



# **Report: Study on Certification and Verification Schemes in the Forest Sector and for Wood-based Products**

Preferred by Nature  
[July 2021]



Environment

**EUROPEAN COMMISSION**

Directorate-General for Environment  
Directorate F — Global Sustainable Development  
Unit F.3 — Multilateral Environmental Cooperation

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# **Report: Study on Certification and Verification Schemes in the Forest Sector and for Wood-based Products**

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PDF      ISBN 978-92-76-40787-4      doi:10.2779/126030      KH-02-21-994-EN-N

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## Acronyms

AB:	Accreditation Body
ASI:	Accreditation Services International
BC:	Book and Claim
BV:	Bureau Veritas
CAR:	Corrective Action Request
CAs:	Competent Authorities
CASCO:	Committee on Conformity Assessment
CB:	Certification Body
CH:	Certificate Holder
CITES:	The Convention on International Trade in Endangered Species of Wild Fauna and Flora
CoC:	Chain of Custody
CSA:	Canadian Standards Association
CSPO:	Certified Sustainable Palm Oil
CW:	Controlled Wood
DD:	Due Diligence
DDS:	Due Diligence System
DTS:	Data Transfer System
EC:	European Commission
EIA:	Environmental Investigation Agency
ETTF:	European Timber Trade Federation
EU:	European Union
EUTR:	European Timber Regulation
FLEGT:	Forest Law Enforcement Governance and Trade
FM:	Forest Management
FME:	Forest Management Enterprises
FMU:	Forest Management Units
FPIC:	Free, Prior and Informed Consent
FRA:	Forest Resources Assessment
FSC:	Forest Stewardship Council
GNSS:	Global Navigation Satellite System
HCS:	High Carbon Stock
HCV:	High Conservation Value
HCVF:	High Conservation Value Forest
HSCA:	High Carbon Stock Approach

IAF:	International Accreditation Forum
ILO:	International Labour Organization
IP:	Identity Preserved
ISEAL:	International Social and Environmental Accreditation and Labelling
ISO:	International Organisation for Standardisation
IT:	Information Technology
LUCA:	Land Use Change Analysis
MB:	Mass Balance
MOs:	Monitoring Organizations
NAB:	National Accreditation Body
NCR:	Non-Conformity Report
NCR:	Non-conformance Report
NFSS:	National Forest Stewardship Standards
NGB:	National Governing Bodies
NGO:	Non-Governmental Organisations
NMRO:	National Measurement and Regulation Office
OLB:	Origine et Légalité des Bois
PACs:	Product Advisory Committees
PEFC:	Programme for the Endorsement of Forest Certification
RSPO:	Roundtable on Sustainable Palm Oil
RTRS:	Round Table on Responsible Soy Standard
SAF:	Scheme Assessment Framework
SAP:	Scheme Assessment Procedure
SBE:	Supply Base Evaluation
SBP:	Sustainable Biomass Program
SFI:	Sustainable Forestry Initiative
SG:	Segregated
STD:	Standard
TIC:	Testing, Inspection and Certification
TLV:	Timber Legality Verification
WJP:	World Justice Project



## Executive Summary

What is forest certification? What does it certify? How is it used? What can you tell from a certificate?

The answers to these questions are fundamental to understanding the relationship between voluntary certification of forest products and the EU Timber Regulations.

This report presents the findings of a study conducted on the behalf of the European Commission, to provide a better overview of forest-related certification schemes and the differences between them. A better understanding of how well certification schemes align with the requirements of the EU Timber Regulation (EUTR), will benefit the Operators of the timber industry, as defined by the regulation, as well as the authorities responsible for enforcing it.

The provisions of the EUTR and related implementing guidelines provide clarity that, although certified material may play a role in the due diligence process, it is not an automatic “green lane” to meet the due diligence obligations. Rather than being exempted from the requirements of the regulation - like CITES or FLEGT licensed wood-products placed on the EU market - Operators still must conduct a risk assessment of materials carrying a certification claim.

The findings of this study can therefore be used in the following two ways:

- for certification schemes evaluated as part of the study, as a direct support to the risk assessment, adding detail to this process by providing information on where potential strengths as well as gaps may exist in the coverage of the specific certification scheme,
- for other schemes not evaluated as part of the study, this summary report should provide guidance as to how the scheme should be evaluated, identifying both the strengths and gaps which are common to many certification schemes.

### Key findings

Through comprehensive analysis of scheme standards, combined with a review of external studies and reports, several findings were made in order to highlight recommendations for EU operators and competent authorities when dealing with certified timber products.

The overall finding of the study is that certification can provide significant support to Operators in their efforts to meet EU Timber Regulation obligations for due diligence. The certification of forest products provides both assessment and assurance of most aspects of legality and also provides systems to control and manage fraud and corruption. In addition, the application of chain of custody systems on certified material claims, support the ability to access supply chain information and control the flow of material through the supply chain. It is concluded that certification is a key tool for Operators for meeting EUTR due diligence obligations.

While being an important tool for Operators, the present study also identified several gaps and weaknesses. These need to be considered when buying certified materials. This study can serve as a guide to where such weaknesses are found in the schemes under assessment.

The study indicates that certification schemes generally include requirements for certified materials to be harvested and traded in accordance with applicable legislation. However, the study also identifies the areas where the legal requirements applied by certification schemes are limited in scope or ambiguous in nature. It also concludes that most scheme standards have gaps in their legality definitions, that poses risks in relation to them fully meeting the definition of applicable legislation as set out in the EUTR.

A second key gap to certification schemes relates to the traditional model of chain of custody systems to track the claims of certification, from the forest to the end buyer. While they do provide a systematic approach to transferring claims throughout the supply chain, for the most part, they do not include the systematic ability to verify – in real time or otherwise – transactions of volumes, species, and qualities between entities, thus leaving the systems vulnerable to manipulation and fraud.

The findings of the study also show that even if certification schemes on the first look appear relatively similar, there can be significant differences in what they cover, how they operate and how well they address risks of illegal harvesting and trade in certified supply chains.

This report includes the detailed analysis of the normative frameworks of certification schemes against a Scheme Assessment Framework developed as part of the study. It also includes analysis of the performance of certification schemes based on publicly available information or data which informs on the functioning of certification systems in practice. Including the performance-based information which is important because the scheme performance not only relies on the contents of normative standards, procedures and their application, but also on other factors that affect the effectiveness or integrity of schemes, such as corruption.

Corruption and fraud are key risks in timber supply chains from many countries – this problem is not limited to certified timber. A key finding of this study concerning how well certification schemes address corruption and fraud, is that although most schemes have requirements related to detection of corruption, these are often insufficient. In general, the following is applicable to all certification schemes:

- given the clandestine nature of corruption and the illegalities that stem from it, schemes are challenged to identify and effectively handle corruption issues.
- the systems in place to identify cases of corruption are relatively limited.

In addition, the risk of fraud, e.g., in supply chains is generally poorly covered. There seems to be no approach to enable auditors to detect and act on fraudulent practices by forest managers or in the supply chain. So, while schemes do have systems in place to control and manage fraud, this is an area where improvement can be made.

In summary, the findings show that none of these schemes are perfect or can provide complete control of supply chains, but at the same time they are an essential tool to meet EUTR requirements. Certification provides a range of safeguards that support legal trade in timber products and definitely safeguards a higher degree of assurance to operators, compared to non-certified material or supply chains.

Operators are therefore recommended to use certified material and make the best use of this certificate schemes assessment in this study to identify potential gaps in the certification schemes and to compare this with their risk assessment of the supply chain.

## Introduction

Certification of forest product has been used in the last decades to improve forest management, secure supply chain traceability and make markets claims to buyers about the certified status of the material. But with the implementation of the EU Timber Regulation, market operators and buyers face new challenges in assuring that the timber has been legally harvested and transported. These challenges have raised questions as to the effectiveness of certification systems to assure legality, especially as defined by the EUTR.

Specifically, for operators implementing due diligence systems, as required by the EUTR as well as for the Competent Authorities enforcing the Regulation, questions remain regarding the level of assurance that can be obtained from certified material. Also, questions are often raised about how the information on certificates can be linked to the legality and traceability of the product.

So, the questions emerging for the day-to-day implementation of the EUTR, focus on areas such as how well a certification scheme ensures compliance with applicable legislation and how well the scheme assure that certified material is not mixed with non-certified materials. Also, how the certification scheme, in general, functions to avoid fraudulent practices such as corruption and misuse of certification claims.

This report contains the findings from a study conducted by Preferred by Nature on behalf of the European Commission. Its findings provide insight to these questions and deliver recommendations to the EC on how a similar approach to assessing the efficiency of certification schemes could be used to evaluate other issues for other types of commodities.

### About the study

Preferred by Nature is contracted by the European Commission (EC) to carry out Study on Certification and Verification Schemes in the Forest Sector and for Wood-based Products as part of the EU Communication on Deforestation.

The Study was awarded to Preferred by Nature in March 2020 and planned to run for 12 months.

As stated in the call for tenders<sup>1</sup> to which this study is responding:

*“The EUTR (European Timber Regulation) is an EU legislative instrument to address the global problem of illegal logging by acting on the side of the demand for timber and timber products. While this instrument entered into application in 2013, more recently, in 2019, the European Commission adopted an EU Communication on Stepping up EU Action to Protect and Restore the World's Forests. The Communication proposes actions to be implemented by the European Commission to meet these priorities among others to encourage the strengthening of standards and certification schemes that help to identify and promote deforestation-free commodities through, among other things, studies on their benefits and shortcomings and by developing guidance, including assessment based on certain criteria to demonstrate the credibility and solidity of different standards and schemes.”*

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<sup>1</sup> ENV/2019/OP/0013

The European Timber Regulation (EUTR) was proposed in October 2008, adopted on 20 October 2010 as Regulation (EU) No 995/2010 and came into force on 3 March 2013. The regulation prohibits the placement of illegal timber on the EU market and covers a wide range of products set out in its Annex I.<sup>2</sup>

The EUTR establishes the following three key obligations:

1. It prohibits the placing on the market of illegally harvested timber or timber products derived from such timber.
2. It requires operators who place timber products on the EU market for the first time to exercise 'due diligence' ("DD") not to source timber from illegal sources.
3. It requires traders in timber and timber products, which have already been placed on the market, to keep records of their suppliers and customers.

Due Diligence requirements are designed to ensure that operators undertake a risk management exercise to minimize the risk of placing illegally harvested timber, or timber products containing illegally harvested timber, on the EU market.<sup>3</sup>

## The challenge

The timber and wood-based industry widely use certification to meet their sustainability commitments and as a tool in meeting the due diligence obligations of the EUTR.

As stated in the tender:

*"The EUTR establishes that risk assessment procedures in the context of the application of the DD System should include relevant risk assessment criteria, including assurance of compliance with applicable legislation, which may include certification or other third-party-verified schemes which cover compliance with applicable legislation. Alongside forest certification systems, certifying bodies issue certificates as "third-party" verifying the legality of timber and wood-based e.g., on ISO standards, as part of Corporate Social Responsibility, or management systems. But the EU states that certification of a product standard or chain of custody does not necessarily prove legality, as required by EUTR. It is therefore useful to describe the differences in certification schemes and identify the elements relevant under EUTR. Difficulties in understanding certificates and certification and lack of clear information by companies/entities and organizations issuing certificates may result in operators being in breach with legal requirements or at least paying for something with no or limited value. For authorities, the same problem might result in waste of enforcement resources or even drawing wrong legal conclusions during inspections."*

## Objectives

The study aims to provide a clear methodology for the evaluation of certification schemes to facilitate alignment of the work by Operators and Competent Authorities regarding the different legality definitions, criteria behind the certification, and how they relate to legal obligations under the EUTR.

Specific objectives of the Study are:

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<sup>2</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32010R0995>

<sup>3</sup> [https://ec.europa.eu/environment/forests/timber\\_regulation.htm#due\\_diligence](https://ec.europa.eu/environment/forests/timber_regulation.htm#due_diligence)

1. Create an overview of certification and verification schemes and certificates being used for forest and wood-based products.
2. Develop and apply a framework for the evaluation of such certification and third part verification schemes, including their respective strengths and weaknesses, in relation to the EUTR.
3. Evaluate the applicability of the framework to other products originating from converted land.
4. Identify options for further work at the EU level/for the Commission.

## **Key activities**

The key activities of the Study were:

- Establish the participation approach, including the Stakeholder Consultation Forum, the Peer Review Committee and other stakeholders' networks and platforms and ensure continued participation.
- Create an overview of certification and verification schemes and certificates being used to certify forest and wood-based products.
- Develop an assessment framework.
- Implement the assessment framework to assess selected schemes.
- Evaluate the applicability of the framework to other products originating from converted land.
- Identify options for further work at the EU level/for the Commission.

## **Development of the Scheme Assessment Framework**

To evaluate certification scheme documents and associated standards, a Scheme Assessment Framework has been developed. This is described in detail in the section on methodology.

The Scheme Assessment Framework contains several requirements for certification schemes to evaluate how well they address legal harvesting and trade and how the scheme audits certificate holders, how they approve certification bodies, and how the scheme is managed. The framework is structured into a set of principles and criteria:

### **A: Requirements for Certificate Holders**

- A.1 Legal Requirements at the forest level
- A.2 Legal requirements for supply chain entities
- A.3 Requirements for material control
- A.4 General requirements for Certificate Holders
- A.5 Quality and procedural requirements for Certificate Holders

### **B: Requirements for Certification Bodies**

- B.1 General Certification Body requirements
- B.2 Certification Body requirements for auditing and certification

### **C: Requirements for Certification Schemes**

- C.1 Transparency

- C.2 Standard setting
- C.3 Accreditation
- C.4 Certification process

Each scheme was assessed against all indicators for each of the criteria, according to the assessment procedure also developed for this study. The assessment procedure was developed as one of the first activities of the study and finalised through stakeholder consultation process.

### About this report

This report contains separate parts as below:

#### **PART I: Background and methodology**

in this part of the report the background to certification is summarized and the methodology used for the study is presented.

#### **PART II: Cross cutting issues**

In this section general information and issues related to the performance of certification scheme is discussed. The report includes an evaluation of evidence relating to scheme performance, such as scientific articles, reports from civil society organisations and other sources. There does not exist a large body of literature addressing impacts and performance of certification schemes. However, such information as was found was evaluated, in order to provide examples of where certification schemes provide value, but also where examples may show weaknesses.

Issues related to the performance of certification schemes include how chain of custody models are implemented and what challenges exist, also there is discussion on how schemes deal with differences in legality definitions and how scheme governance affect the performance on the ground.

This summary report provides a synthesis of this information, drawing on evidence from external performance data to further analyse strength and weaknesses of schemes in relation to their real-world performance, and the use of certified material within a due diligence system.

#### **PART III: Results related to forest certification scheme evaluations.**

A summary of the key results from the assessments of five forest certification schemes and standards against the Scheme Assessment framework developed for this study.

The Schemes/Standards included in the study are:

1. PEFC International, including national standards from Brazil, Romania, Russia and China.
2. FSC International including national standard adaptation from Brazil, Romania, Russia, and China.
3. Bureau veritas's OLB
4. Sustainable Biomass Program, and
5. ISO Standard 38200 on chain of custody of forest products.

All reports are annexed to this report.

The assessments contain an overview of how well the schemes provide assurance that certified material is legally harvested and traded and how this assurance could be used as



part of Operators' efforts to comply with the obligations of the EU Timber Regulation. The detailed assessments were focused on evaluating the normative requirements of the schemes and their procedures and systems to ensure consistency and integrity in the implementation of the schemes. These issues centre around requirements for certification bodies, accreditation, as well as scheme governance issues.

This summary report presents the overall analysis based on the results of the scheme assessments.

#### **PART IV: Analysis of the application of a similar scheme evaluation approach, to other commodity certification schemes**

As stated above, the study also includes an evaluation of how well the approach to assessing forest certification schemes would work with covering certification of non-forest products from agricultural production. Special focus is given to products that have a high risk of originating from land converted from natural forest or other natural ecosystems.

The following schemes were selected to evaluate how well the Scheme Assessment Framework is functioning:

1. Soy certification by RTRS;
2. Cocoa certification by UTZ, and;
3. Palm oil certification by RSPO.

For each of these schemes, a revised assessment framework was tested to evaluate which indicators would be relevant for other commodities and to evaluate if additional indicators should be added.

#### **PART V: Recommendations**

The fifth and final part contains a brief overview of recommendations based on the findings of the study.

study.

#### **Annexes**

As mentioned above this report contains the main findings and summary of scheme assessments conducted as part of this study. In addition to this report several Annexes are attached to this report.

The reports annexed to this report are as follows:

- **Annex 1: Forest Certification Schemes: an overview** – This report provides a general overview of the structure and functioning of certification schemes. It provides important information about schemes that will enable the reader to understand the concepts and language used by certification schemes and the structure set up to implement and govern them.
- **Annex 2: Certification Scheme Assessment Procedure (SAP)** – the procedure used to assess certification schemes
- **Annex 3: Certification Scheme Assessment framework (SAF)** – the Framework used to assess certification schemes.
- **Annex 4: PEFC Scheme Assessment Report** - results of the assessment of the PEFC Scheme.
- **Annex 5: FSC Scheme Assessment Report** - results of the assessment of the FSC Scheme
- **Annex 6: SBP Scheme Assessment Report** - results of the assessment of the SBP Scheme

- **Annex 7: ISO 38200 Standard Assessment Report** – results of the assessment of the ISO 38200 Standard.
- **Annex 8: OLB Scheme Assessment Report** – results of the assessment of the OLB Scheme.



## PART I: Background and methodology

### 1. History of forest certification

Concerns about deforestation, illegal logging, poor forest management and land rights of forest-dependent peoples – particularly in tropical timber-producing countries - emerged in the mid-1980s to early 1990s and supported through campaigns by NGOs and Indigenous peoples' organisations (FERN, 2001). At the same time, the concept of sustainable development was gaining popularity in the wake of the 1987 Brundtland's report and the United Nations Conference on Environment and Development ('Earth Summit') of 1992 in Rio. In 1990, international negotiations aiming at setting up a global forest treaty were launched but this process failed as the international community never reached a consensus for a binding multilateral instrument on forests and the necessary definition of sustainable forest management and mechanism to enforce it (Perera & Vlosky, 2006).

In parallel, discussions between the forest products sector, consumers of wood products and environmental and human-rights NGOs led to the development of a non-governmental market-based approach, designed to provide a credible way of identifying well-managed forests and timber products derived from those forests while meeting the various needs and interests of actors involved (FERN, 2001). This started the development of voluntary certification, which led the foundation of the Forest Stewardship Council (FSC) in 1993, as an early 'front-runner'. Set up as an independent non-profit organisation with a global reach, FSC pioneered innovative decision-making processes accommodating diverse interests and helped shape the form that sustainable forest management certification would take through its 'Principles for Forest Stewardship' (Brown et al., 2008).

In the next few years, competition in the field of voluntary certification emerged, mainly from national and regional initiatives; in the USA with the Sustainable Forestry Initiative (SFI) in 1994, in Canada with the Canadian Standards Association in 1996 and the Pan-European Forest Certification (PEFC) in 1999 (Perera & Vlosky, 2006, Brown et al., 2008).

The multiplication of such national or regional forest certification schemes soon brought debates over mutual recognition. Based on its successfully working with European industry and stakeholders, PEFC re-launched in 2003 as a global initiative called *"Programme for the Endorsement of Forest Certification schemes"*, working as a benchmarking scheme endorsing national certification schemes also outside Europe, such as SFI and CSA. By 2019, 48 national schemes were supported under PEFC (Brown et al., 2008). PEFC is now the certification scheme with the largest area of certified forest, followed by FSC, with around 325 million hectares and 210 million hectares certified, respectively.

Given the timeframes required to achieve Forest Management (FM) certification and the time taken to build a critical mass of certified forest, a gap emerged between the available volumes of certified timber and the demand for certified material. One early obstacle to the growth of the certified forest area, was the challenges faced particularly by wood chip and fibre industries, as the requirement to physically segregate certified and non-certified material is very costly. Another obstacle faced by producers of assembled products, for whom it could be very challenging to acquire all product components from certified forests. The result in both cases was an either-or situation, where either all or nothing of a product could be marketed as certified. To address these challenges, different procedures for mixing certified and uncertified material were introduced, the two most common of which is the mass balance system (credit system) and the threshold system (percentage system).

In the meantime, government-led action to fight unsustainable forest management and deforestation emerged with several regulatory measures taken by countries or regions to restrict the entry into their internal market of illegally harvested or traded products. In this regard, the United States government amended its Lacey Act in 2008, Australia adopted the Illegal Logging Prohibition Act in 2012 and the European Union launched its Forest Law Enforcement, Governance and Trade Action plan in 2003 and adopted its Timber Regulation (EU 995/2010)<sup>4</sup> in October 2010.<sup>5</sup>

These new regulatory measures represent an effort to ensure the legality of timber traded both domestically and internationally. They mainly took the form of obligations of timber businesses trading in forest products to exercise 'due diligence' or 'due care' in relation to the potential risk of illegality in the country of harvest or during their trade.

Before aiming at sustainability, the push towards securing legality, alongside the challenges of sustainability certification schemes, led to the development of other certification or verification schemes, such as the Bureau Veritas' OLB, geared toward ensuring the legality of timber rather than the more demanding threshold of sustainable forest management.

This new set of schemes encompasses the certification of legal harvesting directly at the forest level as well as the certification of legality in trade and transport at various points along the supply chain. Other schemes focus on certifying the robustness and performance of due diligence practices conducted by an organisation on its timber supplies.

These latter schemes have mainly been developed by organisations already involved in delivering certification services for precursor schemes (for instance, Bureau Veritas (OLB), Control Union (TLV), SCS (Legal Harvest) and Preferred by Nature (LegalSource).

Similarly, other certification schemes have emerged in relation to more specific forest product groups or processes. Examples include the Sustainable Biomass Program (SBP)<sup>6</sup> as a scheme for sustainable biomass production, schemes for non-timber forest products (e.g. FairWild<sup>7</sup>, the International Standard for Sustainable Wild Collection of Medicinal and Aromatic Plants, etc.), as well as the ISO Standard specifically for the traceability of timber products (ISO 38200/2018)<sup>8</sup>, etc.

## 2. Key features of certification

Forest-related certification schemes may help operators comply with the EU Timber Regulation (EUTR). It is explicitly stated in the regulation text that certification schemes may be taken into account in risk assessment and mitigation procedures. Still, it is important to emphasise that the regulation does not exempt certified products from the EUTR requirements. While certification may significantly contribute to ensuring legality of wood sourcing for operators, they still need to understand the strengths and limitations of forest-related certification schemes in the context of complying with the EUTR requirements.

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<sup>4</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32010R0995>

<sup>5</sup> The EUTR entered into force in March 2013.

<sup>6</sup> <https://sbp-cert.org/>

<sup>7</sup> <https://www.fairwild.org/>

<sup>8</sup> <https://www.iso.org/standard/70179.html>

Despite many similarities, each forest-related certification scheme comprises its own set of requirements, a discrete set of certification and accreditation procedures, differing approaches to quality assurance and a varying degree of transparency. These differences result in a high level of complexity for certificate holders, who in some cases may be simultaneously certified under several different certification schemes. This may lead to a lack of understanding of the limitations of the individual certification scheme and cause certificate holders to fail to understand that compliance with a voluntary forest certification scheme does not necessarily equal compliance with all applicable laws in the country in which they operate.

This report seeks to give its readers a much more comprehensive understanding of forest-related certification schemes, their design, structure, and applicability with the EUTR.

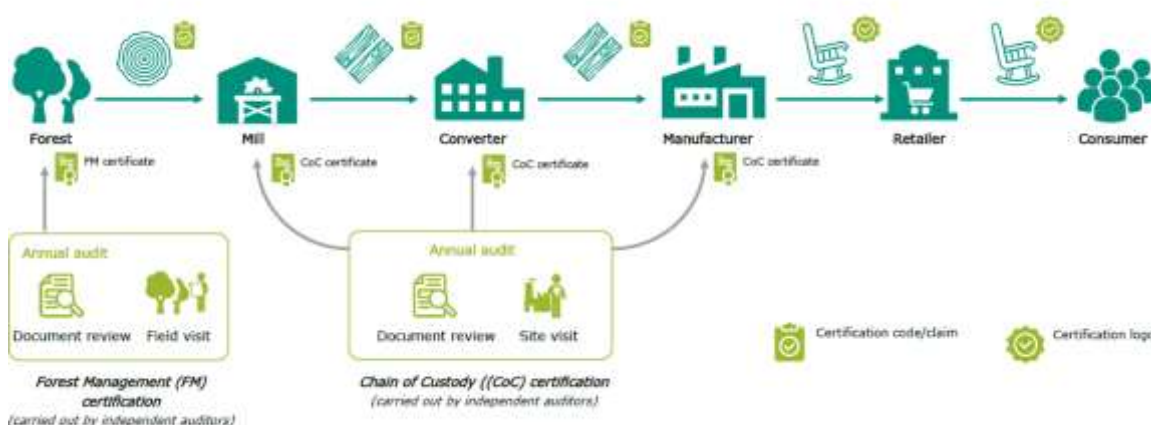


Figure 1: Overview of forest-related certification

## 2.1 Key features of forest-related certification

This paper focuses on legal and/or sustainable forest management certification and traceability systems for forest products<sup>9</sup> and class them according to key differences in the certification process. It may be helpful to distinguish between four distinct types of certifications, depending on the process and object of certification. However, many certification schemes share characteristics of more than just one of the following types of certifications.

- **Product certification** is when the object of certification is the product itself. Product certification seeks to ensure that a product meets predetermined specifications, such as a certain quality level and composition. While most forest certification schemes are not product certification systems per se since the product itself is not subject to evaluation. The schemes permit on-product certification claims for marketing purposes.
- **System certification** is when the object of certification is a system of procedures designed to deliver a uniform product or outcome. Under a system certification, the assessment focus on policies, processes, and systems in place rather than the

<sup>9</sup> Certification systems dedicated to product specific attributes, such as wood quality or formaldehyde emissions from wood products, have omitted from this report.

product or performance. The ISO 9000 family of quality management systems is an example of a system certification regime.

- Process certification focuses on specific steps in a production process to acquire desired product properties. Chain of custody (CoC) certification can be described as a process certification, as the goal is to ensure traceability in the production flow through auditing.
- Performance-based certification focuses on outcome rather than process. Performance-based certification allows for flexibility in achieving a given outcome to meet certain thresholds or objectives.

Most forest certification schemes contain elements of both performance-based and system certification. Some criteria and indicators may set specific thresholds that need to be met by the certificate holder, while other criteria and indicators may require certain systems or procedures to be in place.



Figure 2: Overview of Overview and roles of actors in certification schemes

## 2.2 Actors commonly involved in certification

The following types of entities are usually present within a certification scheme:

- The Scheme owner is responsible for the development, administration, and maintenance of a scheme. Their role usually involves developing a set of normative requirements (standards) and ensuring that the standards are regularly revised, appropriately interpreted and implemented. Scheme owners also establish the requirements and procedures for certificate holders and develop an assurance system to ensure the proper functioning of the scheme.
- Accreditation bodies are tasked with accrediting other organisations (certification bodies) to deliver qualified certification services under a predetermined set of requirements. Accreditation bodies should regularly evaluate certification bodies' performance to ensure their continuous technical competence and integrity when conducting conformity assessment work. An accreditation body may be included in a scheme's institutional setup, in which case the scheme owner will usually choose the accreditation body. One or more accreditation bodies may provide accreditation services under a certification scheme. However, not all certification schemes function with an independent accreditation body, as some scheme owners directly accredit certification bodies.
- Certification bodies (CBs) are the third-party entities that deliver certification services, principally through auditing practices. A certification body usually

employs individual auditors. Their role is to ensure that certificate holders conform to the applicable set of requirements whilst following the relevant procedures set by the scheme owner for CBs. Some private-sector legality verification schemes are, however, also delivering certification activities themselves.

- Certificate holders are the organisations committing to the conformity assessments against one or more standards. As auditors regularly assess the certificate holders, they are generally referred to as the “auditee”. However, some certification bodies distinguish between the ‘certification client’, and the ‘auditee’, i.e. the client of certification can be the owner of a corporation with many subsidiaries, while the auditee may be a specific entity of that corporation.
- Stakeholders may play different roles within the functioning of a scheme. The development of a standard can rest entirely in the hands of the scheme owner, or it may be developed through a collective effort involving different types of stakeholders.

## 2.3 Common characteristics of certification schemes

- Schemes are international but not governed by sovereign states.
  - Although environmental policies have historically been promoted through government involvement via regulatory mechanisms, almost all forest-related certification schemes are voluntary arrangements backed by a mix of private enterprises, business associations, and/or civil society organisations. Though public agencies may be involved at some level, they are usually not part of the scheme's decision-making bodies.
- Schemes develop their own standards.
  - As similar international initiatives without governmental support, forest certification schemes can apply to multiple countries without any formal association between the sovereign states included in their scope. A notable trait of these non-governmental initiatives is their ability to develop standards, guidelines, product specifications and requirements in production methods to a common standard above what is required by national laws.
- Schemes are voluntary.
  - Because of the sponsorship by non-governmental institutions, international initiatives are proprietary systems where certificate holders participate voluntarily. This aspect is shared across all present sustainable forest management certification and timber-legality certification schemes.
- Access to a scheme requires adherence to the requirements of the scheme.
  - Schemes use standards to ensure a uniform application of requirements, and prospective scheme participants will have to undergo an application process. Depending on the applicants' place in the supply chain, it may set different requirements. The evaluation process may be more performance-based at the forest level, including implementing legal or sustainable forest management practices. For operators in the supply chain, Chain of Custody (CoC) requirements tend to be more system-based in nature, usually providing normative requirements related to traceability and claims about the status of certified products.
- Certification bodies shall be independent and impartial.



- The governing bodies of certification schemes are aspiring to maintain independence and objectivity in certification decisions. The impartiality of auditors, who evaluate conformance against a given standard, are core to this mission. To ensure objectivity in conformance evaluations, certification schemes rely upon an independent third party to conduct conformity assessments and make certification decisions. In third-party audits, the auditor is without any conflict of interest to the auditee and performs the audit to verify conformance with requirements.
- It is the certificate holders who pay for certification schemes.
  - It is a key principle in forest certification schemes that the certificate holders fund the costs associated with third-party auditing. A motive for forest owners, operators and traders to participate in private certification is the prospect of gaining market access or selling certified goods at a premium, compared to competing products.

## 2.4 Definition of standard requirements for certificate holders

The key part of a certification scheme is the requirements to which a certificate holder shall conform. The normative requirements listed within standards are usually structured within a hierarchy according to the importance of the requirements. A common approach is the use of principles, criteria, and indicators (see section 6). In addition to standards, most certification schemes provide additional guidance, policies, procedures, and interpretative documents to support the functioning of the scheme.

## 2.5 Understanding the scope of a certificate

Organisations usually need to define the scope of forest or forest products and activities that the certification body shall evaluate. An organisation may wish to certify only a subset of its forest operations or products.

A forest management certification may focus on a single site or multiple sites, usually made up of individual Forest Management Units (FMU) owned or managed by a forest management enterprise (FME). Depending on the scheme, specific rules may apply to multisite certification. Special conditions or separate normative requirements, policies, or procedures may also apply to the FMUs that are excluded from the certification scope not included within the certification.

Another approach to certification is seen taken by the Sustainable Biomass Program, which applies a sourcing standard. That means that the system is based on the buyer conduction risk assessments and due diligence on the material sourced from specific regions. This may include areas that are already certified by other certification schemes but could originate from locations that are non-certified.

For processing or trade organisations, the scope of their CoC certificate may be limited to certain products composed of certified raw material. It is left to the discretion of the certificate holder to determine what products to include in the scope of certification.

It is important to keep in mind that the chain of custody in forest-related certification does not necessarily provide an ability to trace wood products back to their specific FMUs or forests of origin. CoC standards, however, do contain requirements designed to prevent any mixing or substitution of products or materials not meeting the requirements of the

scheme, in the supply chain. Each link in the supply chain must implement those requirements for the whole system to function.

## 2.6 The certification process

The evaluation of the certificate holder's conformance with the relevant requirements (standards) is conducted through audits. Audits often involve on-site visits, where representatives (auditors) of the Certification Body conduct an evaluation of the performance of the certificate holder (or prospective certificate holder), by reviewing documents, conducting inspections, inventory assessments, interviews with staff and/or consultation with stakeholders. The frequency of audits is detailed within the scheme's rules and procedures.

Certification schemes usually set rules on how audits should be conducted. Certification Bodies are typically required to apply a documented methodology for the assessment of organisations. In forest certification, an important distinction between schemes is whether stakeholder consultation shall be a part of the audit or not.

Most schemes require the outcome of the audit findings to be documented as a confidential audit report. A scheme may also require that a part of the report, typically a summary of findings, be made publicly available to ensure transparency regarding the performance of certificate holders and certification decisions. Transparency about audit findings is important and a notable differentiator between certification schemes. The publication of summary reports of certification audits can be valuable in relation to the EUTR, as they may provide relevant information regarding the performance of certified organisations and the scope of activities under evaluation.

Non-conformances can be considered the failure to implement and maintain systems or procedures or not meeting a performance threshold that may jeopardize the well-functioning and effectiveness of the certification scheme. Non-conformances can be classified depending on their gravity and scale. Different categories of non-conformance may have different deadlines for corrective measures to be implemented or may have a different impact on a certification decision.

Based on the conclusion of an audit, a recommendation will be made on whether to award or maintain the certification. The certificate will usually have a fixed period of validity, with five years being the norm, after which the certificate would need to be renewed. Renewal of a certificate will usually entail a full assessment of the certificate holder's compliance with the applicable standards.

## 2.7 Chain of Custody models

Traceability and chain of custody are not synonymous, despite their common use. A chain of custody system includes measures that define the responsibility for the custody of materials and products when these are transferred from one organisation to another within the relevant supply chain. Its purpose is to ensure that specified characteristics (e.g. that the product is certified) are indeed the ones that are actually delivered in the output.

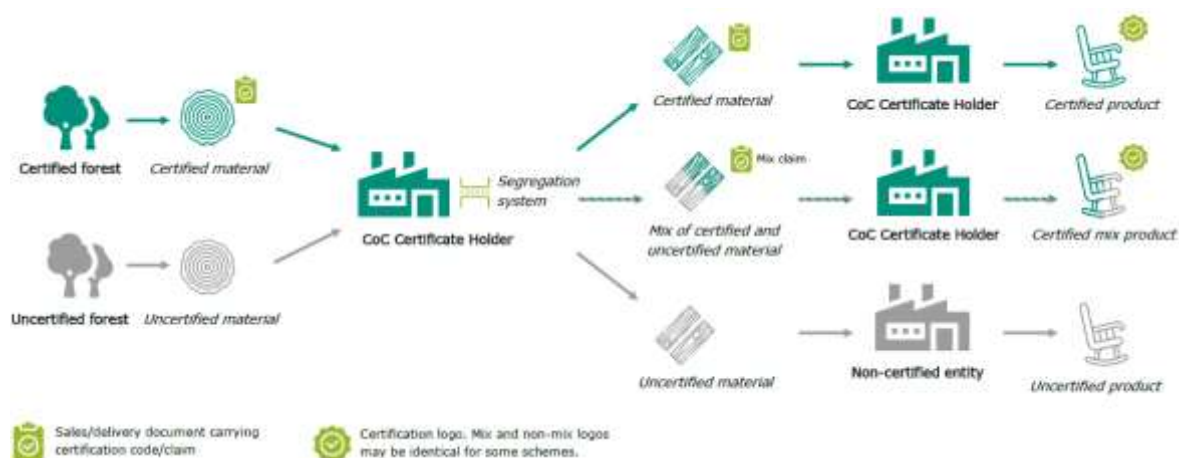


Figure 3: Overview of the CoC system

Traceability, on the other hand, is defined as the ability to trace the history or location of a product. It delivers the ability to follow the movement of a product and its components through specified stages of production, processing, and distribution. These two systems are not the same.

