

 Timber Legality & Traceability Verification (TLTV)	Doc. Number:	AD-TLTV-33-02
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TIMBER LEGALITY & TRACEABILITY VERIFICATION (TLTV) (DRAFT) TLTV GENERIC STANDARD

This document presents the Draft TLTV Generic Standard for Timber Legality & Traceability Verification (TLTV).

This standard forms the basis for:

- Development of a regional standard and /or national standard
- Scoping assessment (where necessary and appropriate)
- Verification assessment
- Surveillance assessment
- Information to stakeholders on the assessment criteria used by SGS

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ADAPTATION OF THE TLTV GENERIC STANDARD TO MEET REGIONAL, LOCAL AND COMPANY REQUIREMENTS

The objective of the adaptation of the TLTV Generic Standard is to:

- i. identify any aspects or condition of the TLTV standard that may, in a particular instance, not be applicable or appropriate in the area in which the standard is to be used. If such an aspect or condition has been identified, the Company and SGS shall evaluate it for the purposes of verification which evaluation shall include discussions with the involved or affected parties.
- ii. identify any aspects of the TLTV Generic Standard, which specify performance thresholds lower than the minimum legal requirement in the country concerned. If any such differences are identified the relevant thresholds shall be modified to ensure that they meet or exceed the minimum national requirements.
- iii. add specific indicators (with appropriate means of verification if required) and/or cross-references to the identified documentation to evaluate compliance with key requirements of the national and local forest laws, administrative requirements and multi-lateral environmental agreements related to the TLTV Principles 1 - 9.
- iv. take account of the national context within which the Company operates any aspect regarding legality in relation to forest management; timber processing; timber production; national environmental, social and economic perspectives; and relevant financial and trade requirements.
- v. ensure that the TLTV standard is applicable, appropriate and practical in the country concerned.

The GIS division of SGS responsible for the TLTV Programme will in consultation with the local service provider, Company and/or any other relevant parties consent to such an adaptation. Such consent will be done having due regard to:

- i. SGS knowledge of the indicators and means of verification that have been included in other adaptations of the TLTV Generic Standard and its feasibility;
- ii. The nature and extent of a particular adaptation and its impact on the scope and objective of the TLTV Standard.
- iii. Unique and contextual characteristics of each case.

SGS should be able to demonstrate that the requirements of the adapted TLTV Standard are broadly in line with the requirements of the TLTV Generic Standard.

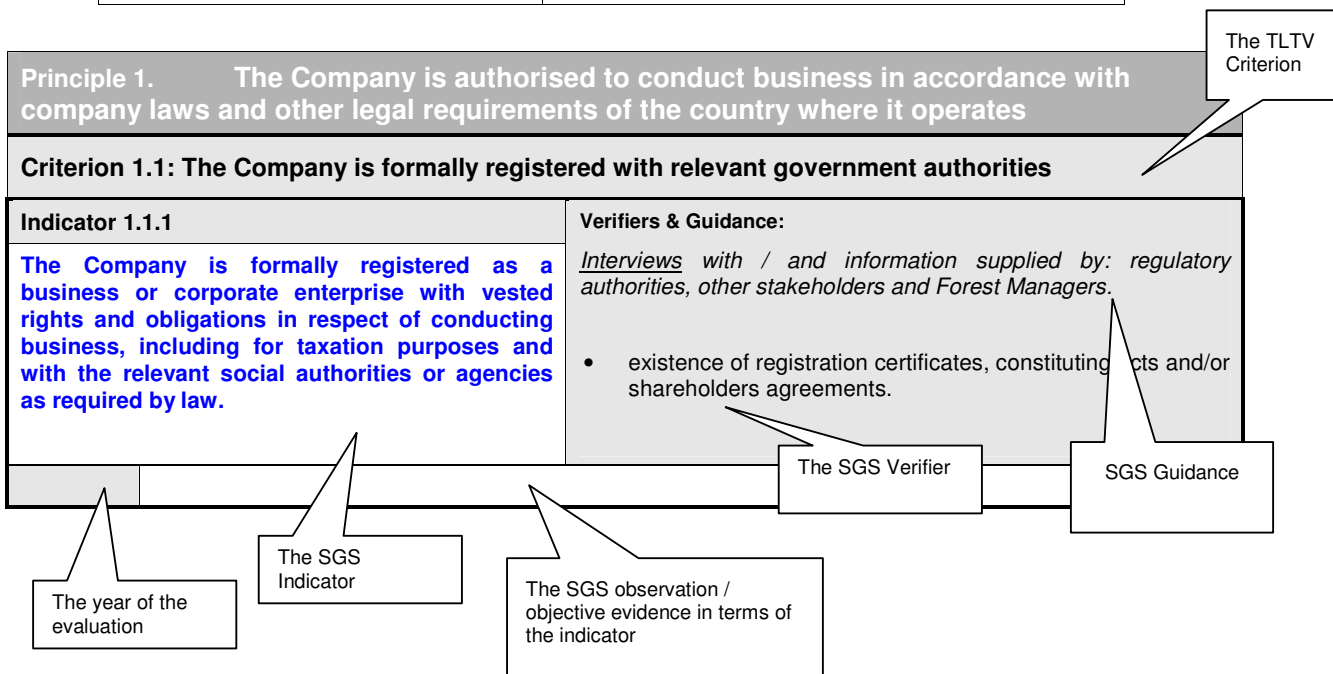
Any adaptation may not reduce the implementation of the TLTV Generic Standard or lead to the application of a lower benchmark than the TLTV Generic Standard, be it directly or indirectly.

LAYOUT OF THE STANDARD:

The standard follows 9 Principles and 30 Criteria of Timber Legality & Traceability Verification (TLTV). This Standard is divided into 9 sections. Each section corresponds to one of the TLTV Principles with the Criteria listed underneath each Principle/ Section.

Each page of the Standard is divided into 3 columns. The Standard also serves as the checklist that is used during an assessment and for every criterion the following is provided:

The SGS Requirement:	
Indicator	This outlines the norm or indicators that SGS requires for compliance with the specific TLTV criterion. A potential source of information or evidence that allows an auditor to evaluate compliance with an indicator.
Verifiers	Verifiers are examples of what the SGS assessor will look for to ascertain if the specific norm or indicator has been met. This list is not exhaustive and the assessor may use other means of verifying the relevant indicator.
Guidance	Guidance assists the assessor in understanding the requirement of the specific indicator.



PRINCIPLE 1. THE COMPANY IS AUTHORISED TO CONDUCT BUSINESS IN ACCORDANCE WITH COMPANY LAWS AND OTHER LEGAL REQUIREMENTS OF THE COUNTRY WHERE IT OPERATES

Criterion 1.1 The Company is formally registered with relevant government authorities

Indicator 1.1.1

The Company is formally registered as a business or corporate enterprise with vested rights and obligations in respect of conducting business, including for taxation purposes and with the relevant social authorities or agencies as required by law.

Verifiers & Guidance:

Interviews with / and information supplied by: regulatory authorities, other stakeholders and forest managers.

Documentation Control: Required legal documentation, policies, operational procedures and standards demonstrate compliance with such requirements.

Is the company legally constituted and committed to legality?

- Existence of registration certificates, constituting acts and/or shareholders agreements.
- Registration with applicable industry and trade bodies/councils. Consideration can further be given to registration certificates, membership certificates and any other relevant correspondence or documentation.
- Verify whether a company is a formally registered business for taxation purposes. Consideration must be given to tax registration(s), tax returns and whether payments are up to date.
- Registration with social authorities (if applicable).
- Legality of contractors or subcontractors. Aspects to verify include company policy, internal audits, and contractors' agreements.

Indicator 1.1.2

The Company is adhering to the requirements of relevant organizations including, where applicable, appropriate industry and trade bodies or councils.

