

	Timber Legality & Traceability Verification (TLTV) (Reference Documents)	Doc. Number:	RD-TLTV-01-01
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TIMBER LEGALITY & TRACEABILITY VERIFICATION (TLTV): CODE OF PRACTICE

1. INTRODUCTION

This Code of Practice has been structured in accordance with the requirements of the SGS GIS Timber Legality & Traceability Verification (TLTV) Programme. Consideration has also been given to the Codes of Practice (RD 01-02) of the SGS Qualifor Programme.

2. SCOPE

The TLTV Programme provides an independent assessment and verification of the legality of timber production activities performed by organizations ("Clients"). In its Legality of Production (LP) component, TLTV considers:

- the legal origin of forest products, and
- the legal compliance of a particular company's forest operations, its timber processing activities and its products.

LP is assessed against the TLTV Standard consisting of 9 Principles and 30 Criteria. The TLTV Programme also provides assessment and verification of chain-of-custody systems to confirm that companies or organisations ("Clients") are operating mechanisms by which wood products from legality-verified sources can be traced from the stump to the end customer.

SGS uses auditors that are qualified to perform the TLTV services and usually work also for the SGS Qualifor Programme. For this purpose, SGS may in its absolute discretion use its own employees or external auditors. The TLTV contracts may either be managed by an SGS affiliated company or a subcontractor.

3. CONFIDENTIALITY

The TLTV Programme maintains confidentiality at all levels of its organisation concerning information obtained in the course of its business. No information will be disclosed to any third

party unless in response to a legal process, after providing the Client with a copy of such process or requirement.

4. ORGANISATIONAL STRUCTURE

A copy of the Management System Overview of the TLTV Programme, showing the responsibility and reporting structure of the organisation, and documentation identifying the legal status of the Programme are available on request.

5. APPLICATION REQUIREMENTS

When applying for verification, the Client shall comply with the following procedures and rules:

- a) the Client shall make available to the TLTV Programme all documents, samples of products, drawings, specifications and other information required by the TLTV Programme to complete the assessment program and shall appoint a designated person who is authorized to maintain contact with the TLTV Programme;
- b) the TLTV Programme, if not satisfied that all registration requirements are met, shall inform the Client of those aspects in which the application has failed;
- c) when the Client can show that remedial action has been taken by it, within the time limit specified by the TLTV Programme, to meet all the requirements, the TLTV Programme will arrange, at additional cost to the Client, to repeat only the necessary parts of the assessment;
- d) if the Client fails to take acceptable remedial action within the specified time limit it may be necessary for the TLTV Programme, at additional cost, to repeat the assessment in full;
- e) identification of conformity shall refer only to the sites assessed as specified in the Statement and Assessment Schedule or other attachments, which may accompany the Statement;
- f) the Client shall agree to pay all fees and costs as specified in the contract;
- g) the Client does not use its product verification in such a manner as to bring the TLTV Programme into disrepute and does not make any statement regarding its product verification which the TLTV Programme may consider misleading or unauthorized.

6. APPLICATION FOR VERIFICATION

Upon receipt of a completed Questionnaire, a proposal shall be sent to the Client outlining the scope and costs of the proposed services which – upon signature by the Client – will form the contract and the agreement to proceed for the Main Audit. Before carrying out surveillance audits an 'Agreement to Proceed' is sent to the Client. Once the signed contract/agreement is returned, the project will be allocated to an auditor who will be responsible for ensuring that the services are carried out in accordance with the procedures of the TLTV Programme. The Client shall make no claim of conformity (or near conformity) with TLTV requirements (e.g. the TLTV Principles and

Criteria, in the case of Legality of Production verification) in the area included in the scope of the evaluation until and unless a Statement is awarded.

7. VERIFICATION

The TLTV Programme shall have the right to delay or postpone its decision on verification in order to take proper account of new or additional information which has become available to the TLTV Programme and which has not already been considered in its evaluation report and which, in the opinion of the TLTV Programme, could affect the outcome of its evaluation.

When the main assessment report has been submitted to Internal Review and the TLTV Programme is satisfied that the Client meets all the registration requirements, it will inform the Client and issue a Statement. The Statement shall remain the property of the TLTV Programme and may only be copied or reproduced for the benefit of a third party if the word “copy” is marked thereon.

The Statement will normally remain valid for a period of five (5) years unless surveillance reveals that the management system, products or manufacturing process of the Client no longer meet the TLTV requirements. The TLTV Programme retains the right to over-rule decisions of its implementing agents (SGS Qualifor or nominated affiliates/ associates) on the issue, suspension or withdrawal of a statement.