Most certification schemes make use of one or more different types of Chain of Custody (CoC) models, but very few apply a traceability system.

There are different types of CoC that have different levels of assurance of the material's actual physical presence in the end product.

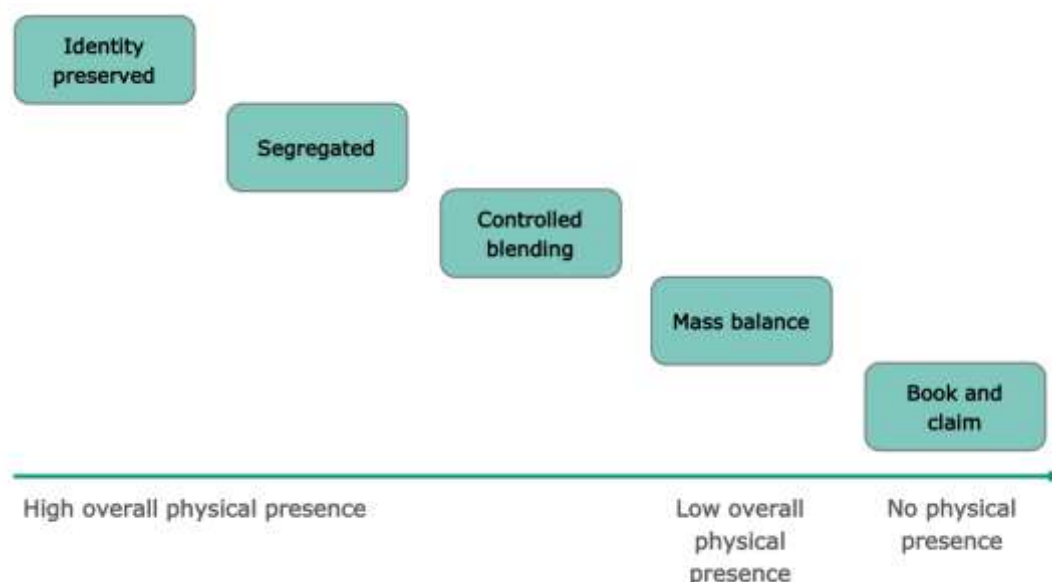


Figure 4: Illustration of the different CoC models in terms of their ability to preserve the original physical presence of the certified material.



The different CoC models are described briefly below.



Figure 5: Illustration of the “identity preserved” model.

The identity preserved model is a chain of custody model, in which the inputs originate from a single source. In this model, the material or product is kept physically separated throughout the supply chain and the certification status maintained throughout the supply chain. Materials or products are clearly identifiable throughout the supply chain as originating from the single source.

The second model is the segregated or transfer system model.



Figure 6: Illustration of the segregated or transfer model.

In the segregated or transfer model, the specified characteristics of a product are maintained, throughout the supply chain. Inputs from different sources that are all certified by the same scheme may be mixed. In this model, which is a very commonly used model in forest certification, the identity of the source is most often lost.

Next in list of CoC models are models that allow blending of material with different types of certification status. For example, this is used in PEFC where PEFC certified material can be mixed with non-certified material as long as this material is from Controlled Sources.



Figure 7: illustration of the controlled blending model with a percentage-based use

The controlled blending model is a chain of custody model in which certified materials or products are mixed with non-certified materials or product, but often with a set of criteria such as Controlled Sources. This results in a known proportion of the certified material in all parts of the final output. That means that the end user will know the percentage of certified material in each product with that specific certification claim. This model applies a percentage-based calculation.

Another CoC model that allows mixing is known as the mass balance model. In the mass balance model certified materials or products are mixed with non-certified materials or products, resulting in a claim on a part of the output that must be proportional to amount of certified input. The calculation of volumes may be percentage based or managed in a credit system. Importantly, in this model the end- use may buy a product with no certified material in.



Figure 8: Illustration of the mass balance model.

The mass balance model can be used by applying a rolling average calculation of the percentage of certified inputs over a period, or credit system where the output of certified claim shall correspond to the volume of certified input for a specific credit period.

The last model described here is the book and claim system. The book and claim model aim to ensure that for each purchase for which a certification claim is made, a corresponding volume of certified materials is purchased.

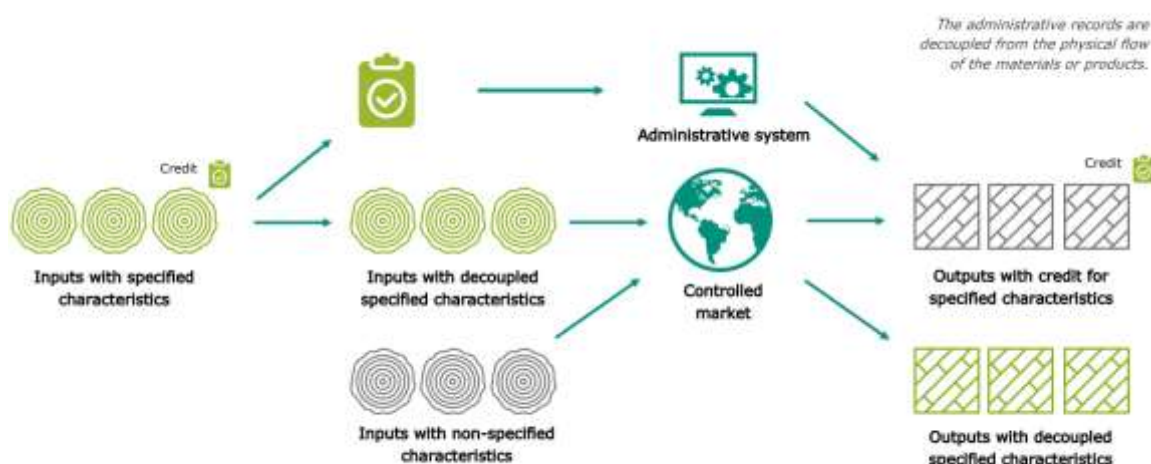


Figure 9: Illustration of the book and claim model.

The book and claim model is an alternative chain of custody model in which the administrative record flow is not connected to the physical flow of materials or products throughout the supply chain. After production of certified material, the information on specified characteristics within the supply chain is decoupled from the actual material. Credits are issued when materials or products enter the market. The credits can then be traded and sold independently of the physical delivery of certified materials.

## 2.8 Certification claims and communication

Forest certification schemes usually permit certificate holders to market certified products to consumers in the form of labels on the product itself (also known as 'on-product claims') and/or communication to consumers about the certified status of the product or the certificate holder (also known as 'off-product claims'). Certification labels have increased complexity as many certification schemes use different on-product labels, depending on the type of input material used (reclaimed material for example) and/or the method of segregating/mixing certified and uncertified material (mass balance/threshold systems) within the supply chain. A basic understanding of the meaning of the different certification labels is necessary to understand their applicability under the EUTR.

Some certification schemes restrict the use of certain types of product claims to business-to-business communication only, thus not permitting those certification claims towards consumers. An example of this is FSC Controlled Wood (non-certified material of known origin, with a low risk of origin from unacceptable harvesting practices), which may only be marketed in business-to-business communication. In contrast, FSC Certified Wood (wood products originating from a certified forest or wood products containing both FSC certified material and FSC Controlled wood) may carry on-product claims (FSC 100% or FSC Mix logos) directed towards consumers.

Unlike sustainability certification schemes, timber legality certification schemes do not usually permit certificate holders to make on-product claims on their certified products.

### 2.8.1 Understanding certification claims, trademarks and labels

A certification “claim” refers to the language that a certification scheme allows certified organisations to make about the product they are producing or selling. This claim usually refers to the product's certified status, such as “this product originates from sustainably managed forests”. The claim is, therefore, a short description of the certification status of the product.

A “trademark” is the logo of the certification scheme. This trademark will often be used together with the claim to create a label. Still, it may also be used when publishing a statement about the certification status of an organisation, for example, on their website.

The “label” refers to the sticker or graphic element that can be a combination of the certification claim, the trademark of the certification scheme, and sometimes also a code to identify the certificate holder's unique license number.

Claims and labels are used differently by different schemes and standards to communicate about the certification status of the material or systems covered by the scope of certification.

It is important to understand the meaning of different claims which are possible within a scheme, as each may hold a different weight and have different levels of meaning in relation to the EUTR.

#### **Types of claims**

The word “claim” is used to describe the type of certification covering a specific product or process.

Different types of claims are used and commonly certification schemes have claims that cover the following:

1. 100% from certified forest - a claim that indicates that all the material in a product originates from a forest that is certified against the FM standard.
2. A mixed claim, which cover material that is a mix of material from certified forest and material that originates from non-certified sources (e.g. Controlled Sources of the PEFC Scheme)
3. A recycled or reclaimed claim, which cover material that originates from material that has been reclaimed either from pre- or post-consumer use. The exact definition of reclaimed or recycled differs between schemes (see below).

The specific claims used by each scheme is addressed in part III of this report a summary of the findings for each of the schemes or standards included in the study are presented.

#### **Types of trademark use**

Some schemes allow certificate holders to use different forms of their registered trademark (e.g. the PEFC logo) on-product labels and claims as well as off-product; some only off-product claims. Claims or trademarks of the specific scheme can be used in different ways:

1. On-product use: Labelling of certified products or their packaging.
2. Promotional use (off-product): Use of the trademarks for marketing purposes. E.g. on homepages, stationary templates, product catalogues, trade fair banners, etc.

There may be different labels and requirements for the different types of trademark use. It should also be mentioned that several schemes do not allow their certification logo and claim to be used alongside claims from other certification schemes. This means that a certificate holder that operates with both PEFC and FSC certification, cannot label the material with both claims at the same time.

## 2.9 Accreditation of Certification Bodies

Accreditation is the process of evaluating and approving certification bodies to function under the scheme rules. The goals of providing robust and objective conformance assessments imply consistency over time, locations, and between certification bodies with similar audit conclusions reached – independently of the time, location, auditor, or certification body in question. Many approaches for calibration, guidance or interpretation have been employed by certification schemes to prevent or rectify threats to credibility and objectivity – often in line with ISO or ISEAL<sup>10</sup> guidelines.

Schemes usually include requirements to ensure that certification bodies, auditors, and other personnel relevant to the conformance evaluation of an organisation are competent and impartial in their decision making. Risks to impartiality and conflicts of interest can be prevented and monitored in various ways.

## 2.10 Transparency

Schemes differ in their level of transparency, some aspects of which are fundamental to allow operators, competent authorities and other organisations to evaluate the applicability of the certification scheme to their due diligence system. Examples of where transparency is important to include:

- The provision of information on certificate scope (forests, manufacturing facilities) and validity via publicly available official databases.
- Information of relevance to buyers of certified products (species and origin, reclaimed content).
- Information on the different aspects of how a scheme is functioning (normative scheme requirements for certificate holders). This is important for the evaluation of the applicability of a scheme to the EUTR.

A good assurance system must also have detailed and consistently implemented procedures to handle appeals and complaints. A complaints procedure allows the expression of dissatisfaction over the functioning of a scheme, scheme-related entities (certification bodies, accreditation bodies) or scheme participants (certificate holders).

## 3. Certification Schemes and the EUTR

Despite similarities, different scheme and standards aiming at certifying or verifying forest and/or timber legality encompass different requirements and definitions of legal, social and environmental criteria. In addition, different schemes have varying levels of transparency, different rules and procedures, and different quality assurance systems. These can lead to different approaches to ensuring conformance among organisations that participate (certify) in the scheme.

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<sup>10</sup> ISEAL is a global membership organisation for development of sustainability systems.

<https://www.isealalliance.org/about-iseal>



In the following sections, it is discussed how certification schemes may be used as a component of the due diligence system applied by Operators to meet the EUTR requirements.

The EUTR includes provisions to recognise third-party verification as a tool to mitigate risks in supply chains. Implementing Regulation 607/2012 details four conditions necessary for certification schemes to be considered when implementing risk assessment and risk mitigation:

1. they shall have established and made available for third-party use a publicly available system of requirements, which system shall at the least include all relevant requirements of the applicable legislation;
2. they shall specify that appropriate checks, including field-visits, are made by a third party at regular intervals no longer than 12 months to verify that the applicable legislation is complied with;
3. they shall include means, verified by a third party, to trace timber harvested following applicable legislation, and timber products derived from such timber at any point in the supply chain before such timber or timber products are placed on the market, and;
4. they shall include controls, verified by a third party, to ensure that timber or timber products of unknown origin or timber or timber products that have not been harvested according to applicable legislation do not enter the supply chain.

The EUTR guidance document (Commission Notice of 12.06.2016 - Guidance document or the EU Timber Regulation<sup>11</sup>) further details the role of third-party verification schemes in risk assessment and risk mitigation.

These points form the basis for evaluating schemes in relation to the EUTR and defining the factors that can affect scheme performance and credibility. Each scheme includes different requirements, procedures, and assurance systems. Each will need to be evaluated by the individual operator sourcing certified products to determine its value as an indicator of negligible risk.

The operator needs to ensure that the certification scheme can provide a sufficient level of risk mitigation as desired. Looking at certification schemes through the lens of due diligence is therefore about understanding the make-up and functioning of the schemes and their potential areas of strength and potential weaknesses to understand how these might impact existing risks in timber supply chains.

### 3.1 Forest certification schemes and the EUTR

Whether related to certification schemes' standards and requirements or to the schemes' institutional and procedural arrangements, the following elements are considered in the evaluation to understand the strengths and potential limitation of those schemes, particularly given their use by Operators comply with EUTR requirements.

A comprehensive interpretation of the five categories of applicable legislation included in the EUTR has been used in the study. The Preferred by Nature LegalSource indicators has been used as the basis for providing a specific framework of legality issues to be addressed.

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<sup>11</sup> [https://ec.europa.eu/environment/forests/pdf/C\\_2016\\_755\\_F1\\_ACT\\_EN\\_V6\\_P1\\_831439.PDF](https://ec.europa.eu/environment/forests/pdf/C_2016_755_F1_ACT_EN_V6_P1_831439.PDF)

Often the first information available to an operator about a certified product is a copy of the certificate itself – or a link to its publicly available online certificate database. Whether related to certification schemes' standards and requirements, or the schemes' institutional and procedural arrangements, the following list provides some key elements which should be considered for evaluation to understand the strengths and potential limitation of those schemes, given their use by operators to comply with EUTR requirements:

- Scheme normative requirements and the definition of legality
- Alignment with EUTR definitions, such as that for reclaimed material
- Chain of custody (CoC) requirements
- Certification claims and their specific meaning in relation to the EUTR
- Robustness of the scheme quality assurance systems
- Validity of certification (1-5 years)
- Level of scheme transparency in findings, audit results and complaints
- Stakeholder engagement in the certification scheme as indicators of the robustness and credibility of the scheme.

### 3.2 Aligning with the EUTR definition of applicable legislation

Normative requirements of a certification scheme for specific standards should be well formulated and organised, sufficiently clear to allow for consistent interpretation, and implemented in a sufficiently rigorous way to provide strong assurance on systems and performances. To ensure consistent conformance and evaluation of conformance by certificate holders and auditors, schemes must clearly identify the specific types of legality that should be complied with by certificate holders and audited against by auditors.

The EUTR has its own definition of forest-related applicable legislation, including national legislation and international conventions. Therefore, it is important to determine if/where schemes differ from this definition: some schemes might go beyond the EUTR definition, while other schemes might fall short of aligning with this definition and provide clear interpretations, in which case it is important to determine where exactly are the gaps (i.e. where a scheme does not include an area of legislation included in EUTR).

The EUTR includes a broad global definition of the categories of the applicable legislation that should be considered relating to the due diligence process of Operators. According to Article 2 (h) in EUTR these are:

*“‘applicable legislation’ means the legislation in force in the country of harvest covering the following matters:*

- (1) rights to harvest timber within legally gazetted boundaries,*
- (2) payments for harvest rights and timber including duties related to timber harvesting,*
- (3) timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting,*

*(4) third parties' legal rights concerning use and tenure that are affected by timber harvesting, and*

*(5) trade and customs, in so far as the forest sector is concerned.”<sup>12</sup>*

These categories have been purposefully worded as broad categories, which should be interpreted at a national level to ensure that all relevant and applicable legislation is included when considering the forest sector. For Preferred by Nature to evaluate, in detail, how well certification schemes and standard are covering these, the LegalSource standard has been used as a reference. This has provided a comprehensive interpretation of sub-categories that are essential to comply with and to evaluate specifically to ensure compliance with applicable legislation.

The Preferred by Nature interpretation of applicable legislation contains the following specific sub-categories to provide details:

### **1. Legal rights to harvest**

- 1.1 Land tenure and management rights
- 1.2 Concession licenses
- 1.3 Management and harvesting planning
- 1.4 Harvesting permits

### **2. Taxes and fees**

- 2.1 Payment of taxes, royalties and harvesting fees
- 2.2 Value-added taxes and other sales taxes

### **3. Timber harvesting activities**

- 3.1 Timber harvesting regulations
- 3.2 Protected Sites and species
- 3.3 Environmental requirements
- 3.4 Health and safety
- 3.5 Legal employment

### **4. Third parties' rights**

- 4.1 Customary rights
- 4.2 Free, Prior and Informed Consent (FPIC)
- 4.3 Indigenous and traditional peoples' rights
- 4.4 Public rights to access forests

### **5. Trade and transport**

- 5.1 Classification of species, quantities and qualities
- 5.2 Trade and transport
- 5.2 Offshore trading and transfer pricing
- 5.4 Customs regulations
- 5.5 CITES

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<sup>12</sup> EUTR, Article 2(h)



Forest-related schemes usually include requirements on the legal compliance of forest management units with applicable legislation, thereby defining boundaries of what legal rules are considered for by the Scheme.

Requirements to ensure supply-chain legality have, to some extent, been included within certification schemes as additions to standard requirements, which have historically focused on demonstrating forest-level management performance. As the EUTR includes legal requirements in trade and exports, it also becomes important to determine if the scheme's standards and systems to ensure legality in supply chain entities are robustly implemented and monitored.

An important issue relates to how well schemes manage the risk of corruption and other types of fraud by potential certificate holders. The extent to which schemes are vulnerable to different types of corruption which may impact the forest sector is evaluated, particularly bribery and conflict of interest. External evidence from publicly available information has been used to assess this aspect as corruption risks are mentioned explicitly by the EUTR as a crucial risk factor to illegality.

## 4. Assessment methodology

The schemes included in this study were assessed against the Preferred by Nature Scheme Assessment Framework (SAF) - which include the EUTR criteria outline in section 3.1 above - using a specially developed Scheme Assessment Procedure (SAP).

Please see these specific documents for details.

The Scheme Assessment Framework (SAF) has been used to assess the ability of certification schemes to provide assurance that material traded via the scheme has a negligible (low) risk of being illegally harvested or traded.

The framework and the assessment procedure have been developed as a comprehensive interpretation of the legality definition of the EU Timber Regulation and the associated Guidance Document and requirements for the use of third party certification schemes as outlined in the Commission implementing Regulation (EU) No 607/2012. Preferred by Nature has done that by using the LegalSource legality definition as a basis for developing such a comprehensive interpretation.

There is also added requirements from ISO and ISEAL, and other quality assurance systems, to address issues related to scheme implementation and governance.

### 4.1 Overview of assessment approach

The assessment framework (the SAF) has been applied to the Scheme standards. This means that where the scheme is organised through national (or sub-national) standard-setting and quality management schemes, these are the object of assessment. International rules, procedures, or standards have been evaluated where they are relevant to the Scheme implementation.

The framework includes requirements to assess how different timber certification schemes provide assurance of low (negligible) risk of 'legal non-compliance' of certified material.

The assessment of each Scheme has been conducted using four broad sources of information:

- (1) **Publicly available information from the scheme itself:** in relation to documented normative requirements (existing standards, policies and procedures)

and documents that guide the operational functioning of the Scheme (such as guidance<sup>13</sup> and other tools or resources which describe how requirements should be interpreted)

- (2) **Direct interviews and discussions with relevant Scheme personnel:** the application of the Framework will not be limited to desk-based review of documents but will also include on-site interviews with relevant representatives from the selected Schemes (and where relevant, related bodies such as assurance providers, accreditation bodies and certificate holders) to ensure a detailed representation of the functions of the schemes.
- (3) **Stakeholder input via the Stakeholder Consultative Forum:** input solicited by Preferred by Nature – or submitted independently by Stakeholders - via the Stakeholder Consultative Forum.
- (4) **Outcomes or impacts information:** Publicly available information or data (research studies, stakeholder reports, competent authority data, certificate databases) as well as expert or authority consultations, which inform the evaluation of the Scheme in relation to the results or impacts that it has achieved, or that relates to Schemes in general.

## 4.2 Certification Scheme Assessment Framework (SAF)

The assessment of each Certification Scheme has been conducted by applying the criteria, indicators, and threshold guidance in the Scheme Assessment Framework (SAF).

The SAF is divided into separate sections aiming at evaluating different aspects of the Scheme. These include:

### A: Requirements for Certificate Holders

- A.1 Legal Requirements at the forest level
- A.2 Legal requirements for supply chain entities

Evaluates if the scheme includes a comprehensive set of requirements enabling evaluation of compliance with applicable legislation by the certificate holder. These requirements are applicable to forest level, as well as supply chain entities.

- A.3 Requirements for material control

Evaluates if the scheme includes requirements to avoid that material from unknown sources is mixed into the product flow included in the scope of the certification. This may be via a CoC system using different forms of physical separation or using risk-based approaches to supply chain management. It should be emphasized that it is not a requirement of the SAF that schemes have a specific type of CoC system, but there does need to be performance requirements that assure the absence of mixing.

- A.4 General requirements for Certificate Holders
- A.5 Quality and procedural requirements for Certificate Holders

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<sup>13</sup> Guidance is often contained within separate guidance documents or embedded in assurance requirements as interpretation guidance that can be referred to. It provides necessary context and consistency for the interpretation of standards.

The SAF contains criteria that were used to assess how the scheme ensures that Certificate Holders have systems, capacity and qualifications in place to meet the Scheme requirements continually.

## **B: Requirements for Certification Bodies**

- B.1 General Certification Body requirements
- B.2 Certification Body requirements for auditing and certification

These criteria were formulated to assess the system of the Scheme that should be in place to manage processes like accreditation, oversight, competence and resources in relation to Certification Bodies.

## **C: Requirements for Certification Schemes**

- C.1 Transparency
- C.2 Standard setting
- C.3 Accreditation
- C.4 Certification process

These criteria were formulated to assess the system of the Scheme that should be in place to manage standard setting and revision, as well as on-going scheme maintenance and development, including scheme transparency, managing complaints etc. in terms of transparency, here the focus was to evaluate how the scheme manages transparency in terms of making the scheme requirements public, as well as having publicly available lists of certified organisation, in addition to summaries of certification findings for certificate holders.

## **4.3 Evaluation of indicators**

For each of the indicators in the Scheme Assessment Framework, a conclusion will indicate to which degree the Scheme or Standard covers the indicators. The following differentiations were applied:

*Table 1: Overview of categorisation of findings.*

Conclusion	Definition	Explanation
Covered	When available Scheme requirements and information - and any impacts evidence available - indicate the coverage of the SAF indicator.	Coverage is the ability of the Scheme to provide assurance that material traded via the Scheme has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber Regulation.

Partially Covered	<p>When available Scheme requirements and information - and any impacts evidence available - indicate only partial coverage of the SAF indicator.</p> <p>Alternatively, special concerns about Scheme Standards, credibility, rigor or coverage may exist.</p>	<p>Partial Coverage means the Scheme is only partly able – or may be compromised in one or more ways – to provide assurance that material traded via the Scheme has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber Regulation.</p>
Not Covered	<p>When available Scheme requirements and information - and any impacts evidence available - indicate that there is no coverage of the SAF indicator.</p> <p>NOTE: It is important to justify a no coverage conclusion.</p>	<p>The Scheme is not – or inadequately – able to provide assurance that material traded via the Scheme has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber Regulation.</p>
Not Applicable (N/A)	<p>When, for whichever reason, the SAF indicator does not apply.</p>	

## PART II: Cross-cutting issues – findings and discussion

The findings from the assessment of specific schemes are presented in the following sections along with observations reached from the review of other external information which highlights challenges related to real-world performance of certification schemes. The key issues identified regarding the functioning of certification to meet EUTR due diligence obligations are outlined.

In relation to the EUTR, certification schemes and standards are often an important tool for Operators to assess and mitigate risks in their supply chain, with the potential for the Operator to achieve a high level of confidence in the supply, with minimal resources and effort – thereby assuring an optimal option from a cost efficiency perspective.

The combination of activities which comprise forest certification schemes - including desk-based evaluation, regular on-site assessment of performance, stakeholder consultation and the requirement for systems of segregation and traceability - may not be readily available or be practically impossible or commercially unviable, for the Operator to conduct these by themselves. Additionally, other approaches (e.g., documentation checks) conducted by the Operator themselves) will be far from effective to mitigating risks in comparison.

Often importers in the EU have long supply chains and are significantly curtailed in their ability to gain access to the forest or their sub-suppliers as required for them to conduct effective risk mitigation within a reasonable – and commercially viable – timeframe. This is for multiple reasons, notwithstanding the financial resources necessary to conduct effective due diligence; the availability of in-house technical competences, as well as language capacity of the country of harvest and supply-chain entities.

The result of these factors means that -for many companies – certification is an important option available in the marketplace that approaches their ability to be assured of a negligible risk conclusion for their wood material sources.

As mentioned above, the findings in this chapter also include an overview of existing publicly available information concerning the performance of the certification schemes. The assessments of certification schemes and their standards focused primarily on how the normative requirements of certification cover specific issues (such as including a comprehensive legality definition or have in place requirements for audit frequency), as well as other important aspects of the performance of certification schemes. These aspects include issues that are harder to evaluate, or measure based only on assessing the normative requirements and procedures of the schemes, but relate to how these are implemented, enforced, and interpreted in practice. To evaluate these issues, which have profound importance on the integrity of certification, additional information available from publicly available reports.

A desk-based literature study was conducted to identify observations and findings from credible studies related to certification schemes performance in general or of specific schemes of specific situations.

In general, the quantity of scientific studies and other impact data which speaks to the on - the ground performance of certification is relatively low (Dasgupta, 2017). In addition, the research available has been generally considered to be of varying quality and using different methodologies, making it difficult to confirm the real impacts of forest certification. Apart from scientific research, there is a wealth of reports available from a range of

organisations with information on specific cases of the impacts or efficiency of certification – mostly critical reports that address findings related to shortcomings of specific schemes in countries or regions. Most of this information focuses on FSC, and PEFC certification – very little has been published specifically about the OLB, SBP schemes and the ISO 38200 standard, which also have much less volume certified.

The outlining of the findings of the assessments combined with performance information from external sources follows below.

## 5. Coverage of applicable legislation by the specific certification schemes

This section outlines how the study's selected schemes cover specific categories of applicable legislation and evaluate compliance by certificate holders.

The coverage of categories of applicable legislation is addressed in the Assessment Framework Sections A1 and A2.

The EUTR contains requirements that Operators evaluate the risk that timber products placed on the internal market have been harvested or traded in violation of applicable legislation in the country of harvest. The Regulation also contains a definition of what such applicable legislation covers – broadly defined as:

*“‘applicable legislation’ means the legislation in force in the country of harvest covering the following matters:*

- (1) rights to harvest timber within legally gazetted boundaries,*
- (2) payments for harvest rights and timber, including duties related to timber harvesting,*
- (3) timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting,*
- (4) third parties’ legal rights concerning use and tenure that are affected by timber harvesting, and*
- (5) trade and customs, in so far as the forest sector is concerned.”<sup>14</sup>*

This definition is broad, not detailing specific areas or sub-categories of legislation that should be considered. As outlined in the methodology section, a comprehensive interpretation of applicable legislation was developed based on the EUTR definition. This interpretation is used as the basis for the evaluation framework.

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<sup>14</sup> EU Regulation No 995/2010, Article 2(h)

**Box 1: Note on the selection of the legality framework used in the assessments.**

In relation to applicable legislation, it should be underlined that the study aimed at evaluating if the schemes and standards included specific clear and unambiguous wording that covered the requirements of the assessment framework. The objective was to identify how well schemes included detailed normative requirements to ensure a consistent interpretation of the scope of legality for the following purposes:

- consistent standard development, or adaptation of generic requirements to the national or local levels.
- consistent interpretation by certificate holders over time and different geographies, to understand exactly what types of legislation they have to be in compliance with
- ensuring auditors have a consistent basis with which to evaluate compliance by certificate holders.

As a result of this approach, generic statements (e.g., “All applicable legislation shall be met...”), were not considered sufficient to cover the assessment framework requirements, as being too generic in nature and allowing for ambiguities or variation in the subsequent interpretation of compliance requirements. As a comparison, one would also not consider generic statements like “the forest shall be managed sustainably” as adequate to fulfil objectives to attain sustainable forest management – also here more specific issues need to be comprehensively detailed.

It is also underlined that the Preferred by Nature definition of legal sub-categories was developed in collaboration and with inputs from with FSC, ETTF and Client Earth back in 2010 – 2011 when the Preferred by Nature (then NEPCon) LegalSource standard was developed. This definition formed the basis for the application – and subsequent approval – as a Monitoring Organisation.

The study results show that, while most schemes and standards include a range of legal requirements that are considered too broadly cover the five categories of the applicable legislation of the EUTR, there are specific issues that some schemes do not cover or only cover partially.

The overview table (See PART III of this report) of the assessment findings provides a side-by-side comparison of the evaluation findings and can provide an overview of where schemes are considered to include requirements that fully or partially cover the assessment requirements.

## 5.1 Implications

A very stringent and detailed approach has been applied in this study to evaluate coverage of the legal requirements of the schemes and standards. This means that most of the schemes included in this study have areas in which they only have partial coverage of very specific wordings from the assessment framework. So, in the following, the implications of findings will be discussed. In terms of operator’s obligations to conduct due diligence and evaluate the risk of specific applicable legislation being in non-compliance in their supply chains, the information of this assessment can be used to detail their risk assessment work.



The EUTR is clear that, though certified material may play a role in the due diligence process, it is not a “green lane” to meet the due diligence obligations. Operators also have to conduct risk assessment on material carrying a certification claim.

Therefore, the findings of this study demonstrates that additional risk assessment may be required for certification schemes, by Operators or MOs, to evaluate where potential gaps may exist in the coverage of a specific certification scheme.

## 5.2 Recommendation/Guidance

Therefore, the findings of this study can be used as a support to risk assessment and add detail to this process by providing information on where potential gaps may exist in the coverage of the specific certification scheme. Thus, it can help by allowing operators and competent authorities to ask specific questions related to the risks relevant to the certification claims.

Therefore, it is recommended that the results are used as part of the risk assessment process and applied in combination with an evaluation of the overall legality risks in the country of harvest of the material. One may then be able to identify specific risks in the country of harvest and evaluate if there are specific areas of risk that are not covered or partly covered by the scheme in question.

An example of this could be certified timber sourced from a country where a risk assessment has identified a high risk of illegal issues surrounding the issuing of harvest licenses. If there are also gaps in the certification scheme in the same areas, this would require additional risk mitigation actions to cover the gap in the certification scheme and the identified risk. This example highlights the importance of managing fraud within certification systems. The question is how well schemes address attempts to cheat the systems – as discussed below, this is a key issue for many schemes, as they often struggle to adequately address this in their systems and procedures.

## 6. Traceability and CoC

Without a relatively secure way of ensuring that material actually originates from a forest that is certified or from a source which has been controlled for illegal harvesting and trade, a scheme would not have credibility. Chain of custody (CoC) systems within schemes are designed for this purpose, to provide the assurance that materials carrying certification claims have not been contaminated or mixed (accidentally or intentionally) with material not carrying such claims.

The question is if the traditional CoC systems used by most certification schemes provide this assurance to a level that allows an Operator to have confidence that such mixing has not taken place.

An answer to this question needs to consider the original purpose of chain of custody systems. They have been set up to ensure that the claim of certification is transferred between certified entities, while ensuring that material that does not meet the scheme requirements is not mixed into the product flow. However, the systems were not intended to provide traceability of the material back to the source of origin, or to provide verification



of volumes between entities. These can be seen as four distinct aspects of the chain of custody:

1. Information about origin.
2. Avoidance of mixing within and between entities.
3. Transferring correct claim information.
4. Validation of transactions (volume, species and qualities) between entities.

Most certification schemes have applied the chain of custody (CoC) certification as a way of addressing points 2 and 3 above. The purpose of CoC certification is to control certified material flows in each entity of the supply chain. This is intended to provide assurance for the end consumer that the labelled product purchased, conforms to the rules of certification schemes. This applies to many land use schemes including forest certification schemes.

As the schemes have expanded, various types of risk to the CoC system's integrity have also grown, and the CoC systems need to develop to provide assurance. Over the past years, concerns among stakeholders have been raised over the efficiency and integrity of CoC systems, partly because they are not designed or implemented to identify and address fraud.

CoC auditing in timber supply chains is currently done through annual audits that normally include on-site inspection, sample control of documents and staff interviews. While this type of system is designed to verify compliance with system requirements, as well as to audit the volume data and conversion factors provided by the certified entities, it is not considered to be well adapted for detecting fraud in exchange of materials and the volumes that are sold as certified.

In these traditional CoC systems, there is no way of tracking transactions between certified companies, and that's where the biggest potential for double-dealing lies, by opening up possibility to manipulate volumes, qualities and species within a unit, with no real time ability for auditors to verify this information.

#### **Box 2: China – the complicated mix.**

China's unequivocal position as the workshop of the world is also prevalent within the global timber products industries. The country ranks as the largest timber importer in the world. Over 60 per cent of tropical logs on the global market are imported to China, with much of it being species at high risk of illegal harvesting or trade. A large proportion of the wood China imports is processed and then re-exported. According to the NGFA, China imported USD 83.72 billion and exported USD 815.6 billion worth of wood products in 2018, including imports of 59.67 million m<sup>3</sup> logs and 36.74 million m<sup>3</sup> sawn timber. It is noticeable that approximately 17.5 per cent of total imported logs to China by volume and 45 per cent of total imported sawn timber by volume were from Russia in 2019, adding further to the caution market participants should take when engaging in trades on this market.

Another part of the industry that carries a significantly elevated risk is composite products manufacturing. In 2015, the UK National Measurement and Regulation Office conducted tests on plywood coming from China. Results show that of the 13 samples tested, nine did not match the wood species declared. Chinese authorities and the industry have been making good progress towards curbing and reducing the illegal timber flowing in recent year. However, China's timber processing sector is characterised by many small and medium-sized enterprises who have little to no capacity in the areas of supply chain

management and traceability, due diligence, or the ability to identify the presence of illegal timber in their stock. Additionally, supply chains are usually a complex activity that adds to the challenge of tracing the origin of timber and identifying potentially illegal timber sources.

So, it is unsurprising that a notable proportion of wood material imported into China within timber-supplies found in the Chinese market are unknown origin and/or risk-profile.