Verifiers & Guidance:

Interviews with: managers and relevant operational staff.

Documentation Control: Required legal documentation, policies, operational procedures and standards demonstrate compliance with such requirements.

Is the company registered with relevant bodies and are they adhering to their obligations?

- Registration with applicable industry and trade bodies/ or councils. Aspects to consider include registration certificates, membership certificates and any other relevant correspondence or documentation.
- Asses whether the company complies with the requirements of such bodies?

Criterion 1.2 The Company is a legitimate operator in the forestry business	
<p>Indicator 1.2.1</p> <p>The Company holds statutory rights appropriate to operate in the forestry/timber sector.</p>	<p>Verifiers & Guidance:</p> <p><i>Interviews with:</i> Forest managers and relevant operational staff.</p> <p><i>Documentation Control:</i> Required legal documentation, policies, operational procedures and standards demonstrate compliance with such requirements.</p> <p><u>Operating in Forestry /Timber Sector:</u></p> <ul style="list-style-type: none"> • Does the company have a legal title to the land? This could be in the form of a title deed or contractual arrangement with the land owner. • Does company have authorisation to participate in forestry sector? Authorisations are normally in the form of a permit, licence or certificate from government. • May the particular land on which the company operates be used for forestry operations? There may be restrictions applicable to the land or parts thereof. Consider the provisions and restrictions contained in the forest permit, licence or certificate from government. • Does any restriction exist in relation to land use? Such restrictions include environmental, social, historical, contractual, and other) conditions.
<p>Indicator 1.2.2</p> <p>The Company's activities are not suspended as a result of administrative or judiciary action by any government or third parties.</p>	<p>Verifiers & Guidance:</p> <p><i>Interviews with:</i> Forest managers and relevant operational staff.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Dispute register (external, internal, stakeholder). • Validity of permits and authorisations. Consideration must be given to dates, time periods and possible restrictions. • Evaluation of potential risk of suspension. This is a fairly wide area but can include the payment of taxes, compliance with labour laws, respecting rights of local communities and compliance with environmental obligations.

<p>Indicator 1.2.3</p>	<p>Verifiers & Guidance:</p>
<p>The Company or its owners are not known as being associated with criminal activities.</p>	<p><i>Interviews with: Forest Managers, relevant operational staff, authorities, local communities and other stakeholders.</i></p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Media Statements/ Press Releases. • Dispute register (external). • Past and pending judicial action. • Policy and procedures including those covering aspects such as operation, procurement, conduct and ethics. • Discussion with stakeholders and authorities.

PRINCIPLE 2. THE COMPANY HAS THE NECESSARY APPROVALS OR AUTHORIZATIONS TO CONDUCT THE RELEVANT FORESTRY AND RELATED ACTIVITIES AT THE LOCATIONS UNDER VERIFICATION

Criterion 2.1 The Company has legal access and harvesting rights to the forest land on which it operates

<p>Indicator 2.1.1</p>	<p>Verifiers & Guidance:</p>
<p>The Company has a legal title to the land on which it operates and to the forest resource.</p>	<p><i>Interviews with: Management and governmental authorities.</i></p> <p><u>Document review:</u> Title deeds, lease agreements, & forestry authorisations.</p> <p><u>Two aspects need to be considered separately:</u> (1) The company has a legal right to the land on which it operates & (2) The company may use the land for the purpose it intends to use i.e. forestry:</p> <ul style="list-style-type: none"> • Title deeds, lease agreements, Concession documents, government authorisations for forestry operations. • Where obligatory and relevant, the Company has consulted with interested parties as appropriate. <p><i>Note: All aspects contained in relevant documentation must be verified with the position on the ground (in the field)</i></p>

<p>Indicator 2.1.2</p>	<p>Verifiers & Guidance:</p>
<p>The land is dedicated to logging under clear, legal land classification and tenure conditions.</p>	<p><i>Interviews with:</i> Management, governmental authorities, local communities & stakeholders.</p> <p><i>Document review:</i> Title deeds, lease agreements, forestry authorisations, policy, procedures, agreements and relevant contracts.</p> <p><i>Note:</i> As far as possible, aspects contained in relevant documentation must be verified with the position on the ground (in the field). Where obligatory and relevant, the Company has consulted with interested parties as appropriate.</p>
<p>Indicator 2.1.3</p>	<p>Verifiers & Guidance:</p>
<p>The Company holds the necessary access rights to relevant areas both inside and outside the permit.</p>	<p><i>Interviews with:</i> Management, governmental authorities, local communities & stakeholders.</p> <p><i>Document review:</i> Lease agreements, servitudes, forestry authorisations, policy, procedures, agreements and relevant contracts.</p> <ul style="list-style-type: none"> • Activities would include activities inside or outside the permit. Consideration must be given to aspects such as public roads, construction as well as concessions within a greater area owned by another (third party or state). Transporting across similar conditions must also be considered. • Where obligatory and relevant, the Company has consulted with interested parties as appropriate.
<p>Criterion 2.2 The Company has obtained the necessary approvals for its forest and related operations</p>	
<p>Indicator 2.2.1</p>	<p>Verifiers & Guidance:</p>
<p>Where relevant and obligatory, the Company has carried out forest inventories and has received due official approval for it.</p>	<p><i>Interviews with:</i> Staff & governmental authorities</p> <p><i>Document review:</i> Inventories, data-bases, authorisations, policy & procedures.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Official approval. • Time- frames (appropriate & authorised). • Where obligatory and relevant, the Company has consulted with interested parties as appropriate.

<p>Indicator 2.2.2</p>	<p>Verifiers & Guidance:</p>
<p>Where obligatory, the Company has developed a forest management plan and has received due official approval for it.</p>	<p><i>Interviews with:</i> Staff & governmental authorities</p> <p><i>Document review:</i> Inventories, data-bases, authorisations, policy, procedures & maps.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Official approval. • Time- frames (appropriate & authorised). • Where obligatory and relevant, the Company has consulted with interested parties as appropriate.
<p>Indicator 2.2.3</p>	<p>Verifiers & Guidance:</p>
<p>The Company demonstrates that the necessary environmental permissions are in place and valid.</p>	<p><i>Interviews with:</i> Staff & governmental authorities</p> <p><i>Document review:</i> Authorisations, permits, policy, procedures & maps.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Where obligatory, has Environmental Impact Assessments (EIA) been done and approved? • Environmental authorisations include: <ul style="list-style-type: none"> ▪ Waste management (general, disposal sites, storage) ▪ Hazardous substances (chemicals used) ▪ Water management (Catchment areas, wetland delineation, water use, conservation, diversion) ▪ Biodiversity (endangered species, conservation) ▪ Air quality (emission permits when operating plant/mil) ▪ Indigenous forests (allowable species, amounts harvested, etc.) • Where obligatory and relevant, has the Company has consulted with interested parties as appropriate?

