

 Timber Legality & Traceability Verification (TLTV)	Doc. Number:	AD-TLTV-50-06
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CHAIN-OF-CUSTODY VERIFICATION

TLTV COC STANDARD

A. GUIDANCE ON TIMBER LEGALITY & TRACEABILITY VERIFICATION (TLTV) CHAIN-OF-CUSTODY REQUIREMENTS

The objective of these requirements is to ensure that any product bearing an SGS legality-verified (TLTV) mark or sold as legality-verified is produced from material that originates from a legality-verified timber production. Timber and timber products originating from the SGS TLTV Programme can be traded collectively as 'Legality-Verified (TLTV)' but only in a business-to-business context. End-consumer products cannot be labeled

Chain-of-custody controls must therefore be implemented at all critical control points in the process under evaluation. Critical control points are those where there is a significant risk of verified materials becoming mixed with unverified materials, under either normal or abnormal operating conditions.

Unless otherwise stated in the specific section below, chain-of-custody controls can always consist of an APPROPRIATE COMBINATION of segregation and identification, to ensure that verified and unverified materials are not mixed.

B. SCOPE OF CERTIFICATION

The scope of the evaluation must be confirmed with the client. The scope must cover the chain-of-custody from where the company takes ownership (start-point) to where ownership is transferred (end-point). The scope should be a clear description of the verified inputs (verified raw material or product), ownership or physical possession status, transportation, processing, manufacturing, labeling and sale or dispatch covered by the evaluation.

Example 1: Purchase and sales of round and sawn timber of African timber species

Example 2: Purchase, Sale, transport and shipping of logs, production, sales, transport and shipping of sawn-timber and sliced veneer |

C. COMPANY REPRESENTATIVE

The company representative needs to confirm with his signature that the scope indicated is as required by their company which will be reflected on their statement.

D. LEGAL COMPLIANCE

REQUIREMENT	GUIDANCE
L1 Where an assessor finds objective evidence of legal non-compliance, for example in terms of workers' health & safety, <u>a finding must be raised</u> .	E.g. Personal protective clothing Environmental issues (dumping of waste, contamination of water)

E. ON- AND OFF-PRODUCT LABELLING

The SGS TLTV Mark may be used either on-, or off-product but only in business-to-business interactions, which excludes end-consumer product labelling (meaning products that are sold directly to the general public) and communication directed towards end-consumers.

REQUIREMENT	GUIDANCE
L2 SGS TLTV Mark Timber and timber products originating from the SGS TLTV Programme can be traded as 'Legality-Verified (TLTV)'. Should the statement holder wish to use the SGS TLTV Mark, the applicable specifications from guideline RD-TLTV-20 should be used to identify his verified products.	

1. SYSTEM UNDER REVIEW**1.1 General Procedures and Records**

The organization will be expected to show the assessor documentary evidence of compliance with all controls relevant to the chain of custody. This must include written CoC-procedures.

REQUIREMENT	GUIDANCE
1.1.1 Written procedures and work instructions, appropriate to the scale of the operation, shall be prepared and implemented which cover activities at all critical control points.	<ul style="list-style-type: none"> List all critical control points.
1.1.2 Retention times for records relevant to the chain-of-custody shall be defined based on their use but shall be at least 5 years.	<ul style="list-style-type: none"> List all relevant documents and confirm who controls it. Records must be legible and easily available. What systems of storing these records are used? How often are electronic records backed-up and are they stored off site?
1.1.3 Records should be maintained of all incoming legality-verified (TLTV) material including information on volumes or number of pieces. All legality-verified (TLTV) material must be covered by invoices reflecting the suppliers' statement numbers.	<ul style="list-style-type: none"> Confirm how records are kept of incoming material. Lists with TLTV-log tag numbers of incoming logs must be kept. Check suppliers' documentation to confirm all materials are from verified sources and compare invoices with incoming records.
1.1.4 Accurate production records shall be kept from which it is possible to identify source and quantity of TLTV-material input in the process and volume or number of goods manufactured.	<ul style="list-style-type: none"> Confirm and list the types of records/documentation that are used during production.
<p>Note: Has the client been informed that the responsible SGS Affiliate or the management of the TLTV-Program must be notified immediately of any future changes in company products, procedures or systems that require a change in the scope of the company?</p> <p>Prior to those changes being implemented or new products being sold as verified the TLTV-Program Office must approve any proposed changes to or extensions of the statement scope (including new products).</p>	<ul style="list-style-type: none"> Read this out loud to the client and get confirmation.