China's governing bodies are aware of the issues in general and are introducing new control measures. For instance, a new forest law came into force in July 2020, which, to a degree, require due diligence of companies, although it is yet to be seen how the statute of the law will be exercised. At present, China has only developed non-mandatory guidelines for domestic enterprises to implement stricter oversight over supply chain management for overseas sourcing. This leaves many Chinese companies in a precarious position, with managers finding it necessary to forge documents to meet buyers' demand.

Under today's CoC auditing regimes, a certified company can easily manipulate the system and hide this from the auditor although the audit is conducted with the greatest care and according to all procedures. The company may be selling products containing a volume of 'certified' timber material that exceeds the volume of certified raw material that they are buying. They can do this in spite of the audit, who has no way of checking this except under very special circumstances.

While still providing a level of assurance compared to non-certified material, manipulating CoC systems is relatively easy for those who wish to exploit the opportunity. The truth is that the current CoC systems will be highly challenged to detect issues with certified entities which are deliberately and fraudulently manipulating their data on volumes purchased/sold or production data (conversion factors etc).

The results of this study also highlight the fact that only SBP, of the schemes evaluated, have developed traceability systems that include a way to conduct volume reconciliation between entities.

SBP have developed an online platform for volume reconciliation and claims transfer – the SBP Data Transfer System (DTS). In the DTS the initial biomass producer enters the volume supplied, and this volume cannot be changed. Volumes are always summarized by biomass producers for annual audits and audited.

FSC have worked on developing different solutions to managing supply chains for a number of years. Their Online Claims Platform project was initiated to create a B2B volume reconciliation tool but was never implemented, mainly due to stakeholder concerns about data security. It has since been replaced by the Transaction Verification Procedure (FSC-PRO-10-201).<sup>15</sup> The Procedure and associated guidance is intended to react to stakeholder complaints, suspicion or concerns of fraud in specific sectors, geographies or within specific products or industries. Transaction verification involves the analysis of trade volumes within a sector and geography. This work is led by conducted Accreditation Services International (ASI) with the required support of Certification Bodies and certificate holders, by obtaining and analysing volumes and other transaction data. Transaction verification also includes the requirement for certificate holders to support fibre testing by surrendering samples and specimens of materials and information about species composition.

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<sup>15</sup> <https://fsc.org/en/supply-chains/transaction-verification#updates>

The approach has been implemented on several supply chains, as can be seen on the FSC website. FSC has developed a new advice note (ADVICE-40-004-18 Addressing deliberate false claims- effective 6 April 2020<sup>16</sup>). The advice note specifies that Certification Bodies shall actively register any potential “false claims” identified with FSC and ASI at the certificate holder level. It also specifies the circumstances under which certificate holders will be “blocked for up to 5 years”, should investigations corroborate the false claim(s). The blockage of a certificate holder is now visible on the public FSC certificate holder database. Furthermore, certificate holders can be held financially liable, as outlined in the new Procedure: Calculating financial penalty/compensation fee and processing evidence for blocked organizations (FSC-PRO-10-003 V1-0 EN, valid 6 April 2020).

While both the Transaction Verification and the Advice on false claims are steps in the right direction to address the issues of supply chain fraud and manipulation of the weaknesses in the CoC system, they are both reactive to where issues are identified through concerns raised by auditors or complaints received from stakeholders or by certificate holders themselves. Neither of them really addresses the actual problems of the CoC system weaknesses.

OLB, ISO 38200 and PEFC entirely rely on a traditional CoC approach and without B2B volume verification.

In SBP, all claims are transferred digitally in order to be valid. The system used is called DTS (Data Transfer System)<sup>17</sup> and is mandatory to use when selling and buying biomass with SBP-claims. In the system, auditors can extract summaries of transactions and volume reconciliation.

## 6.1 New approaches

Several testing methods, such as stable isotope, DNA and wood anatomy, can provide information on origin or species of wood products. Stakeholders are increasingly using these methods to verify suppliers' origin information. As these methodologies improve and become more cost-efficient, they will most likely play an increasingly important role in verifying species and origin information.

Block chain technology, combined with species testing may also be considered as a potential tool to control volume data and basic information on species and origin in future CoC systems. Both FSC, Preferred by Nature, private operators, CAs and others explore options to use this technology for volume and origin control in supply chains.

In general, there is a strong need to rethink the entire Chain of Custody system to address the weaknesses related to volume fraud and mixing of certified with non-certified material. So instead of implementing a CoC system, implementing a system that would provide the assurance of traceability in the supply chain could be implemented. A system that would allow and require B2B control of volumes, species, and qualities. Such systems contain a great deal of challenges given the level of complexity of production systems and material flows that may diverge and converge, all of this adding to supply chain complexities.

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<sup>16</sup> [ADVICE-40-004-18 Addressing deliberate false claims](#)

<sup>17</sup> <https://sbp-cert.org/data-transfer-system/>

The overarching question in independent certification must still be how well the certification system can ensure that auditors, and the accreditation system ensuring auditor integrity, maintain a high level of integrity, evaluate the actual performance in a consistent manner and maintain independence from the certificate holders.

### 6.1.1 Use of non-certified material by certification schemes

All the schemes included in this study allows some form of non-certified material, in addition to recycled materials, to be mixed with certified material and form part of a certified product with a certified or mixed claim.

The Assessment Framework includes evaluating the legality definition included in the schemes different versions of allowing non-certified materials to enter the supply chain in Sections number A1b and A2b.

FSC and PEFC both have specific standards based on a risk-based due diligence approach to sourcing non-certified materials. SBP is also applying a risk-based approach and also includes an approach where certificate holders' source FSC or PEFC certified materials. ISO 38200 is primarily a due diligence standard, using a risk-based approach and may also cover material certified against other certification schemes.

OLB has a different approach to allowing non-certified material, as they allow material included under what is called a "Supplier Verification Program". Certificate holders themselves implement this Supplier Verification Program. Even though the OLB standard requires minimum documentation checks and onsite audits by qualified (as defined by the own company) staff, the quality and robustness of these assessments may vary. Also, it is not possible from the claim on verified material to identify which material is from 100% certified areas and which include material from sources covered by the "Supplier Verification Programme".

## 6.2 Definition of applicable legislation applicable to non-certified material

Both PEFC and FSC apply comparable systems to enable non-certified material to be mixed with certified materials – however there are fundamental differences in how these are implemented.

PEFC uses a due diligence approach within its CoC standard, which is mandatory for all certificate holder to apply, in the case of non-certified materials. Under this system, certificate holders can source non-certified material and mix with certified material when the non-certified materials are found, according to the risk assessment process, to meet the 'PEFC Controlled Sources' requirements. The Controlled Sources requirements do include requirements to exclude materials originating from illegally harvested and traded sources, as follows:

*"a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes."*

The study found that the PEFC Controlled Sources system only partially covers the applicable legislation at the forest level of the assessment framework and has some significant gaps that should be noted. (See below the discussion on the implementation of the risk assessment process used by schemes to reduce the risk of non-compliant material entering the supply.) However, PEFC Controlled Sources does not contemplate at all risks of legal non-compliance in relation to trade and transport in the supply-chain.

FSC implements the Controlled Wood system. This system is a mandatory due diligence process that sits apart from the FSC Forest Management and CoC standards. The Controlled Wood system can be applied both by forest managers, as a forest certification standard, or it can be used through a risk-based process by CoC certified entities sourcing wood materials.

In terms of the FSC Controlled Wood standard definition, it was found that the standard and the risk assessment framework contain a legality definition that fully covers the requirements of the Assessment framework at the forest level. However, the FSC Controlled Wood system is still not fully aligned with EUTR, in that it does not contemplate risks of legal non-compliance in relation to trade and transport in the supply-chain.

OLB also allows non-certified timber through their Supplier Assessment programme. This system is based on suppliers conducting their own evaluation of legality based on the OLB CoC standard criteria. It is based on the verification of a set of criteria to be assessed at the forest level. Therefore, it is required that the company implementing the Supplier Evaluation Program is close enough to the forest or that it can prove traceability from the intermediaries to the forest level.

Only a list of criteria is provided in the standard, without clear indicators or guidance to ensure that Certificate Holders consistently implement it and objectively evaluated by Bureau Veritas auditors.

Both ISO 38200 standard and the SBP scheme allow material from other schemes to be included as part of material covered by the scope of their standards. In this case, any material from non-certified forest from other schemes included can be mixed into the certified material stream.

## 6.3 Quality of due diligence systems or risk management of the non-certified materials

Related to the above issues of how well schemes cover specific and detailed legality categories in the non-certified material inputs, the quality of the process surrounding the implementation of risk-based approaches to allowing non-certified material into certified material stream is considered.

Important lessons about the integrity of the use of non-certified material, through a risk-based approach, have been made by FSC. FSC was one of the first certification schemes to implement the use of “mixed” claims. They did this by allowing non-certified material to be mixed with certified material through a policy on allowing “Percentage Based Claims”. Non-certified material was required to NOT have originated from what is called “Controversial Sources”.



Controversial Sources include:

- A. timber of illegal origin
- B. timber harvested in contravention of local and international forestry legislation
- C. timber extracted without payment of appropriate taxes and royalties
- D. timber extracted without the knowledge or permission of land owners
- E. genetically modified timber
- F. timber resulting from the conversion of certified forest to other land uses.

The initial Controlled Wood system of the FSC was primarily based on the ability of companies to conduct their own risk assessments and their own verification of the risks on the ground. The system was found to have a range of challenges including:

1. An inconsistent interpretation of the requirements in the Controlled Wood Standard by certificate holders, as well as by certification bodies
2. Difficulty in tracking wood back to the forest of origin using invoices and shipping documents
3. A low level of stakeholder confidence in company-developed Risk Assessments and in company field verification in areas of “unspecified risk”
4. An inconsistent level of verification and enforcement by CBs and ASI
5. Limited transparency

(FSC, 2011)

These findings clearly point to challenges of systems where companies are tasked with conducting their own risk assessments and their own verification. Also, the finding that certification bodies and the accreditation body (ASI) had challenges in interpreting the requirements consistently underline that such systems are complex and require clear and comprehensive rules and definitions.

FSC has since revised their CW system significantly and have developed national and centralized risk assessments (developed by FSC International or national FSC offices, according to set rules and procedures) and revised the certification standards to create less room for interpretation, which is considered to have a higher level of integrity and transparency than previous system.

However, the findings by FSC in 2011 of their own evaluation of the Controlled Wood system might be considered still relevant today, to other schemes who have developed and implemented comparable systems. The challenges listed above for FSC back in 2011, could be considered relevant for schemes who are still implementing a less developed system for allowing non-certified material to be mixed with certified, such as OLB and PEFC. This is particularly the case, when it comes to:

- ensuring a consistent interpretation of the requirements of the DDS procedures, by certificate holders, as well as certification bodies;
- having confidence in company-developed Risk Assessments and in company field verification;
- ensuring consistent level of verification and enforcement by CBs; and,
- transparency in relation to risk assessment results and procedures

For OLB, this study has also highlighted that the Supplier Verification Programme used to allow non-verified material into the certified supply chain is considered inadequate to meet or align with the EUTR. Also, the OLB system does not allow buyers to identify which materials or products may originate from OLB verified sources or from non-verified sources evaluated by the suppliers themselves, through the Supplier Evaluation

Programme. This indicates a significant gap in the OLB scheme, signifying a lack of alignment with the EUTR.

PEFC implements the Controlled Sources system, as part of their due diligence requirements in the Internationally applicable CoC standard. This allows certificate holders to implement a risk-based approach to sourcing non-certified material and mix with certified materials.

The gaps identified in the legality definition, resulted in the conclusion that it is not fully aligned with EUTR. The Controlled Sources system of PEFC has, apart from this, further challenges.

The DDS procedures defined in the COC standard are formulated in a way that it is not clear that the system will always capture risks. The following observations are made on the process to conduct the risk assessment within the PEFC due diligence system:

- The DDS risk indicators allow those supplies verified by governmental or non-governmental verification or licensing mechanisms (other than forest certification systems) can be considered as low risk, as long as they address the activities covered by the term controversial sources. However, there are no requirements or guidance on what basis – or how - the schemes shall be evaluated by the certificate holder other than that they cover the activities included in the term controversial sources and are covered by third-party certification.
- It is not clear how the DDS would be able to detect all risks within supply chains in line with the definition of negligible and non-negligible risk as outlined in the EUTR and prohibition of illegal material or material with a non-negligible risk category. As examples, the following issues are observed:
  1. There is no clear definition of the term ‘significant risk’.
  2. Table 1, point c) of the table considers as negligible risk wood coming from sources with “documents, including contractual agreements and self-declarations, or other reliable information indicating that products do not originate from controversial sources”. Scenarios may exist that allow for wood sources to be considered as negligible risk even though risks exist. E.g., in relation to tenure rights. It is not always possible to ascertain a risk conclusion from such documents, or even from documents alone.
  3. A low-risk conclusion may be possible in some cases where this may not be warranted. For example:
    - Table 2 a) I-IV, can be used to conclude negligible risk of wood from countries where the CPI is 50 or higher. This may lead to false conclusions as illegality risks may also be found in countries with a CPI above 50. An alternative database that is cited includes the World Justice Project (WJP) Rule of Law Index. Again, countries with a score lower than 0,5 may also contain illegality risks. Examples include India and Thailand, both with a score of 0.51. PEFC includes a note that “These indices might not always be appropriate for forestry. Where more appropriate indicators exist, these can be used with a prior agreement with the PEFC Council. These alternative indicators will be listed in the chain of custody guidance document”.
    - Table 3 (List of indicators for significant risk at supply chain level) includes in c) as a significant risk indicator, evidence of illegal practices concerning controversial sources by any company in the supply chain. However, again, the definition of controversial sources only applies to applicable local, national or international legislation on forest management and does not make reference to



the trade and transport laws. So, there is no requirement to consider a supply-chain entity that had been sanctioned for illegal trading of wood-products, for example.

The PEFC due diligence system, and in particular the methodology to score risks, is seen as being too open to interpretation and may allow users to arrive at a false “negligible risk” conclusion.

As can be seen from the above, the nature and extent of due diligence processes within certification schemes can vary considerably and warrants attention by Operators as to both their strengths and potential shortfalls in their robustness.

## 7. Reclaimed material

One issue where inconsistencies appear to remain, between the EUTR and some of the certification schemes, relates to the use of reclaimed and/or recycled materials.

The following resources are available from the European Commission in relation to reclaimed material:

- [EU Timber Regulation \(995/2010\)](#)<sup>18</sup>
- EUTR Guidance document on [Recycled timber and timber products](#)<sup>19</sup>

The EUTR excludes, from the requirements to conduct due diligence, waste materials. The EUTR defines reclaimed materials as follows:

- *“Article 2 (a) 'timber and timber products ' means timber and timber products set out in the Annex, with the exception of timber products or components of such products manufactured from timber or timber products that have completed their lifecycle and would otherwise be disposed of as waste, as defined in Article 3(1) of Directive 2008/98/EC of the European Parliament and of the Council of 19 November on waste.*
- *' Directive 2008/98/EC Article 3(1) ' 'waste ' means any substance or object which the holder discards or intends or is required to discard.' ”*

The EUTR does not use the specific wording for recycled raw materials that is often used by certification schemes (namely pre- or post-consumer reclaimed material). However, the EUTR Guidance document on Recycled timber and timber products reinforces the EUTR’s exemption only for material generated by end users of a product that can no longer be used for its intended purpose – a post-consumer reclaimed definition - by describing that this exemption:

- ***“applies to timber products of a kind covered by the Annex, produced from material that has **completed its lifecycle** and **would otherwise have been*****

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<sup>18</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32010R0995>

<sup>19</sup> <https://ec.europa.eu/environment/forests/pdf/Guidance%20-%20Recycled%20timber%20and%20timber%20products.pdf>  
EUTR Guidance document on Recycled timber and timber products: “By-products” from another production are not waste but are to be regarded as a raw material in the production. Material in a regulated timber product is not recycled material if the material is the by-product of a manufacturing process. Example: Sawdust or off-cuts from sawn timber used to make particle board or medium density fibreboard.

***disposed of as waste*** (e.g., recycled paper, timber retrieved from dismantled buildings, or products made from waste wood)".

- ***"does not apply to by-products of a manufacturing process that involves material which has not completed its lifecycle and would otherwise have been discarded"***.

Providing some scenarios as an example, the Guidance document describes that: *"By-products" from another production are not waste but are to be regarded as a raw material in the production. Material in a regulated timber product is not recycled material if the material is the by-product of a manufacturing process*". The following examples are given: *"Sawdust or off-cuts from sawn timber used to make particle board or medium density fibreboard"*.

This study shows that all, except OLB, include a definition of reclaimed materials.

SBP and ISO 38200 all apply a definition of reclaimed or recycled materials that are in line with the definitions of the EUTR – in that they only allow post-consumer recycled material into the definition.

The study of PEFC and FSC schemes concluded that there was not alignment between these scheme's definitions of reclaimed material and the EUTR. As a result, some material deemed as reclaimed by the schemes may in fact be subject to EUTR requirements.

In the case of PEFC, material deemed a by-product of a manufacturing process is not considered exempt from the EUTR due diligence obligation. The PEFC definition of recycled material is found in standard *PEFC ST 2002: 2020*, 3.35) and has two parts. Part a) describes material recovered from waste during a manufacturing process, correctly excluding certain types of material that would not be considered as waste according to the definition of the EUTR. Examples of excluded material from the definition include material capable of being reclaimed within the same process that generated it, and by-products resulting from primary production processes. Part b) describes material that can no longer be used for its intended purpose would be considered as waste according to the definition of the EUTR. This includes material generated by households or by commercial, industrial and institutional facilities in their role as end users of the product that can no longer be used for its intended purpose.

The combination of parts a) and b) appear to define residues from secondary manufacturing processes as reclaimed material. However, given the descriptions within the guidance, it is not clear that such material is necessarily exempt from the EUTR.

The FSC scheme's definition of post-consumer reclaimed material – and the examples given in Annexes I and II (pages 10/11 of the Reclaimed Standard, FSC-STD-40-007) – appear to overlap with the definition described in the EUTR, as any material described would have: i) completed its lifecycle AND ii) would otherwise be disposed of as waste. However, FSC descriptions of pre-consumer reclaimed material described in Annexes I and II are more nuanced and the evaluation of the scheme concluded that some materials are included within the scope of the EUTR, based on the consideration that while the materials may have been disposed of as waste, they may not have completed their lifecycles. Some examples include:

- ...discontinued items not used for their intended purpose.
- Offcuts, shavings, sawdust, and the like, generated during secondary manufacture....
- Some of the paper scrap example materials for Annex II

FSC itself has commented on this issue<sup>20</sup>: *“FSC considers “pre-consumer reclaimed materials from secondary manufacturing” as waste...However, the EU defines part of this (e.g. sawdust, wood chips, off-cuts from untreated wood) as by-products for which the legality of harvesting needs to be investigated.”* FSC thus acknowledges the gap, and the guidance goes on to state: *“This problem does not exist for reclaimed materials coming from primary manufacturing, because both FSC and the EUTR consider these co-products, for which the origin is verified as from certified sources or as controlled wood.”*

However, in the above mentioned FSC guidance describes how *“the problem does not exist for recycled paper or paper scrap, as these are explicitly excluded from the scope of the EUTR.”*

## 8. General requirements for certificate holders

The Assessment Framework used in this study also included evaluation of aspects of certification related to requirements placed on certificate holder regarding conflict resolution and management of corruption. These requirements lie outside specific legality definitions, and quality management of certification implementation, but are essential to ensuring responsible practices by certificate holders. They are a key factor, when it comes to illegalities perpetrated in the forest sector is hampered by corruption.

The issues are addressed in the Assessment framework part A4 and A5.

### 8.1 Corruption

Transparency International defines corruption broadly as *“...the abuse of entrusted power for private gain”*. Corruption may range in forms, from direct payment of bribes to different types of conflict-of-interest situations. Examples may range from: public servants demanding or taking money or favours in exchange for services; politicians misusing public money or granting favours, such as contracts, licences or access, to their sponsors; friends and families, or corporations bribing officials to obtain lucrative deals or special advantages outside of normal processes.

The key is that corruption can be used as a way for forest sector operators to act in non-compliance with the law to increase their profitability or ability to compete and operate. As a clandestine activity, corruption is hard to detect, as corporations may have all the correct licenses, permits and documents in place, even if these has been issued with the use of corrupt practices.

Most schemes require certificate holders to follow the law, but there are only limited requirements that address corruption and evaluate the risk of corruption by certificate holders. To differing extents, audit practices focus on the availability of legally required documents, licenses or permits, as a proxy for ensuring legal compliance. However, given the challenges in detecting corruption as described above, as well as natural limits of resources or time which can be channelled into the audit process, this may inhibit the ability of the auditor to evaluate how such documents have been issued and whether there are any indications that due processes have not been followed or that corruption

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<sup>20</sup> <https://ic.fsc.org/file-download.eu-timber-regulation-implementation-guide.a-13.pdf>

may be at play. This is an important point in relation to the EUTR, and even relevant in relation to non-certified supplies: operators are often provided with documents to show compliance with applicable legislation. Experience shows that such documents can be prone to fraud and corruption, particularly in countries with low levels forest-governance or high corruption.

As seen in the examples in the Box 3, malpractice by companies, under cover of corruption, may take many shapes and forms. It may include operating under illegal licenses, or under inadequate permits and procedures allowed by bribing officials. It may include overharvesting or harvesting of areas or species not legally permitted for harvesting. It may include illegal imports of timber from abroad or export of illegally obtained materials.

The challenge for certification schemes is to include detection of such corrupt practices in their auditing – a very difficult undertaking, as corruption is obviously rarely done openly. It is underlined that the challenges of corruption are applicable also for material not sourced with a certification claim, and that certification scheme in most cases add some level of evaluation or precautions in this regard, that does not exist without the certification system.

### **Box 3: Romania – domestic disturbance to the EU's timber supply chain**

Romania is regrettably claiming a prominent position on timber legality issues among the EU-27. The country's abundant forest resources have been harvested for millennia to benefit its domestic users and neighbouring buyers.

Much to the concern of monitoring organisations, recent revelations have uncovered fraudulent behaviour by international corporations headquartered amongst fellow EU member states. The Romanian State authorities and non-governmental organisations have investigated several FSC or PEFC certified enterprises for including illegal wood in the supply chain. More alarming is the Romanian authorities inadequate action on preventing such criminal activities, as recognised [in a letter of formal notice](#)\*\* presented by the EC to the Government of Romania in February 2020.

~~Scholars found in a survey~~ on timber legality issues that 54% of identified non-conformities constituted a violation of national laws. Illegalsities in harvesting operations is an obvious place to focus risk mitigation by improved supply chain management by relevant actors, but also recognised"... the Romanian exhaustive legal frameworks with no flexibility in terms of compliance coupled with the governmental enforcement failures create a risky business environment for the companies operating in the forest industry."

Despite Romania's shortcomings in timber legality, the country is making positive progress on several key issues. For example, it boasts the "Wood Tracking" information system, which gives its users an opportunity to track wood products in real-time through GNSS technology. The IT system vastly improves the accountability of the timber trade industry's future.

FSC have implemented changes to their standards to include requirements that organisations have in place anti-corruption measure. These steps are outlined in the

report “FSC & Corruption” from 2017<sup>21</sup>. FSC is also implementing a risk based due diligence approach to evaluating applicant for FSC certification. Applicants are requested to submit as self-evaluation. In certain cases where the applicant has other non-certified holdings and is in a country with a high perceived level of corruption, FSC will conduct additional screening against the FSC Policy of Association.

PEFC does not have a “policy of Association” but implements a procedure to receive and manage complaints at all levels of the certification process.

Through such measures, certification has the potential to address corruption through several levels of the scheme implementation.

Firstly, schemes can include direct requirements to ensure that licenses, right of tenure and management rights, have been issued according to the legally prescribed procedure and with absence of corrupt practices. In the study, only FSC and SBP normative requirements conformed fully to an indicator on this topic. FSC and PEFC specifically require that the Certificate Holder shall comply with anti-corruption legislation where this exists. In the absence of anticorruption legislation, FSC requires the Certificate Holder to *“implement other anticorruption measures proportionate to the scale and intensity of management activities and the risk of corruption”*. Others schemes partially covered this topic only.

Secondly, as a general requirement for all certificate holders, the scheme can include requirements to ensure that certificate holders do not engage in corrupt practices related to illegal harvesting. In the study, the certification schemes addressed this requirement to greater or lesser extents, with some notable exceptions (ISO 38200)

Thirdly, schemes can include mechanisms to identify - or for the Certification Body to do so - companies sanctioned for engagement in corrupt practices relevant to the forest sector. Remarkably, none of the schemes evaluated have in place any active system or procedure, to identify sanctioned companies. In the case of FSC, mechanisms exist which *could* identify and deal with corrupt practices by Certificate Holders: the scheme has procedures for processing complaints, which can be used for complaints regarding corruption of organisations already associated with FSC. Furthermore, a clause within its Policy of Association states that FSC shall conduct due diligence *“to evaluate the existence of objective evidence that an organization is directly or indirectly involved in any of the unacceptable activities”* prior to entering into an association with them. However, despite the above there are no normative requirements or formal processes, for identifying organisations sanctioned for engagement in corrupt practices proactively or otherwise, and prior to (or post) association with FSC.

Finally, within Forest certification schemes, contact between stakeholders can be fostered at two levels: via the implementation of a clear and transparent complaint mechanism and by robust stakeholder consultation. Stakeholder consultation – if carried out effectively – can serve as a tool to widen the opportunity to capture corrupt practices. It raises the opportunity to capture issues and allow the limited time and financial resources available to conducting audits to be targeted or focussed to where concerns may arise.

All schemes – with the exception of ISO 38200 – have complaints mechanisms in place, although perhaps with varying levels of transparency and robustness. Most schemes – again with the exception of ISO 38200 – include processes for stakeholder consultation.

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<sup>21</sup> <https://dk.fsc.org/preview.hvad-gr-fsc-for-at-forhindre-korruption.a-1591.pdf>



However, the extent and use of stakeholder consultation varied. FSC requires that CBs conduct stakeholder consultation for Forest management certificates as well as for entities implementing controlled wood due diligence systems. PEFC has requirements for stakeholder consultation in case of forest management certification. However, although the requirement applies to all countries it appears that it is not followed by all assessed national standards. For chain of custody, there is no requirement to conduct stakeholder consultation.

The role of environmental NGOs and civil society organisations is not to be underestimated in raising issues of malpractice and corruption in the forest sector to certification schemes. NGOs focused on forest certification can engage in whistleblowing when they perceive social and/or environmental criteria to be compromised by a particular certificate holder – this is a strong measure that has been shown to function through critical review of specific certification examples. One may discuss the effects on certificate implementation overall, but investigations and the exposure of malpractices by CSOs shows that external monitoring of scheme implementation can help by identifying scheme failures.

Such interventions could be viewed as one way of controlling corruption when new certificates are issued in poor governance settings. Yet those forest managers who are first to engage in certification in poor governance settings are unlikely to be among the worst offenders in corruption terms, and indeed may be among those most motivated to raise forest management standards.

The annual audit process forming part of certification procedures offers a relatively regular local check on forest management practices in certified areas. This practice is likely to reduce certain types of logging activity (potentially facilitated by corruption) which are contrary to the established scheme criteria. “Clear-cutting” trees in a certified area contrary to the agreed criteria would, for instance, probably be made visible through such audits. However, evidence shown above indicate systemic issues in schemes that indicates challenges of the audit process to address certain types of malpractice by certificate holders.

## 9. Requirements for certification bodies

An integral part of a certification schemes is the functioning of the certification bodies. A certification body is an independent organisation that evaluates conformance of companies to the requirements of the applicable standards. Certification bodies are usually accredited by an accreditation body, either at a national level or at an international level.

FSC and SBP collaborates with an international accreditation organisation called ASI, who is responsible for accreditation of all FSC and SBP CB's worldwide, while PEFC relies on national accreditation organisations to accredit certification bodies at a national level.

The Assessment framework includes assessment of requirements on certification Bodies, by each of the schemes in section B.

## 9.1 Conflict of interest

An often-cited criticism of certification schemes is that the certificate holders pay certification bodies for the auditing. While this is true, there is limited evidence that this relationship between certificate holders and their auditors should particularly inflict on auditors' independence directly. Auditors are used to verify other types of business performance, such as e.g. financial accounts, and these systems do seem to work.

There is perhaps a higher-level argument about certification regarding the efforts of certification schemes to be competitive in a market with competing schemes. Questions have been raised as to the objective of certification schemes to secure clients to remain competitive, thus allowing or ignoring non-conformances among clients to maintain the volume of certificates and area under certification.

In national certification schemes, such as those operating under PEFC recognition, the issue of conflict of interest could be argued to be even more relevant. In the PEFC scheme the certification standard is often developed and managed by the national government. An example is the Belarus PEFC national scheme. In Belarus, the standard is developed by State entities and managed by the ministry of Forestry. The accreditation is managed by the Belarusian State Center for Accreditation. There is a single accredited Certification Body, which the Ministry of Forestry also governs, and certificate holders are state forests. Even if these entities operate according to specific procedures for their roles in certification, it is clear that conflict of interest could likely arise from an apparent lack of independence.

## 10. Scheme Governance

Scheme governance requirements of this study's Scheme Assessment Framework include issues such as transparency, scope of the standards used, accreditation of CBs and certification process management.

This aspect of the study is covered in the Scheme Assessment Framework Section C.

Schemes differ in their level of transparency, some aspects of which are extremely important to allow operators, competent authorities, and other organisations to evaluate the applicability of the certification scheme to their due diligence concerns.

A good assurance system must also have detailed and consistently implemented procedures to handle appeals and complaints. Appeals refer to the possibility for the (applicant) certificate holder to obtain the reconsideration of a certification decision taken by the certification body. The Complaints procedure refers to permitting the expression of dissatisfaction over the functioning of a scheme, scheme-related entities (certification body, accreditation body) or scheme participant (certificate holder).

Schemes also differ in their approaches to standard setting and the level of transparency that comprises the standard-setting process. Furthermore, schemes can range in the level to which stakeholders are able to influence, participate in or support the standing setting process.

Management of certification bodies refer to the process by which the scheme ensures that certification bodies providing certification against scheme standard ensure a consistent



approach to evaluation of conformance and how certification bodies operate to secure the integrity of the scheme.

The requirements put on certification bodies known as the accreditation process, are evaluating and approving certification bodies to function under the Scheme rules. The goals of providing robust and objective assessments implies consistency over time, locations and between certification bodies (two similar situations shall be assessed the same way – with similar audit conclusions reached – independently of the time, location, and auditor in question). Many approaches for calibration, guidance, or interpretation, have been employed by certification schemes to prevent or rectify threats to credibility and objectivity – in line with ISO or ISEAL guidelines.

Even where a certification scheme does not accredit independent certification bodies (such as where the scheme owner is also the auditing organisation, as in the case of many timber-legality certification schemes) an oversight system will be applied to ensure the continued competence and performance of certification auditors to carry on conformity assessments to a particular standard (in short, measures to monitor the integrity of the audit process).

Schemes usually include some requirements to ensure that certification bodies and their auditors, and other personnel relevant to the conformance evaluation of an organisation, are impartial to the entities under evaluation. Risks to impartiality and conflicts of interest can be prevented and monitored in various ways.

## 10.1 Conformance or performance

The auditing of certificate holders, and the accreditation requirements for CBs, are in most certification schemes based on ISO standards. Both PEFC and FSC uses ISO standards as a basis for development of their accreditation systems. In FSC accreditation is done by ASI at an international level, while in PEFC accreditation is done at national level by local accreditation bodies.

ISO standards are primarily seen as focused on systems and existence of procedures to manage such systems. While an important aspect of implementing activities, both at forest level, but also in the auditing and certification process, in a consistent and documented way, the culture of considering all requirements of a standard as equally important, seems to have shifted focus away from the actual performance on the ground – the real achievements of responsible forestry, towards focus on being in conformance with all procedural and documented requirements of the standards.

The result of the ISO approach is that CB auditors need to spend more time on checking, double checking, and triple checking documents to ensure that nothing is forgotten, instead of focusing on verifying management performance in the forest.

The approach thus forces the CBs to focus on non-essential issues when they carry out client auditing, and thereby also forcing certified companies to spend considerable time and resources on maintaining and updating administrative systems, which is likely to detract from the actual performance of the organization.

A record documenting the fact that a training occurred becomes more important than ensuring that the staff understand their obligations; a date on the risk assessment becomes more important than the content of the risk assessment; a map of HC VF

becomes more important than the management of the HCVF; a list of group members in the FSC database becomes more important than whether the group is certifiable.

Solving this issue would require certification schemes to re-focus standards on critical performance issues of the certificate holders, as well as ensuring that auditors have strong competencies in evaluating performance issues, rather than evaluating the existence of procedures and systems.

#### **Box 4: Russia/Ukraine – illegal logging at EU's doorstep**

The Russian Federation and Ukraine account for a dominant part of EU's annual consumption of timber products, but accountability is missing in a significant proportion of it.

Amongst important issues is the exploitation of sanitary felling permits. While a sanitary logging permit may be entirely legal, forest managers across Ukraine and Russia are widely suspected of inflating the size of impacted areas to increase their allowance for a higher profit. The discrepancy between what is harvested out of necessity and what is actually being felled, is very hard to document, according to Preferred by Nature's own research. Corruption within the agencies tasked to issue the permits is also a plausible cause for inappropriate timber sourcing based on sanitary felling permits.

With the proliferation of third-party timber auditing schemes such as the FSC, some of the illegal logging taking place might have been curbed. Though there are still plenty of gaps to slip through. "Personally, I am not confident that all the sanitary logging done by FSC certified companies is good sanitary logging that makes sense in terms of fighting pests. I am sure all the official paperwork these FSC certified companies are producing is fine. However, there is legality in terms of official documents, and there is legality in terms of common sense," said Nikolay Shmatkov, director with FSC in Russia. The country has become the world's number one FSC certified area with more than 53 million hectares of FSC certified forest.

Despite auditing schemes such as the FSC appear to positively affect prospective timber traders' ability to perform due diligence as required by the EU Timber Regulation, the challenge ultimately lies with weak institutions and an absence of policing the law in both countries. "We are, of course, particularly attentive to any signs that the documentation has been tampered with. We can, for instance, check that the actual state of the forest corresponds with the data in the documents. However, if the whole system is corrupt, it becomes more difficult," said Justinas Janulaitis, Director of Traceability at Preferred by Nature. As a direct consequence of the legality challenges, the number of FSC certified forest units has grown to around four million hectares in Ukraine alone. Although the certification boom has undoubtedly improved Ukrainian forestry, certification schemes have their blind spots too by design as FSC is based on voluntary participation and itself does not provide compliance with the EUTR. "If someone wants to commit fraud intentionally, they can do that very easily by making two copies of the sales invoice. One with incorrect information regarding FSC status, which they send to the customer, and another one, without FSC claims, which they show to us," noted Mr. Janulaitis.

## **10.2 Conformance evaluation allowing for improvement**

Most schemes operate with a similar approach to addressing non-conformances by certificate holders or applicants to be certified. During assessments auditors may identify

where the auditee is not meeting a specific requirement and issue a non-conformance report (NCR), as either a major or a minor issue. Based on the NCR the certification body will then formulate a Corrective Action Request (CAR) outlining the specific corrective actions the organisation under evaluation will have to conduct, as well as the timeline – depending on the grading as either major or minor there will be a set timeline to act and show conformance, from 3 to 12 months.

Certificate holders are thus allowed to remain certified where both minor and major non-conformances are identified if they address these within the allotted timeline. Such an approach would not be in line with the EUTR, where a non-compliance with applicable legislation is considered to constitute a risk. It should be mentioned that cases where procedural changes are needed to ensure improved performance could be considered low risk.