Indicator 2.2.4	Verifiers & Guidance:
The Company has a valid harvesting licence/ permit.	<p><i>Interviews with:</i> Staff & governmental authorities</p> <p><i>Document review:</i> Authorisations, policy, procedures & maps.</p> <p><i>Field inspections:</i> Verify that current and previous harvesting locations are in line with licensing requirements.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none">• Validity.• Time period (annual or other).• Geographical location.• Species to be harvested.• Amounts to be harvested.• Verify areas of operation(s) in field against permit.• Where obligatory and relevant, has the Company has consulted with interested parties as appropriate? <p><u>Note:</u> Quantities are verified under Principle 6.</p>

<p>Indicator 2.2.5</p>	<p>Verifiers & Guidance:</p>
<p>The Company has the necessary approvals for ancillary and associated activities at the locations where it operates.</p>	<p><i>Interviews with: Staff & governmental authorities</i></p> <p><i>Document review: Documentation, correspondance & authorisations.</i></p> <p><i>Field verification: Listing activities that may be subjected to approval and cross checking them during document review.</i></p> <p>Aspects to consider:</p> <p>Where timber processing facilities are associated with the forest production, objective evidence must indicate that the Company has the relevant authorisation:</p> <ul style="list-style-type: none"> • Timber processing, • Chemical treatment, • Kiln drying, • Transportation, • Other industrial activities.
<p>Criterion 2.3 The Company can demonstrate that its approval(s) for forest and other related operations was (were) properly obtained</p>	
<p>Indicator 2.3.1</p>	<p>Verifiers & Guidance:</p>
<p>Authentic and official documents are in place.</p>	<p><i>Interviews with: Staff & governmental authorities</i></p> <p><i>Document review: Application documentation, correspondance & autorisations.</i></p> <p>Aspects to consider:</p> <p>Auditors must be in a position to verify this by either considering original and official documentation <u>or</u> certified copies of the same. When evaluating the documentation, evaluate:</p> <ul style="list-style-type: none"> • Time periods (validity). • Conditions/limitations/restrictions.

<p>Indicator 2.3.2</p>	<p>Verifiers & Guidance:</p>
<p>In obtaining such approvals, both the company and the relevant authorities correctly followed the appropriate procedures.</p>	<p><i>Interviews with:</i> Staff & governmental authorities</p> <p><i>Document review:</i> Application documentation, correspondance & autorisations.</p> <p>Objective evidence must suggest that the acceptable procedures were followed in the issuing of such authorisation.</p> <p>The required documentation submitted by the Company to the authorities as part of the Company's application or request for such approval(s) was:</p> <ol style="list-style-type: none"> (1) complete, (2) presented the requested information correctly, and (3) information was found accurate on the basis of documentary verification (e.g. maps, calculations).
<p>Indicator 2.3.3</p>	<p>Verifiers & Guidance:</p>
<p>Information submitted to the authorities for the authorisations was factually correct.</p>	<p><i>Interviews with:</i> Staff & governmental authorities</p> <p><i>Field verification:</i> On a sample basis</p> <p><u>Note:</u> This will mostly apply in cases of new authorisations and/ or applications. Done on sample basis.</p> <p>Auditors must for instance try and verify the factual correctness. If a particular mill in its application or submission declares that it will employ a few hundred employees, the auditor needs to assess whether it in fact employs as many.</p>

PRINCIPLE 3. THE COMPANY RESPECTS ITS SOCIAL OBLIGATIONS TOWARDS LOCAL COMMUNITIES, WORKERS, AND CONTRACTORS

Criterion 3.1 The company respects the rights of local communities

Indicator 3.1.1

The Company knows and respects the legal or customary rights of local communities within the allocated areas.

Verifiers & Guidance:

Interviews with: Representatives of local communities, staff (management, forest managers and relevant operational staff), clients, governmental authorities and stakeholders.

Document review: In order to ascertain whether the relationship with local communities has been formalised

Aspects to consider:

- Dispute register (external, internal, stakeholder).
- Have the rights been embodied in a formal company policy?
- Have they been included in the management policy?
- Contractual agreement with local communities (access rights, usage rights, benefit sharing, etc.)
- Is appropriate compensation paid where damaged is caused?

Indicator 3.1.2

The Company respects its obligations towards the local communities.

Verifiers & Guidance:

Interviews with: Representatives of local communities, staff (management, forest managers and relevant operational staff), clients, governmental authorities and stakeholders.

Document review: In order to ascertain whether the relationships with local communities are respected.

Field visit: Existence and quality of claimed contribution to community.

Aspects to consider:

- Concession agreement, forest management plan, harvesting permit, invoices of expenditures
- Dispute register (external, internal, stakeholder).
- Contractual agreement with local communities (access rights, usage rights, benefit sharing, etc)
- Newspaper/ employment advertisements (preference given to local communities)
- Other points to be considered that relates to local communities include contributions or assistance to training, schooling, development (social & economic), medical facilities/support within the local community.

Criterion 3.2 The Company respects the rights of workers as derived from relevant national or international regulations	
Indicator 3.2.1	<p>Verifiers & Guidance:</p> <p><i>Interviews with:</i> Staff, staff representatives (individuals, shop stewards or union) and representatives from management (Human Resources/Management).</p> <p><i>Document review:</i> Employment contracts, tender documents, service agreements, etc.</p> <p><i>Field:</i> Consultation with workers and contractors</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • In some countries it may be a formal requirement to have an employment agreement in writing. • Is there any specific requirement(s) to contractors (i.e. tenders, preferential contractors, legal requirements)? • Contracts must be evaluated against the applicable laws and regulations. • Special consideration for temporary staff/ migrant/ women/ disabled/ minorities workers etc. • Procurement Policies versus actual position on the ground.

<p>Indicator 3.2.2</p>	<p>Verifiers & Guidance:</p>
<p>The Company respects legally prescribed basic working conditions</p>	<p><i>Interviews with:</i> Staff, staff representatives (individuals, shop stewards or union) and representatives from management (Human Resources/Management).</p> <p><i>Document review:</i> Employment contracts, dispute registers, policies, procedures, etc. clock cards/hours logged.</p> <p><i>Field visit:</i> Staff and contractors.</p> <p>Aspects to consider:</p> <p>All jurisdictions prescribe minimum conditions of employment under which employees work. This is in line with International Human Rights Standards and Labour Standards.</p> <p>Such conditions include (not limited to):</p> <ul style="list-style-type: none"> • Minimum age of employment. • Minimum wages. • Working hours & leave (annual, maternity and paternity.) • Compulsory day(s) per week (i.e. may not work more 5 or 6 days a week). • Health and Safety requirements (i.e. incident & accident records, Personal Protective Equipment (PPE), frequency of accidents) • 'Worker's rights' (Freedom of association, right to join unions, collective bargaining rights).
<p>Indicator 3.2.3</p>	<p>Verifiers & Guidance:</p>
<p>The Company remunerates its workers in accordance with applicable legal requirements.</p>	<p><i>Interviews with:</i> Staff, staff representatives (individuals, shop stewards or union) and representatives from management (Human Resources/Management).</p> <p><i>Document review:</i> Employment contracts, payslips, actual expenditures, etc.</p> <p><i>Field visit:</i> Staff & Contractor (verify the actual pay tally with payslip)</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Minimum wage requirement (General or forestry specific) • Salary statements (Pay slips) • Timely payments?

<p>Indicator 3.2.4</p>	<p>Verifiers & Guidance:</p>
<p>The Company does not partake in unacceptable labour practices.</p>	<p><u>Interviews with:</u> representatives from management (Human Resources/Management).</p> <p><u>Document review:</u> Contracts, service agreements, tenders, procurement policies, contractor's registration documentation on file with company etc.</p> <p>Aspects to consider (not limited):</p> <ul style="list-style-type: none"> • Child labour • Forced labour • Sexual harassment • Unfair loan agreements
<p>Indicator 3.2.5</p>	<p>Verifiers & Guidance:</p>
<p>The company complies, where applicable, with its corporate social obligations to its workers</p>	<p><i>The Company implements social impact assessments and respects the rights of workers in relation to education, training and to socio-economic development.</i></p> <p><u>Field inspections:</u> Where possible, visits should be conducted at such sites/projects.</p> <p><u>Interviews with:</u> Staff, staff representatives (individuals, shop stewards or union) and representatives from management (Human Resources/Management).</p> <p><u>Document review:</u> Employment contracts, payslips, actual expenditures, etc.</p> <p>Aspects relating to corporate social obligations include:</p> <ul style="list-style-type: none"> • Health issues (HIV/AIDS, diseases, assistance programmes, access to medical facilities etc.). • Skills development (Training and education). • Community projects. • Other.

