



NEPCon Standard
Group and Multi-Site requirements
Version 1.0

NEPCon Standard	
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A Introduction

This standard contains requirements for systems implemented by Groups with multiple entities or Organisations working with multiple sites. The requirements shall be met by Organisations that wish to develop and implement a Chain-of-Custody or Due Diligence System - or any other system described in an applicable standard - that covers multiple entities or sites.

Public comments

NEPCon invites interested parties to submit comments on this Standard, to the contact listed on page 2. Comments received outside of the public consultation period will be considered during the next revision of the Standard.

B Scope

This standard can be applied to Organisations operating a risk-based sourcing system, a chain of custody system - or any other system described in an applicable standard - across a group of independent entities or related sites.

C References

LS-02 NEPCon LegalSource standard V2.0

NC-STD-01 NEPCon Generic CoC Standard V2.0

Glossary

Accreditation Body: Entity responsible for assessment of an assurance provider's demonstration of competence to carry out specific assurance tasks

Applicable standard: Standard which will be implemented by the Group Manager or Multi-Site organisation. This may include, for example, the NEPCon LegalSource standard (LS-02) or generic Chain of Custody Standard (NC-STD-01).

Central Office: The identified central function (e.g. office, department, person) of a Multi-site or Group, that holds ultimate management responsibility for maintaining the certification contract with the certification body, for being responsible for upholding the system and for ensuring that the requirements of relevant certification standard(s) are met at the Sites.

Certification Body: Body responsible for performing the assessment (may also be known as assurance provider)

Group certification: is specifically designed for the certification of independent small enterprises (Sites) that, by forming a group, can have easier access to certification by sharing the costs of certification and benefiting from technical support and control provided by a Central Office function.

Multi-Site certification: is designed for the certification of large enterprises that are linked by common ownership or legal/contractual agreements. This model makes certification more efficient for large enterprises that can benefit from a centralised administration and internal control function of Sites for the purpose of certification.

Multi-Site Organisation: the organisation that is responsible for the management of the Multi-site Certification.

Single certification: generally, applies to Organisations with a single site. However, under specific circumstances, additional sites can be included in the scope of the certificate, as long as all sites meet requirements set out Annex 2.

Site: A single functional unit situated at one physical location, which is geographically distinct from other units of the same Organisation or Central Office. Sites with distinct physical locations may, however, be regarded as parts of a site if they are an extension of it with no purchasing, processing, or sales functions of their own (e.g. a remote stockholding). A Site can never include more than one legal entity. Subcontractors that are used within the terms of outsourcing agreements (e.g. outsourced warehouse) are not considered Sites

Normative requirements

These requirements are applicable to Groups of entities or Multi-Site Organisations.

Normative Requirements:

Guidance:

1. Eligible operations

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| 1.1 | A Central Office shall be appointed to act on the behalf of the Multi-Site Organisation or Group. | The Central Office is key within a Group or Multi-Site management model as the entity that manages conformance to the requirements of the applicable standard(s) across all Group members or sites. |
| 1.2 | The Central Office shall have the competence and capacity to implement and control all applicable requirements of the Group or Multi-Site Organisation. | Staff allocated responsibility in the Central Office shall have competences in order to ensure that the requirements of the applicable standard(s) are met by all Sites or Group members. |
| 1.3 | The Central Office shall document and implement rules regarding eligibility for participating Group members or sites. | See Annex I of this standard for clarification on eligibility requirements for certification. |
| 1.4 | The Central Office shall have sufficient authority to ensure that each Site or Group member conforms to the applicable standard(s) and all relevant requirements of this standard. | It is important that the Central Office has sufficient authority to ensure that the requirements of the applicable standard(s) are met by all Group members or sites. This may be ensured through common ownership structure that includes all Sites, or through contracts or agreements between each Site and the Central Office entity. |