A study published in 2019 (Buliga and Nichiforel 2019) analysed corrective actions issued by FSC auditors in Romania. The study evaluated how much of the Forest Stewardship Council (FSC®) standard used for forest management certification is contingent on legal rules, and it was concluded that 69% of the standard requirements are addressed in national legislation. The authors also evaluated, from a legal perspective, the non-conformities identified between 2008 and 2017 in the 108 FSC audit reports. They document that de facto, the implementation of the legal system faces essential enforcement problems since 54% of the identified non-conformities represent a violation of laws. The three main non-compliances with the legal requirements are related to harvesting operations.

Other studies have conducted comparable analysis of nonconformities, primarily based on FSC data (Trishkin et al. 2015; and Aureliu-Florin, et al 2016). Both evaluated the number and distribution of NCRs over the different principles of the FSC standard in Russia and on other European countries. They arrived at similar conclusions related to the aspects of certification responsible for most NCRs. Most or around 50% of NCRs are issued for Principle 6 (Environmental impact) of the FSC standard, while around 10% of all NCRs are issued for legal compliance as covered in Principle 1 (Compliance with the laws and FSC principles). Note that the studies are based on the former version of the FSC standard, which did not include as detailed a legality definition as the current version.

The evidence discussed above indicates that the procedure for addressing non-conformances in certification may mean that certificate holders are in fact allowed to operate even where legal non-compliance may have been identified. Such a system may in fact mean that some timber is certified even where legal non-compliances are present, in which case this would not be in line with the EUTR requirements.

The conclusion related to this structure of most certification schemes is that it poses a risk of allowing timber potentially harvested in violation of applicable legislation to enter the supply chain as certified. This would mean that such timber would not meet the EUTR obligations related to illegal timber if placed on the EU market. Therefore, it must be part of the due diligence process to evaluate the risks that timber from certified forest are low risk of non-compliances with applicable legislation.

## 10.3 Transparency

In the context of the EUTR, certification-scheme transparency is important to Operators and other organisations relevant to the proper application of the regulation. In practice, it comprises several related elements which are discussed in turn below. These are:

- Public availability of scheme requirements for both Certificate Holders and Certification Bodies, including general information on scheme governance, how stakeholders may engage with the scheme.
- publicly accessible register Certificate Holders and Certification Bodies.
- publicly accessible public summaries of audits carried out on Certificate Holders.

Operators benefit from being able to understand the requirements for certificate holders, to evaluate what the scheme covers in terms of applicable legislation. It is also important for Operators to understand quality aspects of the scheme, such as the level and extent of oversight by Certification Bodies. As a natural part of scheme transparency, most of the schemes evaluated in this study were observed to ensure the public availability online of Scheme requirements, in terms of normative requirements for both Certificate Holders.

This transparency extended to scheme requirements for Certification Bodies also, although there were some gaps. For example, PEFC failed to make available some procedures related to the accreditation process. The exception to the rule, however, was ISO 38200. The standard ISO 38200:2018 is not supported by a scheme, and it is not possible to easily obtain a full overview of the scheme requirements for certificate holders and certification bodies. Systems implemented by certification bodies and accreditations bodies might differ between organisations, as there are no requirements specified related to the implementation of ISO 38200:2018. In addition to ensuring the normative requirements, it would aid evaluation by Operators and other stakeholders, if the schemes made publicly available impacts information about their schemes and aspects of these which are relevant to the EUTR. In the study, it was observed that the availability of such information by schemes themselves was patchy.

Equally as critical to scheme transparency is ensuring that an up-to-date register of certified or verified organisations is publicly available. Having access to real-time information is essential to operators – data on a certificate must be up-to-date and accurate. Although it was not always clear how quickly new information was inputted into certificate databased, all schemes evaluated were aligned in providing a least a basic register of certified or verified organisations externally, with the exception of ISO. There is no complete online register for organisations certified under ISO 38200.

However, there was room for improvement across a number of schemes in relation to the broader quality of data available publicly, which would be of interest to Operators in conducting due diligence. For example, while PEFC makes available a register of certified/verified organisations, the online database does not include information about forest area or locations within the scope of forest management certificates. All schemes lacked clear data on any certification gaps (periods where the company many have been suspended) in the databases.

Besides basic information on certified or verified organisations, a list of other data/information of interest to Operators includes the following:

- Scope of certification, including:
  - Specific products or product groupings
  - Relevant species

- Additional information where products are comprised of recycled material (type of reclaimed material, quantities)
  - Claim or claims methods or systems used? (e.g., Credit system, controlled sources/wood, etc...)
  - Information about forest area(s)/location(s) within scope – as well as specific areas excised from the certification for whatever reason.
- Periods of suspensions or terminations, to allow operators to be aware of times when the company was not certified.
- Information relating to materials sourced via a controlled sources/wood system or DDS, such as the location of the forests/suppliers, the risk conclusions reached by the certificate holder conducting due diligence, as well as the risk mitigation actions implemented.
- The names and locations of members or facilities included within group/multisite certificates.

Finally, the study evaluated if - and what - each scheme made available on the internet, in relation to summary reports or other information derived from the actual audits of Certificate holders. Such information provides a window into the actual performance of the certificate holder. For example, findings of auditors on areas of potential or actual non-conformance by the certified entity, may provide useful information in relation to good-performance by the certified organisation or - on the other hand - areas where legal non-compliances may have been identified, issues related to tenure-rights or relationships with local communities, locations of actual harvest, etc.

Overall, schemes within the study performed differently. In the case of FSC, summaries of forest management (and FM Controlled Wood) evaluations are made available on the FSC certificate database. Information in relation to the content and language of the public summary is governed by scheme requirements. No public summary report (other than basic data in relation to the certification scope) is required for COC certificates – in line with all schemes included in the study. However, in the case of FSC Controlled Wood (DDS) certification for supply-chain entities, summaries of basic information with relevant Certification Body findings are required and are available on the FSC certificate database. In the case of PEFC, reports are not available in the online platform developed by the PEFC International. While it has been observed that PEFC Germany uploads public summary reports on their national website, overall the Scheme at the international level is not responsible for making reports publicly for Forest Management Certificates. As can be seen from practice, summary audit reports are not available on the internet for PEFC certificates in almost all countries. There are no requirements for public summaries of audits in relation to controlled sources materials.

SBP ensures the latest public summary report is available on its website. This includes main results, evaluation process, any stakeholder consultations that has taken place, and any open non-conformities. The supply base report is also available on this website, which declares the sourcing area, number of suppliers, type of biomass sources and relevant forest resource information relevant for that area. In the case of Bureau Veritas OLB, forest management audit reports are available upon request via e-mail (not directly available on the internet).



## PART III: Summary of Forest Certification Scheme Assessments

In the following a summary is provided for each of the forest certification schemes included in the study. Details of the assessment of each scheme assessment can be found in the respective scheme assessment reports.

This summary is intended to provide a quick overview of findings which should allow the reader to gain an overview of the key strength and weaknesses of specific schemes. This allows the reader quickly to identify a relevant scheme and access the findings.

**The Forest Stewardship Council (FSC)** is one of the World's largest voluntary forest certification schemes with over 220 million certified hectares and 45,000 certified supply chain entities. It is also one of the oldest, having been legally established in 1994. FSC operates a third-party system, whereby its main functions are to set the normative requirements and guidance, and to manage the strategic direction and day to day running of the scheme. FSC operates two approaches to certification: i) certification at the forest management level and the supply chain level; and ii) a risk-based approach to managing non-certified materials to FSC claim, through the Controlled Wood programme. Out of the 84 indicators of the scheme assessment framework evaluated within the study, 58 was concluded as covered, 22 as Partially Covered and 2 as Not Covered. 2 indicators were concluded as Not Applicable. FSC is a fully developed scheme with systems for transparency and oversight built in. There are mostly robust processes and systems in place, covering all the key components of the certification scheme.

**The Programme for the Endorsement of Forest Certification (PEFC)** is one of the World's largest voluntary forest certification schemes with over 320 million certified hectares and 27,000 certified supply chain entities. It is the largest forest certification scheme in terms of certified forest area. PEFC operates a third-party certification system, whereby it sets the normative and benchmark standards together with guidance and procedural documents. PEFC operates two certification approaches which apply to forests: i) certification of forest – and forest management – organisations and supply-chain entities; and ii) certification of a risk-based due-diligence mechanism for managing non-PEFC-certified material inputs into PEFC-certified products. Out of the 84 indicators of the scheme assessment framework evaluated within the study, 30 were concluded as covered, 39 as Partially Covered and 14 as Not Covered. One indicator was concluded as Not Applicable. PEFC is a fully developed certification scheme, which includes many of the processes and elements that would be expected of such a global certification scheme.

**The SBP (Sustainable Biomass Program)** is a certification scheme that accepts input from other large and well-known certification schemes (currently FSC, PEFC and PEFC endorsed schemes), as well as input sourced under the scope of its own evaluation framework. The sourcing through its own scheme is based on risk assessments for SBP's indicators. The objective is to have one system for certified biomass. In total, out of the 84 indicators of the scheme assessment framework evaluated within the study, 65 were concluded as "Covered", 13 as "Partially Covered" and 5 as "Not Covered". One indicator was concluded as "Not Applicable".

The overall finding of the assessment is that SBP is a transparent scheme that covers many critical parts of the EUTR. It should be noted that the coverage of the SBP scheme is dependent, to a large extent, on the strength of the schemes they approve – currently FSC and PEFC endorsed schemes.

**The BV OLB (*Origine et Légalité des Bois*)** verification scheme was developed in 2004 by Bureau Veritas Certification (BV), an international independent certification body headquartered in Paris, France. The purpose of OLB verification is to verify that a forest is managed legally, the origin of forest products is controlled, and the transfer of certificate claims along the supply chain is ensured. Chain of custody certification aims to ensure that the certification claim is transferred along the value chain. The system is based on two main standards: 1) forest management (FM) standard for forest enterprises, and 2) a chain of custody (CoC) standard for supply chain entities (processors and trade companies). The BV OLB scheme is assessed to be a comprehensive scheme that covers many critical parts of the EU Timber Regulation.

**The standard “ISO 38200:2018 Chain of custody of wood and wood-based products”** sets requirements for a chain of custody system to enable the exchange and tracking of information on wood and wood-based products throughout a supply chain. It includes traceability measures (CoC) as well as due diligence requirements to ensure that only legal input material is included in the CoC system. ISO 38200 is an international standard and not a forest certification scheme. This means there are no normative requirements developed for the accreditation of certification bodies certifying against the standard, and it is important to note, that the standard is not intended for certification only. The due diligence system of ISO 38200 shall include the elements of information gathering, risk assessment and mitigation measures. The ISO 38200 CoC standard provides a flexible approach to controlling supply chains using multiple different certification claims under one CoC system. ISO 38200 partially cover the indicators of the evaluation framework. 11 indicators are covered, 48 indicators are partially covered, while 25 are not covered. The standard is clear in requiring that only legally harvested and legally procured material can enter the chain of custody system of a company.

The following table provides an overview of the study findings at a Criterion level.

These colour codes are used to indicate the assessment findings:

Covered:	
Partially covered:	
Not covered:	
Not applicable:	



Table 2: Overview of certification scheme assessment findings (see findings for individual schemes below for details).

Requirement Section	PEFC	PEFC Non-certified material	FSC (FM)	FSC (CW-FM)	FSC Non-certified material (CW-CoC)	SBP	ISO 38200	OLB	OLB Non-certified material
	A. Requirements for Certificate Holders								
	A.1 Legal Requirements at the forest level								
A.1.1 Rights to harvest timber within legally gazetted boundaries	Partially covered	Partially covered	Partially covered	Partially covered	Covered	Partially covered	Partially covered	Partially covered	Partially covered
A.1.2 Payments for harvest rights and timber including duties related to timber harvesting	Partially covered	Partially covered	Partially covered	Covered	Covered	Partially covered	Partially covered	Covered	Partially covered
A.1.3 Timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting	Partially covered	Partially covered	Covered	Partially covered	Covered	Covered	Partially covered	Covered	Partially covered
A.1.4 Third parties' legal rights concerning use and tenure that are affected by timber harvesting	Covered	Partially covered	Covered	Covered	Covered	Partially covered	Partially covered	Partially covered	Partially covered
A.1.5 Trade and customs, in so far as the forest sector is concerned	Partially covered	Not covered	Partially covered	Covered	Covered	Partially covered	Partially covered	Partially covered	Partially covered
	A.2 Legal requirements for supply chain entities								
A.2.1. Legal registration	Not covered	Not covered	Not covered	Not covered	Not covered	Covered	Partially covered	Covered	Covered

Requirement Section	PEFC	PEFC Non-certified material	FSC (FM)	FSC (CW-FM)	FSC Non-certified material (CW-CoC)	SBP	ISO 38200	OLB	OLB Non-certified material
A.2.2 Taxes and fees	Not covered	Not covered	Partially covered	Partially covered	Not covered	Partially covered	Partially covered	Covered	Partially covered
A.2.3 Trade and transport	Partially covered	Not covered	Partially covered	Partially covered	Not covered	Partially covered	Partially covered	Partially covered	Partially covered
	A.3 Requirements for material control								
A.3.1 Material control	Partially covered		Partially covered			Covered	Partially covered	Covered	Partially covered
A.3.2 Recycled material	Partially covered		Partially covered			Covered	Covered	Not covered	Not covered
	A.4 General requirements for Certificate Holders								
A.4.1 Conflict resolution	Partially covered		Covered			Covered	Not covered	Partially covered	
A.4.2 Corruption	Partially covered		Covered			Covered	Not covered	Covered	
	A.5 Quality and procedural requirements for Certificate Holders								
A.5.1 Internal procedures for Certificate Holders	Covered		Partially covered			Partially covered	Covered	Partially covered	
A.5.2 Qualification and competence	Covered		Partially covered			Covered	Covered	Covered	
A.5.3 Risk based approaches to sourcing, trade or production	Partially covered		Covered			Partially covered	Partially covered	Partially covered	

Requirement Section	PEFC	PEFC Non-certified material	FSC (FM)	FSC (CW-FM)	FSC Non-certified material (CW-CoC)	SBP	ISO 38200	OLB	OLB Non-certified material
	B. Requirements for Certification Bodies								
B.1 General Certification Body requirements	Covered		Partially covered			Covered	Partially covered	Partially covered	
B.2 Certification Body requirements for auditing and certification	Partially covered		Partially covered			Covered	Partially covered	Partially covered	
	C. Requirements for Certification Schemes								
C.1 Transparency	Partially covered		Partially covered			Covered	Partially covered	Partially covered	
C.2 Scheme & standard scope	Partially covered		Partially covered			Partially covered	Partially covered	Covered	
C.3 Accreditation and oversight	Partially covered		Partially covered			Partially covered	Partially covered	Partially covered	
C.4 Certification process	Partially covered		Partially covered			Partially covered	Partially covered	Partially covered	

## 11. PEFC

The Programme for the Endorsement of Forest Certification (PEFC) is one of the World's largest voluntary forest certification schemes with over 320 million certified hectares and 27,000 certified supply chain entities. It is the largest forest certification scheme in terms of certified forest area.

PEFC operates a third-party certification system, whereby it sets the normative and benchmark standards together with guidance and procedural documents. The scheme has support from International Accreditation Forum (IAF) in recognizing bodies allowed to accredit the certification bodies. In addition to the accreditation process, certification bodies shall be notified by PEFC<sup>22</sup> before issuing certificates. Evaluations of Certificate holders include field audits.

The scheme recognises national forest certification system standards. The recognition process and incorporation into the PEFC family of new national forest certification systems is known as 'endorsement' and includes assessments made by an independent assessor and recognition of PEFC Council. After five years of the approval date, endorsed systems shall initiate a standard review process in relation to their standards.

PEFC National Governing Bodies (NGBs) play multiple roles in assuring the credibility of a system in a specific country. NGBs conduct notification of certification bodies (CBs), without that CBs cannot issue PEFC FM certificates. Simultaneously, NGBs have a role in forest certification system setting, appointing a standardizing body or acting themselves as a standardizing body and responsible for maintaining the forest certification system. At the international level, NGBs are part of PEFC Council Board together with International Stakeholders, accepting new National Governing Bodies and changes of Scheme, including normative and Benchmark standards. Similarly, Accreditation Bodies are part of IAF, involved in accepting new Accreditation Bodies.

Certification Bodies conduct assessments and issue certificates to organisations. Various organisations can apply for certification at the forest or supply chain level, from single to groups of forestry companies; smallholders and community groups; from sawmills, traders, manufacturers and printers.

PEFC operates two certification approaches which apply to forests: i) certification of forest – and forest management – organisations and supply-chain entities; and ii) certification of a risk-based due-diligence mechanism for managing non-PEFC-certified material inputs into PEFC-certified products.

PEFC's Forest Management (FM) standard is a benchmark standard based on 6 criteria (chapter 8) and 94 requirements. Certification at the forest level is based on standards developed by the national forest certification system, which conform to the set of rules and requirements defined by PEFC International<sup>23</sup>. The development of PEFC standards includes consultation with stakeholders.

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<sup>22</sup> PEFC International or National Governing Body

<sup>23</sup> PEFC ST 1003:2018 Sustainable Forest Management, is the latest benchmark standard developed by PEFC International to which national standards are independently assessed against and must conform to, in order to become PEFC endorsed.

PEFC's Chain of Custody (CoC) standard is a global standard, applied as-is, to all supply chain entities wishing to sell PEFC certified products with a PEFC claim. PEFC has integrated a due diligence mechanism into its CoC standard to allow the mixing of PEFC - certified material and non-PEFC-certified material in the manufacture of PEFC-certified products, whilst at the same time avoiding raw material from controversial sources. PEFC's definition of controversial sources includes illegally harvested and traded wood.

Finally, the system provides for the inclusion of recycled wood material via the Chain of Custody standard.

## 11.1 Summary of PEFC findings

In total, out of the 84 indicators of the scheme assessment framework evaluated within the study, 30 were concluded as “Covered”, 39 as “Partially Covered” and 14 as “Not Covered”. One indicator was concluded as “Not Applicable”.

Table 3: Summary of PEFC findings

PEFC (a) – coverage of applicable legislation of certified material (Forest Management - FM)		PEFC (b) – Coverage of applicable legislation of non-certified material (Controlled Sources)		PEFC – Coverage of other requirements for certificate holders		PEFC – Coverage of requirements for scheme governance	
Criteria	Indicator	Criteria	Indicator	Criteria	Indicator	Criteria	Indicator
A1.1 Rights to harvest timber	A1.1.1.1	A1.1 Rights to harvest timber	A1.1.1.1	A3.1 Material control	A3.1.1.1	C1 Transparency	C1.1.1
	A1.1.1.2		A1.1.1.2		A3.1.1.2		C1.1.2
	A1.1.1.3		A1.1.1.3		A3.1.1.3		C1.1.3
	A1.1.2.1		A1.1.2.1		A3.1.1.4		C1.1.4
	A1.1.3.1		A1.1.3.1	A3.2 Recycled material	A3.2.1.1	C2 Scheme & standard scope	C1.2.1
	A1.1.3.2		A1.1.3.2		A3.2.1.2		C1.3.1
	A1.1.4.1		A1.1.4.1		A3.2.1.3		C2.1.1
	A1.2.1.1	A1.2 Payments for harvest rights and timber	A1.2.1.1		A4.1.1		C2.2.1
	A1.2.2.2		A1.2.2.2	A4.1 Conflict resolution	A4.1.2	C3 Accreditation and oversight	C2.3.1
	A1.3.1.1	A1.3 Timber harvesting	A1.3.1.1		A5.1.1		C2.4.1
A1.2 Payments for harvest rights and timber	A1.3.1.2		A1.3.1.2	A5.1 Internal procedures for Certificate Holders	A5.1.2	C4 Certification process	C3.1.1
	A1.3.2.1		A1.3.2.1		A5.2.1		C3.1.2
	A1.3.2.2		A1.3.2.2	A5.2 Qualification and competence	A5.3.1		C3.1.3
	A1.3.3.1		A1.3.3.1		A5.3.2		C3.1.4
	A1.3.4.1		A1.3.4.1		A5.3.3		C3.2.1
A1.3 Timber harvesting	A1.3.5.1		A1.3.5.1	A5.3 Risk based approaches to sourcing, trade or production	A5.3.4		C3.2.2
	A1.3.5.2		A1.3.5.2				C3.2.3
	A1.4.1.1	A1.4 Third parties' legal rights	A1.4.1.1				C3.2.4
	A1.4.1.2		A1.4.1.2				C4.1.1
	A1.4.2.1		A1.4.2.1				C4.1.2
A1.4 Third parties' legal rights	A1.4.3.1		A1.4.3.1				C4.1.3
	A1.5.1.1	A1.5 Trade and customs	A1.5.1.1				C4.1.4
	A1.5.2.1		A1.5.2.1				
	A1.5.3.1		A1.5.3.1				
	A1.5.4.1		A1.5.4.1				
	A1.5.5.1		A1.5.5.1				
A1.5 Trade and customs	A1.5.6.1		A1.5.6.1				

<b>A2.1 Legal registration</b> <b>A2.2 Taxes and fees</b>  <b>A2.3 Trade and transport</b>	A2.1.1.1	<b>A2.1 Legal registration</b> <b>A2.2 Taxes and fees</b>	A2.1.1.1	
	A2.2.1.1		A2.2.1.1	
	A2.2.2.1	<b>A2.3 Trade and transport</b>	A2.2.2.1	
	A2.3.1.1		A2.3.1.1	
	A2.3.2.1		A2.3.2.1	
	A2.3.3.1		A2.3.3.1	
	A2.3.3.2		A2.3.3.2	
	A2.3.4.1		A2.3.4.1	
	A2.3.5.1		A2.3.5.1	
	A2.3.6.1		A2.3.6.1	



## **Coverage by the scheme of legal requirements at the forest level**

### *Strengths*

The first part of this study addressed legal requirements at the forest level for forest management certification, evaluating how PEFC ensures that Certificate Holders comply with all applicable legislation. The study concluded that legal requirements at the forest level are mostly Covered by PEFC Forest Management standard (PEFC ST 1003: 2018), and Partially Covered as far as the Controlled Sources requirements within the COC standard (PEFC ST 2002: 2020) are concerned. Of the 27 indicators assessed, 15 were evaluated as covered, 9 were partially covered and 3 are not covered for PEFC Forest Management. On most occasions, the four national forest certification standard evaluations conducted (for Brazil, China, Russia and Romania) corroborated the findings of the international level evaluation. Although, it must be noted that these standards had not yet been updated to the current version of the international Sustainable Forest Management (FM) benchmark standard (PEFC ST 1003: 2018).

### *Gaps or areas of lower coverage*

Across the same 27 indicators in the case of Controlled Sources requirements, only 6 were evaluated as Covered, 15 as partially covered and 6 as not covered. In both cases, many of the identified gaps related to ambiguities, omissions, or cases where no clear reference was made within PEFC standard requirements to an aspect of forest legality included in the framework.

For Controlled Sources, however, all indicators related to trade and customs are not covered. The definition of controversial sources does not appear to cover legal compliance in relation to trade, transport and customs<sup>24</sup>, for non-certified forest entities included within the due diligence requirements of the scheme. This represents a significant gap within the scheme.

PEFC requires that the international Sustainability benchmark standard is adapted to the national context in which it is being implemented by forest organisation. As of the date of this report, no countries have yet an approved national standard that has been updated from the previous version of the international FM benchmark standard (PEFC ST 1003: 2010) to the current version. At the same time, two approved standards (Brazil and Ireland) are still developed based on the initial version of the standard, developed in 1998 - "Pan European Operational Level Guidelines", although both schemes are currently in a process of review for compliance with PEFC ST 1003:2018. However, the delays in updating all national FM standards to meet updated benchmarks, represents a significant gap in the PEFC system.

## **Coverage by the scheme of legal requirements at the supply chain level**

### *Gaps or areas of lower coverage*

The study addressed requirements for legal compliance by Certificate holders which are supply chain entities, focussing on the PEFC CoC standard. This standard is applicable to all certified supply chain entities within the PEFC system. Of the 10 indicators evaluated, 3 were concluded as Partially Covered, while 7 as Not Covered. This is considered a significant gap within the PEFC system. While the normative requirements of the

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<sup>24</sup> Note: in the context of the EUTR, trade, transport and customs laws are only relevant within the country of harvest.

accreditation standard require Certificate bodies to collect information related to the legal status of the certificate holder, the requirement for legal business registration and the holding of other relevant legally required licenses is not made a requirement of Certificate Holders within the CoC standard. Certificate holders are not required to comply with legislation concerning taxes and fees, how products are classified, trading permits, offshore trading, transfer pricing, export/import licenses.

A second major gap within the due diligence requirements is for non-certified material entering the PEFC system that form part of the PEFC Controlled Source requirements for supply-chain entities. Here, the PEFC due diligence process does not include the evaluation of risks of legal non-compliance in relation to: legal business registration; trade, transport and customs, or the payment of taxes and fees within the country of origin. As a result, of the 10 indicators within this principle, all were evaluated as Not Covered.

## **Material control**

### *Strengths*

Via the PEFC CoC standard and other normative requirements, the PEFC system maintains a system of material control, tracking and traceability, similar to other fully developed certification schemes. PEFC standard requirements include clear and effective measures to prevent material from non-negligible risk, unverified or potentially illegal sources from entering the supply chain.

### *Gaps or areas of lower coverage*

The CoC system does not include any validation of certified volumes transferred from sellers to purchasers vertically up and down supply chains, meaning that risks of errors - or even fraudulent activity – exist in relation to the volumes of PEFC-certified products sold along supply chains. However, it is also not a concern specific to PEFC, but many of the schemes evaluated within this study.

A further gap to be noted regards reclaimed timber. PEFC descriptions of recycled material described in Terms and definition of the COC standard (PEFC ST 2002: 2020), do not entirely align with the definition of waste material as defined in – and excluded from the requirements of – the EU Timber Regulation and associated guidance documents. This discrepancy between PEFC and EU definitions means material might enter the PEFC system without the required due diligence.

## **Other requirements for certificate holders**

### *Strengths*

General requirements for certificate holders related to Quality and procedural requirements are mostly addressed within the PEFC system. Documented systems and procedures covering all requirements of the relevant standards are required both for Forest Management and Chain of Custody certification.

In the case of requirements that certificate holders do not engage in corrupt practices related to illegal harvesting, this is addressed within the PEFC system for FM certification.

### *Gaps or areas of lower coverage*

Requirements for CoC certificate holders related to conflict resolution – specifically that disputes are identified, recorded and managed in a robust and transparent way – are covered. However, conflict resolution is assessed as partially covered for FM certification

because standard requirements do not extend to requiring the exclusion from the scope of a certificate situations or forest areas where the legality of tenure or management is not defined, unclear or disputed.

For CoC certification, there is no requirement that certificate holders do not engage in corrupt practices related to illegal harvesting.

In relation to requirements for risk-based approaches to sourcing (Due Diligence Systems) for non-certified material, PEFC was concluded as partially covering the quality indicators. Due diligence procedures are described in Annex 1 of the PEFC CoC standard. However, there are no requirements or guidance on what basis – or how – other certification schemes shall be evaluated by the certificate holder other than that they cover the activities included in the term controversial sources and are covered by a supported by third-party certification. At the same time, DDS procedures defined in the COC standard are such that it is not clear that the system will always capture risks present within supply - chains.

## **Requirements for Certification Bodies**

### *Strengths*

Quality requirements for Certification Bodies were generally evaluated as Covered (6 indicators), based on PEFC normative requirements, with some notable exceptions (resulting in 2 Partially Covered indicators, 1 not covered).

### *Gaps or areas of lower coverage*

Important indicators that are partially covered are related to the frequency of audits, as these may exceed 12 months in the case of CoC certification. In the case of forest management, it is not clear if standards consistently include the ability for unannounced or short-notice audits in case of substantiated claims or for other reasons.

At the same time, stakeholder consultation is concluded as partially covered. For forest management, not all national schemes include stakeholder consultation for evaluating compliance of certificate holders. In the case of Chain of custody, there is no requirement to conduct stakeholder consultation. 1 indicator is partially covered.

One important gap was identified: there are no mechanisms or formal processes for the scheme - or requirements for Certification Body - to proactively identify companies sanctioned for engagement in corrupt practices relevant to the forest sector.

## **Other requirements of the Certification scheme**

### *Strengths*

In relation to issues of accreditation and oversight, most indicators were evaluated as covered based on the normative requirements. PEFC has in place a system for the accreditation and oversight of Certification Bodies to ensure that CBs have in place the required procedures, capacity and competencies.

### *Gaps or areas of lower coverage*

In relation to scheme transparency, 1 indicator was assessed as covered. Of the 4 indicators evaluated as partially covered and 1 not covered, some of these cover important issues:

- Most of the procedures and standards related to the Scheme are publicly available on internet. However, some procedures related to the accreditation process and impact information are not publicly available.
- A register of certified/verified organisations is publicly available. The database allows a user to identify the certification status of named companies from their name or certification code. However, the database does not include information about certified forest areas or locations within the scope of the certificate. At the same time, the Scheme is not requiring that summary audit reports are publicly available on the internet.
- Some of the procedures used for accreditation are publicly available, however not all of them. For example, standards used in the assessment of Accreditation or Certification Bodies applicants, are not publicly available.

The PEFC system includes an oversight mechanism which is independent of the Certification Bodies and includes requirements to ensure the frequency of oversight or a procedure for determining the frequency. However, while the PEFC system includes in field evaluation of Certification bodies, stakeholder consultation does not form part of the accreditation or evaluation process.

Certification bodies may issue corrective actions to certificate holders for non-conformances (up to 3 months for major non-conformities and up to 12 months for minor non-conformities, according to different audit types). This approach ensures that non-conformances in relation to PEFC requirements are addressed systematically and within a specific timeframe. It is also an approach similar to that employed by almost all forest certification schemes.

In the case of surveillance and re-certification audits, the timeframes permitted to address and close non-conformities are such that there is a possible risk that illegal (or non-negligible) wood products may enter the EU market without mitigation having taken place. This could occur if a non-conformity which represented an infringement of legislation was issued to a certificate holder. It is possible the non-conformity would not be addressed for a period of up to 3 or 12 months, during which production or trade was still taking place.