Criterion 3.3 The Company only uses legally constituted contractors or subcontractors in its operations and protects the rights of its contractors' or subcontractors' workers	
<p>Indicator 3.3.1</p> <p>The Company formally requires that contractors and subcontractors used in its operations are legally constituted.</p>	<p>Verifiers & Guidance:</p> <p><u>Interviews with:</u> Representatives from management (Human Resources/Management).</p> <p><u>Document review:</u> Contracts, service agreements, tenders, procurement policies, contractor's registration documentation on file with company etc.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Evidentiary proof that contractor or subcontractor is a legal entity (Act of incorporation, registration documentation, tax certificates, employment related taxes, etc). • Relevant documentation available / on file. • Company policy relating to contractor/ subcontractor. • Fairness and equitable distribution of contracts.
<p>Indicator 3.3.2</p> <p>The Company ensures that the rights of its contractors' or subcontractors' workers are respected.</p>	<p>Verifiers & Guidance:</p> <p><u>Interviews with:</u> Representatives from management (Human Resources/Management) & staff.</p> <p><u>Document review:</u> Contracts, service agreements, tenders, procurement policies, contractor's registration documentation on file with company etc.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Evidentiary proof that workers rights are respected (employment related taxes paid, fair remuneration, freedom of association, working conditions, etc). • Relevant documentation available / on file. • Monitoring and compliance (internal & second party audits as well as corrective action taken) <p><u>Note:</u> This indicator is similar to what is expected 3.2.1 & 3.2.2. It does, however, focus on the execution of the contractors and subcontractors as well as the monitoring component on the side of the audited company/ TLTV Client.</p>

PRINCIPLE 4. THE COMPANY COMPLIES WITH ITS ENVIRONMENTAL OBLIGATIONS IMPOSED BY LAWS, REGULATIONS AND OTHER RELEVANT NATIONAL AND INTERNATIONAL ENVIRONMENTAL REQUIREMENTS	
Criterion 4.1 The Company respects areas where logging is prohibited or restricted	
<p>Indicator 4.1.1</p> <p>The Company respects the integrity or the specific regime of protected areas where forest activities are prohibited or restricted on the basis of official land use planning and classification.</p>	<p>Verifiers & Guidance:</p> <p><i>Interviews with:</i> Staff, stakeholders or local communities.</p> <p><i>Document review:</i> Authorisations, maps, policies and procedures.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Auditors must be satisfied that proper consideration has been given to the issue of protected areas and that these issues have been incorporated into relevant documents such as the management plan.</p> <p>The company must further adhere to its management plan and relevant legal requirements. Such requirements include those relating to:</p> <ul style="list-style-type: none"> • Steep slopes, • River /stream, • Regeneration areas, • Other.
<p>Indicator 4.1.2</p> <p>The Company respects zones within the logging area where logging is prohibited or restricted on the basis of regulatory or agreed forest management requirements or plans.</p>	<p>Verifiers & Guidance:</p> <p><i>Interviews with:</i> Staff, stakeholders or local communities.</p> <p><i>Document review:</i> Authorisations, maps, policies and procedures.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p>

Criterion 4.2 The Company preserves biodiversity	
<p>Indicator 4.2.1</p> <p>The Company protects, in addition to tree species addressed under Principle 6, endangered species (flora, fauna) as provided for under CITES.</p>	<p>Verifiers & Guidance:</p> <p><i>Interviews with:</i> Staff, stakeholders or local communities.</p> <p><i>Document review:</i> Authorisations, maps, policies and procedures.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>CITES (Convention on the International Trade in Endangered Species of Wild Fauna and Flora) was adopted in 1975 and aims to ensure that international trade in such endangered species does not threaten their survival.</p> <p>Auditors must be satisfied that proper consideration has been given to biodiversity preservation and that these considerations have been incorporated into the management plan. Issues connected to biodiversity and requirements may relate to:</p> <ul style="list-style-type: none"> • Preservation of ecosystems, • Bio-prospecting, • Endangered species, • Biological resources, • Control of alien & invasive species, • Other.
<p>Indicator 4.2.2</p> <p>The Company respects biodiversity as per specific requirements from national legislation, the forest management plan or annual permit.</p>	<p>Verifiers & Guidance:</p> <p><i>Interviews with:</i> Staff, stakeholders or local communities.</p> <p><i>Document review:</i> authorisations, maps, policies and procedures.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Although this indicator falls within the wider category of biodiversity, endangered species deserve specific conservation. Auditors must give consideration to the protection and legal requirements pertaining flora & fauna in a specific country and/or specific tree species in indigenous forests.</p> <p><i>Also:</i> general awareness of the requirements and obligations under CITES should be assessed.</p>

Criterion 4.3 The Company minimizes negative environmental impacts	
<p>Indicator 4.3.1</p> <p>The Company complies with regulations referring to air.</p>	<p>Verifiers & Guidance:</p> <p><i>Interviews with:</i> Staff, stakeholders or local communities.</p> <p><i>Document review:</i> authorisations, policies and procedures.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Auditors must note that implementation can be at National, Provincial or local level.</p> <p>Permits are generally required when dealing with emissions. (i.e. mill, plant, etc).</p>
<p>Indicator 4.3.2</p> <p>The Company complies with regulations referring to soils.</p>	<p>Verifiers & Guidance:</p> <p><i>Interviews with:</i> Staff, stakeholders or local communities.</p> <p><i>Document review:</i> Authorisations, policies and procedures.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Auditors must note that implementation can be at National, Provincial or local level. Normally one will not find a single law dealing with soil. Consideration must be given to requirements contained in legislation dealing with:</p> <ul style="list-style-type: none"> • Biodiversity. • Conservation (framework legislation) • Pollution. • Waste and waste management. • Hazardous substances. • Water. • Other.

<p>Indicator 4.3.3</p>	<p>Verifiers & Guidance:</p>
<p>The Company complies with regulations referring to water.</p>	<p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> Authorisations, policies and procedures. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Permits are generally required for:</p> <ul style="list-style-type: none"> • Water use. • Water quality (pollution). • Planting. • Stream flow reduction. • Building dams/storage. • Diverting a water source. • Other.
<p>Indicator 4.3.4</p>	<p>Verifiers & Guidance:</p>
<p>The Company complies with regulations referring to chemicals.</p>	<p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> authorisations, policies and procedures. <i>Field visit:</i> Verification at ground level.</p> <p>Auditors must note that implementation can be at National, Provincial or local level. There normally exist specific measures dealing with chemicals. Such measures may be contained in a diverse set of legislation:</p> <ul style="list-style-type: none"> • Hazardous substances laws. • Transportation laws. • Agricultural resources laws. • Forestry laws. • Occupational health and safety laws. • Environmental (general, but more specifically aspects dealing with emergency incidents).