2. Central Office requirements

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| 2.1 | The Central Office shall designate one person or position with overall responsibility for management of the participating Group members or sites. | A position or several positions should be identified to hold specific responsibilities. One of these should be the position holding the overall responsibility for the functioning of the complete Group or Multi-Site system. |
| 2.2 | The Central Office shall develop, implement and maintain documented procedures covering the applicable requirements of this standard and the applicable standards, including clear procedures for inclusion and removal of participating sites or Group members. | Procedures should be developed to inform sites or Group members about system requirements and to maintain a systematic approach to the Group or Multi-Site management. |
| 2.3 | In relation to demonstrating conformance with all requirements for managing the Group members or sites, the Central Office shall maintain all applicable records for a minimum of five (5) years. | |
| 2.4 | The Central Office shall be responsible for ensuring that all relevant requirements of the applicable standard(s) are fully implemented by all Sites or Group members. | Where applicable, it is the Multi-Site Organisation or Group manager that holds the contractual responsibility to the Certification Body for the conformance by all Sites or Group members to the standard. |

- 2.5 Where applicable, the Central Office shall be responsible for ensuring that any conditions on which certification is dependent are adhered to, and any non-conformances raised by the Certification Body are addressed.
- 2.6 The Central Office shall have the authority to raise internal non-conformances against any Site or Group member and to enforce their correct implementation.
- 2.7 The Central Office shall have the authority to remove participating Group members or sites, if the requirements of participation are not met or if any non-conformances – identified by the Central Office or the Certification Body – are not addressed.
- 2.8 The Central Office shall maintain an up-to-date record of all participating Sites or Group members.
- 2.8.1 For each group member/site, the Central office shall record the date of entry to and exit from the scope of the Group or Multi-site Organisation.
- 2.8.2 The Central Office shall notify the Certification Body within five (5) working days of any added or excluded Group members or Sites.
- 2.9 The Central Office shall provide each participating Group member or site with documentation, specifying the relevant terms and conditions of participation and certification. Including:
- a) Copies of the applicable standard(s);
 - b) Copies of the documented procedure(s) of the Central Office;
- Where certification applies:
- c) Explanation of the certification process;
 - d) Explanation of the Certification Body’s rights to access the Site for the purposes of external evaluation and control (incl. unannounced audits);
 - e) Explanation of the Certification Body’s requirements with respect to collecting and publishing information.
- 2.10 The Central Office shall carry out an initial audit of each applicant (Group-member or site) to ensure that it conforms to all relevant requirements of the applicable standard(s) and any additional requirements established by the Central Office prior to their inclusion as a Participating Site or Group member.
- As required in 2.11 the Central Office shall audit Sites or Group members. It is necessary that Central Office authority is available to ensure that non-conformances are correctly addressed.
- If non-conformances are not corrected, it shall be possible for the Central Office to remove Sites or Group members. This could be part of a written agreement or contract between the Central Office and each Site.
- Where applicable, when new sites or Group members are added or removed, it is important to notify the Certification Body in order to allow evaluation of the potential need for additional audits.
- It is important that sites or Group members are aware of the standard requirements and the Central Office procedures. Therefore, activities should be undertaken to ensure that all sites and relevant staff at each site are aware of the procedures and requirements

2.11 The Central Office shall conduct regular audits (at least annually) of all Group members or sites to evaluate continued conformity with all applicable requirements. The Central Office may opt to waive its annual audit for Participating Sites that:

- a) have already been audited by the Certification Body in the current year; and/or
- b) Where no material has been labeled, sourced or sold as permitted by the applicable standard(s).

Audit of Sites or Group members should be undertaken on-site unless the Site does not take physical possession of material.

3. Requirements for Sites and Group members

- 3.1 Each Site or Group member shall be responsible for:
- a) Assigning a representative as the contact for the Central Office. The representative shall have managerial authority to ensure the implementation of, and adherence to, all procedures necessary for conformance with the applicable standard(s) and Central Office procedures, including any outsourced activities;
 - b) Compliance with all applicable participation requirements as specified by the Central Office;
 - c) Where applicable, compliance with all certification requirements;
 - d) Responding effectively to all requests or instructions from the Central Office or the Certification Body, where applicable;
 - e) Informing the Central Office of all changes in ownership, staff, procedures or processes that may affect conformance with the applicable standard(s) or participation requirements;
 - f) Providing full cooperation and assistance with respect to the satisfactory completion of audits performed by the Central Office or, where applicable, the Certification Body.
 - g) Ensuring that all non-conformances issued by the Central Office or, where applicable, the Certification Body are addressed within their established timelines.