Table 4: PEFC International findings

Requirement Section	Conclusion	Summary	Conclusion	Summary
<b>A. Requirements for Certificate Holders</b>				
A.1 Legal Requirements at the forest level	a - Forest management certification		b - Input from non-PEFC certified forest	
A.1.1 Rights to harvest timber within legally gazetted boundaries	<b>Partially covered</b> 5 indicators are covered 2 indicators are partially covered	Indicators related to land tenure, management rights, and concession license are almost covered. Standard requires to cover legislation but not explicitly requiring legal methods to obtain these documents. 2 indicators are covered and 2 partially covered.  PEFC standard requirements cover legislation related to forest management, harvesting planning and permits. 3 indicators assessed as covered.	<b>Partially covered</b> 1 indicator is covered 6 indicators are partially covered	Indicators related to land tenure and management rights, and concession licenses are partially covered. The standard includes applicable legislation on forest management as well as tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders. However, a specific reference to legislation in the case when there are no indigenous peoples, local communities or other affected stakeholders is not made.  For other indicators of this criterion, the PEFC international standard includes compliance with applicable local, national or international legislation on forest management. However, it does not make clear reference to legally-gazetted boundaries and legal business registration.  Indicators related to management and harvesting planning are partially covered. Indicator related to harvesting permits is covered.  The PEFC standard includes compliance with applicable local, national or international legislation on forest management but does not make clear references to certain aspects of management planning; the requirement for legally required planning documents to be approved before the implementation; legislation regulating the issuing of harvesting permits, licenses or other legal documents required for specific harvesting

				operations.
A.1.2 Payments for harvest rights and timber including duties related to timber harvesting	<b>Partially covered</b> 2 indicators are partially covered	PEFC standard includes compliance with legislation related to the payment of applicable royalties and taxes but does not explicitly request compliance with legislation regulating value-added taxes; stumpage fees, other volume-based fees, land area taxes.	<b>Partially covered</b> 2 indicators are partially covered	The PEFC standard includes compliance with legislation related to the payment of applicable royalties and taxes but does not explicitly request compliance with legislation regulating value-added taxes; stumpage fees, other volume-based fees, land area taxes.
A.1.3 Timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting	<b>Partially covered</b> 5 indicators are covered 3 indicators are partially covered	<p>Indicators related to timber harvesting regulations are almost covered. Note that the PEFC standard requires control of potential illegal activities by third parties within the managed area. At the same time, it requires compliance with forest management legislation. However, clear references to compliance with legislation regulating harvesting techniques and technologies is not made. 1 covered and 1 partially covered.</p> <p>Indicators related to protected sites and species are almost covered. The PEFC standard requires compliance with legislation regulating protected and endangered species, but does not include clear reference to legislation regulating the identification of protected areas. 1 covered and 1 partially covered.</p> <p>Indicator related to environmental requirements is partially covered. Specific references to compliance with legislation regulating environmental impact assessments is not made. 1 indicator partially covered.</p> <p>Indicators related to health and safety and legal employment are covered by the national standards, although the international standard is not clear for legal employment. These 3 indicators</p>	<b>Partially covered</b> 3 indicators are covered 5 indicators are partially covered	<p>Indicators related to timber harvesting regulations are almost covered. Standard requests comply with forest management legislation. However, an explicit request to compliance with legislation regulated harvesting techniques and technology is not made. 1 covered and 1 partially covered.</p> <p>Indicators related to protected sites and species are almost covered. Standard includes compliance with legislation regulating protected and endangered species, but not clearly reference legislation regulating the identification of protected areas. 1 covered and 1 partially covered.</p> <p>Indicator related to environmental requirements is partially covered. Specific references to compliance with legislation regulating environmental impact assessment is not made. 1 indicator partially covered.</p> <p>PEFC standard requirements cover the indicator related to health and safety. Indicators related to legal employment are almost covered. Standard requests comply with forest management legislation. However, a specific reference to compliance with legislation contracts and working permits, obligatory insurances, certificates of competence and other training requirements, and payment of social and income taxes, is not made within the PEFC normative requirements. 1</p>

		how ever were concluded as covered.		indicator covered and 1 partially covered.
A.1.4 Third parties' legal rights concerning use and tenure that are affected by timber harvesting	<b>Covered</b> 4 indicators are covered	Indicators related to customary rights; Free, Prior and Informed Consent; and Indigenous and traditional peoples' rights are covered by the standard requirements. 4 indicators covered.	<b>Covered</b> 4 indicators are covered	Indicators related to customary rights; Free, Prior and Informed Consent; and Indigenous and traditional peoples' rights are covered by the standard requirements. 4 indicators covered.
A.1.5 Trade and customs, in so far as the forest sector is concerned	<b>Partially covered</b> 1 indicator is covered 2 indicators are partially covered 3 indicators are not covered	<p>Indicators related to the classification of species, quantities, qualities; and trade and transport are partially covered.</p> <p>There is a requirement to comply with applicable local, national and international legislation on forest management. However, clear reference to complying with legislation regulating how harvested material is classified or related to trade and transport is not made. 2 indicators partially covered.</p> <p>Indicator related to CITES is covered. The international PEFC standard does not have explicit requirements related to CITES permits, but all national standard assessed have requirements related to CITES. 1 indicator covered.</p> <p>Indicators related to offshore trading; transfer pricing; customs regulations; and legislation requiring due diligence / due care procedures are evaluated as not covered. While there is a requirement to comply with applicable local, national and international legislation on forest management, no clear reference is made to compliance in relation to these areas of law. 3 indicators concluded as not covered.</p>	<b>Not Covered</b> 6 indicators are not covered	<p>Indicators related to the classification of species, quantities, qualities; trade and transport; Offshore trading and transfer pricing; Customs regulations; CITES and Legislation requiring due diligence / due care procedures are not covered.</p> <p>The definition of controversial sources (3.7) includes forest and tree-based material sourced from activities not complying with applicable local, national, or international legislation on forest management, including forest management practices and other areas of law. However, the definition does not appear to cover legal compliance in relation to trade, transport and customs, for non-certified forest entities included within the due diligence requirements of the scheme.</p>



A.2 Legal requirements for supply chain entities	a - Certificate Holders	b - Input from non-PEFC certified forest
A.2.1. Legal registration	<p><b>Not covered</b></p> <p>1 indicator is not covered</p> <p>Indicator related to legal registration is assessed as not covered. The certification body is collecting information related to the legal status of the certificate holder. However, legal business registration or other relevant legally required licenses are not specifically required to be ascertained or evaluated. Simultaneously, there is no requirement in the chain of custody standard to ensure the existence of legal business registration or other relevant legally required licenses.</p>	<p><b>Not Covered</b></p> <p>1 indicator is not covered</p> <p>Indicator related to legal registration is assessed as not covered. Standard requirements include forest and tree-based material sourced from activities not complying with applicable local, national or international legislation on forest management, including forest management practices and other areas of law. This definition is specific to forest management only. It does not appear to include compliance relevant to the supply chain legality, covering legislation relevant to business registration and other relevant legally required licenses that applies to supply chain entities.</p>
A.2.2 Taxes and fees	<p><b>Not Covered</b></p> <p>2 indicators are not covered</p> <p>Standard has no requirement to ensure compliance with legislation covering taxes and fees.</p>	<p><b>Not Covered</b></p> <p>2 indicators are not covered</p> <p>Standard has no requirement to ensure compliance with legislation covering taxes and fees.</p>
A.2.3 Trade and transport	<p><b>Partially covered</b></p> <p>2 indicators are partially covered</p> <p>5 indicators are not covered</p> <p>Standard has no requirement to ensure compliance with legislation regulating how products are classified, trading permits, offshore trading, transfer pricing, export/import licenses. 5 indicators not covered.</p> <p>Indicator related to CITES is assessed as partially covered. When CH is not implementing a DDS, there is no requirement to ensure compliance with CITES legislation, but if the Certificate Holder is implementing a DDS, then the requirement is included. 1 indicator partially covered.</p> <p>Indicator related to due diligence/ due care procedures is assessed as partially covered. There is no specific reference ensuring compliance with legislation covering due</p>	<p><b>Not Covered</b></p> <p>7 indicators are not covered</p> <p>Standard requirements include forest and tree-based material sourced from activities not complying with applicable local, national or international legislation on forest management, including forest management practices and other areas of law. This definition is specific to forest management only. It does not appear to include compliance with trade and transport legislation (Classification of species, quantities, qualities; Trade and transport; Offshore trading and transfer pricing; Customs regulations; CITES; Legislation requiring due diligence / due care procedures). 7 indicators not covered.</p>

		diligence/due care procedures. Appendix 1 is effectively a due diligence mechanism, but it does not apply to all certificate holders themselves. 1 indicator partially covered.		
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Requirement Section	Conclusion	Summary
A.3 Requirements for material control		
A.3.1 Material control	<b>Partially covered</b> 1 indicator is covered 3 indicators are partially covered	Indicators related to material origin and identification are partially covered. PEFC standard requirements enable the identification of the country of harvest and species included in materials or products through Due Diligence system used in case of non-certified material – Controlled Sources. In case that PEFC-certified products are used, it is only voluntary to implement a Due Diligence system and obtain information related to the country of harvest and species. 2 indicators partially covered.  PEFC standard requirements include clear and effective measures to prevent material from non-negligible risk, unverified or potentially illegal sources from entering the supply chain. However, the CoC system does not include any validation of volumes transferred from sellers to purchasers (verification of volumes) vertically up and down supply chains, which is considered as a major gap in the system. 1 indicator covered and 1 indicator partially covered.
A.3.2 Recycled material	<b>Partially covered</b> 3 indicator are partially covered	Indicators related to waste material are assessed as partially covered. PEFC standard requirements include a definition of recycled material that is not entirely aligned with the definition of waste material as described by the EUTR and associated guidance document. For this reason, other indicators relating to systematic processes to enable the identification, and segregation of, waste material are assessed as partially covered.
A.4 General requirements for Certificate Holders		
A.4.1 Conflict resolution	<b>Partially covered</b> Forest Management: 1	For forest management certification, standard requirements do not extend to requiring the exclusion from the scope of the certificate situations or areas or forest where the legality of tenure or

	<p>indicator is partially covered.</p> <p>Chain of custody: 1 indicator is covered.</p>	<p>management/harvesting is not defined or is unclear and disputed.</p> <p>In the case of chain of custody, standard requirements require exclusion from the scope of the certificate, material for which there are unresolved substantiated concerns. Basic requirements exist in relation to the transparency of dispute/complaint resolutions processes.</p>
A.4.2 Corruption	<p><b>Partially covered</b></p> <p>Forest Management: 1 indicator is covered.</p> <p>Chain of custody: 1 indicator is not Covered.</p>	<p>For forest management, corrupt practices related to illegal harvesting is directly addressed in the normative requirement at the level of PEFC International. For chain of custody, there is no requirement that certificate holders do not engage in corrupt practices related to illegal harvesting.</p>
A.5 Quality and procedural requirements for Certificate Holders		
A.5.1 Internal procedures for Certificate Holders	<p><b>Covered</b></p> <p>2 indicators are covered</p>	<p>Indicators related to internal procedures for Certificate Holders are assessed as covered. Documented systems and procedures covering all requirements of the relevant standards are required both for Forest Management and Chain of Custody certification.</p>
A.5.2 Qualification and competence	<p><b>Covered</b></p> <p>1 indicators is covered</p>	<p>Requirements are included that certified organisations have personnel with sufficient competencies to implement Scheme requirements.</p>
A.5.3 Risk based approaches to sourcing, trade or production	<p><b>Partially covered</b></p> <p>2 indicators are covered</p> <p>2 indicators are partially covered</p>	<p>Indicators related to risk-based approaches to sourcing, trade or production are partially covered. Normative requirements are described for the consistent implementation of a DDS for sourcing non-certified material and whenever there is a change in the risk related to illegal harvest, trade or transport in a supply chain – or a supply chain covered by a DDS – the risk shall be assessed and mitigated prior to shipping and sale.</p> <p>The standard describes due diligence procedures in Annex 1. The DDS determines that supplies verified by governmental or non-governmental verification or licensing mechanisms (other than forest certification systems) can be considered as low risk, as long as they address the activities covered by the term controversial sources. However, there are no requirements or guidance on what basis – or how - the schemes shall be evaluated by the certificate holder other than that they cover the activities</p>

		<p>included in the term controversial sources and are covered by a supported by third-party certification.</p> <p>At the same time, DDS procedures defined in the COC standard are such that it is not clear that the system will always capture risks. Controversial sources is applicable just to the chain of custody standard.</p>
<b>B. Requirements for Certification Bodies</b>		
B.1 General Certification Body requirements	<p><b>Covered</b></p> <p>4 indicators are covered</p>	<p>Indicators related to competence and qualifications are assessed as covered. For forest management, auditors and other relevant personnel of the Certification Body, are qualified and competent to evaluate organisations' compliance with specific Scheme requirements is indirectly (through ISO standards) addressed in the normative requirement. For Chain of custody, auditors and other relevant personnel of the Certification Body, are qualified and competent to evaluate organisations' compliance with specific Scheme requirements is directly addressed in the normative requirement.</p> <p>Indicators related to impartiality are assessed as covered. The impartiality of auditors is directly (in chain of custody) and indirectly (in forest management through ISO 19011 and ISO 17021) addressed in the normative requirement.</p>
B.2 Certification Body requirements for auditing and certification	<p><b>Partially covered</b></p> <p>2 indicators are covered</p> <p>2 is partially covered</p> <p>1 is not covered</p>	<p>Indicators related to auditing process are almost covered. The documented methodology for the evaluation (assessments and audits) of clients is directly addressed in the normative requirement. Procedures for evaluation of conformity of organisations to the Schemes; review and certification decision; issuance of a certificate and periodic re-assessment are addressed for Forest management, through ISO 17021, and directly addressed in PEFC ST 2003:2020 the normative requirement Chain of custody certification.</p> <p>However, in case of forest management, it is not clear if standards consistently includes the ability for unannounced or short-notice audits in case of substantiated claims or for other reasons. In the case of Chain of custody, frequency of audits may exceed 12 months. 2 indicators covered and 1 partially covered.</p> <p>Indicator related to stakeholder consultation is partially covered. At the forest management level, not all national schemes include stakeholder consultation for evaluating compliance of certificate holders. In the case of Chain of custody, there is no requirement to conduct stakeholder consultation. 1 indicator is partially covered.</p> <p>Indicator related to corruption is not covered. There are no mechanisms for the scheme - or for the Certification Body - to identify companies sanctioned for engagement in corrupt practices relevant to</p>

		the forest sector. 1 indicator is not covered.
<b>C. Requirements for Certification Schemes</b>		
<b>C.1 Transparency</b>	<b>Partially covered</b> 1 indicator is covered 4 indicators are partially covered 1 indicator is not covered	<p>Indicators related to transparency are mostly partially covered. Scheme requirements ensure that relevant information related to development of the Scheme; how the system is governed; how the scheme is working; who is evaluated and process; impact information and the various ways in which stakeholders can engage is freely available.</p> <p>However, some procedures related to the accreditation process and impact information are not publicly available. A register of certified/verified organisations is publicly available. The database allows a user to identify the certification status of named companies from their name or certification code. However, the database does not include information about certified forest areas or locations within the scope of the certificate. The Scheme does not require summary reports to be publicly available on the internet. 3 indicators partially covered and 1 not covered.</p> <p>Indicator related to impartiality is covered. Procedures for complaints and appeals are publicly available and steps for submitting a comment or complain are clear. 1 indicator covered.</p> <p>Indicator related to conflict of interest and corruption is partially covered. Corruption and conflict of interest is not mentioned at all levels of the scheme. 1 indicator partially covered.</p>
<b>C.2 Scheme &amp; standard scope</b>	<b>Partially covered</b> 1 indicator is covered 1 indicator is partially covered 1 indicator is not covered 1 indicator is not applicable	<p>Indicator related to international standard application to the national or subnational context is partially covered. While there is a system in place for national certification standards to be updated to the latest version of the international Benchmark Standard PEFC ST 1003: 2018, there are currently no national standards developed in conformance with this standard and a small number of standards. At the same time, two approved standards (Brazil and Ireland) are still developed based on the initial version of the standard, developed in 1998 - "Pan European Operational Level Guidelines", although both schemes are currently in a process of review for compliance with PEFC ST 1003:2018. PEFC explains that national adaptation is an ongoing process and a number of standards will be updated to the newest version of the international Benchmark Standard in the near future. 1 indicator is partially covered.</p> <p>Indicator related to international conventions and treaties is not covered. There is no requirement to develop a list of the relevant international conventions to which the country has ratified, and which hold legal force in the country for forest management or chain of custody certification. 1 indicator is not covered.</p> <p>Indicator related to the use of contractors is covered. PEFC International requirements include a</p>

		<p>reference to normative requirements for certificate holders also being applicable to the organisation's contractors and outsourcing facilities. 1 indicator is covered.</p> <p>Indicator related to endorsing and recognising of other Schemes and systems is not applicable. PEFC does not endorse 3rd party private voluntary certification schemes. 1 indicator is not applicable.</p>
C.3 Accreditation and oversight	<p><b>Partially covered</b></p> <p>5 indicators are covered</p> <p>3 indicators are partially covered</p>	<p>Indicators related to accreditation are almost covered. PEFC International includes a system for accreditation of Certification Bodies. This system includes requirements to develop procedures, capacity and competencies.</p> <p>A list and details of all accredited Certification Bodies is publicly available.</p> <p>PEFC International includes a system to ensure qualification and competence of National Accreditation Bodies. Some of the procedures used for accreditation are publicly available, however not all of them. 3 indicators covered, and 1 partially covered.</p> <p>Indicators related to oversight mechanisms are almost covered. PEFC International includes an oversight mechanism which is independent of the Certification Bodies and includes requirements to ensure the frequency of oversight or the procedure for determining the frequency.</p> <p>PEFC International includes in-field evaluation, but stakeholder consultation is conducted for the accreditation process. In the case of surveillance and re-certification audits, the definition of non-conformities is such that there is a potential risk that a non-conformity may represent an infringement of legislation. As a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months. 2 indicators covered and 2 partially covered.</p>
C.4 Certification process	<p><b>Partially covered</b></p> <p>3 indicators are covered</p> <p>1 indicators are partially covered</p>	<p>Indicator related to Compliance evaluations is partially covered.</p> <p>PEFC International includes requirements that ensure that the Certification Bodies apply a clear basis for establishing conformance; raising corrective actions, and certification decision making. The decision process to certify organisations or maintain certification is free from conflict of interest and includes checks and balances.</p> <p>PEFC International includes a system to assess conformity with the standard. However, in the case of surveillance and re-certification audits, the definition of non-conformities is such that there is a potential risk that a non-conformity may represent an infringement of legislation. As a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months. 3 indicators covered and 1 indicators partially covered.</p>

## 11.2 Understanding PEFC labels and claims

PEFC have introduced a new trademark standard (PEFC 2001:2020)<sup>25</sup>. This standard contains the rules for using the PEFC trademark, as well as the labels and claims to be used on – and off-product by certificate holders, as well as other entities in the PEFC system.

The claims used on labels provides information about the composition of the material or product in terms of the certification status of the material. This can include material from certified forest, material from Controlled Sources and recycled materials. Claims may cover a mixture of these material categories, as outlined in the details on claims below.

Claims are transferred between certified entities on the invoice of the material.

The generic PEFC on-product label looks like this:



The PEFC certified label may be used whenever at least 70% of the forest and tree-based material included in the product is PEFC certified material and the content of recycled material is lower than 100%. The label message that shall accompany the PEFC certified label is: “[This product] is from sustainably managed forests, recycled and controlled sources”. This means that material with this label may include bot certified material, non-certified Controlled Sources and recycled materials.

Where the product does not include PEFC certified material from recycled sources, the label message may be used without the word “recycled”.



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<sup>25</sup> PEFC Trademark Rules – requirements. <https://cdn.pefc.org/pefc.org/media/2020-02/d1ad5a21-0267-4db4-a41b-07fd577fdea/3abf07e8-b7f9-5f42-ba2a-9ca608ee415f.pdf>



Where the product includes only material from PEFC certified forests, i.e. material delivered with the claim “100% PEFC Origin”, the label message may be used with the wording: “[This product] is from sustainably managed forests”.



The PEFC recycled label shall be used when the product includes only recycled material. The label name is “PEFC Recycled” and the label message: “[This product] is from recycled sources”.



## 12. Forest Stewardship Council (FSC)

The Forest Stewardship Council (FSC) is one of the world's largest voluntary forest certification schemes with over 220 million certified hectares and 45,000 certified supply chain entities. It is also one of the oldest, having been legally established in 1994.

FSC operates a third-party system, whereby its main functions are to set the normative requirements and guidance, and to manage the strategic direction and day to day running of the scheme. Assurance Services International (ASI) conducts assessments and issues accreditations to independent Certification Bodies which, in turn, conduct assessments and issue certificates. Organisations can apply for certification at the forest and supply chain levels, from smallholders and community groups to large forestry companies, from sawmills, to traders, manufacturers and printers. Evaluations of both Certificate Bodies and Certificate Holders are performance-based and, thus, include field and witness audits.

FSC operates two approaches to certification: i) certification at the forest management level and the supply chain level; and ii) a risk-based approach to managing non-certified materials to FSC claim, through the Controlled Wood programme.

FSC's *Principles and Criteria for Forest Stewardship* standard (FSC-STD-01-001), is the principal forest management (FM) standard for the scheme. It is an international standard based on 10 principles and 70 criteria. The current version of this standard is version 5-2, published in July 2015. The international standard of Principles and Criteria is adapted to regional or national certification standards by local balanced working groups following detailed processes mandated by FSC, including consultation with a full range of stakeholders.

FSC's *Chain of Custody Certification (CoC)* standard, FSC-STD-40-004 V3.0, is also a global standard, applied as is, to all supply chain entities wishing to sell FSC certified products with an FSC claim.

The FSC scheme includes the FSC Controlled Wood (CW) system, of which the principal standard is *Requirements for Sourcing FSC Controlled Wood* (FSC-STD-40-005 V3-1). This system allows for the use of non-certified, yet 'controlled', wood material to be mixed with FSC-certified material, in the manufacture of FSC-certified products. FSC Controlled Wood basically comprises a due diligence system which is put in place by FSC CoC certified supply-chain companies, in order to avoid that any non-certified material entering into production derives from five different categories of 'unacceptable sources'. The first category of unacceptable sources is illegally harvested wood.

Once the sources of non-certified material have been assessed for risks of deriving from the unacceptable sources, and any identified risks have been mitigated, the raw material is considered to be 'controlled'. The FSC Controlled Wood standard is a global standard that mandates the use of National Risk Assessments which have been developed according to FSC's detailed procedure and which also often contain defined mandatory risk mitigation actions.

Besides via the use of a due diligence process at the supply chain level, 'Controlled Wood' material can also enter into the FSC system via certification at the forest management (FM) level. In this case, the FM Controlled Wood standard (*FSC-STD-30-010 V2-0 FSC Controlled Wood Standard for Forest Management Enterprises*) is applied to a forest area, using a similar approach to the FM standard with field audits. The FM CW standard is not adapted to the national context in the same way.

Whether in relation to FM certification or FM CW certification, reduced requirements exist for Small and Low Intensity Managed Forests (SLIMFs). SLIMFs are also subject to reduced requirements for external auditing. Within the FSC system, groups of small organisations (both at the forest and supply chain levels) may seek group (FM or COC) certification, which carries with it the advantage of reducing the intensity of external audits by the Certification Body (and therefore external costs of certification).

Finally, the FSC system provides for the inclusion of recycled timber via a dedicated Reclaimed Wood standard (*Sourcing reclaimed material for use in FSC Product Groups or FSC Certified Projects, FSC-STD-40-007 V2-0*) which is applied at the supply chain level.

## 12.1 Summary of FSC findings

In total, out of the 84 indicators of the scheme assessment framework evaluated within the study, 58 were concluded as Covered, 22 as Partially Covered and 2 as Not Covered. 2 indicators were concluded as Not Applicable.

Table 5: Summary of FSC findings

FSC (a) – Coverage of applicable legislation of certified material (from forest management certified forest)		FSC (a) – Coverage of applicable legislation of certified material (from CW certified forest)		FSC (b) – Coverage of applicable legislation of non-certified material (Controlled Wood CoC)		FSC – Coverage of other requirements for certificate holders		FSC – Coverage of requirements for scheme governance	
Criteria	Indicator	Criteria	Indicator	Criteria	Indicator	Criteria	Indicator	Criteria	Indicator
A1.1 Rights to harvest timber	A1.1.1.1	A1.1 Rights to harvest timber	A1.1.1.1	A1.1 Rights to harvest timber	A1.1.1.1	A3.1 Material control	A3.1.1.1	B1 General Certification Body requirements	B1.1.1
	A1.1.1.2		A1.1.1.2		A1.1.1.2		A3.1.1.2		B1.1.2
	A1.1.1.3		A1.1.1.3		A1.1.1.3		A3.1.1.3		B1.2.1
	A1.1.2.1		A1.1.2.1		A1.1.2.1		A3.1.1.4		B1.2.2
	A1.1.3.1		A1.1.3.1		A1.1.3.1	A3.2 Recycled material	A3.2.1.1	B2 Certification Body requirements for auditing and certification	B2.1.1
	A1.1.3.2		A1.1.3.2		A1.1.3.2		A3.2.1.2		B2.1.2
A1.2 Payments for harvest rights and timber	A1.1.4.1	A1.2 Payments for harvest rights and timber	A1.1.4.1	A1.2 Payments for harvest rights and timber	A1.1.4.1		A3.2.1.3		B2.1.3
	A1.2.1.1		A1.2.1.1		A1.2.1.1		A4.1.1		B2.2.1
A1.3 Timber harvesting	A1.2.2.2	A1.3 Timber harvesting	A1.2.2.2	A1.3 Timber harvesting	A1.2.2.2	A4.1 Conflict resolution	A4.1.2	C1 Transparency	B2.2.2
	A1.3.1.1		A1.3.1.1		A1.3.1.1		A5.1.1		C1.1.1
A1.4 Third parties' legal rights	A1.3.1.2	A1.4 Third parties' legal rights	A1.3.1.2	A1.4 Third parties' legal rights	A1.3.1.2	A5.1 Internal procedures for Certificate Holders	A5.1.2		C1.1.2
	A1.3.2.1		A1.3.2.1		A1.3.2.1		A5.2.1		C1.1.3
	A1.3.2.2		A1.3.2.2		A1.3.2.2	A5.2 Qualification and competence	A5.3.1		C1.1.4
	A1.3.3.1		A1.3.3.1		A1.3.3.1		A5.3.2		C1.2.1
	A1.3.4.1		A1.3.4.1		A1.3.4.1		A5.3.3		C1.3.1
	A1.3.5.1		A1.3.5.1		A1.3.5.1		A5.3.4	C2 Scheme & standard scope	C2.1.1
	A1.3.5.2		A1.3.5.2		A1.3.5.2	A5.3 Risk based approaches to sourcing, trade or production	A5.3.1		C2.2.1
	A1.4.1.1		A1.4.1.1		A1.4.1.1		A5.3.2		C2.3.1
	A1.4.1.2		A1.4.1.2		A1.4.1.2		A5.3.3		C2.4.1
	A1.4.2.1		A1.4.2.1		A1.4.2.1		A5.3.4		C3.1.1
A1.5 Trade and customs	A1.4.3.1	A1.5 Trade and customs	A1.4.3.1	A1.5 Trade and customs	A1.4.3.1	A5.3 Risk based approaches to sourcing, trade or production	A5.3.1	C3 Accreditation and oversight	C3.1.2
	A1.5.1.1		A1.5.1.1		A1.5.1.1		A5.3.2		C3.1.3
	A1.5.2.1		A1.5.2.1		A1.5.2.1		A5.3.3		C3.1.4
	A1.5.3.1		A1.5.3.1		A1.5.3.1		A5.3.4		C3.2.1

<b>A2.1 Legal registration</b> <b>A2.2 Taxes and fees</b> <b>A2.3 Trade and transport</b>	A1.5.4.1	<b>A2.1 Legal registration</b> <b>A2.2 Taxes and fees</b> <b>A2.3 Trade and transport</b>	A1.5.4.1	<b>A2.1 Legal registration</b> <b>A2.2 Taxes and fees</b>	A1.5.4.1	<b>C4 Certification process</b>	C3.2.2
	A1.5.5.1		A1.5.5.1		A1.5.5.1		C3.2.3
	A1.5.6.1		A1.5.6.1		A1.5.6.1		C3.2.4
	A2.1.1.1		A2.1.1.1		A2.1.1.1		C4.1.1
	A2.2.1.1		A2.2.1.1		A2.2.1.1		C4.1.2
	A2.2.2.1		A2.2.2.1		A2.2.2.1		C4.1.3
	A2.3.1.1		A2.3.1.1				C4.1.4
	A2.3.2.1		A2.3.2.1				
	A2.3.3.1		A2.3.3.1				
	A2.3.3.2		A2.3.3.2				
	A2.3.4.1		A2.3.4.1				
	A2.3.5.1		A2.3.5.1				
	A2.3.6.1		A2.3.6.1				

## **Coverage by the scheme of legal requirements at the forest level**

### *Strengths*

The first part of this study reviewed legal requirements at the forest level for forest management certification, evaluating how FSC ensures that Certificate Holders comply with all applicable legislation. The study concluded that legal requirements at the forest level are largely Covered by both FSC FM and FM CW certification. Of the 27 indicators assessed, 24 were concluded as Covered, while 3 were concluded as Partially Covered. Furthermore, for most indicators in this study, the findings of the evaluation of the four *national* forest management standards corroborated the findings of the international level for forest management certification.

Legal requirements at the forest level for non-certified material entering the FSC system via Controlled Wood due diligence systems were also reviewed. These due diligence systems are implemented by CoC certificate holders. Fully, all 26 indicators concerning legal requirements at the forest level were evaluated as Covered. This indicates that FSC ensures that forest organisations within the Country of Harvest which are included within a Controlled Wood due diligence system, are comprehensively evaluated for legal requirements at the forest level.

### *Gaps or areas of lower coverage*

The principal international forest management (FM) standard for the scheme, *Principles and Criteria for Forest Stewardship (FSC-STD-01-001 v5.2)*, is effectively an international standard. FSC requires that this standard be adapted to the national or subnational context in which it is being implemented by forest organisations. Information provided by FSC shows that, to date, 40 countries have an approved national standard which has been updated from the previous version (*version 4-0*) to the current version of the international Principles and Criteria. For another 38 countries the process is ongoing, to be completed in 2021 according to FSC International. However, the delays in updating all National Forest Stewardship Standards (NFSS) to meet the updated international Principles and Criteria represents a gap in the FSC system.

## **Coverage by the scheme of legal requirements at the supply chain level**

### *Gaps or areas of lower coverage*

The study reviewed requirements for legal compliance by Certificate holders which are supply chain entities, focussing on the FSC CoC standard. This standard is applicable to all certified supply chain entities within the FSC system. Of the 10 indicators evaluated, only 1 was concluded as Covered, 7 as Partially Covered, while 2 as Not Covered. This is considered a significant gap within the FSC system. The normative requirements of the CoC standard do require Certificate holders to ensure the import/export of FSC certified products conforms to all applicable trade and customs laws. However, there were omissions in relation to other areas of trade and transport law.

A second significant gap is within the due diligence requirements for non-certified material entering the FSC system, that form part of the FSC Controlled Wood requirements for supply-chain entities. Here, the risk of illegal trade and transport within the country of origin is not considered at all. The FSC Controlled Wood system limits the due diligence process to the evaluation of risks of legal non-compliance at the forest level and to the evaluation of risks pertaining to the mixing of controlled wood with wood of illegal or unknown origin. As a result, of the 10 indicators within this principle, all were evaluated as Not Covered.

## **Material control**

### *Strengths*

Of the 7 indicators evaluated in relation to material control, 5 were concluded as Covered and 2 as Partially Covered. Via the FSC CoC standard and other normative requirements, the FSC system maintains a system of material control, tracking and traceability, similar to other fully developed certification schemes. This system includes systematic processes to enable the identification of the country of harvest of the material as well as the species included in certified materials or products. Clear systems and measures are required to prevent material from non-negligible risk, unverified or potentially illegal sources from entering the supply chain and mixing with conforming material.

Where there is suspicion or concerns regarding inaccuracy in relation to volumes of products or materials sold with FSC claims, FSC conducts mechanisms such as transaction verification investigations, in which the traded volumes *along supply-chains* are analysed. These programs provide important and valuable support to ensuring the integrity of the FSC system in relation to material control.

### *Gaps or areas of lower coverage*

However, the validation of volumes transferred from seller to purchaser is not conducted systematically by FSC on an ongoing basis across all supply chains, which means that risks exist of errors - or even fraudulent activity – in relation to the volumes of FSC-certified products sold along supply chains. This is considered as a major gap in the FSC system. However, it is not a concern specific to FSC, but many of the schemes evaluated within this study and also a major concern for material that is not certified under any certification scheme. It is also one which FSC is aware of, and the scheme is exploring ways of improving supply chain integrity, although these improvements are still under development.

A further gap to be noted regards reclaimed timber. FSC descriptions of pre-consumer material described in Annexes I and II of the FSC reclaimed materials standard FSC-STD-40-007, do not entirely align with the definition of waste material as defined in – and excluded from the requirements of – the EU Timber Regulation and associated guidance documents. This discrepancy between FSC and EU definitions means material might enter the FSC system without the required due diligence.

## **Other requirements for certificate holders**

### *Strengths*

FSC was evaluated according to 9 indicators concerning conflict resolution, corruption and other quality and procedural requirements for Certificate Holders. Of these, 6 were concluded as “Covered”, 2 as “Partially Covered” and one as “Not Applicable”.

Importantly, covered indicators included general requirements for certificate holders relating to conflict resolution and the control of corruption are addressed within the FSC system. FSC has requirements to ensure that disputes – including those relating to customary tenure rights - are identified, recorded and managed in a robust and transparent way. This includes the cessation of operations whilst disputes of a significant magnitude or duration are being resolved.

In relation to requirements for risk-based approaches to sourcing (Due Diligence Systems) for non-certified material, FSC was concluded as covering all the quality indicators. The



scheme includes clear requirements to ensure consistent implementation of the Due Diligence System and ensures that risks are assessed and mitigated prior to shipping and sale.

In relation to risk assessments, one important factor is the requirement that certificate holders are obliged to use a risk assessment that has been developed by FSC according to their own procedures which determine the methodology for developing, maintaining and approving risk assessments.

## **Requirements for Certification Bodies**

### *Strengths*

Of the 9 indicators covering quality requirements for Certification Bodies were generally evaluated as Covered (7 indicators), based on the normative requirements, with just a couple of exceptions (resulting in 2 Partially Covered indicators).

Covered indicators concerned Certification Bodies having mechanisms to ensure that auditor (and other relevant personnel of the Certification Body) qualifications and competence, as well as to ensure impartiality in the conformance evaluation process. FSC ensures that Certification Bodies have and apply a documented methodology and procedures for the evaluation of conformity of organisations and issuance of a certificates. The procedures address topics such as: audit frequency; the requirement for on-site (field) visits where applicable; sampling protocols; unannounced or short-notice audits, and other aspects of auditing.

Importantly, FSC also ensures that Certification Bodies conduct consultation with stakeholders, as appropriate, for evaluating compliance of certificate holders in relation to Forest management audits, as well as some audits for Controlled Wood.

### *Gaps or areas of lower coverage*

One important gap was identified: there are no normative requirements nor formal processes (to be conducted by FSC or Certification Bodies) for identifying Organisations sanctioned for engagement in corrupt practices proactively and prior to association with FSC.

## **Other requirements of the Certification scheme**

### *Strengths*

In relation to scheme transparency, FSC scored highly, with five of the six indicators evaluated as Covered, based on its normative requirements. These concerns, collectively, issues such as ensuring scheme requirements for Certificate Holders and Certification Bodies are publicly and freely available online, as well as providing a publicly availability of an up-to-date register of certified/verified organisations. Critically, summaries of Forest Management and Controlled Wood audit reports, with relevant findings from the audits, are available on the same online register.

Procedures for handling complaints and grievances are in place, publicly available and implemented.

To ensure consistency of implementation of requirements, the FSC scheme includes a list of the relevant national laws and international conventions to which the country has ratified, and which hold legal force in the country. Requirements for forest managers and

supply chain entities are also applicable to the organisation's contractors and outsourcing facilities.

In relation to issues of accreditation and oversight, most indicators were evaluated as covered, based on the normative requirements. FSC has in place a system for the accreditation and oversight of Certification Bodies to ensure that CBs have in place the required procedures, capacity and competencies. The requirements and the process for accreditation are publicly available, as is an up-to-date list and details of all accredited Certification Bodies. Mechanisms are in place to ensure that relevant personnel are qualified and competent to evaluate the performance of Certification Bodies.

Furthermore, the competence and consistent performance of Certification Bodies is regularly evaluated, employing both stakeholder consultation and in-field evaluation of performance.

#### *Gaps or areas of lower coverage*

FSC ensures that the oversight mechanism for Certificate Holders applies a clear basis for establishing conformance, raising corrective actions for non-conformance, ensuring closure within defined timeframes, and certification issue/maintenance decision making. Certification bodies are required to define a timeframe (up to 3 months for major non-conformities and up to the next audit for minor non-conformities) in the case of annual surveillance audits. This approach ensures that non-conformances in relation to FSC requirements are addressed systematically and within a specific timeframe. It is also an approach employed by almost all forest certification schemes.

However, the same approach also raises a potential risk that some non-conformities which relate to – or imply - a legal infringement of legislation, may result in products or materials being traded from the Certificate Holder for a period of time, of which the identified non-conformance was not addressed and verified as closed. These products or materials may potentially be interpreted as illegally harvested or non-negligible risk. This itself carries a risk that wood products might be placed on the EU market, without mitigation measures to reduce the risks having been implemented.

