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Forest Certification Group

Important note

This document is part of the Hungarian forest certification scheme. A list of all the documents of the scheme can be found in *MER 00 Introduction to the Hungarian Forest Certification Scheme*. The official language of the documents is English, and the latest versions are publicly available at www.pefc.org. The Hungarian versions of the documents are published at www.pefc.hu. In case of doubt about the content, the English language versions published on www.pefc.org shall be decisive.

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1 Context of the group organisation

1.1 Description of the group organisation:

- a) Group organisation is a contractual relationship that is formed on a voluntary basis, and consist of a group entity, which represents the group and the group participants.
- b) Group entity and group participants co-operate to establish and maintain a management system in compliance with the Hungarian Forest Certification standards to apply for a PEFC recognised certificate.
- c) This standard does not allow regional groups.
- d) Group participants may join the group organisation during the validity of the certificate after an internal audit that reveals no major non-conformities, and adequate corrective actions are in place to address minor non-conformities, if there are any.
- e) Group participants can join the group organisation with their total forest area under their management, unless the use-right is based on multiple legal relationships. In the latter case the participants may join the group organisation only with a part of their managed forest area, but all legal relationships must be treated as separate instances of participation.
- f) Should the participant join with only a part of their managed forest area, adequate system shall be in place to separate forest products originated from area covered by the certificate and the other part of the participant's forest area.
- g) Participants are required to make commitment for a long-term participation and compliance with the Hungarian Forest Certification Scheme.
- h) Participants that fail to provide requested information, or provides falsified information, or do not correct/close non-conformities, or in other justified cases may be suspended or excluded from the group organisation.

1.2 The group organisation shall identify the affected stakeholders that are relevant for the group management system and the relevant expectations of these affected stakeholders.

1.3 Scope of the group management system shall be determined by the boundaries and applicability of the group management system.

1.4 Requirements set by MER 1001:2023 Sustainable Forest Management standard shall be met by the participants unless otherwise stated in the standard specifically assigning this responsibility to the group entity or the group organisation.

1.5 The scope of the group shall be made available as documented information.

1.6 Group management system

- a) All participants shall be subject to the internal monitoring and the internal audit programme.
- b) A certified PEFC chain of custody system shall be in place, if a group entity acts as a trader of forest-based material not covered by group certificate.

2 Leadership

2.1 Functions and responsibilities of the group entity:

- a) To implement and maintain an effective management system covering all participants of the group.

- b) To represent the group organisation in the certification process, including in communications and relationships with the certification body, submission of an application for certification, and contractual relationship with the certification body.
- c) To establish written procedures for the management of the group organisation.
- d) To establish written procedures for the acceptance of new participants of the group organisation. These acceptance procedures shall cover at least the verification of the applicant's information about contact details, clear identification of their forest property and its/their size(s).
- e) To establish written procedures for the suspension and exclusion of participants who do not correct/close non-conformities. Group participants excluded from any certification group based on nonconformities cannot be accepted within 12 months after exclusion.
- f) To keep documented information.
- g) To establish connections with all participants based on a binding written agreement which shall include the participants' commitment to comply with the sustainable forest management standard. The group entity shall have a written contract or other written agreement with all participants covering the right of the group entity to implement and enforce any corrective or preventive measures, and to initiate the exclusion of any participant from the scope of certification in the event of nonconformity with the sustainable forest management standard.
- h) To provide all participants with a document confirming participation in the group forest certification.
- i) To provide all participants with information and guidance required for the effective implementation and maintenance of the sustainable forest management standard and other applicable requirements of the forest certification system.
- j) To address nonconformities reported from group members which were identified under other PEFC certifications than the particular group certification and to ensure implementation with all group members.
- k) To operate an internal monitoring programme that provides for the evaluation of the participants' conformity with the certification requirements.
- l) To operate an annual internal audit programme covering both group members and group entity.
- m) To operate a management review of the group forest certification and acting on the results from the review.
- n) To provide full co-operation and assistance in responding effectively to all requests from the certification body, accreditation body, PEFC International or the National Governing Body for relevant data, documentation or other information. allowing access to the forest area covered by the group organisation and other facilities, whether in connection with formal audits or reviews or otherwise.

2.2 Documented information kept by the group entity shall include:

- a) The group entity and participants' conformity with the requirements of the sustainable forest management standard, and other applicable requirements of the forest certification system,
- b) All participants, including their contact details, identification of their forest property and its/their size(s),

- c) The certified area,
- d) The implementation of an internal monitoring programme, its review and any preventive and/or corrective actions taken.