1.2 Organization and Training

The organization will be expected to demonstrate that all relevant personnel are capable of fulfilling their responsibilities related to chain-of-custody control.

REQUIREMENT	GUIDANCE
1.2.1 There is a management representative who has defined responsibility and authority for ensuring that the chain-of-custody is both implemented and maintained.	<ul style="list-style-type: none"> Take down name and interview this person.
1.2.2 All staff knows and understands their specific responsibilities in relation to maintaining the chain-of-custody.	<ul style="list-style-type: none"> Interview staff at critical control points.
1.2.3 Training and experience records are maintained, appropriate to the scale of the operation.	<ul style="list-style-type: none"> List all training (incl. first aid, health and safety etc.) with date and check if the staff on duty has participated in the training.

1.3 Purchasing, receipt and storage of raw materials

The organization must demonstrate adequate evidence to ensure that purchased material does originate from a TLTV-endorsed forest-source. TLTV-material must have been purchased, before the issue of a statement can be recommended.

REQUIREMENT	GUIDANCE
1.3.1.1 Purchasing procedures exist, appropriate to the scale of the organization that allow the origin of legality-verified (TLTV)-material to be confirmed. The procedures ensure that the purchased material is: <ul style="list-style-type: none"> Covered by a TLTV/COC or TLTV/LP statement. That the statement is valid. That the statement's scope covers the material being ordered. 	<ul style="list-style-type: none"> "Appropriate to the scale of the organization": In small companies, procedures do not have to exist in writing necessarily but they must have been implemented consistently. This can be established through interviews, memos, filing records etc.
1.3.2 Copies of all suppliers' statements are available or validation of statements is confirmed regularly.	<ul style="list-style-type: none"> Note, how validation of the statements is confirmed (e.g. checking of internet lists and publications). Encourage the client to create a list of all suppliers (indicating who is verified)
1.3.3 Purchasing (e.g. purchase orders or contracts) and associated documents contain adequate information clearly describing the product ordered, including: <ul style="list-style-type: none"> Product code, name or other positive identification. Quantities being purchased. Requirement that material/products must be SGS legality-verified (TLTV) material. 	<ul style="list-style-type: none"> Is the company clear in its communication of the requirement for legality-verified (TLTV) material?
1.3.4 Legality-verified (TLTV) raw material is available and being used at the time of the Main Assessment.	<ul style="list-style-type: none"> If legality-verified timber material is not available the system can be checked against unverified material. The system must be implemented and it should be clear that the system will work.
1.3.5 Legality-verified (TLTV) timber material is stored separately from non-verified material, or is clearly identified as either verified or non-verified.	<ul style="list-style-type: none"> Describe marking or segregation system.
1.3.6 Stock records of verified raw materials are maintained.	<ul style="list-style-type: none"> Verify stock records with items in warehouse/raw material stock.

1.4 Processing and finished product

The organization must be able to trace legality-verified timber products through the production system.

REQUIREMENT	GUIDANCE
1.4.1 Where appropriate, raw materials, work in progress and finished goods carry a unique identification number or mark. From this mark it is possible to trace the material to a TLTV-endorsed source.	<ul style="list-style-type: none"> Make sure that the material is traceable. Pick a half-product in the production process and find out where it comes from (source).
1.4.2 Production runs of verified and or/non-verified product are segregated physically or in time.	
1.4.3 Conversion ratios are calculated for each process.	<ul style="list-style-type: none"> Auditor to ensure that the conversion is in line with acceptable figures for the products being manufactured. Ask for previous years' conversion figures Where do they stand vis-à-vis their competition/average in industry?
1.4.4 Verified work in progress and finished products are stored separately from non-verified material or are clearly identified as verified or non-verified.	<ul style="list-style-type: none"> Describe marking or segregation system.
1.4.5 Verified products must be labelled or otherwise be identified in a manner that labels do not become detached during handling or transport.	
1.4.6 Stock records of verified finished goods are maintained.	<ul style="list-style-type: none"> Verify stock records with items in warehouse/raw material store.