<p>Indicator 4.3.5</p>	<p>Verifiers & Guidance:</p>
<p>The Company complies with regulations referring to noise.</p>	<p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> Authorisations, policies and procedures. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Auditors must note that implementation can be at National, Provincial or local level. Noise requirements are normally contained in environmental laws (air pollution) as well as laws providing for health and safety.</p>
<p>Indicator 4.3.6</p>	<p>Verifiers & Guidance:</p>
<p>The Company complies with regulations referring to energy.</p>	<p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> Authorisations, maps, policies and procedures. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Auditors must note that implementation can be at National, Provincial or local level. Energy or aspects covering energy resources are normally covered by laws relating to:</p> <ul style="list-style-type: none"> • Energy in general. • Mining & mineral. • Petroleum resources. • Other. <p>Auditors must also consider service agreements at local level including any restrictions or limitations.</p>

<p>Indicator 4.3.7</p>	<p>Verifiers & Guidance:</p>
<p>The Company complies with regulations referring to waste.</p>	<p><i>Interviews with staff, stakeholders or local communities.</i></p> <p><i>Document review: authorisations, policies and procedures.</i></p> <p>Auditors must note that implementation can be at National, Provincial or local level. Waste is normally covered by waste specific legislation and covers aspects relating to the management of waste at company level, sorting the waste as well as its disposal.</p> <p>Specific aspects that auditors should consider are:</p> <ul style="list-style-type: none"> • Classification of waste and specific requirements of such waste. • Sorting of waste / recycling. • Sustainable waste management. • Waste disposal sites (permitting / authorisation).
<p>Indicator 4.3.8</p>	<p>Verifiers & Guidance:</p>
<p>The Company complies with regulations referring to other safety risks to people and the environment.</p>	<p><i>Interviews with: Staff, stakeholders or local communities.</i></p> <p><i>Document review: Authorisations, policies and procedures.</i></p> <p><i>Field visits: Where possible, the relevant requirements must be verified in field.</i></p> <p>Applicable laws can include:</p> <ul style="list-style-type: none"> • Road Traffic Laws (i.e. Accidents). • Forest Laws (i.e. fires, fire or explosion at storage area/ warehouse/ mill). • Safety laws (accidents and incidents on site). • Other.

Criterion 4.4 The Company takes adequate measures to prevent any unauthorised activities by third parties within or around the forest areas under its control	
<p>Indicator 4.4.1</p> <p>The Company prevents or observes, identifies, and reports any illegal encroachment or conversion to other land uses by third parties.</p>	<p>Verifiers & Guidance:</p> <p><i>Interviews with: Staff, stakeholders or local communities.</i></p> <p><i>Document review: Agreements, policies and procedures.</i></p> <p><i>Field visits: Where possible, the relevant requirements must be verified in field.</i></p> <p>Actual implementation will rely on aspects such as:</p> <ul style="list-style-type: none"> • Guards/ security patrolling area. • Monitoring mechanisms. • Risk analysis and access register(s). • Dispute/ incident register.
<p>Indicator 4.4.2</p> <p>The Company prevents or observes, identifies, and reports any illegal logging by third parties and any illegal processing of logs in the forest.</p>	<p>Verifiers & Guidance:</p> <p><i>Interviews with: Staff, stakeholders or local communities.</i></p> <p><i>Document review: Authorisations, maps, policies and procedures.</i></p> <p><i>Field visits: Where possible, the relevant requirements must be verified in field.</i></p> <p>Actual implementation will rely on aspects such as:</p> <ul style="list-style-type: none"> • Guards/ security patrolling area. • Security/contractor reports. • Monitoring mechanisms. • Risk analysis and access register(s). • Dispute/ incident register. <p>Illegal logging should be read in the wide sense to include aspects such as felling, sawing, milling or even smaller use activities such as burning or the construction of boats/ canoes.</p>

<p>Indicator 4.4.3</p>	<p>Verifiers & Guidance:</p>
<p>The Company controls and monitors legal bush meat hunting or harvesting of non-timber forest products and prevents or observes, identifies, and reports any poaching.</p>	<p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> Authorisations, maps, policies and procedures. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Actual implementation will rely on aspects such as:</p> <ul style="list-style-type: none"> • Permit / authorisation system. • Guards/ security patrolling area. • Monitoring mechanisms. • Risk analysis and access register(s) • Dispute/ incident register.
<p>Indicator 4.4.4</p>	<p>Verifiers & Guidance:</p>
<p>The Company prevents or observes, identifies, and reports any unauthorised cultivation, mining, and other activities.</p>	<p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> Authorisations, maps, policies and procedures. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Actual implementation will rely on aspects such as:</p> <ul style="list-style-type: none"> • Permit / authorisation system. • Guards/ security patrolling area. • Monitoring mechanisms. • Risk analysis and access register(s). • Dispute/ incident register.

PRINCIPLE 5. THE COMPANY ADHERES TO REGULATIONS OF FOREST DECLARATIONS AND TAXES	
Criterion 5.1 The Company consistently submits its official declarations to the appropriate authorities in a timely manner	
Indicator 5.1.1	Verifiers & Guidance:
Where applicable, the Company has submitted its pre-harvest planning declarations to the appropriate authorities within the prescribed time period.	<p><i>Interviews with:</i> Staff, stakeholders or authorities.</p> <p><i>Document review:</i> Declarations and other relevant documentation.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Time period. • Geographical location. • Species to be harvested. • Amounts to be harvested. • Verify inventories areas against submission.
Indicator 5.1.2	Verifiers & Guidance:
Where applicable, the Company has submitted its production registers, declarations and statistics within the prescribed time period.	<p><i>Interviews with:</i> Staff or authorities.</p> <p><i>Document review:</i> Declarations and other relevant documentation.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Time. • Appropriateness of the authority submitted to. • Correctness of submission (type, existence, absence, number).

Indicator 5.1.3	Verifiers & Guidance:
<p>Where applicable, the Company has submitted its import and/or export declarations to the appropriate authorities within the prescribed time period.</p>	<p><i>Interviews with staff or authorities.</i></p> <p><i>Document review: Declarations and other relevant documentation.</i></p> <p><i>Field visits: Where possible, the relevant requirements must be verified in field.</i></p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Time. • Appropriateness of the authority submitted to. • Correctness of submission (type, existence, absence, number).

<p>Criterion 5.2 The Company consistently settles due payments to the appropriate authorities in a timely manner</p>	
Indicator 5.2.1	Verifiers & Guidance:
<p>The Company has paid the applicable royalties, fees, and taxes relating to forestry and timber processing activities within the prescribed time period.</p> <p>(VO-equivalent reads: "There is no significant non-compliance in respect of payments to the appropriate authorities.")</p> <p>Explanatory note: Same thing is verified but not to the same level of detail</p>	<p><i>Interviews with: Staff or authorities.</i></p> <p><i>Document review: Relevant documentation.</i></p> <p><i>Field visits: The relevant requirements must be verified in field.</i></p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Prescribed time period (periods may be negotiated/ agreed). • Taxes must be paid in accordance with the declarations (to the correct amount on the basis of verifiable elements). • Paid to the appropriate authorities. • Existence <u>or</u> absence of payment.

<p>Indicator 5.2.2</p>	<p>Verifiers & Guidance:</p>
<p>The Company has paid the applicable import and export duties within the prescribed time period.</p>	<p><i>Interviews with:</i> Staff or authorities. <i>Document review:</i> Proof of payments and relevant documentation. <i>Field visits:</i> The relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Prescribed time period (periods may be negotiated/ agreed) • Taxes must be paid in accordance with the declarations (to the correct amount on the basis of verifiable elements). • Paid to the appropriate authorities. • Existence or absence of payment.
<p>Criterion 5.3 The Company's data, registers, accounts and official declarations accurately reflect its operations</p>	
<p>Indicator 5.3.1</p>	<p>Verifiers & Guidance:</p>
<p>Pre-harvest planning documents accurately reflect the Company's operations.</p>	<p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> Pre-harvest planning documents, maps, policies and procedures. <i>Field visits:</i> The relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Management Plan. • Pre harvest inventories/ Logging inventories. • Road planning. • Procedural document (i.e Silviculture, pre-harvest, reduced impact logging requirements & other). • Geographical maps & plans. • Species & amounts to be harvested.