Table 6: FSC assessment findings

Requirement Section	Conclusion	Summary	Conclusion	Summary
<b>A. Requirements for Certificate Holders</b>				
<b>A.1 Legal Requirements at the forest level</b>	<b>a - Forest management certification</b>		<b>b - Input from non-certified forest</b>	
General findings for A1.	<p>A.1a relates to legal requirements at the forest level and, in particular, forest management certification. It evaluates how the scheme ensures that Certificate Holders comply with all applicable legislation. It covers full FSC FM certification (FSC-STD-01-001, FSC-STD-60-004 and associated documents) and FM CW certification (FSC-STD-30-010 and associated documents).</p> <p>Legal requirements at the forest level are largely covered for FSC FM certification. Of the 27 indicators concerning legal requirements at the forest level, 24 were evaluated as covered, while 3 as partially covered.</p> <p>Some of these relate to small ambiguities or omissions in requirements, where areas of legality defined in the Scheme Assessment Framework may not be explicitly specified in standard requirements.</p> <p>On most occasions, the four national forest certification system evaluations corroborate the findings at the international level evaluation.</p>		<p>A.1b concerns non-certified material entering the FSC system via the Controlled Wood due diligence system which is implemented by CoC certificate holders (FSC-STD-40-005 and associated documents).</p> <p>It relates to legal requirements at the forest level, but specifically input from non-certified forest (Controlled Wood). It evaluates if the scheme ensures that entities within the Country of Harvest which are included within a Controlled Wood due diligence system, are evaluated for legal requirements at the forest level.</p> <p>All 26 indicators concerning legal requirements at the forest level were evaluated as Covered.</p>	
A.1.1 Rights to harvest timber within legally gazetted boundaries	<b>Partially covered</b>	<p>Based on the normative requirements, six out of the seven indicators for this criterion are Covered by the scheme.</p> <p>The indicators concluded as Covered encompass legal requirements concerning such areas as: land tenure and management rights; the issuing of licences; legal business registration and other relevant legally required licenses; management planning and the issuing of harvesting permits.</p>	<b>Covered</b>	<p>Based on the normative requirements all seven indicators of this criterion are evaluated as covered by the Scheme.</p> <p>These encompass legal requirements concerning such areas as: land tenure and management rights; the issuing of concession and harvesting licences; legal business registration and other relevant legally required licenses; management planning and the issuing of harvesting permits.</p>

		Partial coverage is concluded for one indicator (A.1a.1.2.1), in the case of FM and FM CW certification. While the International FM standards include requirements that ensure compliance with legislation regulating procedures for the issuing of concession licenses (where they exist), they do not explicitly include the requirement that licenses shall only cover legally gazetted areas.		
A.1.2 Payments for harvest rights and timber including duties related to timber harvesting	<b>Partially covered</b>	<p>Based on the normative requirements, one indicator been evaluated as Covered, the other Partially Covered.</p> <p>The first indicator is evaluated as Partially covered for FM certification but covered for FM CW certification. In the case of FM certification, while normative documents include requirements that ensure compliance with legislation regulating royalties, stumpage fees and other volume-based fees, land area taxes or fees are not specifically mentioned (A.1a.2.1.1).</p> <p>The second indicator encompassing legislation related to value-added taxes and other sales taxes, is covered for both FM and FM CW certification.</p>	<b>Covered</b>	<p>Based on the normative requirements all two indicators of this criterion are evaluated as covered by the Scheme.</p> <p>These encompass legal requirements concerning the payment of royalties and harvesting fees, as well as value-added taxes and other sales taxes.</p>
A.1.3 Timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting	<b>Partially covered</b>	<p>Of the eight indicators for this criterion all but one has been evaluated as covered, based on the normative requirements.</p> <p>The indicators concluded as Covered encompass legal requirements concerning: harvesting regulations and all affiliated topics; protected areas and habitats; environmental impact assessment and other environmental requirements, as well as health &amp; safety and legal employment.</p> <p>In the case of requirements to control potential illegal</p>	<b>Covered</b>	<p>Based on the normative requirements all seven indicators of this criterion are evaluated as covered by the Scheme.</p> <p>These indicators encompass legal requirements concerning: harvesting regulations and all affiliated topics; protected areas and habitats; environmental impact assessment and other environmental requirements, as well as health &amp; safety and legal employment.</p>

		activities by third parties within the area managed by the operation, full coverage is concluded for FM certification, but partial coverage is concluded for FM CW certification where the control of illegal activities by third parties is limited to illegal conversion only (A.1a.3.1.2).		
A.1.4 Third parties' legal rights concerning use and tenure that are affected by timber harvesting	<b>Covered</b>	All four indicators for this criterion have been evaluated as Covered, based on the normative requirements. These encompass legal requirements which concern among other things: respect for customary tenure rights; benefit sharing; principles of 'Free, Prior and Informed Consent' in connection with granting rights to forest management, as well as the tenure rights of indigenous and tribal peoples to forest land.	<b>Covered</b>	Based on the normative requirements all four indicators of this criterion are evaluated as covered by the Scheme.  These indicators encompass legal requirements which concern among other things: respect for customary tenure rights; benefit sharing; principles of 'Free, Prior and Informed Consent' in connection with granting rights to forest management, as well as the tenure rights of indigenous and tribal peoples to forest land.
A.1.5 Trade and customs, in so far as the forest sector is concerned	<b>Partially covered</b>	Of the six indicators included within this criterion, all but one has been evaluated as covered, based on the normative requirements.  The indicators concluded as Covered encompass legal requirements concerning: the classification of species, quantities and qualities; trade and transport; offshore trading and transfer pricing; CITES and legislation requiring due diligence or due care procedures.  In the case of legislation covering Customs regulations, full coverage is concluded for FM CW certification, but partial coverage is concluded for FM certification. Whilst the international framework of the scheme provides for full coverage, this has not been followed through in the example of the National Standard for Romania (A.1a.5.4.1).	<b>Covered</b>	Based on the normative requirements all six indicators of this criterion are evaluated as covered by the Scheme.  These indicators encompass legal requirements concerning: the classification of species, quantities and qualities; trade and transport; offshore trading and transfer pricing; CITES; customs regulations and legislation requiring due diligence or due care procedures.

A.2 Legal requirements for supply chain entities – Certificate holders	a - Legal requirements for supply chain entities – Certificate holders	b - Legal requirements for supply chain entities – Non-certified supply chains
<p>General findings for A2</p>	<p>A.2a relates to legal requirements for Certificate holders based within the Country of Harvest, which are supply chain entities. The legal requirements in question concern trade and customs laws, in so far as the forest sector is concerned.</p> <p>This section focuses evaluation on the CoC standard, which is applicable to all certified supply chain entities within the FSC system (FSC-STD-40-004 and associated documents).</p> <p>Of the 10 indicators within this principle, 1 was evaluated as Covered, 7 as Partially Covered, while 2 as Not Covered.</p> <p>While the normative requirements of the CoC standard do require Certificate holders to ensure the import/export of FSC certified products conforms to all applicable trade and customs laws, broadly the language of the requirements is such that they either did not fully cover the indicators in this framework, or there were some omissions in relation to specific areas of trade law.</p>	<p>A.2b relates to legal requirements for supply chain entities based within the Country of Harvest, within the non-certified supply chains. The legal requirements in question concern trade and customs laws, in so far as the forest sector is concerned.</p> <p>This section focusses evaluation on non-certified material entering the FSC system via the Controlled Wood due diligence system implemented by CoC certificate holders (FSC-STD-40-005 and associated documents) and refers to the non-certified supply chain entities between the forest gate and the point of export in the country of harvest.</p> <p>Of the 10 indicators within this principle, all were evaluated as Not Covered.</p> <p>The normative requirements of the Controlled Wood standard FSC-STD-40-005, do not cover trade/transport legal requirements applicable to supply-chain entities included within a certified due diligence system.</p>
A.2.1. Legal registration	<p><b>Not Covered</b></p> <p>Based on the lack of applicable normative requirements the one indicator for this criterion, concerning the existence of legal business registration and other relevant legally required licenses, has been evaluated as not covered (A.2a.1.1.1).</p>	<p><b>Not Covered</b></p> <p>The normative requirements applicable to supply-chain entities (within the country of harvest) included within a due diligence system certified according to the Controlled Wood standard FSC-STD-40-005, do not cover this criterion.</p> <p>The one indicator is included within this criterion, concerning the existence of legal business registration and other relevant legally required licenses.</p>
A.2.2 Taxes and fees	<p><b>Partially covered</b></p> <p>Based on the normative requirements this criterion has been evaluated as partially covered. This is based on the following conclusions for the two indicators:</p>	<p><b>Not Covered</b></p> <p>The normative requirements applicable to supply-chain entities (within the country of harvest) included within a due diligence system certified according to the Controlled Wood standard FSC-STD-40-005, do</p>

		<ul style="list-style-type: none"> <li>• A Partial coverage conclusion is made for the first indicator (A.a2.2.1.1) which addresses compliance with legislation covering payment of all legally required taxes, royalties and fees. The normative requirements applicable to supply-chain certificate holders do not fully cover this indicator.</li> <li>• The second indicator (A.2a.2.2.1) addresses compliance with legislation covering value-added taxes and other sales taxes. Based on the lack of normative requirements applicable to supply-chain certificate holders, it has been evaluated as Not Covered.</li> </ul>		<p>not cover this criterion.</p> <p>Two indicators are included within this criterion, concerning compliance with legislation covering payment of all legally required taxes, royalties and fees, as well as value-added taxes and other sales taxes.</p>
A.2.3 Trade and transport	<b>Partially covered</b>	<p>Normative requirements applicable to supply-chain certificate holders, do require them to ensure the import and/or export of FSC certified products conforms to all applicable trade and customs laws. Still, only one indicator within this criterion has been evaluated as Covered, whilst the other six indicators have been evaluated as Partially Covered. In relation to the partial coverages:</p> <ul style="list-style-type: none"> <li>• normative requirements do not fully cover indicator A.2a.3.1.1 with regards to legislation regulating how products are classified.</li> <li>• normative requirements do not fully cover indicator A.2a.3.2.1 which concerns ensuring compliance with required trading permits and documents that accompany the transport of wood.</li> <li>• for indicators A.2a.3.3.1/2, normative requirements do not explicitly refer to legislation regulating offshore trading or transfer pricing.</li> <li>• the CoC standard does not explicitly reference CITES permits or legislation, at</li> </ul>	<b>Not Covered</b>	<p>The normative requirements applicable to supply-chain entities (within the country of harvest) included within a due diligence system certified according to the Controlled Wood standard FSC-STD-40-005, do not cover this criterion.</p> <p>The criterion comprises seven indicators concerning the following topics:</p> <ul style="list-style-type: none"> <li>• classification of species, quantities, qualities</li> <li>• trade and transport laws</li> <li>• offshore trading and transfer pricing</li> <li>• customs regulations</li> <li>• CITES</li> <li>• legislation requiring due diligence / due care procedures</li> </ul>



		<p>export from the country of harvest, by a supply chain entity. Hence, A.2a.3.5.1 has been evaluated as Partially Covered.</p> <ul style="list-style-type: none"> <li>normative requirements do not make explicit reference to legislation covering due diligence/due care procedures. Hence, A.2a.3.6.1 has been evaluated as Partially Covered.</li> </ul> <p>For indicator A.2a.3.4.1 which concerns compliance by supply-chain certificate holders in relation to customs regulations, full coverage is concluded.</p>		
Requirement Section	Conclusion	Summary		
A.3 Requirements for material control				
A.3.1 Material control	<b>Partially covered</b>	<p>Of the four indicators for this criterion three have been evaluated as covered and one as partially covered, based on the normative requirements.</p> <p>Full coverage is concluded for indicators covering the following topics:</p> <ul style="list-style-type: none"> <li>systematic processes to enable the identification of the country of harvest of the material (and where applicable to a higher level of detail) as well as the species included in certified materials or products.</li> <li>clear and effective measures to prevent material from non-negligible risk, unverified or potentially illegal sources from entering the supply chain and mixing with conforming material</li> </ul> <p>Partial coverage is concluded because there is limited validation of volumes transferred along the supply chain (and A.3.1.1.4). It is noted that the FSC system includes mechanisms such as transaction verifications - conducted by its certification body and Accreditation Services International – where there is suspicion or concerns regarding inaccuracy of volumes. This comprises a number of activities, including volume data analysis and fibre testing. However, despite these efforts, FSC CoC certification does not include systematic validation of volumes transferred from seller to purchaser, which is considered as a major gap in the system.</p>		
A.3.2 Recycled material	<b>Partially covered</b>	<p>Of the three indicators for this criterion two have been evaluated as covered and one as partially covered, based on the normative requirements.</p> <p>Partial coverage has been concluded because FSC descriptions of pre-consumer material described in Annexes I and II of the FSC reclaimed materials standard FSC-STD-40-007, may not entirely align with the definition of waste material as described by</p>		

		<p>the EUTR and associated guidance document (A.3.2.1.1).</p> <p>Full coverage is concluded for indicators covering processes to enable the identification of waste and to prevent mixing of reclaimed material that would qualify for an exemption under the EUTR from being missed with material that would not qualify.</p>
A.4 General requirements for Certificate Holders		
A.4.1 Conflict resolution	<b>Covered</b>	The indicator for this criterion has been evaluated as Covered, based on the scheme normative requirements. It concerns conflict resolution – specifically that disputes are identified, recorded and managed in a robust and transparent way.
A.4.2 Corruption	<b>Covered</b>	The indicator for this criterion has been evaluated as Covered, based on the scheme normative requirements. It requires that certificate holders do not engage in corrupt practices related to illegal harvesting.
A.5 Quality and procedural requirements for Certificate Holders		
A.5.1 Internal procedures for Certificate Holders	<b>Partially covered</b>	<p>Based on the normative requirements this criterion has been evaluated as partially covered. This is based on the following conclusions for the two indicators:</p> <ul style="list-style-type: none"> <li>A full coverage conclusion is made for the first indicator (A.5.1.1). FSC includes requirements for Certificate Holders to have in place - and implement - systems and procedures covering all requirements of the Scheme. Partial coverage has been concluded for the second indicator. The FSC Scheme requires that Certificate Holders regularly review the proper functioning of their own procedures, in the case of certification at the forest level and in relation to the controlled wood DDS implemented according to standard FSC-STD-40-005. However, the scheme does not require the same of CoC-certified companies, certified to FSC-STD-40-004 only (A.5.1.2).</li> </ul>
A.5.2 Qualification and competence	<b>Partially covered</b>	Partial coverage has been concluded for the indicator within this criterion, because the scheme does not have a requirement that organisations certified to the FM CW standard have personnel with sufficient qualifications and competencies (A.5.2.1). Requirements covering this indicator exist in all other parts of the scheme and certification types.
A.5.3 Risk based approaches to sourcing, trade or production	<b>Covered</b>	<p>Of the four indicators for this criterion, three have been evaluated as Covered and one Not Applicable to the FSC Scheme, based on the normative requirements.</p> <p>Full coverage is concluded for indicators covering risk based approaches to sourcing non-certified material (Due Diligence Systems), which concern the need for:</p>

		<ul style="list-style-type: none"> <li>• clear requirements to ensure consistent implementation of the Due Diligence System</li> <li>• a requirement that ensures that whenever there is a change in the risk related to illegal harvest, trade or transport in a supply chain – or a supply chain covered by a DDS – the risk shall be assessed and mitigated prior to shipping and sale.</li> <li>• requirements to ensure that the DDS comprises, at a minimum, the following elements: a quality management system; ii) procedures for obtaining access to information pertinent to the identification of risk; risk assessments, and the implementation of mitigations measures when risks are identified</li> </ul> <p>The indicator which is Not Applicable concerns cases where other 3rd party schemes are permitted to be used by the due diligence system as meeting specific due diligence requirements. FSC Controlled Wood standard FSC-STD-40-005 does not include the recognition of other 3rd party schemes.</p>
B. Requirements for Certification Bodies		
B.1 General Certification Body requirements	<b>Partially covered</b>	<p>Three of the four indicators have been evaluated as Covered, based on the normative requirements. These concern collectively:</p> <ul style="list-style-type: none"> <li>• mechanisms to ensure that auditors, and other relevant personnel of the Certification Body, are qualified and competent</li> <li>• requirements to ensure that auditors, and other personnel relevant to the conformance evaluation of an organisation shall be impartial to the entity(-ies) under evaluation, and that the certification decision process is impartial also.</li> </ul> <p>Partial coverage has been concluded for one indicator (B.1.1.2) due to the lack of competence requirements specific to auditors evaluating companies against the Requirements for Sourcing FSC Controlled Wood (FSC-STD-40-005) which requires the evaluation of a DDS.</p>
B.2 Certification Body requirements for auditing and certification	<b>Partially covered</b>	<p>Four of the five indicators have been evaluated as covered, based on the normative requirements. These concern collectively:</p> <ul style="list-style-type: none"> <li>• ensuring that Certification Bodies apply a documented methodology for the evaluation (assessments and audits) of clients</li> <li>• minimum methodologies and procedures for the evaluation of conformity of organisations and issuance of a certificates.</li> <li>• Certification Body implemented procedures for audits that address topics such as: audit frequency; the requirement for on-site (field) visits where applicable; sampling protocols; unannounced or short-notice audits, and other aspects of auditing.</li> <li>• ensuring that Certification Bodies conduct consultation with stakeholder (including rights holders) as appropriate in relation to audits.</li> </ul> <p>The fifth indicator (B.2.2.2) has been evaluated as Partially Covered. Mechanisms exist which could identify and deal with corrupt practices by Certificate Holders. However, there are no normative requirements, nor formal processes, for identifying Organisations sanctioned for engagement in corrupt practices proactively and prior to association with FSC.</p>
C. Requirements for Certification Schemes		

C.1 Transparency	<b>Partially covered</b>	<p>Five of the six indicators have been evaluated as covered, based on the normative requirements. These concern collectively, the following:</p> <ul style="list-style-type: none"> <li>Scheme requirements for Certificate Holders and Certification Bodies, as well as other relevant information about the Scheme must be publicly and freely available online.</li> <li>publicly availability of an up-to-date register of certified/verified organisations, as well as summaries of reports (or full reports) with relevant findings from audits.</li> <li>Procedures for handling complaints and grievances being in place, publicly available and implemented.</li> </ul> <p>The sixth indicator has been evaluated as Partially Covered. The normative requirements applicable to supply-chain certificate holders do not fully cover the requirement to manage risks of corruption and conflict of interest.</p>
C.2 Scheme & standard scope	<b>Partially covered</b>	<p>The two indicators evaluated as covered, concern that:</p> <ul style="list-style-type: none"> <li>the scheme includes a list of the relevant international conventions to which the country has ratified, and which hold legal force in the country.</li> <li>requirements for forest managers and supply chain entities to be applicable to the organisation's contractors and outsourcing facilities.</li> </ul> <p>One of the four indicators within this criterion, one has been evaluated as Partially Covered and two have been evaluated as Covered, based on the normative requirements. The fourth is not applicable because FSC does not recognise nor endorse other schemes or systems (C.2.4.1).</p> <p>Indicator C.2.1.1 concerns standards being adapted to the national or subnational context in which they are being implemented and containing a list of applicable legislation, or that the Scheme shall enable/require detailed evaluation of applicable legislation in a national context. This indicator has been evaluated as Partially Covered, due the delays in updating all National Forest Stewardship Standards (NFSS) to meet the updated international Principles and Criteria (FSC-STD-01-001 V5).</p>
C.3 Accreditation and oversight	<b>Partially Covered</b>	<p>Seven of the eight indicators have been evaluated as covered, based on the normative requirements. Four of them concern collectively, different aspects of accreditation:</p> <ul style="list-style-type: none"> <li>the scheme must have a system for accreditation or oversight of Certification Bodies to ensure that CBs have in place the required procedures, capacity and competencies.</li> <li>requirements and the process for accreditation must be publicly available, as is an up-to-date list and details of all accredited Certification Bodies.</li> <li>mechanisms to ensure that relevant personnel are qualified and competent to evaluate the performance of Certification Bodies.</li> </ul> <p>Three more indicators concern collectively, different aspects of oversight mechanisms:</p> <ul style="list-style-type: none"> <li>the specification of the approach to be used in oversight, ensuring that the oversight mechanism is independent of the</li> </ul>

		<p>Certification Bodies being assessed.</p> <ul style="list-style-type: none"> <li>the frequency of oversight - or the procedure for determining the frequency - applicable in the case of risk-based oversight.</li> <li>the use of both stakeholder consultation and in-field evaluation of performance during the accreditation of certification bodies.</li> </ul> <p>One indicator is evaluated as Partially Covered, concern that the scheme:</p> <p>ensures that the oversight mechanism applies a clear basis for: establishing conformance; raising corrective actions for non-conformance, ensuring closure within reasonable timeframes, and certification issue/maintenance decision making (C.3.2.2). FSC requirements for non-conformities are structured in a way that there is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months</p>
C.4 Certification process	<b>Partially covered</b>	<p>Three of the four indicators for this criterion have been evaluated as Covered, based on the normative requirements. These encompass the certification process and compliance evaluation.</p> <p>One indicator is concluded as partially covered, owing to the same issue as described in C.3.2.2 above. There is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, illegal (or non-negligible) wood from entering the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months.</p>

## 12.2 Understanding FSC labels and claims

FSC also allows a range of claims depending on the composition of the material in terms of the certification status of the materials included in the product. FSC uses the terms 100% to indicate material that all originates from a certified source, MIX to indicate material that originates from certified material and non-certified Controlled Wood and Recycled, as well as a Recycled claim. Claims are transferred between certified entities on the invoice for the material.

The FSC claims and trademarks are managed using the standard FSC-STD-50-001.<sup>26</sup>

For material that originates only from certified forest the 100% claim is used.



For material that is a mix between certified and Controlled Wood or recycled material the MIX claim can be used.



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<sup>26</sup> <https://fsc.org/en/document-centre/documents/resource/225>

For material only originating from recycled sources the Recycled claim is used on the following label:

FSC claims	FSC 100%	FSC Mix	FSC Recycled
			
FSC claims specific to small and community producers			FSC Recycled not applicable



FSC also allows smallholders, certified against the Small or Low Intensity Managed Forests (SLIMF) standard to use a separate label with a claim related to the SLIMF certification.



## 13. Sustainable Biomass Program (SBP)

The Sustainable Biomass Program (SBP) is a risk-based certification scheme for sourcing of biomass that aims at accepting input from different large and well-known certification schemes, or from its own evaluation framework, in order to have one system for certified biomass. The risk-based approach means that there are no SBP-certified forests, but biomass is verified against risk assessments based on SBP criteria. If raw material for biomass (so called feedstock) is not sourced through an approved certification schemes, SBP's Standards for feedstock compliance are used instead. This means that the SBP framework for risk identification, supplier monitoring, and risk mitigation defined in these Standards must be implemented (see more details below).

SBP was founded in 2013 and was initiated by large energy producers in Europe under the name Sustainable Biomass Partnership. Today, the energy producers' role has faded in order to make SBP an independent and impartial certification scheme. At present, the board consists of three stakeholder representatives from each of the following areas: biomass end-users, Biomass Producers and civil society.

In the SBP Annual Review Report (2020), the SBP declared that by the end of 2019 they had 210 certificate holders whereof 167 were Biomass Producers, 35 traders and 8 end-users. The SBP's geographical extent of certificate holders included 25 different countries in Europe, Asia, Oceania, North and South America. The amount of certified biomass sold through the SBP system was 12 million tons (Mt) of biomass (wood chips or wood pellets).

SBP are committed to following the ISEAL Codes of Good Practice for Standard-setting, assurance and impacts. The SBP Secretariat manage the Standards Development Process and support the work of the various Working Groups responsible for developing the content, with significant input from the Standards Committee, Technical Committee and Stakeholder Advisory Group, as well as Certificate Holders, Certification Bodies and Accreditation Body. All interested parties shall have the opportunity to participate in the Standard development process through getting involved in the work of the various Working Groups, public consultations, events or simply through getting in touch and providing SBP with views and ideas. However, the SBP scheme is no member organization with different stakeholder chambers that can vote and directly influence the standard development. The Standards Committee is finally approving the Standards.

The Standard committee has six representatives from commercial interests and six from civil society interests. There is a Stakeholder Advisory Group whose role is to provide a platform for stakeholder input and advice to support the work of the SBP Standards Committee in the development, implementation and maintenance of SBP Standards and related documents, and other relevant activities. Certification Bodies are doing stakeholder consultations during assessments and re-assessments of Biomass Producers. Traders applying for a certification evaluation is not exposed to stakeholder consultation.

SBP has no regional or country standards but implement all its standards on an international level. Standard indicators at the forest level are addressed in such way that they shall be adapted to reflect risks and situations in specific regions where it is implemented. This is done through the risk assessment process where all indicators are evaluated in its local context (country or regional level). Risks identified in the risk assessment must be mitigated by the Biomass Producer before feedstock can be sourced from the area.

The SBP scheme accepts input from other certification schemes and SBP implements the term “SBP-approved” scheme, system or claim. The forest management certification schemes currently approved by SBP are: FSC® and PEFC including direct sourcing from all PEFC-endorsed Forest Management Schemes (e.g. SFI). SBP also approves non-certified input from FSC, PEFC and PEFC endorsed schemes. For example, FSC Controlled Wood and PEFC Controlled Sources, and input from the SFI Fiber Sourcing Standard. There are currently no system or procedures, nor written information, relating to how SBP has approved the certification schemes to become SBP eligible input. It was decided to approve FSC and PEFC-endorsed forest management schemes back in 2015 when SBP started up. According to SBP, their secretariat is currently working on formalizing this process.

There are three ways for material to be accepted into the SBP system (i.e., physically enter the system):

1. through an SBP Supply Base Evaluation (SBE) covering the entire supply base, where risks are identified in regional Risk Assessments (see more information below)
2. through already certified material from SBP-approved schemes: FSC, PEFC and PEFC-endorsed schemes (e.g. SFI). This material must be received with valid claims from these certification schemes.
3. controlled material from SBP-approved schemes: FSC, PEFC and PEFC-endorsed schemes (e.g. SFI) that are received with valid claims or origins from the Biomass Producer's own control system in line with applicable scheme requirements for these schemes.

SBP certified (called SBP-compliant) biomass can only be accepted as compliant if its originates from one of the two first points, but can physically be mixed with, and thus also contain, SBP-controlled biomass. In other words, there is no claim to ensure the biomass only contains 100% SBP-compliant biomass, but it can always be mixed with SBP-controlled biomass.

## 13.1 Summary of SBP scheme assessment findings

In total, out of the 84 indicators of the scheme assessment framework evaluated within the study, 65 were concluded as “Covered”, 13 as “Partially Covered” and 5 as “Not Covered”. One indicator was concluded as “Not Applicable”.

Table 7: Summary of SBP findings.

SBP – Coverage of applicable legislation of certified material		SBP – Coverage of other requirements for certificate holders		SBP – Coverage of requirements for scheme governance	
Criteria	Indicator	Criteria	Indicator	Criteria	Indicator
A1.1 Rights to harvest timber	A1.1.1.1	A3.1 Material control	A3.1.1.1	B1 General Certification Body requirements	B1.1.1
	A1.1.1.2		A3.1.1.2		B1.1.2
	A1.1.1.3		A3.1.1.3		B1.2.1
	A1.1.2.1		A3.1.1.4		B1.2.2
	A1.1.3.1	A3.2 Recycled material	A3.2.1.1	B2 Certification Body requirements for auditing and certification	B2.1.1
	A1.1.3.2		A3.2.1.2		B2.1.2
	A1.1.4.1		A3.2.1.3		B2.1.3
	A1.2.1.1		A4.1.1		B2.2.1
	A1.2.2.2	A4.1 Corruption	A4.1.2		B2.2.2
	A1.3.1.1	A5.1 Internal procedures for Certificate Holders A5.2 Qualification and competence A5.3 Risk based approaches to sourcing, trade or production	A5.1.1	C1 Transparency	C1.1.1
A1.2 Payments for harvest rights and timber	A1.3.1.2		A5.1.2		C1.1.2
	A1.3.2.1		A5.2.1		C1.1.3
	A1.3.2.2		A5.3.1		C1.1.4
	A1.3.3.1		A5.3.2	C2 Scheme & standard scope	C1.2.1
	A1.3.4.1		A5.3.3		C1.3.1
	A1.3.5.1		A5.3.4		C2.1.1
	A1.3.5.2				C2.2.1
	A1.4.1.1			C3 Accreditation and oversight	C2.3.1
	A1.4.1.2				C2.4.1
	A1.4.2.1				C3.1.1
A1.3 Timber harvesting	A1.4.3.1				C3.1.2
	A1.5.1.1			C4 Certification process	C3.1.3
	A1.5.2.1				C3.1.4
	A1.5.3.1				C3.2.1
	A1.5.4.1				C3.2.2
A1.4 Third parties' legal rights	A1.5.5.1				C3.2.3
	A1.5.6.1				C3.2.4
	A2.1.1.1				C4.1.1
A1.5 Trade and customs	A2.2.1.1				C4.1.2
	A2.2.2.1				C4.1.3
A2.1 Legal registration	A2.3.1.1				C4.1.4
	A2.3.2.1				
A2.2 Taxes and fees					
A2.3 Trade and transport					

	A2.3.3.1	
	A2.3.3.2	
	A2.3.4.1	
	A2.3.5.1	
	A2.3.6.1	

## **Coverage by the scheme of legal requirements at the forest level**

It should be noted that the coverage of the SBP scheme is dependent, to a large extent, on the strength of the schemes they approve – currently FSC and PEFC endorsed schemes. Many of the Biomass Producers use only input from these approved certification schemes. Therefore, conclusions from this report need to be supported by considering strengths and weaknesses from the approved schemes. Wood sourced from land not classified as forest land is included in the scope of this evaluation.

In general, the SBP scheme standards cover most requirements of the Scheme Assessment Framework including requirements for Certificate Holders, the Certification Bodies and the Scheme. SBP is considered relatively transparent and has public summary reports that includes most information from the audit, for example non-conformities. Also, the Supply Base Reports and Supply Base Evaluations, including risk ratings, are publicly available.

Some issues have been identified that could constitute a weakness in the scheme's ability to meet important aspects of legality quality assurance.

There is no requirement within the SBP Standards to control illegal activities related to offshore trading and transfer pricing. There are two requirements that aims at covering EUTR in a general way in Standard 4 (6.1.2 and 6.1.3) and one requirement that attempts to cover all applicable laws in the country where the certificate holder conduct its business (Standard 4, 6.3.3). However, these requirements are general and not comprehensive enough to cover specific issues like offshore trading and transfer pricing without further specifications or guidelines.

## **Coverage by the scheme of legal requirements at the supply chain level**

There are no requirements explicitly covering payment of VAT, other sales taxes or taxes. There are requirements for control of sales invoices and for payment of any fees and duties, but VAT or other types of taxes are not explicitly mentioned in these requirements. Therefore, this is only considered to be partially (or potentially) covered by the SBP chain of custody Standard.

## **Material control**

The SBP has implemented a data transfer system (DTS) for digital transactions of biomass with SBP-claims. This system must be used in order to transfer valid claims. This means that SBP or auditors can see all transactions in the supply chain and that the amount of biomass cannot be inflated further down the supply chain. SBP has also started to implement an on-line reporting portal. This portal must be used by certification bodies and certificate holders and enables increased digital monitoring of information added into the audit reports, Supply Base Reports or Supply Base Evaluations. For example, risk ratings or information used by the accreditation body will be easy to find and summarise.

## **Other requirements of the Certification scheme**

SBP itself has no system or written procedures for how to approve new certification schemes. This is found to be a significant gap in the scheme, since there is no information regarding criteria for approval of schemes and many of the chain of custody requirements in the SBP Standard 4 rely on the approved CoC-scheme (e.g. requirements related to written procedures). It should be noted that SBP has not approved any new schemes after approval of FSC, PEFC and PEFC-endorsed schemes, but PEFC endorses new schemes

which then also affects SBP. According to SBP, their secretariat is currently working on written procedures for approvals of other certification schemes.

If the certificate holder is not a Biomass Producer, there is no requirement for Certificate Holders to review the proper functioning of their own procedures internally and regularly (A5). However, this is not assessed as a critical gap since annual audits from an independent certification body is required.

Table 8: Overview of assessments findings for SBP.

Requirement Section	Conclusion	Summary
A. Requirements for Certificate Holders		
A.1 Legal Requirements at the forest level		
A.1.1 Rights to harvest timber within legally gazetted boundaries	Partially covered	There are no requirements related to the use of legal methods to obtain legal rights to harvest (A.1.1.2.1)
A.1.2 Payments for harvest rights and timber including duties related to timber harvesting	Partially covered	SBP does not specifically include mention of land area taxes. The indicator is considered partially covered (A.1.2.1.1)
A.1.3 Timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting	Covered	All indicators of this criterion are covered by the Scheme
A.1.4 Third parties' legal rights concerning use and tenure that are affected by timber harvesting	Partially covered	There is no mention of FPIC in the standards (A.1.4.2.1)
A.1.5 Trade and customs, in so far as the forest sector is concerned	Partially covered	There is no specific requirement regarding offshore trading and transfer pricing in the SBP Standards. Existing requirements are considered too general to catch these illegal activities. (A.1.5.3.1)
A.2 Legal requirements for supply chain entities		
A.2.1. Legal registration	Covered	The SBP scheme requires all Certificate Holders to enter into a Trade Mark Licence Agreement with SBP (Standard 3 clause 13.4) and certification agreement with a Certification Body (Standard 3 section 13). Signing both documents includes verification of a Certificate Holder's legal registration and hence SBP is compliant in this regard
A.2.2 Taxes and fees	Partially covered	There is a requirement for payment of any fees, taxes and duties, mentioned in this requirement There is requirement for control of sales invoices and for payment of any fees and duties, but VAT



		or other types of sales taxes are not explicitly mentioned in these requirements (A.2.2.2.1)
A.2.3 Trade and transport	Partially covered	<p>transportation documentation is not explicitly mentioned in any SBP requirement (A.2.3.2.1)</p> <p>There is no requirement regarding offshore trading in SBP Standards. Or</p> <p>There is no requirement regarding transfer pricing in SBP Standards (A.2.3.3.1)</p> <p>Requirement only covers material still defined as feedstock under the SBP system. Export of biomass containing CITES species is not covered (A.2.3.3.2)</p>
A.3 Requirements for material control		
A.3.1 Material control	Covered	All indicators of this criterion are covered by the Scheme
A.3.2 Recycled material	Covered	All indicators of this criterion are covered by the Scheme
A.4 General requirements for Certificate Holders	Covered	
A.4.1 Conflict resolution	Covered	The indicator for this criterion has been evaluated as Covered, based on the scheme normative requirements.
A.4.2 Corruption	Covered	The indicator for this criterion has been evaluated as Covered, based on the scheme normative requirements.
A.5 Quality and procedural requirements for Certificate Holders		
A.5.1 Internal procedures for Certificate Holders	Partially covered	<p>There is no SBP requirement after the BP that covers written procedures for all requirements. This relies on the SBP-approved CoC-system and there are no written procedures for how SBP approves schemes. (A5.1.1)</p> <p>There is a standard revision process ongoing and that the requirement to have documented procedures and internal audits for all SBP CHs is included in the draft new Standard 4. This can be checked from the documents on the SBP website: <a href="https://sbp-cert.org/documents/consultation-documents/live-consultations/rdv1-36/">https://sbp-cert.org/documents/consultation-documents/live-consultations/rdv1-36/</a></p>

		If the certificate holder is not a Biomass Producer, there is no requirement for Certificate Holders to review the proper functioning of their own procedures internally and regularly (A.5.1.2)
A.5.2 Qualification and competence	Covered	
A.5.3 Risk based approaches to sourcing, trade or production	Partially covered	SBP has no clear procedures on how to recognize other certification schemes. This is considered a major gap since material from other schemes can enter the supply chain through the use of their own DDS (A.5.3.3) It should be mentioned that currently SBP only have endorsed FSC and PEFC.
B. Requirements for Certification Bodies		
B.1 General Certification Body requirements	Covered	All indicators of this criterion are covered by the Scheme
B.2 Certification Body requirements for auditing and certification	Covered	All indicators are met.
C. Requirements for Certification Schemes		
C.1 Transparency	Covered	All indicators of this criterion are covered by the Scheme
C.2 Scheme & Standard scope	Partially covered	In SBP Standards there are no specific requirements addressed to a specific country of harvest (C.2.1.1 and C.2.2.1).
C.3 Accreditation and oversight	Partially covered	The SBP scheme ensure ASI continuously evaluate CBs' performances, including reporting of non-conformities and timelines for follow-up on these. CB's must follow-up on non-conformities, or they get suspended. Requirements for non-conformities are structured in a way that there is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months (C.3.2.2).
C.4 Certification process	Partially covered	Requirements for non-conformities are structured in a way that there is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, wood may enter the EU market that could be interpreted as illegal or non-negligible risk ((C.4.1.2 and C.4.1.2)

## 13.2 Understanding SBP claims

SBP allows two claims to be used in connection with the biomass supply chains. There are no partial claims (reflecting the composition of the certified material in the product), so the material can be either fully certified (SBP compliant biomass) or controlled (SBP controlled biomass). A mass balance system is used which means that physically, not all material or input must be certified. The mass balance can thus be used to make an output claim on a volume corresponding to the same input volume of either SBP compliant or SBP controlled biomass.

To pass the certified claim to a buyer, SBP implements an online Data Transfer System, and the claim is only valid if the transaction is shared via this system.

The SBP claims and trademarks are managed using the standard SBP standard sbp-standard-4-chain-of-custody-v1-0.

SBP trademark can be used only off-product and SBP does not allow any on-product use of trademarks. Any use of trademark shall be approved by SBP prior its used.

## 14. ISO 38200

ISO is the International Organization for Standardization. It was set up in 1947 and is located in Geneva, Switzerland. Its purpose is to facilitate and support national and international trade and commerce by developing standards that people everywhere would recognize and respect.

ISO develops standards that can be applied on a voluntary basis. Standards are developed for different kinds of goods, services and systems through the different technical committees that constitutes of experts within the field for which they are developing standards (iso.org, N.Y(e)). ISO is not a certification scheme.

ISO achieves this purpose through the participation and support of its members. These members come from 165 national standards bodies.

ISO standards are developed by technical committees. The people who serve on these technical committees come from national standards organizations. Consequently, ISO standards tend to have worldwide support. Currently, ISO has 250 active technical committees, 510 subcommittees, and 2478 working groups.