1.5 Sales

When legality-verified timber products are sold, the organization's chain-of-custody statement number must always be shown on documentation.

REQUIREMENT	GUIDANCE
1.5.1 Procedures and work instructions shall be implemented to ensure that only legality-verified products are dispatched to fill orders for legality-verified products.	<ul style="list-style-type: none"> Describe their order dispatch system (reconciliation to original order).
1.5.2 Sales invoices and other documentation related to sales of verified material include the chain-of-custody statement number, in the correct format (SGS-TLTV/LP-XXXX or SGS-TLTV/COC-XXXX).	<ul style="list-style-type: none"> "Other documentation": e.g. transport and delivery documentation. Check at least 3 invoices from dates that YOU choose randomly.
1.5.3 Sales documentation clearly identifies the product including product description, quantity and customer.	<ul style="list-style-type: none"> Make sure that no unverified product could be conceived as verified through unclear sales documentation.
Note: Has the client been informed that the organisation's CoC statement number must be placed on sales invoices?	<ul style="list-style-type: none"> Read this out loud to the client and get confirmation.

1.6 Summaries

The organization must produce, at least every six months, a reconciliation of legality-verified raw material purchased, legality-verified product produced and sold. This must be available to the assessor at the time a site visit is made.

REQUIREMENT	GUIDANCE
1.6.1 Quantities of verified raw materials/products purchased are recorded and a summary produced every 6 months.	<ul style="list-style-type: none"> For purposes of comparison: Record periods: 1 of January – 30 June and 1 July to 31 December.
1.6.2 Quantities of verified materials/products sold are recorded and a summary produced at least every 6 months.	<ul style="list-style-type: none"> For purposes of comparison: Record periods: 1 of January – 30 June and 1 July to 31 December.
1.6.3 If there is a risk of unverified material being used in verified products or	

being sold as verified the records of the unverified business of the company should be checked.	
Note: Has the client been informed that summaries of quantities purchased, processed and sold must be available at surveillance visits?	<ul style="list-style-type: none"> • Read this out loud to the client and get confirmation.

1.7 Use of the TLTV-mark

When the SGS TLTV-mark is used on- or off-product, prior approval has to be obtained from the SGS Project Manager always. The client must retain documentary evidence that all TLTV-mark use has been approved by SGS. This will be confirmed on all visits.

REQUIREMENT	FINDINGS
1.7.1 On-product TLTV-marks use meets the SGS requirements.	
1.7.2 Off-product uses of TLTV-mark meet SGS requirements.	<ul style="list-style-type: none"> • Note down where the client uses TLTV off-product marks (e.g. brochures, stationary).
Note: Has the client been informed that TLTV on- and off-product marks must be approved by SGS before use? Do they understand that if use is NOT approved, then labels/packaging/brochures may have to be withdrawn at their own cost? Do they understand that they must retain documentary evidence that all TLTV-mark use has been approved by SGS and that this evidence must be available for inspection at the audits?	<ul style="list-style-type: none"> • Read this out loud to the client and get confirmation.

2. SURVEILLANCE'S INCLUDING EXTENSION TO SCOPE

If the extension to scope involves

- a new site, then the full CoC-checklist should be completed.
- a new process on an existing site, then all parts of the CoC-checklist which refer to the process level of activity should be completed (relevant sections should be noted below).
- changes to existing verified processes then the assessor must decide which parts of the TLTV checklist need to be completed (relevant sections should be noted below).

End of Standard