<p>Indicator 5.3.2</p>	<p>Verifiers & Guidance:</p>
<p>The Company's data, registers, official declarations and statistical statements accurately reflect its production and other operations and activities.</p>	<p><i>Interviews with staff or stakeholders.</i></p> <p><i>Document review: registers, official declarations, statistical statements, policies and procedures.</i></p> <p><i>Field visits: Where possible, the relevant requirements must be verified in field.</i></p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Logging, processing, purchase, import, removal, transportation, delivery, sale, and export (as applicable) operations and activities. • Geographical plans and maps. • Species harvested. • Amounts, volumes and dimensions of products. • Invoices; bonds; royalties; taxes; fees on concession lease contracts; and documentation of supplies; production and sales; as well as export duties.
<p>Indicator 5.3.3</p>	<p>Verifiers & Guidance:</p>
<p>The Company has its annual accounts verified by a chartered accounting firm.</p>	<p><i>Interviews with: Staff, stakeholders or local communities.</i></p> <p><i>Document review: Audited statements, reports, policies and procedures.</i></p>

PRINCIPLE 6. THE COMPANY COMPLIES WITH FOREST HARVESTING REGULATIONS	
Criterion 6.1 The Company has clearly identified authorised harvesting areas and positioned its planned forest activities in accordance with approved plans or regulations	
Indicator 6.1.1	Verifiers & Guidance:
The Company can show appropriate positioning and accurate mapping of designated areas and of proposed forest management activities in these areas.	<p><i>Interviews with:</i> Staff, stakeholders or local communities.</p> <p><i>Document review:</i> Maps, policies and procedures.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Management plan, register, policies, maps, plans. • Completeness. • Accuracy.
Indicator 6.1.2	Verifiers & Guidance:
The Company identifies itself and its operations on the ground with the necessary approval(s) and in accordance with relevant requirements.	<p><i>Interviews with:</i> Staff, stakeholders or local communities.</p> <p><i>Document review:</i> Authorisations, policies, procedures and maps.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p>
Criterion 6.2 The Company's operations and activities are geographically implemented in accordance with approved plans	
Indicator 6.2.1	Verifiers & Guidance:
The Company can show accurate mapping of its forest management activities (at implementation stage).	<p><i>Interviews with:</i> Staff, stakeholders or local communities.</p> <p><i>Document review:</i> Maps, policies and procedures.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Manage plan, register, policies, maps, plans, legislative requirements. • Appropriateness. • Correctness.

<p>Indicator 6.2.2</p>	<p>Verifiers & Guidance:</p> <p><i>Interviews with staff, stakeholders or local communities.</i></p> <p><i>Document review: maps, policies and procedures.</i></p> <p><i>Field visits: Where possible, the relevant requirements must be verified in field.</i></p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Management plans, register, policies, maps, plans, legislative requirements. • Appropriateness. • Correctness. <p><i>Note:</i> The positioning and marking of boundaries may in some countries be dependant on remarkable features (e.g. road alignment, camps, bridges, log landings, etc)</p>
<p>Indicator 6.2.3</p>	<p>Verifiers & Guidance:</p> <p><i>Interviews with: Staff, stakeholders, local communities or authorities.</i></p> <p><i>Document review: Authorisations, maps, policies and procedures.</i></p> <p><i>Field visits: Where possible, the relevant requirements must be verified in field.</i></p> <p><i>Note:</i> Specific consideration must be given that no logging takes place outside the boundaries of the authorised areas (blocks), on steep slopes or near water streams.</p>

Criterion 6.3 Felling strictly complies with species and trees as authorised, restricted or imposed by applicable international conventions, national or local regulations, and the management plan	
Indicator 6.3.1	Verifiers & Guidance:
The Company only harvests allowable species.	<p><i>Interviews with:</i> Staff, stakeholders or local communities.</p> <p><i>Document review:</i> Authorisations, maps, policies and procedures.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • International (CITES requirements). • National legal requirements. • Permit/ authorisation requirements.
Indicator 6.3.2	Verifiers & Guidance:
The Company harvests, where applicable, specific species as required by law.	<p><i>Interviews with:</i> Staff, stakeholders or local communities.</p> <p><i>Document review:</i> Authorisations, maps, policies and procedures.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Manage plan, register, policies, maps, plans, legislative requirements. • Permit/ authorisation requirements. • Harvesting plans /records

<p>Indicator 6.3.3</p>	<p>Verifiers & Guidance:</p>
<p>The Company only harvests trees above the minimum allowable diameter for each species.</p>	<p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> Authorisations, maps, policies and procedures. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Laws. • Permit. • Management plan. • Company controls (registers, data base, other). • Visit logyards & stumps in forest.
<p>Indicator 6.3.4</p>	<p>Verifiers & Guidance:</p>
<p>The Company adheres to restrictions on other tree-specific characteristics.</p>	<p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> Authorisations, maps, policies and procedures. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Characteristics would include:</p> <ul style="list-style-type: none"> • Seed tree. • Particular quality. • Monument tree. • Cultural significance.

Criterion 6.4 The Company marks and records trees, stumps, and logs in accordance with relevant regulations	
<p>Indicator 6.4.1</p> <p>The Company applies a (pre-harvest) tree identification system consistent with applicable regulatory and/or traceability requirements.</p>	<p>Verifiers & Guidance:</p> <p><i>Interviews with:</i> Staff, stakeholders or local communities.</p> <p><i>Document review:</i> Authorisations, maps, policies and procedures.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Inventories, reports, maps, plans, policies, procedures, legal requirements. • Type marking, position, distance, characteristics, numbering. • Auditor must verify consistency and correctness of trees to be felled (pre-harvest plan) against trees felled (stumps) in field on sample basis.

<p>Indicator 6.4.2</p> <p>The Company applies a (post harvest) stump identification system consistent with applicable regulatory and/or traceability requirements.</p>	<p>Verifiers & Guidance:</p> <p><i>Interviews with:</i> Staff, stakeholders or local communities.</p> <p><i>Document review:</i> Authorisations, maps, policies and procedures.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Numbering, producer mark, company mark, permit number, felling date or other prescribed requirement. • Auditor must verify consistency and correctness of stumps (sample in field) against trees felled (records/registers) on sample basis.
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<p>Indicator 6.4.3</p>	<p>Verifiers & Guidance:</p>
<p>The Company applies a (post harvest) log identification system consistent with applicable regulatory and/or traceability requirements.</p>	<p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> Authorisations, maps, policies and procedures. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Numbering, producer mark, company mark, permit number, felling date or other prescribed requirement. • Transported, in field, processing facility. • Auditor must verify consistency and correctness of logs (sample in field) against trees felled (records/registers) and vice versa on sample basis.
<p>Criterion 6.5 The Company can prove that the quantity or volume of harvest is compliant with the authorised amounts</p>	
<p>Indicator 6.5.1</p>	<p>Verifiers & Guidance:</p>
<p>The trees felled are those of the approved felling plans or, where applicable, the number of trees felled is compliant with the authorised amounts, for the time period, areas and species under consideration.</p>	<p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> Authorisations, maps, policies and procedures. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Harvesting Plans. • Records. • Authorised amounts. • Authorised species. • Time periods.

<p>Indicator 6.5.2</p>	<p>Verifiers & Guidance:</p>
<p>The harvested volumes are compliant with the authorised amounts for the time period, areas and species under consideration.</p>	<p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> Authorisations, maps, policies and procedures. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>This should be considered in absolute or relative terms (e.g. quotas limiting production). Auditors can consider aspects such as:]</p> <ul style="list-style-type: none"> • Harvesting Plans. • Records. • Volume. • Authorised species. • Time periods.
<p>Criterion 6.6 The Company can prove that the abandonment of trunks or portions of trunks is consistent with applicable regulatory requirements</p>	
<p>Indicator 6.6.1</p>	<p>Verifiers & Guidance:</p>
<p>The Company can provide justification for the abandonment of trunks or portions of trunks or logs in the forest.</p>	<p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> Authorisations, maps, policies and procedures. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Records. • Frequency must be consistent with applicable regulatory requirements.
<p>Indicator 6.6.2</p>	<p>Verifiers & Guidance:</p>
<p>The downgrading of logs as waste because of stocking exceeding the regulatory duration is compliant with applicable regulatory requirements.</p>	<p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> Authorisations, policies, procedures regulatory requirements. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p>

Indicator 6.6.3	Verifiers & Guidance:
The Company applies an identification system for abandoned trunks or portions of trunks or logs consistent with applicable regulatory requirements.	<i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> Regulatory requirements, policies and procedures. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field.