2.3 Function and responsibilities of participants:

- a) To provide the group entity with a binding written agreement, including a commitment on conformity with the sustainable forest management standard and other applicable requirements of the forest certification system. group participants excluded from any certification group cannot apply for group membership within 12 months after exclusion.
- b) To provide the group entity with information about previous group participation.
- c) To comply with the sustainable forest management standard and other applicable requirements of the certification system as well as with the requirements of the management system.
- d) To provide full co-operation and assistance in responding effectively to all requests from the group entity, or certification body for relevant data, documentation or other information. allowing access to the forest and other facilities, whether in connection with formal audits or reviews or otherwise related or with implications for the management system.
- e) To inform the group entity about nonconformities identified under other PEFC certifications than the particular group certification.
- f) To implement relevant corrective and preventive actions established by the group entity.

2.4 The group entity shall provide a commitment:

- a) To comply with the sustainable forest management standard and other applicable requirements of the certification system.
- b) To integrate the group certification requirements in the group management system.
- c) To continuously improve the group management system.
- d) To continuously support the improvement of the sustainable management of the land/forests by the participants.

2.5 The commitment of the group entity may be part of a group management policy and shall be publicly available as documented information upon request.

2.6 The standard requires that the participants shall provide a commitment:

- a) To follow the rules of the management system.
- b) To implement the requirements of the sustainability standard in their operations in their area.

3 Planning

- 3.1 If a group organisation plans any changes in the group management system, these changes shall be included in a group management plan.
- 3.2 If a group organisation decides to fulfil requirements of the sustainable forest management standard on the group level, these requirements shall be considered in a group management plan.

4 Support

- 4.1 Resources needed for the establishment, implementation, maintenance and continual improvement of the group management system shall be determined and provided. This includes human resources, financial resources, infrastructure and other types of resources as needed.
- 4.2 The necessary competence of persons doing work in the group management system:
 - a) Good understanding of ecological, economic and social aspects of forestry, preferably with MSc degree in forestry, or
 - b) 5 years of experience in forestry related projects or administration.
- 4.3 Communication processes shall be in place to raise the awareness of participants concerning:
 - a) The group management policy.
 - b) The requirements of the sustainable forest management standard.
 - c) Their contribution to the effectiveness of the group management system and the sustainable forest management, including the benefits of improved group performance.
 - d) The implications of not conforming with the group management system requirements.
- 4.4 The internal and external communications relevant to the group management system shall be determined. This includes:
 - a) On what to communicate.
 - b) When to communicate.
 - c) With whom to communicate.
 - d) How to communicate.
- 4.5 Appropriate mechanisms shall be in place for resolving complaints and disputes relating to group management and sustainable forest management operations.
- 4.6 Documented information relevant to the group management system and the conformance with the requirements of the sustainable forest management standard is:
 - a) Up to date.
 - b) Available and suitable for use, where and when it is needed.
 - c) Adequately protected against loss of confidentiality, improper use, or loss of integrity.

5 Operation

- 5.1 The group organisation shall plan, implement, and control processes needed:
 - a) To meet the requirements of this (group certification) standard and the MER 1001:2023 Sustainable Forest Management standard and
 - b) To implement the actions determined in 6.

- 5.2 This planning, implementing, and controlling shall be done by:
- a) Defining the necessary processes and establishing criteria for those.
 - b) Implementing control of the processes in accordance with the criteria.
 - c) Keeping documented information to the extent necessary to have confidence that the processes have been carried out as planned.

6 Performance evaluation

- 6.1 An ongoing internal monitoring programme provides confidence in the conformity of the group organisation with the MER 1001:2023 Sustainable Forest Management standard. It shall be determined:
- a) What shall be monitored and measured.
 - b) The methods for monitoring, measurement, analysis and evaluation, as applicable, to ensure valid results.
 - c) When the monitoring and measuring shall be performed.
 - d) When the results from monitoring and measurement shall be analysed and evaluated.
 - e) What documented information shall be available as evidence of the results.
- 6.2 The group entity shall evaluate the group management performance and the effectiveness of the group management system concerning the implementation of the sustainable forest management requirements.
- 6.3 An annual internal audit programme shall provide information on whether the group management system:
- a) Conforms to
 - the group organisation's own requirements for its group management system.
 - the requirements of the national group certification standard.
 - b) Ensures the implementation of the sustainable forest management standard on the participant level.
 - c) Is effectively implemented and maintained.
- 6.4 The internal audit programme shall cover the group entity and all group participants. The group entity shall be audited annually. The participants may be selected on a sample basis.
- 6.5 The internal audit programme shall cover at least:
- a) Planning, establishing, implementing and maintaining an audit programme(s) including the frequency, methods, responsibilities, planning requirements and reporting, which shall take into consideration the importance of the processes concerned and the results of previous audits.
 - b) Definition of the audit criteria and scope for each audit.
 - c) Competence of internal auditor (forest knowledge, standard knowledge).
 - d) Selection of auditors and conducting of audits to ensure objectivity and the impartiality of the audit process.
 - e) Ensuring that the results of the audits are reported to relevant group management.
 - f) Retaining of the documented information as evidence of the implementation of the audit programme and the audit results.