Each Site or Group member shall be clear on their responsibilities and ensure that the requirements of the standard are being followed.

Annex I: Group and Multi-Site Eligibility Requirements for Certification

This Annex is applicable to Groups of entities or Multi-Site Organisations seeking certification.

1. Eligibility for Single certification with multiple sites

Multiple Sites or entities may be included in the scope of a single certification without the need for conformance with this standard if they comply with all of the following eligibility criteria:

- a) One single Site/Entity within the scope of the certificate:
 - i) Is acting as the certificate holder;
 - ii) Is responsible for invoicing for certified and non-certified materials or products covered by the scope of the certificate to external clients;
 - iii) Controls the use of the certification Trademarks.
- b) All Sites/Entities within the scope of the certificate:
 - i) Operate under a common ownership structure;
 - ii) Are managed under direct control of the certificate holder;
 - iii) Have an exclusive business relationship with each other for the output materials or products covered by the scope of the certificate.

NOTE: In this scenario, all applicable certification requirements shall be evaluated by the certification body at all sites included in the scope of the certificate within each audit (no sampling applies).

2. Eligibility for Multi-Site certification

Multiple Sites or entities may be included in the scope of a Multi-Site certificate if they conform with the requirements of this standard and at least one of the following eligibility criteria:

- a) The Organisation (certificate holder) operates multiple Sites, where all Sites and Central Office are linked through common ownership or through a franchise model;
- b) All participating Sites:
 - i. Have a legal and/or contractual relationship with the Organisation;
 - ii. Are subject to a centrally administered and controlled management system established by the Organisation that has authority and responsibilities beyond those related solely to certification, including at least one of the following elements:
 - Centralised purchase or sales function;
 - Common operational procedures (e.g. same production methods, same product specifications, integrated management software);
 - Operating under the same brand name (e.g. franchise, retailer);
 - iii. Are subject to – and bound by – admission or removal from the scope of the Multi-Site certificate by the Organisation.

NOTE: Authority and responsibilities mentioned above may include, e.g.: establishing operational requirements, maintaining financial data, ensuring legal compliance, operating under the same brand name.

3 Eligibility for Group certification

Groups of independent “small” enterprises or entities (Group member) are eligible to be included in the scope of a Group certificate if they comply with the requirements of this standard and all of the following eligibility criteria:

- a) Each Group member shall qualify as “small” as defined by:
 - i. no more than 15 employees (full time equivalent), or
 - ii. no more than 25 employees (full time equivalent) and a maximum total annual turnover of US\$ 1,000,000.

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- b) All Group members shall be located in the same country as the assigned Central Office (certificate holder).
 - c) All participating Group members:
 - a. Have a contractual relationship with the Central Office;
 - b. Are subject to a centrally administered and controlled management system established by the Central Office that holds the authority and responsibilities related to the certification, including the legal authority to admit or remove Group members from the scope of the Group certificate.

About NEPCon

NEPCon (Nature Economy and People Connected) is an international non-profit organisation that works to build capacity and commitment for mainstreaming sustainability. For over 20 years, we have worked to foster sustainable land use and responsible trade in forest commodities. We do this through innovation projects and through sustainability services.

We are accredited certifiers for sustainability schemes such as FSC™, PEFC, and SBP. We offer Chain of Custody certification according to the SAN / Rainforest Alliance standard. We also certify to our own LegalSource Standard and Carbon Footprint Management standards. A self-managing division of NEPCon promotes and delivers our certification services. Surplus from certification activities supports the development on NEPCon's non-profit activities.

NEPCon is recognised by the EU as a Monitoring Organisation under the EU Timber Regulation.

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