PRINCIPLE 7. THE COMPANY COMPLIES WITH PROCESSING, TRANSPORT AND TRADE, REGULATIONS

Criterion 7.1 The Company ensures that the processing, transport, and delivery of products to customers comply with relevant legal requirements

Indicator 7.1.1	Verifiers & Guidance:
All the Company's activities are within the permitted scope of activity.	<i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> Authorisations, policies and procedures. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field. Auditors need to verify that all activities are consistent with the law and due approvals. Specific consideration can be given to field visits, sales invoices and stakeholder consultation. <u>As example:</u> In Cameroon export of Iroko logs are prohibited as well as commercial activities with bush-meat. Similarly mining activities (gold in Gabon/diamonds in CAR)

Indicator 7.1.2	Verifiers & Guidance:
The Company, where applicable, always obtains the due authorisations prior to removal and transportation of forest products.	<i>Interviews with:</i> Staff, stakeholders or local authorities. <i>Document review:</i> Authorisations, policies and procedures. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field. Aspects to consider includes i.e export licenses and permits, transport permits, etc.

<p>Indicator 7.1.3</p>	<p>Verifiers & Guidance:</p>
<p>The Company adheres to timber processing obligations or restrictions.</p>	<p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Documents:</i> Authorisations/restrictions, policies and procedures. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Installed processing capacity or quotas (e.g. company's commitment during the allocation process or in the management plan; % of processing) • Species (including CITES) (e.g. Ebony = restriction in Congo or Iroko = obligation in Cameroon) • minimum recovery rate
<p>Indicator 7.1.4</p>	<p>Verifiers & Guidance:</p>
<p>The Company adheres to timber transport obligations or restrictions.</p>	<p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> Authorisations/ restrictions, policies and procedures. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Type of vehicle, authorized vehicles, drivers or contractors; • Night time interruption; • Compulsory itineraries; • Nationality of subcontractors; • Deliveries of log and other forest/timber products to processing units, storage areas, ports, or to the local market; • Necessary documentation.

<p>Indicator 7.1.5</p>	<p>Verifiers & Guidance:</p>
<p>The Company follows export procedures and adheres to export obligations or restrictions.</p>	<p><i>Interviews with:</i> Staff, stakeholders or local communities.</p> <p><i>Document review:</i> Authorisations/ restrictions, policies and procedures.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Product quality, volumes (or quotas), for particular products/species or in total. • Chemical treatment or fumigation. • Specifications or labelling meeting the requirements of the importing country.

<p>Criterion 7.2 The Company ensures that goods and services procured from third parties are covered by relevant assurances of legality</p>	
<p>Indicator 7.2.1</p>	<p>Verifiers & Guidance:</p>
<p>The Company has established purchasing specifications and procedures in line with legal requirements.</p>	<p><i>Interviews with;</i> Staff, third parties, or stakeholders.</p> <p><i>Document review:</i> Policies and procedures.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Procedures. • Purchasing specifications. • Procurement policies. • Records of purchases and field visit verified against list of approved suppliers.

<p>Indicator 7.2.2</p>	<p>Verifiers & Guidance:</p>
<p>The Company has a system of evaluation, approval and management of its suppliers and supplies in place to ensure that goods (including timber) and services procured from third parties follow established purchasing specifications and procedures.</p>	<p><i>Interviews with:</i> Staff, third parties, stakeholders or local communities.</p> <p><i>Document review:</i> Policies and procedures.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Policy / Procedures. • Records of legality of suppliers. • Maintenance/ revision of agreements.
<p>Criterion 7.3 The Company ensures that any losses during transport or processing are accurately reported and within acceptable limits</p>	
<p>Indicator 7.3.1</p>	<p>Verifiers & Guidance:</p>
<p>The Company ensures that losses during transportation are accurately reported and are within limits commonly accepted in this industry or set by relevant authorities.</p>	<p><i>Interviews with:</i> Staff and contractors,</p> <p><i>Document review:</i> Policies and procedures, reports</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Policy / Procedures. • Limitations and /or restrictions • Reports & registers
<p>Indicator 7.3.2</p>	<p>Verifiers & Guidance:</p>
<p>The Company ensures that recovery rates of processing activities are accurately reported and are within limits commonly accepted in this industry or set by relevant authorities.</p>	<p>Verifiers & Guidance:</p> <p><i>Interviews with:</i> Staff and contractors,</p> <p><i>Document review:</i> Policies and procedures, reports</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Policy / Procedures. • Recovery rates and limitations. • Reports & registers.

PRINCIPLE 8. THE COMPANY MAINTAINS THE NECESSARY REGISTERS	
Criterion 8.1 The Company maintains a current register of relevant acts, regulations and codes of practice and communicates such registers within the company	
Indicator 8.1.1	Verifiers & Guidance:
The Company maintains a register of applicable acts, regulations and code of practice that is complete.	<p><i>Interviews with:</i> Staff.</p> <p><i>Document review:</i> Register, policies and procedures.</p> <p>A legal register contains elaborate detail as to what is required from a particular company as well as the necessary authorisations and permits that the company needs to obtain.</p>
Indicator 8.1.2	Verifiers & Guidance:
The Company has a monitoring procedure in place which enables it to update the register regularly with any new or amendment of any relevant act, regulation or code of practice.	<p><i>Interviews with:</i> Staff.</p> <p><i>Document review:</i> Policies and procedures.</p> <p>The company must have a mechanism in place (external or internal) that allows it to monitor and update its register at least on an annual basis. An external mechanism may be in the form of the service of a consultant in which case consideration must also be given to the service agreement.</p>
Indicator 8.1.3	Verifiers & Guidance:
The Company distributes the register to relevant Company management staff and facilitates access to the corresponding acts, regulations and code of practice.	<p><i>Interviews with:</i> Staff.</p> <p><i>Document review:</i> Policies and procedures.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p>

Criterion 8.2 The Company maintains up to date dispute registers	
<p>Indicator 8.2.1</p> <p>The Company maintains an up to date register for legal disputes and administrative rulings.</p>	<p>Verifiers & Guidance:</p> <p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> Register, policies and procedures.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Dispute register (formal). • Register for administrative rulings incl. fines (formal). • Number of disputes. • Frequency of updating. • System of updating (adequacy).
<p>Indicator 8.2.2</p> <p>The Company maintains an up to date register for internal disputes with personnel.</p>	<p>Verifiers & Guidance:</p> <p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> Register, policies and procedures.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Dispute register (internal). • Number of disputes. • Frequency of updating. • System of updating (adequacy).
<p>Indicator 8.2.3</p> <p>The Company maintains an up to date register for stakeholder complaints.</p>	<p>Verifiers & Guidance:</p> <p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> register, policies and procedures.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Dispute register (stakeholder). • Number of disputes. • Frequency of updating. • System of updating (adequacy).