- 6.6 Requirements for the selection of participants in the internal audit programme shall be established. These requirements shall include the following procedures for:
- Determination of the sample size (6.7).
 - Determination of sample categories (6.9).
 - Distribution of the sample to the categories (6.10).
 - Selection of the participants (6.11).
- 6.7 The size of the sample:
- Is calculated for the participants of the group organisation.
 - At periodical assessment audits it is the square root of the number of participants rounded to the upper whole number (reference sample size).
 - At annual surveillance audits it is the reference sample size multiplied by 0.5
 - In case of non-conformities in the previous internal or external audits it is the reference sample size multiplied by 1.2.
 - In any case it shall cover at least 10% of the participants.
- 6.8 If the number of participants exceeds 100, the sample shall be divided into risk categories (low, medium, high) based on a periodically updated risk assessment, considering:
- Each participant shall be classified into risk categories according to each of the following criteria and the highest risk classification shall be taken into account.
 - Size of forest area (that is not being reforested or afforested) with natural damage causing diebacks of trees resulting in compulsory reforestation in the previous 3 years: low: 0-10 ha, medium: 10.1-50 ha, high: more than 50 ha.
 - Overdue reforestation area: low: 0 ha, medium: 0.1-20 ha, high: more than 20 ha
 - Share of nature conservation and NATURA 2000 area combined: low: 0-25%, medium: 25.1%-50%; high: more than 50%
- 6.9 The sample shall be divided into the following categories:
- Participants with non-conformities in the previous internal or external audits.
 - Low risk participants excluding those in category a).
 - Medium risk participants excluding those in category a).
 - High risk participants excluding those in category a).
- 6.10 The sample shall be distributed over the categories as follows:
- Categories 6.9 b)-d) shall consist at least 25% of the sample combined.
 - Category 6.9 c) shall consist at least 10% of the sample, if there are enough.
 - Category 6.9 d) shall consist at least 10% of the sample, if there are enough.
- 6.11 Selection method of the sample:
- For the category 6.9 a) all affected participants shall be drawn into the sample.
 - Participants from categories 6.9 b)-d) shall be randomly selected.
 - Selected participants can be excluded from the sample, and replaced by another participant manually or randomly only if it was audited in the previous internal audit.
 - In total at least 25% of the sample shall be randomly selected.
- 6.12 An annual management review shall be conducted consisting of:
- The status of actions from previous management reviews.

- b) Changes in external and internal issues that are relevant to the group management system.
 - c) The status of conformity with the sustainable forest management standard, that includes reviewing the results of the internal monitoring programme, the internal audit and the certification body's evaluations and surveillance.
 - d) Information on the group performance, including trends in:
 - nonconformities and corrective actions
 - monitoring and measurement results
 - audit results
 - e) Opportunities for continual improvement.
- 6.13 The outputs of the management review shall include decisions related to continual improvement opportunities and any need for changes to the group management system.
- 6.14 The group organisation shall retain documented information as evidence of the results of management reviews.

7 Improvement

- 7.1 When a nonconformity occurs, the group organisation shall:
- a) React to the nonconformity and, as applicable:
 - take action to control and correct it
 - deal with the consequences
 - b) Evaluate the need for action to eliminate the causes of the nonconformity, in order that it does not recur or occur elsewhere, by:
 - reviewing the nonconformity
 - determining the causes of the nonconformity
 - determining if similar nonconformities exist, or could potentially occur
 - c) Implement any action needed.
 - d) Review the effectiveness of any corrective action taken.
 - e) Make changes to the group management system, if necessary.
- 7.2 10.1.2 The standard requires that the group organisation shall retain documented information as evidence of:
- a) The nature of the nonconformities and any subsequent actions taken.
 - b) The results of any corrective action.
- 7.3 The participant that was excluded from a group certification shall be internally audited by the group entity before it is allowed to re-enter the group certification. The internal audit shall not take place sooner than 12 months after the exclusion.
- 7.4 The suitability, adequacy and effectiveness of the group management system and the sustainable management of the forest shall be continuously improved.