8. PUBLIC INFORMATION

The Client shall agree to a summary of the main assessment and surveillance reports (Public Summary Reports) as the details of the statement being made available to the public.

9. VERIFICATION MARKS

Upon issue of a Statement the TLTV Programme shall authorize the Client to use the LV (“Legality-Verified”) mark associated with TLTV (the “**LV Mark**”). A Client’s right to use the LV Mark shall be contingent on its obtaining and maintaining a valid Statement and of complying with the mark license agreement relating thereto. The Client will comply with all the TLTV Programme’s conditions regarding claims, logos, verification marks and trademarks. No claim of conformity or near conformity with the TLTV requirements may be made in respect of sites undergoing assessment or sites not specified in the Statement and Assessment Schedule or other attachments which may accompany the Statement. Improper use of a verification mark shall be a non-conformance.

10. MAINTENANCE OF STATEMENT AND SURVEILLANCE

Periodic surveillances shall be carried out, the first at a six month interval and thereafter annually (or when deemed necessary), and shall cover legality aspects of the management system, documentation, manufacturing and distributing processes and products at the discretion of the nominated auditor.

The Client shall give access to all sites or products for surveillance purposes whenever deemed necessary and the TLTV Programme shall reserve the right to make unannounced visits as required. The Client shall be informed of the results of each surveillance visit. The Client shall maintain a register recording all complaints from customers or other interested parties, and environment and safety-related incidents reported by an enforcing authority or users relating to those covered by the Statement and make this available to the TLTV Programme on request. The TLTV Programme retains the right to revise the requirements of verification at any time. Upon notification by SGS, the Client shall be granted a period of 12 months to implement any changes arising from amendments to the TLTV Programme, changes to the generic TLTV requirements, or the publication of a new/ revised national/ local TLTV standard.

11. STATEMENT RENEWAL

In order to renew its Statement at the end of every five-year cycle, the Client shall be required to repeat the application procedure set out in Clause 6 and undergo a full re-evaluation. The Client will normally be informed of the requirement for Statement renewal during the pre-renewal visit, which is the last surveillance visit of each cycle, but sole responsibility for timely filing the renewal application shall be with the Client.

12. EXTENSION OF VERIFICATION

In order to extend the scope of a Statement to cover additional sites or products, the Client will be required to complete a new Questionnaire. The application procedure outlined in Clause 6 will be followed and an assessment will be carried out on those areas not previously covered. The cost of extending the scope of registration will be based on the nature and programme of work. In order to reduce the scope of the Statement, the Client must inform the TLTV Programme in writing of the reasons for the reduction. The TLTV Programme must be satisfied that the reduction in scope does not prejudice the remaining verification. An assessment may be carried out on the remaining areas.

Following a successful assessment an amended Assessment Schedule will be issued covering those aspects covered by the extended Statement. Although the original Statement will normally

remain in force it may be necessary in some instances to issue a new Statement. In such cases, the Client must return the superseded Statement to the TLTV Programme.

13. SYSTEM/PRODUCT MODIFICATION

The Client shall inform the TLTV Programme, in writing, of any intended modification to the management system, products or manufacturing process, which may affect compliance with the TLTV standards. The TLTV Programme will determine whether the notified changes require additional assessment. Failure to notify the TLTV Programme of any intended modification may result in the suspension of the Statement.

14. PUBLICITY BY CLIENT

A Client may make reference in communication media that its management system or products have been verified and may apply the LV Mark to stationery and publicity materials relating to the scope of registration as provided in its mark license agreement. The Client may not, however, apply such mark in relation to its products unless such products have been verified for product conformity.

In every case, the Client shall ensure that in its publications and advertising material no confusion arises between verified and non-verified products. The Client shall not make any claim that could mislead third parties to believe that certain products have been verified when, in fact, they have not.

15. MISUSE OF STATEMENT AND STATEMENT MARK

The TLTV Programme shall take suitable action, at the expense of the Client, to deal with incorrect or misleading references to verification or use of Statements and Statement marks. These include suspension or withdrawal of a Statement, legal action and/or publication of the transgression.

16. SUSPENSION OF STATEMENT

The TLTV Programme may suspend a Statement for a limited period in cases such as the following:

- a) If a Corrective Action Request has not been satisfactorily complied with within the designated time limit;
- b) If a case of misuse as described in Clause 15 is not corrected by suitable retractions or other appropriate remedial measures by the Client;
- c) If two similar Major Corrective Action Requests (CARs) are raised during the life of the statement, or five new Majors are raised during a single surveillance visit;

- d) If there has been any contravention of the Proposal, Application for Verification, General Conditions for Verification Services, or this Code of Practice;
- e) If products are being placed on the market in non-conforming condition; or
- f) If there is a change in the Client's management such that continued compliance with the Programme requirements is uncertain.