The General Assembly is the overarching organ and ultimate authority of ISO (ISO.org, N.Y(c)). The ISO Council is the core governance body of the Organization and reports to the General Assembly where the member organizations meet annually. A Technical Management Board (TMB) is responsible for the technical committees that lead the standard development and reports to the Council. The Central Secretariat in Geneva, Switzerland coordinates the ISO system and runs day-to-day operations.

ISO 38200:2018 Chain of custody of wood and wood-based products was developed by the technical committee ISO PC 287 and was published in 2018. The International Standard provides a set of requirements for a chain of custody system to enable the exchange and tracking of information on wood and wood-based products throughout a

supply chain. ISO 38200 requires the implementation of a due diligence system based on risk management practices to ensure that materials entering the CoC has a legal origin.

The standard “*ISO 38200:2018 Chain of custody of wood and wood-based products*” sets requirements for a chain of custody system to enable the exchange and tracking of information on wood and wood-based products throughout a supply chain.

It includes traceability measures (CoC) as well as due diligence requirements to ensure that only legal input material is included in the CoC system.

ISO 38200 was designed to provide a consistent basis against which the chain of custody of wood and wood-based products can be assessed. It includes traceability measures (CoC) as well as due diligence requirements to ensure that only legal input material is included in the CoC system. The Standard is intended to be used for several purposes (*based on the ISO 38200:2018 Introduction and section 1. Scope*):

- facilitate business-to-business communications by providing a common framework that allows businesses to “speak the same language” when describing their chain of custody system (regardless of company size)
- For purchasers to evaluate the information they receive from suppliers to help identify suitable input material
- For Other standards and certification schemes to use the ISO 38200:2018 as a reference regarding chain of custody systems

ISO 38200:2018 sets requirements for setting up a CoC and due diligence system. The due diligence system shall include the elements of information gathering, risk assessment and mitigation measures. The organization has to develop documented procedures, as well as document and keep records of their implemented mitigation measures. Annexes with guidance on applicable legislation, risk indicators and description of CoC is included, but are not mandatory to follow.

Considering that ISO adopts the neutrality principle when it comes to conformity assessment, its International Standards must allow that such processes are conducted by 1st, 2nd and 3rd parties. In practice this means that an organization can claim compliance with the standard without a 3rd party conformity assessment, but to claim certification against ISO 38200 requires a 3rd party assessment by a certification body. It is however, not required for the certification body to be accredited by an accreditation body to certify against ISO 38200. Even if the CB is accredited, the accreditation body will not have to follow the ISO standards on conformity assessment for accreditation and certification bodies (e.g. ISO/IEC 17011:2017 (Conformity assessment – Requirements for accreditation bodies accreditation conformity assessment bodies), and ISO/IEC 17065:2012 (Conformity assessment – Requirements for bodies certifying products, processes and services).

## 14.1 Summary of ISO 38200 findings

48 indicators of the evaluation framework are “Partially Covered”, while 11 are “Covered”, and 25 are “Not Covered”.

Table 9: Summary of ISO 38200 findings.

ISO – Coverage of applicable legislation of certified material		ISO – Coverage of other requirements for certificate holders		ISO – Coverage of requirements for scheme governance	
Criteria	Indicator	Criteria	Indicator	Criteria	Indicator
A1.1 Rights to harvest timber	A1.1.1.1	A3.1 Material control	A3.1.1.1	B1 General Certification Body requirements	B1.1.1
	A1.1.1.2		A3.1.1.2		B1.1.2
	A1.1.1.3		A3.1.1.3		B1.2.1
	A1.1.2.1		A3.1.1.4		B1.2.2
	A1.1.3.1	A3.2 Recycled material	A3.2.1.1	B2 Certification Body requirements for auditing and certification	B2.1.1
	A1.1.3.2		A3.2.1.2		B2.1.2
	A1.1.4.1		A3.2.1.3		B2.1.3
	A1.2.1.1		A4.1.1		B2.2.1
	A1.2.2.2	A4.1 Conflict resolution	A4.1.2		B2.2.2
	A1.3.1.1	A4.2 Corruption	A5.1.1	C1 Transparency	C1.1.1
A1.2 Payments for harvest rights and timber	A1.3.1.2	A5.1 Internal procedures for Certificate Holders	A5.1.2		C1.1.2
	A1.3.2.1		A5.2.1		C1.1.3
A1.3 Timber harvesting	A1.3.2.2		A5.3.1		C1.1.4
	A1.3.3.1		A5.3.2	C2 Scheme & standard scope	C1.2.1
	A1.3.4.1	A5.3 Risk based approaches to sourcing, trade or production	A5.3.3		C1.3.1
	A1.3.5.1		A5.3.4		C2.1.1
	A1.3.5.2				C2.2.1
A1.4 Third parties' legal rights	A1.4.1.1			C3 Accreditation and oversight	C2.3.1
	A1.4.1.2				C2.4.1
	A1.4.2.1				C3.1.1
	A1.4.3.1				C3.1.2
A1.5 Trade and customs	A1.5.1.1			C4 Certification process	C3.1.3
	A1.5.2.1				C3.1.4
	A1.5.3.1				C3.2.1
	A1.5.4.1				C3.2.2
	A1.5.5.1				C3.2.3
A2.1 Legal registration	A1.5.6.1				C3.2.4
	A2.1.1.1				C4.1.1
A2.2 Taxes and fees	A2.2.1.1				C4.1.2
	A2.2.2.1				C4.1.3
A2.3 Trade and transport	A2.3.1.1				C4.1.4
	A2.3.2.1				
	A2.3.3.1				
	A2.3.3.2				
	A2.3.4.1				
	A2.3.5.1				
	A2.3.6.1				

### **Coverage by the scheme of legal requirements at the forest level**

For users inside the EU it is expected that they meet legal requirements (also the EUTR) according to Section 5.3.2 of the standard, and therefore use the definition of legality of the EUTR. However, for ISO 38200 certificates originating outside the EU, different definitions of the applicable legislation may have been used in the due diligence system, which means that there cannot be made a firm conclusion on the legality definition being applied on material sourced outside the EU under an ISO 38200 certification. Also, there is no requirement in the standard for the organisation buying material certified to ISO 38200 to evaluate the legality definition being used by suppliers.

The standard is clear in requiring that only legally harvested and legally procured material can enter the chain of custody system of a company. To avoid illegally harvested and procured material a risk assessment shall be developed based on relevant risk indicators, and illegal harvesting of CITES listed or nationally protected species are specifically mentioned. Other relevant categories of law are listed in annexes that provide general guidance on identifying applicable legislation. The legality definition of Annex E of the standard is a replication of the definition of applicable legislation found in the EU Timber Regulation (Regulation 995/2010). However, these annexes are informative and therefore not mandatory to follow.

This fact constitutes a potential gap in the ISO 38200:2018 certified supply chain, that could allow material with an inadequate legality definition in the due diligence system, to enter the EU market with a certified claim. The standard leaves room for companies to define the categories of relevant legislation against which they evaluate legality risks under their due diligence system that are not necessarily in conformance with the categories of law defined under the EUTR.

Thus, to know which legislation is evaluated under a company's due diligence system it is necessary to investigate each organisation's specific due diligence system.

The main issue in making an overall conclusion on what the scope will cover and how the standard is implemented relate to lack of specification of the mandatory requirements on what types of legislation shall be considered under the due diligence system, as well as detailed guidance to interpret the standard and the requirements. The Technical Committee ISO PC 287 is currently working on developing further guidance related to the due diligence implementation.

The scheme has a definition of recycled material that correspond with the EUTR and there are requirements in place to ensure that evidence is collected to show that input is recycled material and has been legally procured. The definition and handling of recycled material are considered to be in conformance with the EUTR.

### **Coverage by the scheme of legal requirements at the supply chain level**

Information, such as common name of tree species (or scientific name if needed), country of harvest, and evidence that applicable legal requirements are fulfilled shall be collected for input material, except recycled and certified material. There are clear requirements for DDS to be conducted when information is changed. According to the EUTR certified material is not exempt from the requirement of applying due diligence, including the requirement to gather information on species and origin or evidence of legal compliance. However, this information is not required to be collected for certified material under the ISO 38200 standard. So, while information to be collected for non-certified material is in conformance with the EUTR, this is not the case for certified material.

The organisation must identify the legal requirements applicable to their supply chain and document how the requirements are addressed. The coherence of these processes is checked during audits. The risk assessment process itself is generally in compliance with the EUTR, but it is unclear how it is implemented in practice, as there is little guidance in place for organisations (and for certification bodies) on how to interpret legislation, evaluate risks and apply risk mitigation.

### **Material control**

All input material covered by the chain of custody system of ISO 38200 will have to be assessed following the requirements of the standard and the ones established by the organisation responsible for the CoC Input material shall be classified as verified (by the due diligence system, certified, specified (verified material classified following additional requirements established by the organisation), as well as recycled material. For recycled material it shall be verified that it is material that has been recovered from the waste stream, either from the manufacturing process [i.e. post-industrial recycled materials, but not in-house scrap] or after consumer use.

### **Other requirements for certificate holders**

The system requirements for certificate holders (or companies in compliance with the Standard) that are considered fully covered by the standard relates to having a CoC system (including a due diligence system) in place to ensure compliance with the requirements of the standard. The organisation shall carry out annual audits to make sure that both the requirements of the standard and the organisations own requirements are well in place. Also, the organisation shall have the competence needed across all relevant personnel and suppliers.

If sourcing certified material from 3rd party systems, it must be confirmed that the certification scheme has requirements to evaluate the legality of forest management that are broad enough to cover the organization's DDS. Evaluation of supply chain risks are not mentioned, and it is therefore unclear how supply chain risks on trade and taxes are to be covered by certification.

The risk assessment process is generally in compliance with the EUTR but it is unclear how it is implemented in practice as there is a lack of detailed requirements/guidance on the evaluation of risks and applying the risk assessment process.

The standard does not specifically mention that the organisation shall avoid getting involved in corruption, or handling of disputes and conflicts. However, there are clear requirements for the company to operate legally.

### **Requirements for Certification Bodies and Certification Schemes**

ISO 38200 is a standard and not a scheme, and there is therefore no mechanism with normative requirements in place related to the ISO 38200 standard on how certification bodies are accredited and managed. It should be underlined that the ISO 38200 was not developed with the purpose of certification of wood-based products, but as an international standard that can be used for several purposes, including use by certification schemes as a reference to CoC systems, and for companies to communicate in the same language.

As ISO 38200:2018 is no scheme, there is no mechanism with normative requirements in place related to the ISO 38200 standard on how certification bodies are accredited and managed. Certification bodies can operate without an accreditation. Also, it is voluntary for



accreditation bodies to accredit against ISO standards on conformity assessments. This means that there is no streamlined approach for the implementation of ISO 38200, and it is not possible to evaluate the global application/implementation of the standard through publicly available documents. Therefore, there can be differences in the requirement for accreditation and for CBs certifying against ISO 38200, both from country to country, as well as between certification bodies within one country.

This can allow for a more flexible use of the standard and provides for alternatives to companies who want an alternative to other CoC certification schemes.

The standard considers outsourcing in terms of the organisations CoC system and clear identification of the material being handled under outsourcing. Beyond that, there are no mandatory scheme requirements in place to manage the process of certification. According to the Technical Committee, certification bodies commonly use ISO standards for developing their systems, but it is not possible to make such conclusion based on this standard evaluation.

There is no international oversight mechanism of the ISO 38200 standard implementation. ISO 38200 does not define an overall system in place to monitor the overall implementation, and there is no list of CBs or certificate holders available at an international level.

The lack of guidelines and limited information on applying the standard means that it is not possible to make an overall conclusion on the overall implementation of the standard related to this evaluation framework. This also relate to how competence of certification- and accreditation bodies are ensured.

Table 10: Summary of findings for the ISO 38200 standard

Requirement Section	Conclusion	Summary
A. Requirements for Certificate Holders		
A.1 Legal Requirements at the forest level		Generally, indicators are considered partially covered as there are requirements in place to identify applicable legislation and only to source legal material. However, the identification of the specific material is guidance only and are not detailed.
A.1.1 Rights to harvest timber within legally gazetted boundaries	Partially covered	Seven indicators are partially covered. Indicators are covered by guidance material but not required to obtain certification.
A.1.2 Payments for harvest rights and timber including duties related to timber harvesting	Partially covered	Two indicators are partially covered. Indicators are covered by guidance material but not required to obtain certification.
A.1.3 Timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting	Partially covered	Six indicators are partially covered; two indicators are not covered. Requirements to control potential illegal activities by third parties within the forest area managed by the operation are not included in ISO38200, and neither is examples of legal employment related specifically to the forest sector. Examples of legal employment relate to minimum working age, forced and compulsory labour, and discrimination and freedom of association.  All other indicators are covered by guidance material but guidance is general and not mandatory to follow to obtain certification.
A.1.4 Third parties' legal rights concerning use and tenure that are affected by timber harvesting	Partially covered	Two indicators are not covered, while two indicators are partially covered.  There are no requirements or guidance material on benefit sharing or FPIC.  Two indicators are covered by guidance material, but guidance is general and not mandatory to follow to obtain certification.
A.1.5 Trade and customs, in so far as the forest sector is concerned	Partially covered	One indicator is fully covered, two indicators is not covered, and three indicators are partially covered.  There are normative requirements in place to comply with CITES.  There are no normative requirements, nor guidance for classification of material, nor offshore trading, and transfer pricing.  All other indicators are covered by guidance material but there are not mandatory to follow to obtain certification.
A.2 Legal requirements for supply chain entities		

A.2.1. Legal registration	Partially covered	Indicators are covered by guidance material but not required to obtain certification.
A.2.2 Taxes and fees	Partially covered	Indicators are covered by guidance material, but guidance is general and not mandatory to follow to obtain certification
A.2.3 Trade and transport	Partially covered	<p>Three indicators are not covered. Three indicators are partially covered, and one is fully covered.</p> <p>There is no normative requirement, nor guidance for classification of material, offshore trading, and transfer pricing.</p> <p>There are requirements in place to assess the prevalence of supplies of material harvested illegally according to restrictions and limitations set by CITES.</p> <p>All other indicators are covered by guidance material, but guidance is general and not mandatory to follow to obtain certification</p>
A.3 Requirements for material control		
A.3.1 Material control	Partially covered	<p>Four indicators are partially covered due to:</p> <ul style="list-style-type: none"> <li>• Lack of information on species and origin for certified material</li> <li>• The risk assessment process is generally in compliance with the EUTR but it is unclear how it is implemented in practice and difficult to conclude fully covered at this point.</li> <li>• Identification of applicable legislation to be defined by the organization. Risk of legislation which is applicable under the EUTR is not included in the DDS scope of the organization.</li> </ul>
A.3.2 Recycled material	Covered	<p>Three indicators are covered.</p> <p>The definition of recycled material in the ISO 38200 follows the EUTR definition. Collecting evidence of recycled material is required and are to be verified or covered by the requirement of the due diligence system.</p>
A.4 General requirements for Certificate Holders		
A.4.1 Conflict resolution	Not covered	There is no reference to dispute management, and how to address these.
A.4.2 Corruption	Not Covered	There is no reference to corruption of the certificate holder, in the standard.

A.5 Quality and procedural requirements for Certificate Holders	Partially covered	<p>Five indicators are covered; two indicators are partially covered.</p> <p>A CoC system, which a DDS shall be in place, and annual audits shall be conducted. Risks shall be reassessed if there is a change in risk in the supply chain. Staff shall have competence in place.</p> <p>The risk assessment process for DDS is generally in compliance with the EUTR but it is unclear how it is implemented in practice, as there is a lack of detailed requirements/guidance on the evaluation of risks and risk assessment. See eval A.1</p> <p>Certification schemes to be included in the DDS are required only to have competence to evaluate risks at forest level and it is therefore unclear how supply chain risks on trade and taxes are to be covered by certification</p>
A.5.1 Internal procedures for Certificate Holders	Covered	
A.5.2 Qualification and competence	Covered	
A.5.3 Risk based approaches to sourcing, trade or production	Partially covered	The risk assessment process is generally aligned with the EUTR but it is unclear how it is implemented in practice, as there is a lack of detailed requirements/guidance on the evaluation of risks and risk assessment
B. Requirements for Certification Bodies		There are no requirements for certification bodies in ISO 38200:2018
B.1 General Certification Body requirements	Partially covered	<p>Four indicators are covered under ISO 17065. General CB requirements are in place in ISO 17065, but the standard is not mandatory to be followed by CBs as not embedded in the ISO 38200.</p> <p>If it can be confirmed that an organisation is certified by a CB operating after ISO 17065 general certification body requirements can be considered to be covered.</p>
B.2 Certification Body requirements for auditing and certification	Partially covered	<p>Two indicators are partially covered; three indicators are not covered. No detailed procedures in place for audits. And there is no requirement for stakeholder consultation and organizations sanctioned for corruption.</p> <p>A documented methodology shall for evaluation shall be applied by CBs, as well as having a methodology in place for evaluation of conformity, Review and certification decision, issuance of a certificate, and periodic surveillance.</p> <p>It should be noted that the three indicators Not covered by ISO 17065 or 17011 could be covered by other CASCO standards. 17065 and 17011 were evaluated only to exemplify the ISO CASCO standards.</p>
C. Requirements for Certification Schemes		

C.1 Transparency	Partially covered	<p>Four indicators are not covered; two indicators are partly covered.</p> <p>There are no normative scheme requirements for certification and accreditation bodies. It is possible to find public information about the development of ISO 38200.</p> <p>There is no overview of certified organizations, summaries of full audit reports, it is unclear who deals with complaints.</p> <p>There is no overall system to manage risk of corruption and conflict of interest in ISO 17076, 17011 or 38200.</p> <p>However, the way the system operates are sufficient to consider this indicator to be covered for certification conducted by CBs accredited in conformance with CASCO conformity assessment standards.</p>
C.2 Scheme & standard scope	Partially covered	<p>Two indicators are not covered, one indicator is partially covered, one indicator is covered.</p> <p>Applicable legislation is not defined by ISO 38200:2018; accreditation body or certification body.</p> <p>The standard considers outsourcing in terms of the organisations CoC system and clear identification of the material being handled under outsourcing.</p>
C.3 Accreditation and oversight	Partially covered	<p>Four indicators are partially covered; four indicators are not covered.</p> <p>As there are no normative requirements for certification and accreditation bodies and there is no overall oversight mechanism. There is no list of accredited certification bodies.</p> <p>If an accreditation body accredit against ISO 17000 conformance standards information of the accreditation body and process shall be public, requirements on competence, regularly evaluate the CBs, and the indicator would be considered to be covered.</p> <p>Under ISO 38200 However, this is not required and therefore not possible to conclude that the indicator is fulfilled without evaluating the applicable accreditation bodies system requirements.</p>
C.4 Certification process	Partially covered	<p>One indicator is not covered; three indicators are covered.</p> <p>There is a lack of thresholds for establishing conformance, and lack of scheme evaluation approach and decision making.</p> <p>According to ISO 17065 there are mechanism in place to ensure impartiality during the decision process, and there are requirements in place for auditors not to evaluate their own work.</p> <p>It is not possible the evaluate whether the actual use of low and high risk enable comparison with the negligible and non-negligible risk terms used in the EUTR.</p> <p>The categories of applicable legislation are not defined in the document as normative.</p>

## 14.2 Understanding ISO 38200 claims

The ISO 38200 standard does not enable the use of certified product related claims as such. No product claims can be made based on ISO 38200:2018 alone. It is stated in section 9.3 of the standard that material cannot be *“categorised as certified unless output is assigned to a particular certification scheme”* Thus, an organisation can be certified under ISO 38200:2018, but the products itself are not sold with a product claim or referred to as certified by ISO.

Organisations applying ISO 38200:2018 (certified or not) shall include specific information on invoices and/or delivery notes. This includes output declarations made based on ISO 38200 in the following form:

*“<Output material name (optional)>, <percentage, if applicable>, if applicable<contains GMO><methods(s)>, <first><second><third> party assessment, ISO 38200:2018. “*

Example from standard: “Pulp, 50% recycled and 50% verified, percentage method, first part assessment, ISO 38200:2018.”

ISO 38200 allows for claims of other certification schemes to be used if in conformance with the requirements and if the specific certification schemes approve the use of the claim.

The standard itself does not specify requirements or limitations in how to communicate about the use of the standard. During an interview with representative from the technical committee it was clarified that a company can communicate about using the standard without being certified. In his opinion this happens rarely. A company will have to be certified by a third party to be able to claim that they are certified under ISO 38200:2018.

This aspect of ISO 38200 means that any claims made using the standard needs to be carefully evaluated to understand what the output declaration covers. It may cover material that is only covered by a due diligence process as described in the ISO 38200 standard, or it may cover different types of certified or verified material from international or national certification schemes and systems.

## 15. OLB Bureau Veritas

The BV OLB (*Origine et Légalité des Bois*) verification scheme was developed in 2004 by Bureau Veritas Certification (BV), an international independent certification body listed on the Euronext Paris stock exchange. BV provides Testing, Inspection and Certification (TIC) services in a range of fields to help clients around the world meet quality, safety, environmental protection, and social responsibility requirements.

The general purpose of the OLB certification is to certify that a forest is managed legally, the origin of forest products is controlled, and the transfer of certificate claims along the supply chain is ensured. Chain of custody certification aims to ensure that the certification claim is transferred along the value chain.

The system is based on two main standards:

- a forest management (FM) standard for forest enterprises, and

- a chain of custody (CoC) standard for supply chain entities (processors and trade activity companies)

The version of the OLB FM standard currently implemented by forest enterprises dates from 2010 (RF03 OLB EF Version 3.3). This version has gone through several revisions that have not been published to date. At the date of writing this report, the most recent review (v.3.4) is its final version before publishing, and it is expected to replace version 3.3 sometime in 2021.

The version of the OLB COC standard currently implemented by Supply Chain entities dates from 2010 (RF03 OLB CdC v3.5). Companies that want to comply with additional requirements related to social and environmental aspects, may implement the OLB + standard (RF03 OLB+ COC v1.0). As with the FM standard, the COC standard has been entirely reviewed and updated to be more aligned with recent developments in the forest sector, namely regulations such as the EUTR. At the date of writing this report, the most recent review (v.3.6) is its final version before publishing, and it is expected to replace version 3.5 sometime in 2021.



## 15.1 Summary of OLB findings

In total, out of the 84 indicators of the Scheme Assessment Framework evaluated within the study, 55 were concluded as “Covered”, 15 as “Partially Covered” and 6 as “Not Covered”. 8 indicators were concluded as “Not Applicable”.

Table 11: Summary of OLB findings.

OLB (a) – Coverage of applicable legislation of certified material		OLB (b) – Coverage of applicable legislation of non-certified material (Supplier Verification Programme)		OLB – Coverage of other requirements for certificate holders		OLB – Coverage of requirements for scheme governance		
Criteria	Indicator	Criteria	Indicator	Criteria	Indicator	Criteria	Indicator	
A1.1 Rights to harvest timber	A1.1.1.1	A1.1 Rights to harvest timber	A1.1.1.1	A3.1 Material control	A3.1.1.1	B1 General Certification Body requirements	B1.1.1	
	A1.1.1.2		A1.1.1.2		A3.1.1.2		B1.1.2	
	A1.1.1.3		A1.1.1.3		A3.1.1.3		B1.2.1	
A1.2 Payments for harvest rights and timber	A1.1.2.1	A1.2 Payments for harvest rights and timber	A1.1.2.1		A3.2 Recycled material	A3.1.1.4	B2 Certification Body requirements for auditing and certification	B1.2.2
	A1.1.3.1		A1.1.3.1	A3.2.1.1		B2.1.1		
	A1.1.3.2		A1.1.3.2	A3.2.1.2		B2.1.2		
	A1.1.4.1		A1.1.4.1	A3.2.1.3		B2.1.3		
	A1.2.1.1		A1.2.1.1	A4.1 Conflict resolution	A4.1.1	B2.2.1		
	A1.2.2.2		A1.2.2.2		A4.1.2	B2.2.2		
	A1.3.1.1		A1.3.1.1		A5.1.1	C1.1.1		
	A1.3.1.2		A1.3.1.2		A5.1.2	C1.1.2		
	A1.3.2.1		A1.3.2.1		A5.2.1	C1.1.3		
	A1.3.2.2		A1.3.2.2		A5.3.1	C1.1.4		
A1.3 Timber harvesting	A1.3.3.1	A1.3 Timber harvesting	A1.3.3.1	A4.2 Corruption	A5.3.2	C1.2.1		
	A1.3.4.1		A1.3.4.1		A5.3.3	C1.3.1		
	A1.3.5.1		A1.3.5.1		A5.3.4	C2.1.1		
	A1.3.5.2		A1.3.5.2		C2 Scheme & standard scope	C2.2.1		
	A1.4.1.1		A1.4.1.1			C2.3.1		
	A1.4.1.2		A1.4.1.2			C2.4.1		
	A1.4.2.1		A1.4.2.1	C3 Accreditation and oversight		C3.1.1		
	A1.4.3.1		A1.4.3.1		C3.1.2			
	A1.5.1.1		A1.5.1.1		C3.1.3			
	A1.5.2.1		A1.5.2.1		C3.1.4			
A1.4 Third parties' legal rights	A1.5.3.1	A1.5 Trade and customs	A1.5.3.1	A5.2 Qualification and competence	A5.3.1	C3.2.1		
	A1.5.4.1		A1.5.4.1		A5.3.2	C3.2.2		
	A1.5.5.1		A1.5.5.1		A5.3.3	C3.2.3		
	A1.5.6.1		A1.5.6.1		A5.3.4	C3.2.4		
	A2.1.1.1		A2.1.1.1		C4 Certification process	C4.1.1		
	A2.2.1.1		A2.2.1.1			C4.1.2		
	A2.2.2.1		A2.2.2.1					
	A2.1 Legal registration			A2.1 Legal registration				
	A2.2 Taxes and fees			A2.2 Taxes and fees				

A2.3 Trade and transport	A2.3.1.1	A2.3 Trade and transport	A2.3.1.1			C4.1.3
	A2.3.2.1		A2.3.2.1			C4.1.4
	A2.3.3.1		A2.3.3.1			
	A2.3.3.2		A2.3.3.2			
	A2.3.4.1		A2.3.4.1			
	A2.3.5.1		A2.3.5.1			
	A2.3.6.1		A2.3.6.1			

### **Coverage by the scheme of legal requirements at the forest level**

The Forest Management (FM) standard is comprehensive and adapted at the country level. Most SAF indicators at the FM level are covered. Only “requirements to comply with legal obligations concerning benefit sharing” are not fully addressed.

The Supplier Evaluation Program, used by companies implementing a credit system in their chain of custody management, is less exhaustive and detailed as the OLB FM standard, and does not fully address the following areas:

- It does not include requirements to control potential illegal activities by third parties within the area managed by the operation
- Organisations are not required to have procedures in place to ensure absence of corrupt practices or potential mis-use of salvaging permits or other specific ministerial permits, with the intention of circumventing harvest regulations
- Protection of rare or endangered species, including their habitats and potential habitats is not explicitly included
- It is not specified regulation related to acceptable levels of damage and disturbance of soil resources, establishment of buffer zones
- It is not required to check obligatory insurances, certificates of competence and other training requirements, and payment of social and income taxes
- Legislation against discrimination and legislation allowing for freedom of association are not mentioned
- Requirements to comply with legal obligations concerning benefit sharing are not included
- The terminology 'Free, Prior and Informed Consent' in connection with granting rights to forest management is not explicitly
- There are not specific requirements to comply with legislation regulating how harvested material is classified in terms of species, quantities and qualities in connection with trade and transport
- It is not detailed how to prove compliance with offshore trading and transfer pricing and other customs regulations.

This Supplier Verification Program is implemented by certificate holders themselves. Even though the OLB standard requires minimum documentation checks and onsite audits by qualified (as defined by the own company) staff, the quality and robustness of these assessments may vary. Also it is not possible from the claim on verified material to identify which material is from 100% certified areas and which include material from non -verified sources.

### **Coverage by the scheme of legal requirements at the supply chain level**

At the chain of custody level, the robustness of the OLB system may be potentially discredited by the fact that the COC system allows – like other forestry certification systems –mixing OLB and non OLB inputs. Non OLB inputs may be:

- 1) certified against other approved or acceptable schemes (i.e., FSC, PEFC and PEFC-endorsed schemes, Preferred by Nature LegalSource and BV DDS). In this case, it is the PEFC and FSC Scheme Assessment Reports that are being referred.
- 2) not certified but evaluated as part of a “Supplier Evaluation Program”. The conclusions of the coverage of this program have been included in this evaluation. Note: this option is only allowed for companies implementing a credit system.

## **Material control**

The Chain of Custody standard does not use a B2B volume reconciliation system, thus indicating a gap in the ability to track volumes through the supply chain.

Another gap at the chain of custody level is the endorsement of inputs certified against other certification schemes (FSC and some PEFC endorsed schemes), without performing a full assessment of the requirements of these certification systems compared to the EUTR. This may represent a risk that BV does not identify potential lack of alignment.

## **Other requirements of the Certification scheme**

The owner and only certification body of the OLB scheme, Bureau Veritas (BV) is a well-established independent certification body that requires their auditors have a satisfactory level of competence, and has procedures in place to cover scheme related indicators such as Conflict resolution, Corruption, Certification Body requirements for auditing and certification and Scheme & standard scope.

Since the scheme does not include accreditation of other certification bodies, most of the indicators related to Accreditation and oversight are not applicable, but the lack of external oversight represents a weakness. BV has worked on internal procedures to fill this gap partly.

Table 12: Overview of findings for OLB

Requirement Section	Conclusion	Summary	Conclusion	Summary
A. Requirements for Certificate Holders				
A.1 Legal Requirements at the forest level		A – Forest management certification		B – Input from non-certified forests
A.1.1 Rights to harvest timber within legally gazetted boundaries	Partially covered	<p>There is no specific requirement related to legally gazetted areas.</p> <p>The standard requires that the organisation has the official legal rights and valid authorisations for the management and harvesting of the forest management area but does not mention the requirement of having procedures to ensure the use of legal methods to obtain these.</p>	Partially Covered	<p>Gaps identified in the following areas</p> <ul style="list-style-type: none"> <li>- Organisations are not required to have procedures in place to ensure absence of corrupt practices (part of indicator A.1b.1.1.2)</li> <li>- Organisations are not required to have procedures in place to ensure the use of legal methods to obtain official authorisations (part of indicator A.1b.1.2.1)</li> <li>- It is not explicitly mentioned that legally required planning documents have been approved prior to implementation of forest harvesting activities (part of indicator A.1b.1.3.2)</li> </ul>
A.1.2 Payments for harvest rights and timber including duties related to timber harvesting	Covered	All indicators are covered	Partially covered	All indicators of this criterion are covered. There are no mention of land area taxes or sales taxes. (A.1b.2.1.1 and A.1b.2.2.2)

Requirement Section	Conclusion	Summary	Conclusion	Summary
A.1.3 Timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting	Covered	All indicators of this criterion are covered	Partially Covered	<p>The scheme does not include requirements to control potential illegal activities by third parties within the area managed by the operation (A.1b.3.1.2)</p> <p>In addition, there are gaps in the following areas:</p> <ul style="list-style-type: none"> <li>- There are no specific requirements to assess the potential mis-use of salvaging permits or other specific ministerial permits, with the intention of circumventing harvest regulations (part of indicator A.1b.3.1.1)</li> <li>- Protection of rare or endangered species, including their habitats and potential habitats is not included (part of indicator A.1b.3.2.1)</li> <li>- Identification of protected areas is conducted according to the legal requirements is not required for non-mandatory forestry operation planning document (part of indicator A.1b.3.2.2)</li> <li>- It is not specified regulation related to acceptable levels of damage and disturbance of soil resources, establishment of buffer zones (part of indicator A.1b.3.3.1)</li> <li>- It is not required to check obligatory insurances, certificates of competence and other training requirements, and payment of social and income taxes (part of indicator A.1b.3.5.1)</li> <li>- Legislation against discrimination and legislation allowing for freedom of association are not mentioned (part of indicator A.1b.3.5.2)</li> </ul>

Requirement Section	Conclusion	Summary	Conclusion	Summary
A.1.4 Third parties' legal rights concerning use and tenure that are affected by timber harvesting	Partially Covered	Requirements to comply with legal obligations concerning benefit sharing are not clearly defined (A.1a.4.1.2)	Partially Covered	<p>There are gaps in the following areas:</p> <ul style="list-style-type: none"> <li>- Requirements to comply with legal obligations concerning benefit sharing are not included (part of indicator A.1b.4.1.2)</li> <li>- The terminology 'Free, Prior and Informed Consent' in connection with granting rights to forest management is not explicitly mentioned (part of indicator A.1b.4.2.1)</li> <li>- It is not required to prove respect the tenure rights of indigenous and tribal peoples to forest land as well as their right to FPIC (part of indicator A.1b.4.3.1)</li> </ul>
A.1.5 Trade and customs, in so far as the forest sector is concerned	Partially Covered	There are no requirements ensuring that certificate holders implement a due diligence system, where applicable. (A.1.a.5.6.1).	Partially Covered	<p>There are gaps in the following areas:</p> <ul style="list-style-type: none"> <li>- There are not specific requirements to comply with legislation regulating how harvested material is classified in terms of species, quantities and qualities in connection with trade and transport (part of indicator A.1b.5.1.1)</li> <li>- It is not detailed how to prove compliance with offshore trading and transfer pricing (part of indicator A.1b.5.3.1)</li> <li>- It is not detailed how to prove compliance with customs regulations (part of indicator A.1b.5.4.1)</li> <li>- There are no requirements ensuring that certificate holders implement a due diligence system, where applicable (A.1.b.5.6.1)</li> </ul>
A.2 Legal requirements for supply chain entities				
A.2.1. Legal registration	Covered	All indicators of this criterion are covered	Covered	All indicators of this criterion are covered



Requirement Section	Conclusion	Summary	Conclusion	Summary
A.2.2 Taxes and fees	Covered	All indicators of this criterion are covered	Covered	All indicators of this criterion are covered
A.2.3 Trade and transport	Partially Covered	<p>It is not detailed the requirement of having import/export licenses, or product classification related to customs (A.2a.3.4.1).</p> <p>CITES specific requirements for OLB inputs are not included in the chain of custody standard (A.2a.3.5.1).</p> <p>Requirements for COC companies to comply with declaration obligations in the context of a Due Diligence/Due Care legislation are not included (A.2a.3.6.1).</p>	Partially Covered	<p>Offshore trading and transfer pricing is not included in the Supplier Evaluation Program.</p> <p>In addition, there are gaps in the following areas:</p> <ul style="list-style-type: none"> <li>- There are not specific requirements to comply with legislation regulating how harvested material is classified in terms of species, quantities and qualities in connection with trade and transport (part of indicator A.2b.3.1.1)</li> <li>- It is not detailed how to prove compliance with offshore trading and transfer pricing (indicator A.2b.3.3.1)</li> <li>- It is not detailed how to prove compliance with customs regulations (part of indicator A.2.3.4.1)</li> </ul>

Requirement Section	Conclusion	Summary
A.3 Requirements for material control		
A.3.1 Material control	Partially covered	Even though OLB does include a CoC system, it does not include any B2B volume control or reconciliation, which is considered a gap in terms of securing volume control along the supply chain (A.3.1.1.4)
A.3.2 Recycled material	Not covered	OLB does not include any mention of recycled or reclaimed material
A.4 General requirements for Certificate Holders		
A.4.1 Conflict resolution	Partially covered	There is no requirement to excluded areas where tenure is disputed (point ii).