Criterion 8.3 The Company retains copies of all declarations and payments made to relevant authorities	
Indicator 8.3.1	Verifiers & Guidance:
The Company keeps records of submission of all its official declarations to the respective authorities.	<i>Interviews with: Staff.</i> <i>Document review: Proof of submission and relevant documentation.</i>
Indicator 8.3.2	Verifiers & Guidance:
The Company keeps copies of all money transfers or payments, be it attached to official invoices or not, made to relevant authorities for its forest and other related activities.	<i>Interviews with: Staff.</i> <i>Document review: Proof of transfer and relevant documentation.</i>

PRINCIPLE 9. THE COMPANY HAS MANAGEMENT AND CHAIN-OF-CUSTODY MONITORING SYSTEMS IN PLACE WHICH ENSURE ADEQUATE CONTROL AND TRACEABILITY OF ITS PRODUCTIONS

Criterion 9.1 The Company maintains auditable systems, appropriate to the scale and complexity of the operation, and organised for properly documenting its operations and fulfilment of its obligations	
Indicator 9.1.1	Verifiers & Guidance:
The systems allow the Company to manage operations separately for each forest management/ production unit.	<i>Interviews with: Staff or stakeholders.</i> <i>Document review: Policies and procedures.</i> <i>Field visits: Where possible, the relevant requirements must be verified in field.</i>
	Aspects to consider: <ul style="list-style-type: none"> • What kind of system is in place? • How many management/production units exist? • Who is responsible for the system? • Is the functioning of the system monitored? • Is this system part of a multi-site? • Written procedures and work instructions implemented?

<p>Indicator 9.1.2</p>	<p>Verifiers & Guidance:</p>
<p>The Company has designated in writing a responsible person to take full responsibility for the Company's compliance with all aspects of maintaining and monitoring the Chain-of-Custody.</p>	<p><i>Interviews with: Staff or stakeholders.</i></p> <p><i>Document review: Policies and procedures.</i></p> <p><i>Field visits: Where possible, the relevant requirements must be verified in field.</i></p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Who is/ are the designated responsible person(s)? • Are subcontractors, third parties and other external parties covered?
<p>Indicator 9.1.3</p>	<p>Verifiers & Guidance:</p>
<p>Policies and procedures have been defined in writing and are adequate.</p>	<p><i>Interviews with: Staff or stakeholders.</i></p> <p><i>Document review: Policies and procedures.</i></p> <p><i>Field visits: Where possible, the relevant requirements must be verified in field.</i></p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Responsibilities? • Are the policies, procedures and work instructions still up-to-date? • Are subcontractors, third parties and other external parties covered?
<p>Indicator 9.1.4</p>	<p>Verifiers & Guidance:</p>
<p>Staff is qualified / trained.</p>	<p><i>Interviews with: Staff or stakeholders.</i></p> <p><i>Document review: Records, policies and procedures.</i></p> <p><i>Field visits: Where possible, the relevant requirements must be verified in field.</i></p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Definition of training requirements (which personnel need to know what?) • Training register and records. • Appropriateness / relevance • Frequency. • Experience.

<p>Indicator 9.1.5</p>	<p>Verifiers & Guidance:</p>
<p>Records and archives are kept safe (back-up) and stored for an appropriate length of time.</p>	<p><i>Interviews with:</i> Staff or stakeholders. <i>Document review:</i> Records, policies and procedures. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Record keeping mechanism / system. • Frequency/updating. • Are relevant records kept for at least 5 years?
<p>Indicator 9.1.6</p>	<p>Verifiers & Guidance:</p>
<p>Records and data systems are protected against security risks such as manipulation, misuse, and data loss.</p>	<p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> Policies and procedures.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Protection mechanism, • Risk evaluation if system is adequate.
<p>Indicator 9.1.7</p>	<p>Verifiers & Guidance:</p>
<p>Internal monitoring ensures proper functioning of the system and integrity of the data.</p>	<p><i>Interviews with:</i> Staff. <i>Document review:</i> Policies and procedures.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Monitoring mechanism / system. • Frequency/updating. • Appropriateness.

Criterion 9.2 The traceability system is complete	
<p>Indicator 9.2.1</p> <p>The internal product identification and production management systems in place allow to distinguish the different categories of verified/unverified products and to 'track and trace' the products effectively through all the production stages from a legal source to a legal destination and/or from destination back to source.</p>	<p>Verifiers & Guidance:</p> <p><i>Interviews with: Staff.</i></p> <p><i>Document review: Policies and procedures.</i></p> <p><i>Field visits: Where possible, the relevant requirements must be verified in field.</i></p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Identification or Segregation. • Procedures. • Records (suppliers' statements and certificates etc.) • Databases. • Software. <p>Note: The company must maintain a system which describes the production cycle and the characteristics of every product sold (or batch/lot of products sold against the same order as the manufactured products) from the stump identified geographically up to the final destination/point of sale of the product.</p>
<p>Indicator 9.2.2</p> <p>The systems in place provide or facilitate consistency checks and balances to reconcile input/ output/ stock volumes between all the production stages and product categories.</p>	<p>Verifiers & Guidance:</p> <p><i>Interviews with: Staff.</i></p> <p><i>Document review: Policies and procedures.</i></p> <p><i>Field visits: Where possible, the relevant requirements must be verified in field.</i></p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Reports. • Stock to date and recorded in the system. • Recovery rates/ Conversion ratios.

<p>Indicator 9.2.3</p>	<p>Verifiers & Guidance:</p>
<p>All (intermediate) products are included in the system from the stump to the point of sale/processing.</p>	<p><i>Interviews with:</i> staff.</p> <p><i>Document review:</i> Policies and procedures.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Procedure and records. <p><i>Note:</i> special attention to be provided to intermediate stocks (e.g. recuperation, kiln) and losses.</p>

<p>Indicator 9.2.4</p>	<p>Verifiers & Guidance:</p>
<p>Critical control points are identified and properly managed to avoid mixing of verified and unverified products.</p>	<p><i>Interviews with:</i> Staff or stakeholders.</p> <p><i>Document review:</i> Records, policies and procedures.</p> <p><i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • List of critical control points • Existence and efficiency of physical segregation or on-product marking and/or production by batch.

<p>Indicator 9.2.5</p>	<p>Verifiers & Guidance:</p>
<p>Third party supplies and sales are recorded, controlled and monitored and legal ownership (back through the supply chain and forward to the buyer) is documented and can be proven.</p>	<p><i>Interviews with:</i> Staff or stakeholders. <i>Document review:</i> Records, policies and procedures. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Records (Production, Products, Purchase, Sale, Stock). • Summaries of third party supply quantities. • Evaluation of the risk of mixing at all the production stages. • Staff Awareness. • Verification that total quantity (1 year period and/or since the last audit) of <ul style="list-style-type: none"> - non agreed suppliers are less than 5% - agreed supplied complies with requirement of RD-10
<p>Criterion 9.3 The Company manages the identification of verified legal timber properly</p>	
<p>Indicator 9.3.1</p>	<p>Verifiers & Guidance:</p>
<p>Labels, signs and marks (on- and off-product), where applicable, fulfil the relevant legality verification scheme's requirements.</p>	<p><i>Interviews with:</i> Staff or stakeholders. <i>Document review:</i> Records, policies and procedures. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Product mark requirements (see RD-TLTV-10)

<p>Indicator 9.3.2</p>	<p>Verifiers & Guidance:</p>
<p>The legality verification scheme's statement number is mentioned correctly on all invoices (SGS-TLTV/LP-XXXX).</p>	<p><i>Interviews with:</i> Staff, stakeholders or local communities. <i>Document review:</i> Authorisations, maps, policies and procedures. <i>Field visits:</i> Where possible, the relevant requirements must be verified in field.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Invoices. • Transport documentation • Records. • Statistics.
<p>Indicator 9.3.3</p>	<p>Verifiers & Guidance:</p>
<p>Summaries of purchases, sales and stock are maintained distinguishing verified legal timber and other.</p>	<p><i>Interviews with:</i> Staff. <i>Document review:</i> Records, policies and procedures.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • 6-monthly summaries
<p>Indicator 9.3.4</p>	<p>Verifiers & Guidance:</p>
<p>Off-site processing fulfils the same COC-requirements as mentioned above and is covered by a valid outsourcing agreement.</p>	<p><i>Interviews with:</i> Staff. <i>Document review:</i> Records, policies and procedures.</p> <p>Aspects to consider:</p> <ul style="list-style-type: none"> • Outsourcing agreement • Policies, procedures, records, summaries, invoices etc.