On suspension of the Statement the Client shall immediately cease to make any use of any TLTV trademarks, or to sell any products that the supplier has previously labeled or marked using the TLTV trademarks, or to make any claims that imply that it complies with the requirements for verification.

Upon suspension or cancellation of verification, the client shall discontinue its use of all advertising matter that contains any reference thereto and return any verification documents as required by the TLTV Programme. The TLTV Programme will confirm in writing to the Client the suspension of a Statement. At the same time, the TLTV Programme shall indicate under which conditions the suspension will be removed. At the end of the suspension period, an investigation will be carried out to determine whether the indicated conditions for reinstating the Statement have been fulfilled. On fulfillment of these conditions the suspension shall be lifted and the Client notified of the reinstatement of the Statement. If the conditions are not fulfilled the Statement shall be withdrawn.

All costs incurred by the TLTV Programme in suspending and reinstating a Statement will be charged to the Client.

17. WITHDRAWAL OF STATEMENT

A Statement may be withdrawn if (i) the Client takes inadequate measures in case of suspension or goes out of business; or (ii) the Client terminates its contract with the TLTV Programme. In either case, the TLTV Programme has the right to withdraw the Statement by informing the Client in writing. The Client may give notice of appeal (refer Clause 19).

In cases of withdrawal:

- a) the Client must return all copies of the Statement to the TLTV Programme;
- b) no reimbursement of assessment fees shall be given; and
- c) withdrawal of the Statement shall be published by the TLTV Programme.
- d) SGS reserves the right to initiate legal action if the statement holder does not comply with all of the requirements of the TLTV Programme.

On withdrawal of the statement, the Client shall:

- a) immediately cease to make any use of any TLTV trademarks, or to sell any products that the supplier has previously labeled or marked using the TLTV trademarks, or to make any claims that imply that it complies with the requirements for verification;
- b) return the Statement to the TLTV Programme;
- c) at its own expense remove all uses of TLTV Programme's name, initials, logo, verification mark or trademarks from its products, documents, advertising or marketing materials;
- d) cooperate with the TLTV Programme in order to allow the TLTV Programme to confirm that these obligations have been met.

18. CANCELLATION OF STATEMENT

A Statement will be cancelled if the Client advises the TLTV Programme in writing that it does not wish to renew the Statement or no longer offers the products or the Client does not timely commence application for renewal. In cases of cancellation no reimbursement of assessment fees shall be given and cancellation of the Statement shall be published by the TLTV Programme.

19. APPEALS

If, for any reason, notification is given which may result in a Statement not being issued, suspended or being withdrawn, the Client has the right to appeal. Notification of the intention to appeal must be made in writing and received by the TLTV Programme within seven days of receipt of notification of the non-issue, suspension or withdrawal of the Statement.

An Appeals Form will be sent to the Client for completion and must be returned to the TLTV Programme within 14 days of receipt, supported by relevant facts and data for consideration during the Appeals Procedure. All appeals are forwarded to the TLTV Programme and are put before the independent SGS Qualifor Advisory Board. The TLTV Programme shall be required to submit evidence to support its decision to withhold, suspend or withdraw the Statement.

The decision of the Advisory Board shall be final and binding on both the Client and the TLTV Programme. Once the decision regarding an appeal has been made, no counter-claim by either party in dispute can be made to amend or change this decision. In instances where the appeal has been successful and the Statement issued or reinstated, no claim can be made against the TLTV Programme for reimbursement of costs or any other losses incurred as a result of the withholding, suspension or withdrawal notification.

20. COMPLAINTS

If a Client has cause to complain regarding the conduct of employees of the TLTV Programme, the complaint shall be made in writing, without delay, and addressed to the TLTV Programme Director. If the complaint is made against the TLTV Programme Director, the letter of complaint shall be addressed to the Executive Vice President of SGS SA, Geneva.

THE TLTV PROGRAMME RESERVES THE RIGHT TO ADD TO, DELETE OR CHANGE THIS CODE OF PRACTICE WITHOUT PRIOR NOTIFICATION. ALL SERVICES ARE PERFORMED ACCORDING TO THE GENERAL CONDITIONS FOR VERIFICATION SERVICES.

I, the undersigned, hereby accept the conditions set out in this document:

Name: _____

Organisation: _____

Signature: _____

Date: _____