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Logging in prohibited areas such as steep slopes, riverbanks and water catchments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Extracting more timber than specified in forest ticket?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Logging without forest ticket?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sanitary logging for healthy trees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Illegal timber transport, trade and timber smuggling

	Yes	No	N/A	Comments
Obtaining forest tickets through bribes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Transporting logs without documents?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Transporting illegally harvested timber?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Smuggling timber?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Falsifying and/or reusing timber transportation documents?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Exporting and importing tree species banned under international law, such as CITES?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Exporting and importing timber in contravention of national bans?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Transfer pricing and other illegal accounting practices				
	Yes	No	N/A	Comments
Declaring lower values and volumes in sales documents?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Declaring higher purchase prices above the prevailing market prices for inputs such as equipment or services from?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Manipulating debt cash flows to transfer money to service companies for example owned by family of forestry Director?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Under-grading, under-valuing, under-measuring and misclassification of species exported or for the local market?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Illegal forest processing				
	Yes	No	N/A	Comments
Operating without a processing license?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Ignoring environmental and social and labour laws and regulation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Using illegally obtained wood in industrial processing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Woodlands arson				
	Yes	No	N/A	Comments
Setting woodlands on fire to convert to hide the illegal logging?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Amber mining				
Illegal amber mining?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	