Requirement Section	Conclusion	Summary
A.4.2 Corruption	Covered	All indicators of this criterion are covered
A.5 Quality and procedural requirements for Certificate Holders		
A.5.1 Internal procedures for Certificate Holders	Partially covered	The Scheme does not include requirements for the Certificate Holders to regularly review the proper functioning of their own procedures (A.5.1.2)
A.5.2 Qualification and competence	Covered	
A.5.3 Risk based approaches to sourcing, trade or production	Partially Covered	There are not clear indicators and/or guidance to recognised material certified under other certification schemes. (A.5.3.3).
B. Requirements for Certification Bodies		
B.1 General Certification Body requirements	Covered	All applicable indicators of this criterion are covered
B.2 Certification Body requirements for auditing and certification	Partially covered	It is required that the organisation is not involved in controversial activities or practices that may impair its legal integrity. But it does not directly require auditors to evaluate if companies have been sanctioned or otherwise involved in corrupt practices (B.2.2.1)
C. Requirements for Certification Schemes		
C.1 Transparency	Partially covered	There are gaps in the following areas: - The procedure explaining various ways in which stakeholders can engage is not freely available (C.1.1.2) - A public version of the FM report is available, but only upon request (not directly available on the internet). COC reports are not publicly available (C.1.1.4).

Requirement Section	Conclusion	Summary
C.2 Scheme & standard scope	Covered	All applicable indicators of this criterion are covered
C.3 Accreditation and oversight	Partially covered	<p>Requirements for non-conformities are structured in a way that there is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months (C.3.2.2).</p> <p>OLB does not apply independent accreditation and oversight (C.3.2.3).</p>
C.4 Certification process	Partially covered	<p>Requirements for non-conformities are structured in a way that there is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months (C.4.1.2).</p> <p>Non OLB sources used in the credit system go through a Supplier Verification Program less comprehensive than the OLB FM standard and is implemented by the certificate holders themselves (C.4.1.3)</p>



## 15.2 Understanding OLB claims and labels

The FM and COC standards include requirements to ensure that wood products sold as OLB certified are correctly identified as such, and invoices and transport documentation shall be clearly linked to the products and include, among other information, “The number and validity period of the OLB certificate” (as stated in section 5 of RF03 OLB EF Version 3.4 and 1.4 of RF03 OLB CoC v3.6\_FR).

At the chain of custody level, there are no different OLB claims to differentiate OLB outputs from a physical separation system or a credit system.

Companies also have the possibility of using the OLB logo, in which case they must follow the rules stated in the documents "OLB Trademark Use Regulations" and "GRAPHIC charter of the OLB Logo".

For the use of the OLB trademarks, the conditions and rules are explained in the procedures document “GP01 CdC OLB” (sections 17, 18 and 19).

OLB and BV trademark uses must be approved by Bureau Veritas Douala for prior approval. The accompanying invoices to products carrying the OLB or BV logo must include the species, quantity, OLB product type (product description) and certificate reference (e.g. OLB-CERT/FC-00000000).

On product OLB trademark use must include the certificate reference and the following statement (unless the timber product is marked directly through a stencil or by paperwork): “Origin and Legality of these timber products are certified by an independent organization, according to OLB standards”.

Off product OLB trademark use (i.e. promotional or commercial documents) must also include the certificate reference, in addition to the following statement: “This forestry organization received certification from an independent certification organization, according to OLB standards, which guarantee the traceability and legality of timber until their first processing (and so on)”.



*Figure 5: The OLB certified trademark*

Other specific claims can be authorized by Bureau Veritas Douala for specific trademark use.

## PART IV: Evaluation of schemes related to other commodities

Apart from assessing forest certification schemes, this study also includes test of the applicability of the developed framework for non-timber commodities with deforestation impact.<sup>27</sup>

As part of this test the Scheme Assessment Framework applied for forest and timber certification schemes was reviewed and adjusted to fit agricultural products. One goal was to identify gaps in the framework as regards coverage of legality and/or sustainability issues.

As examples of such agricultural products certification schemes, the following were chosen:

1. Palm oil –Roundtable on Sustainable Palm Oil (RSPO), is a third-party certification system developed by actors from palm oil industry and environmental and social non-governmental organisations. RSPO has developed social and environmental criteria for certification of palm oil.
2. Soy – Round Table on Responsible Soy Standard (RTRS) is a third-party certification system developed by a non-profit organisation promoting the production, trade, and use of responsible soy.
3. Cocoa –UTZ<sup>28</sup> Policy for Farm and Chain of Custody Certification has been developed by UTZ to provide assurance that cocoa sourced as certified has been produced in a sustainable manner. UTZ is the largest certification program in the world for sustainable cocoa and works with more than 807,000 cocoa farmers in 21 producing countries.

To evaluate the applicability to other commodities, the Scheme Assessment Framework was adapted to include additional indicators seen as relevant to evaluating how well certification schemes of agricultural products cover issues related to deforestation, environmental protection, as well as issues related to responsible business practices and protection of human rights.

## 16. Methodology

To test if the Scheme Assessment Framework can be applied broader than only for forest and timber certification schemes, it was evaluated how framework would apply to schemes

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<sup>27</sup> Communication on Stepping up EU Action to Protect and Restore the World's Forests [https://eur-lex.europa.eu/resource.html?uri=cellar:a1d5a7da-ad30-11e9-9d01-01aa75ed71a1.0001.02/DOC\\_1&format=PDF](https://eur-lex.europa.eu/resource.html?uri=cellar:a1d5a7da-ad30-11e9-9d01-01aa75ed71a1.0001.02/DOC_1&format=PDF), page 4

<sup>28</sup> Note that UTZ and Rainforest Alliance merged in 2018 and have developed new standards. The UTZ Cocoa standard was chosen since it has been used widely. The merge process of RA and UTZ will be finalised in July 2021.

for agricultural crops. Also, it was tested if the framework contains requirements that are sufficient to cover the EU objectives of moving beyond addressing illegal logging (in the EU FLEGT Action Plan).

The evaluation of schemes applicable to agricultural commodities have followed the same basic methodology as the one used for forest and timber products. This means that the scheme documents and standards were evaluated against the same legality and scheme governance requirements. In addition, the Scheme Assessment Framework was supplemented by additional requirements focusing on areas related to deforestation and degradation of natural forest, as well as requirements related to the on-going protection of forests and natural ecosystems.

The version of the Scheme Assessment Framework used to assess forest and timber products certification schemes (see PART II and IV) focuses on how well these schemes cover EU Timber Regulation aspects of minimising the risk of illegal harvesting and trade. However, in the review of the Scheme Assessment Framework, it was clear that additional requirements were needed to provide evaluation of how well certification schemes address issues related to avoiding deforestation and degradation of natural ecosystems, as well as requirements for responsible business management and protection of human rights.

These additions were made to align with the current work of the EU to address the global problems of deforestation and forest degradation.

By this analysis, the following criteria was added to the Scheme Assessment Framework:

1. **Management and business practices are legal and responsible:** This criterion was added to allow evaluation of how well a scheme covers responsible business practices, such as avoidance of corruption. Avoidance of corruption is an essential aspect of responsible management of resources and an important aspect of ensuring that management of land is conducted according to legal and/or responsible practices, such as not converting forest or other ecosystems illegally by paying bribes to enforcement agencies.
2. **People's wellbeing and human rights are respected:** This criterion was added and includes indicators to evaluate how scheme requirements ensure respect for indigenous peoples, local communities, and workers' rights, as well as include requirements for remediation. These requirements are considered important for schemes to include both as they are fundamental to ensuring human wellbeing, but also because they are important aspects of protecting forests and natural ecosystems. For example, relocating indigenous people or local communities may create demand for opening new forest areas for subsistence use by these groups.
3. **Nature and the environment are protected:** This criterion directly relates to the requirements of schemes to ensure that production of agricultural commodities does not contribute to deforestation or conversion of natural ecosystems, as well as protecting the environment. In this criterion indicators are included related to the schemes requirements for certificate holders to identify and protect natural ecosystems, including to avoid deforestation and conduct restoration efforts to mitigate negative impacts. Also included are indicators related to requirements for certificate holders to manage waste and chemicals in a safe way and manage water



and soil. In adding criteria beyond simply avoiding deforestation, the additional indicators are seen as important in responsible management and protection of natural resources, and to minimise adverse impacts to the environment accrued from agricultural production.

The full list of the requirements added, are found in **Appendix 2** of this report.

As can be seen from above the scope of the new requirements extend beyond a simple indicator for “no deforestation”. This has been done in order to evaluate how other aspects of sustainability, such as responsible business practices, and protection of human rights, are covered by the schemes in question. The reason for including this as parts of the study is that these issues are seen as integral aspects of sustainability and may have direct or indirect impacts on the ability of certified organisations to protect forests and natural ecosystems in the long term.

Assessing how agricultural certification schemes cover these issues, and how effective the selected indicators added to the Scheme Assessment Framework are in evaluating the schemes requirements is the key objective of this part of the study.

## 17. Overview of schemes

In the following an overview of the schemes included in this study is provided.

The three schemes were selected as they were considered to be relevant for commodities that have had and have significance for ongoing deforestation and degradation of the environment. Also the three schemes were selected as they cover three crops that have primary geographical expansion in three regions where tropical forest is being converted and degraded: Latin America, SE Asia and Africa.

### 17.1 Roundtable on Sustainable Palm Oil (RSPO)

RSPO is not-for-profit organisation that unites stakeholders from the 7 sectors of the palm oil industry: oil palm producers, processors or traders, consumer goods manufacturers, retailers, banks/investors, and environmental and social non-governmental organisations (NGOs), to develop and implement global standards for sustainable palm oil.

The RSPO has developed a set of environmental and social criteria which companies must comply with in order to produce Certified Sustainable Palm Oil (CSPO). The RSPO has more than 4,000 members worldwide who represent all links along the palm oil supply chain.

#### **Governance**

The Roundtable on Sustainable Palm Oil (RSPO) is a global, multi-stakeholder initiative on sustainable palm oil. Members of RSPO, and participants in its activities come from many

different backgrounds, including plantation companies, processors and traders, consumer goods manufacturers and retailers of palm oil products, financial institutions, environmental NGOs and social NGOs, from many countries that produce or use palm oil. The RSPO vision is to “transform the markets by making sustainable palm oil the norm”.

The RSPO is managed by a Board of Governors comprised of 16 members, designated by the General Assembly for 2 years. The Board of Governors is supported by 4 Standing Committees. Each Standing Committee is comprised of members from the Board of Governors (including Alternate Board of Governors) as well as RSPO members. The Board of Governors is also supported by advisors.

## **RSPO Certification**

Sustainable palm oil production is comprised of legal, economically viable, environmentally appropriate, and socially beneficial management and operations. At the heart of RSPO certification are the RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, the global guidelines for producing palm oil sustainably. The Principles and Criteria are further adapted for use by each country through National Interpretations.

Palm oil producers are certified through verification of the production process to the RSPO Principles & Criteria for Sustainable Palm Oil Production by accredited Certifying Bodies. All organisations in the supply chain that use RSPO certified sustainable oil products are audited to prevent overselling and mixing palm oil with conventional (or non-sustainable) oil palm products.

## **Standards Setting Process**

RSPO Principles and Criteria are revised every five years. The standards setting process is done following best practices as stipulated by ISEAL. The process of revision of the standards will follow the Standard Operation Procedures for Standards Setting which undergoes several rigorous steps, especially stakeholder consultations. Similar process is also undertaken for all RSPO generic documents under the RSPO Certification scheme, including the development and revision of National Interpretation.

## **Certification standards**

All of the RSPO Principles and Criteria apply to the management of oil palm, oil palm plantations and associated mills. Independent mills shall be certified against the requirements of the RSPO Supply Chain Certification Standard. Where available, national interpretations of the international indicators and guidance shall be followed.

The oil palm products may go through many production and logistical stages between oil palm plantations and the end product. Any individual batch of oil palm products can be traded through one of four supply chain models that are approved by RSPO:

- Identity Preserved (IP)
- Segregated (SG)
- Mass Balance (MB)

- Book and Claim (BC)

For the first three of these, Identity Preserved, Segregated and Mass Balance, supply chain controls from the plantation through to the end product are required, as defined in the RSPO Supply Chain Certification Standard.

### **Certification and Accreditation Bodies**

No public claims relating to compliance with the RSPO Principles and Criteria can be made without third-party certification by an independent, accredited Certification Body. The Certification Body will certify sustainable palm oil production, as stated in the RSPO Certification Systems. Growers assessed for certification once every 5 years, and if certified, will be annually assessed for continued compliance. After 5 years the main assessment will be repeated.

Any CB that wishes to offer a service of certification assessment against RSPO certification standards must be specifically accredited by the Accreditation Body (AB) that is operating on behalf of the RSPO.

The Accreditation Bodies' documented systems and procedures shall include annual monitoring and reviews of CBs' competence and implementation of all RSPO-specific requirements. The AB shall publish its finalized P&C witness and compliance audit reports of accredited CBs on its website.

## **17.2 Round Table on Responsible Soy Standard (RTRS)**

The RTRS, founded in 2006 in Zürich, Switzerland, is a non-profit organisation promoting the growth of production, trade, and use of responsible soy. It works through cooperation with those in, and related to, the soy value chain, from production to consumption.

As a multi-stakeholder platform for responsible soy, RTRS implemented a programme of activities during 2019 that enabled the organisation to become an ISEAL Member in December 2020. RTRS is the first certification system in the soy sector to comply with ISEAL eligibility criteria and become Community Member.

### **Governance**

RTRS seeks to bring together stakeholders from three constituencies: Producers; Industry, Trade and Finance; and Civil Society Organizations.

The General Assembly is RTRS' highest decision-making body. It includes participating and observer members, although only participating members have voting rights.

In order to guarantee the flexibility of the RTRS, the General Assembly delegates its operational activities and most of the decisions to the Executive Board.

The Executive Board is the resolution-making body of RTRS with powers as delegated by the General Assembly Meeting or the RTRS Statutes. The three constituencies are equally represented in the Executive Board: Producers; Industry, Trade and Finance; and Civil Society. Each has a maximum of five representatives. Each constituency has the same voting rights. They are elected by the General Assembly on an annual basis and hold their role of representatives for a two-year period.

The RTRS Secretariat is responsible for executing the decisions made by Executive Board.

### **RTRS standard for responsible soy production**

The RTRS Standard for Responsible Soy Production Version 1.0 was developed during 2007-2010, is presented as a series of Principles, Criteria, Indicators and Guidance and is designed to be used by soy producers to implement responsible production practices, and by certification bodies for field verification. No public claims relating to compliance with the RTRS Principles and Criteria can be made without independent, third party certification, carried out by a certification body that has been authorized by RTRS, and according to RTRS certification requirements.

The RTRS Standard for Responsible Soy Production includes five principles and 106 indicators:

- Principle 1: Legal Compliance and Good Business Practices
- Principle 2: Responsible Labour Conditions
- Principle 3: Responsible Community Relations
- Principle 4: Environmental Responsibility
- Principle 5: Good Agricultural Practices

### **Chain of Custody Standards**

The RTRS Chain of Custody (CoC) Standard describes the requirements for the different traceability systems an organization can implement to keep control of RTRS-certified material inventories, either soybeans or soy by-products. It can be applied across the entire supply chain and it is mandatory for organization wishing to receive, process and trade RTRS certified soy.

No public claims relating to compliance with the RTRS Chain of Custody Standards can be made without independent, third party certification, carried out by a certification body that has been authorized by RTRS, and according to RTRS certification requirements.

The RTRS Chain of Custody Standard offers several chain-of-custody systems to producers, processors and users of responsible soy, soy derivatives and soy products, including mass balance and physical segregation.

### **RTRS Accreditation System and Certification Bodies**

Certification Bodies are responsible for auditing and certifying RTRS standards through qualified RTRS Lead Auditors. Certification Bodies are in turn accredited by National

Accreditation Bodies. There is currently 8 certification bodies and 3 accreditation bodies responsible for accrediting certification bodies.

Only accreditation bodies which have been formally endorsed by RTRS may accredit certification bodies (CB) to carry out compliance assessments and award certificates for RTRS Responsible Soy Production.

### 17.3 UTZ Policy for Farm and Chain of Custody Certification

UTZ is a certification program for sustainable farming of coffee, tea, cocoa and hazelnuts. UTZ entered cocoa in 2007. UTZ is the largest certification program in the world for sustainable cocoa and works with more than 807,000 cocoa farmers in 21 producing countries. UTZ certified cocoa products are available in 128 countries worldwide, and five of the top ten chocolate manufacturers, including Nestlé, Ferrero, Hershey and Mars have committed to buy 100% certified cocoa. In 2017, UTZ certified cocoa was sold to make 29 billion milk chocolate bars.

In 2018 UTZ and Rainforest Alliance merged in 2018 to develop a combined set of agricultural certification standards; the process will be finalised on 1<sup>st</sup> July 2021. In this process UTZ/RA has developed new standards, also for cocoa. However, since these are not fully implemented yet, it was chosen to focus on the UTZ cocoa here as example.

The UTZ program includes several approaches to tackle deforestation. For a farmer to be certified, he must grow his fruit on land that has been classified as agricultural land or has been approved for agricultural use. There are also other requirements that ensure that no cultivation is carried out in protected areas such as national parks or within a radius of 2 km unless there is a special management plan. Another way of combating the problem is to show the farmers suitable cultivation methods. The UTZ program requires cocoa farmers to replant part of their land each year in order to maintain the productivity of aging plantations and to discourage farmers from cutting down trees for new areas.

#### **Governance**

The task of the UTZ Standards Committee task is to adopt, based on information and data provided by the stakeholders, new Codes of Conduct as well as revise existing codes. The task of the UTZ Product Advisory Committees (PACs) is to support and advise both the UTZ Supervisory Board and UTZ staff on the development, implementation and revision of product specific programs. Members of the PACs possess knowledge of the production, trade, retail, and/or development of a brand.

#### **The UTZ Standard**

All UTZ certified products are produced according to the UTZ standards. The standard operates through two sets of requirements – Core Code of Conduct (which covers the growing and harvesting process), and Chain of Custody (which covers products from the moment they leave the farm to when they arrive on the shelves).

These standards outline requirements for good agricultural practices, environmental protections, as well as worker conditions. The standard encourages continuous improvement over a four-year period and requires an annual on-farm audit.

The requirements in the Code of Conduct version 1.1<sup>29</sup> for group and multi-group certification apply to all agricultural producer groups and their members which produce and sell commodities as UTZ certified. To get certified, farmers and farmer groups have to comply with the rules in the Code. The Core Code for group and multi-group certification is divided into four blocks:

- Block A. Management
- Block B. Farming Practices
- Block C. Working Conditions
- Block D. Environment.

Each block is introduced by leading principles and includes a set of control points.

In addition to the Core Code of Conduct, UTZ have modules for individual commodities. The Cocoa Module<sup>30</sup> shall be used by all cocoa producers and producer groups who wish to obtain Code of Conduct certification. The Module contains requirements applicable to cocoa production up until cocoa beans are dried.

The code of conducts contains the following key aspects of requirements:

- **Farm management:** This ensures, among other things, that farmers are trained in UTZ procedures and keep detailed records of their products.
- **Good agricultural practices:** This is where good farming practices are outlined, like reducing the use of pesticides and ensuring the soil remains fertile.
- **Social requirements:** This includes for example creating safe working conditions and making sure that no child labour is used in production.
- **Environmental requirements:** A wide variety of environmental practices are enforced such as efficient use of water and energy and protection of natural habitats.

## UTZ Chain of Custody Standard

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<sup>29</sup> [https://utz.org/wp-content/uploads/2015/12/EN\\_UTZ\\_Core-Code-Group\\_v1.1\\_2015.pdf](https://utz.org/wp-content/uploads/2015/12/EN_UTZ_Core-Code-Group_v1.1_2015.pdf)

<sup>30</sup> [https://utz.org/wp-content/uploads/2015/12/EN\\_UTZ\\_Cocoa-Module\\_v1.1\\_2015.pdf](https://utz.org/wp-content/uploads/2015/12/EN_UTZ_Cocoa-Module_v1.1_2015.pdf)

The Chain of Custody Standard is a set of requirements designed to provide confidence that UTZ certified products are physically or administratively (in the case of mass balance) related to UTZ.

Supply chain actors can choose between the following traceability levels, listed from “strongest” to “weakest”:

- Identity Preserved (IP): physical traceability with producer information
- Segregation (SG): physical traceability
- Mass Balance (MB): administrative traceability

UTZ Code of Conduct certified producers/producer groups can only operate under the IP traceability level. The mass balance traceability level is only applicable to cocoa and hazelnut, and not to any other UTZ certified product. The first buyer is the first actor in the UTZ supply chain who can operate at the MB traceability level.

## **Certification**

The certification option determines which Core Code of Conduct shall be complied with, who is responsible for compliance, and how the sample for the certification audit shall be determined.

## **Certification Bodies**

UTZ works in partnership with nearly 60 UTZ approved certification bodies (CBs) who are responsible for conducting independent, third party audits to certify companies and farmers against the UTZ standards.<sup>31</sup> Certification bodies ensure that the performance of their auditors is assessed annually including through in-field trainings and/or mock-audits.<sup>32</sup>

# **18. Findings**

The assessment of the selected schemes shows that they all include requirements that cover deforestation and conversion. This means that none of the schemes allow forests or other ecosystems to be converted to agricultural production. The schemes do use different cut-off dates for any conversion happening historically on land under management.

All three schemes also include requirements that cover most of the other requirements included in the adapted Scheme Assessment Framework, indicating that these standards all

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<sup>31</sup> List of Approved certification bodies can be found on [https://portal.utz.org/ux\\_CBM\\_Public/Home.aspx](https://portal.utz.org/ux_CBM_Public/Home.aspx)

<sup>32</sup> More information on policy for farm and chain of custody certification in cocoa can be found here <https://utz.org/wp-content/uploads/2020/04/POLICY-FOR-FARM-AND-CHAIN-OF-CUSTODY-CERTIFICATION-IN-COCOA-.pdf>



apply a broad and comprehensive range of requirements aimed at ensuring protection of environmental values, as well as human rights.

It was found during the assessment of the schemes that the approach to evaluating scheme requirements, also applied for forest and timber certification schemes, can be applied to other schemes with success.

In the following the findings from testing the additions to the Scheme Assessment Framework on the three schemes are discussed (See Appendix 2 for a full list of the requirements added to the Scheme Assessment Framework).

## 18.1 Responsible business practices

Requirements related to responsible business management was also added to the Scheme Assessment Framework. These requirements of the Assessment framework focus evaluating how certification schemes ensure that CH's conduct business in a legal and responsible manner, including how the potential risks of corruption is addressed. Corruption is, as has also been discussed for the forest and timber related schemes, an important aspect of ensuring legality and sustainability.

From the three schemes included, it was found that only RSPO includes direct mention of measures to prevent corruption in their guidance to Criterion 1.2 in their principles and criteria for sustainable palm oil. RTRS also include requirements related to legal business practices, but the standards do not go beyond basic legal requirements for registration and legal land ownership. The UTZ Core code of Conduct have limited requirements related to management of land, but does not directly address issues related to responsible business practices as such.

It is concluded that managing corruption at all levels of supply chains and at all levels of the certification process is key to ensuring the credibility and integrity of certification schemes.

## 18.2 Respect for human rights

As, mentioned above, respect for human rights was included in the additions to the Scheme Assessment Framework to evaluate how well schemes cover requirements to protect human rights, including indigenous peoples, local communities, and workers' rights. This aspect of sustainability, or responsible land management, is seen relevant as it pertains to the ability of the certified organisation to ensure that production does not harm human rights or push indigenous peoples, local communities, or workers to exploit natural ecosystems for subsistence. This may be the case where production of agricultural crops replaces local or indigenous people's resources, used for subsistence, thus creating an indirect or direct pressure on alternative land areas to be used for their needs.

All three of the schemes includes in this study contains requirements for workers' rights, regulating health and safety, freedom of association, avoidance of discrimination, working hours and wages.

RSPO and RTRS also contains requirements that relates to protection of the rights of indigenous peoples, and to ensuring that resources are not appropriated from local communities thereby endangering their livelihoods. The UTZ Core Code of Conduct does not include any requirements related to indigenous peoples and only have one indicator related to the absence of conflict with local communities.

In this category, it was found that the schemes differ significantly in the level of detail and the scope of the requirements they include.

It was also found that the adaption of the Scheme Assessment Framework contains relevant indicators that should be considered in further work on evaluating certification schemes.

### 18.3 Protection of the environment

An important issue for this Study was to evaluate how the Scheme Assessment Framework can be used to evaluate how well certification schemes cover issues related to deforestation and degradation of natural ecosystems. As mentioned above, requirements were added to the Scheme Assessment Framework to evaluate to how scheme standards are used to avoid deforestation by certificate holders, as well as protection of environmental values.

The discussion below focuses on the no-deforestation issue, as well as issues related to protection of the environment beyond stopping deforestation.

#### 18.3.1 No deforestation, no conversion

All three schemes assessed include clauses to avoid deforestation. However, it is noted that there are significant differences in the way “no deforestation” is defined. When assessing the no-deforestation clauses in agricultural commodity certification schemes it is important to evaluate how each scheme defines deforestation and what types of cut-off dates are allowed, as these are key to understanding the details behind the objectives of the scheme.

RSPO have implemented a system where conversion of forest is, in principle allowed, but is contingent on the certificate holder protecting High Conservation Values and applying the High Carbon Stock Approach (HCSA).

The RSPO standard includes the following requirements:

*“7.12.1 (C) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests. A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.*

*7.12.2 (C) HCVs, HCS forests and other conservation areas are identified as*

*follows:*

*a) For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid*

*b) Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.”<sup>33</sup>*

As can be seen the certificate holder can clear forest and other natural ecosystems contingent on applying the HCV and HCSA assessments.

The RTRS standard for responsible soy production applies a cut-off date of June 2016, after which no conversion may have taken place for an area to be certifiable. In addition, RTRS differentiates between 4 different categories of land, depending on the importance of land for biodiversity (hot spots). For category 1, the category with the highest biodiversity value, no certification is possible, unless the land-manger can prove that the land was converted prior to May 2009:

*“4.4.2 After 3rd June 2016, no conversion is allowed in any natural land (see Glossary), steep slopes and in areas designated by law to serve the purpose of native conservation and/or cultural and social protection.”<sup>34</sup>*

It should be mentioned that the RTRS have three modalities for certification, of which only one guarantees the absence of soy linked to deforestation. These three modalities are: segregation, mass balance and country material balance. Only segregation allows for fully tracing and segregating the material flow to ensure that 100% of the soya comes from non-conversion parcels. The other two modalities allow instead for a mixture of certified and non-certified soya. However, segregation still represents a very low volume of certified soya, because of being more expensive than using a mass balance system. Also, RTRS is only one of many soy certification scheme currently in use – see ZEF Policy Brief for a detailed discussion on soy certification schemes.<sup>35</sup>

In the UTZ code of conduct – code of conduct for individual and multi-site certification, include a clear cut-off date for deforestation of natural forest, being 2008. However, there is an additional clause opening the option for conversion of secondary forest:

*“I.D.113 No deforestation or degradation of primary forest occurs or has occurred since 2008.*

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<sup>33</sup> <https://www.rspo.org/resources/archive/1079>

<sup>34</sup> <https://responsiblesoy.org/documentos/rtrs-standard-for-responsible-soy-production-v31?lang=en>

<sup>35</sup> [https://www.zef.de/uploads/tx\\_zefportal/Publications/Policy\\_brief\\_28\\_en.pdf](https://www.zef.de/uploads/tx_zefportal/Publications/Policy_brief_28_en.pdf)

*I.D.114 No deforestation or degradation of secondary forest occurs unless: -a legal land title and/or landowner permission is available, -government permits are available (if required), and -there is a report produced by an environmental expert confirming that the appropriate clearing techniques are used, and that there is compensation with reforestation activities of at least equal ecological value.*<sup>36</sup>

As can be seen from above “no-deforestation” or “no conversion” requirements are concepts that are interpreted in different ways by different schemes.

This point is important to future evaluation of other schemes and in setting requirements or expectations for importers of agricultural commodities where “deforestation free” is a corner stone of objectives. There is a need for clarifying exactly what “deforestation” means in terms of types of forest, as well as cut-off dates for conversion.

### 18.3.2 Protection of environment and biodiversity

To evaluate how well certification schemes address other issues related to environmental protection, several requirements were added to the Scheme Assessment Framework. As seen above these requirements include soil, water and waste management, identification of High Conservation Values, as well as requirements for restoration in cases where Certificate Holders have contributed to conversion or degradation of forests and other ecosystems.

The RSPO standard contains a comprehensive range of requirements for protection and management of environmental values in Principle 7 of the RSPO standard. The following aspects are included at a criterion level:

- Effective Integrated Pest Management
- Pesticide Use
- Waste management
- Soil health fertility
- Soil conservation (erosion and degradation)
- Soil survey and topographic information
- Peat
- Water quality and quantity
- Energy Use
- Pollution and GHGs
- Fire
- High Conservation Value and High Carbon Stock (HCV and HCS)

These requirements are comprehensive and cover relevant environmental issues that are related to on-going protection and management of natural ecosystems, and biodiversity.

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<sup>36</sup> [https://utz.org/?attachment\\_id=3621](https://utz.org/?attachment_id=3621)

The RTRS standard also contains a range of requirements related to environmental protection, including identification of environmental impacts, reduction of pollution, protection of water and soils, reduction of GHG emissions and protection of on-farm biodiversity. Again, the range of issues include in the standard appears comprehensive.

As the two other schemes, the UTZ Cocoa Code of Conduct and the Core Code of Conduct, also covers environmental protection in a way that is found to be comprehensive and incorporate fundamental requirements for certificate holders relating to protection and management of environment and biodiversity.

In general, the scheme standards contain comprehensive and detailed requirements for a wide range of environmental protection issues. However, the fact that different schemes use different interpretations of “no deforestation” implies a lack of a common ground for establishing what that means on the ground. Also, some schemes have been seen to change their rules for deforestation, e.g., by moving the cut-off date to more recent dates, to accommodate industry needs. It therefore remains to define clearly what “no deforestation”, “no illegal deforestation”, “zero deforestation” or “no net deforestation” requirements should contain and how it should be defined, e.g., for use by the EU.

It should also be underlined that the practical implementation of the scheme’s normative requirements may vary considerably.

### 18.3.3 Chain of custody

Chain of custody along the supply chain and verification of compliance is also important to lend credibility to zero-deforestation commitments. Schemes use different types of CoC models, such as those described above.

The use of different CoC models means that products certified by the same scheme may have varying properties. For example, it is different to buy certified material through a book and claim model than buying through an identity preserved model. This means that any use of certified material to meet specific commitments, as for example a no-deforestation commitment, must address the issue of chain of custody or traceability in each specific case.

All three of the schemes included in this study allow several options for chain of custody, where the highest level is Identity Preserved, whereas as lesser levels of assurance provide less ability to ascertain the origin of the material.

In relation to the Scheme Assessment Framework, it was found that the requirements included to evaluate scheme performance for chain of custody are also relevant for agricultural commodities.

### 18.3.4 Scheme Governance and auditing

The certification schemes apply a similar approach to certification compared to forest certification schemes. They all use a comparable set-up in terms of auditing, accreditation and scheme governance as the forest certification schemes. Therefore, the Scheme

Assessment framework, can provide the same level of analysis for these issues, as was done for the forest and timber related schemes.

The three schemes included in this study all requires independent auditors accredited by an independent Accreditation Body, to conduct audits of the Certificate Holders.

### 18.3.5 Performance, challenges and opportunities

As also discussed for the forest and timber related certification schemes and standards, the actual performance of certification schemes may lag behind the original intentions of the written standards. For palm oil, soy and cocoa certification there have been numerous reports on the shortcomings of the schemes and their failure to live up to their stated objectives in various aspects of sustainability.<sup>37 38 39 40 41</sup>

This study has not analysed the legitimacy of the claims made in these and other reports, but note that there most likely are challenges in these certification schemes related to performance on the ground that should be considered for further assessment of these.

It would be reasonable to expect that agricultural certification schemes, based on the same structures and operated along the same lines as forest and timber certification schemes, would be vulnerable to similar weaknesses.

Further work should therefore needs to gather and carefully consider information related to the performance of certification schemes in order to allow for the evaluation of their performance on the ground.

## 19. Scheme Assessment Framework for agricultural commodities

The schemes tested in this study all included a comprehensive range of environmental and social requirements that are all relevant for protecting forests and natural resources. However, several issues are considered relevant to consider for further work in assessing the integrity of agricultural certification schemes when it comes to evaluating to what degree they can be used as assurance of commitments to avoid deforestation, as well as how they address the additional aspects related to sustainability discussed in the previous sections.

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<sup>37</sup> [http://changingmarkets.org/wp-content/uploads/2018/06/THE\\_FALSE\\_PROMISE\\_OF\\_CERTIFICATION\\_FINAL\\_WEB.pdf](http://changingmarkets.org/wp-content/uploads/2018/06/THE_FALSE_PROMISE_OF_CERTIFICATION_FINAL_WEB.pdf)

<sup>38</sup> <https://www.pnas.org/content/115/1/121>

<sup>39</sup> <https://www.amnesty.org/download/Documents/ASA2151842016ENGLISH.PDF>

<sup>40</sup> <https://www.solidaridadnetwork.org/news/responsible-soy-10-years-on/>

<sup>41</sup> <https://www.washingtonpost.com/business/2019/10/23/chocolate-companies-say-their-cocoa-is-certified-some-farms-use-child-labor-thousands-are-protected-forests/>

## **Deforestation free, zero-deforestation, zero net deforestation?**

Forests are defined in many ways, based on their characteristics and diversity of flora and fauna. The United Nations Environmental Programme recognizes more than 800 definitions of forests<sup>42</sup> The Food and Agriculture Organization developed common criteria for forests for the Global Forest Resources Assessment (FRA), noting that a forest should have a minimum area, a minimum potential tree cover and a minimum tree height (see FRA 2010). However, each country is free to define the thresholds within these criteria.

There are also several ways to define deforestation. One considers the loss of tree cover as an indicator of deforestation<sup>43</sup> and another considers the change in use of the land.<sup>44</sup> According to the land-use definitions, even if the forest is cleared, it is not measured as deforestation until that area is converted to agriculture, developed, or used in another fashion.

To add to the confusion, most satellites that watch landscapes from above are not yet able to automatically distinguish between a natural forest and tree plantations. What may appear as forest clearance might be a harvested plantation.

## **Zero Deforestation versus Zero Net Deforestation**

Terms often used to describe the absence of deforestation are “zero deforestation” and “zero net deforestation”. Zero deforestation means no forest areas are cleared or converted, while zero net deforestation allows for the clearance or conversion of forests in one area if an equal area is replanted elsewhere. Zero net deforestation opens up the challenge of determining what an appropriate replacement for a certain area of forest is – this considers e.g., biodiversity, species composition, age composition, carbon stock etc.

An essential point to this discussion is then what ability a scheme might have to avoid deforestation and claim “deforestation free” or “zero deforestation” as a claim on the products. For such claim to have integrity, and to outsiders to accept this as valid, a clear definition of what “deforestation free” or “zero deforestation” means. As can be seen from the three examples of certification schemes included here different schemes apply different requirements for what type of natural vegetation can be converted, when such conversion may have taken place and under what circumstances conversion may be allowed.

There is a risk that operations that get certified are the ones that already meet the certification requirements, or at least have to change relatively little to achieve certification, whereas those that have to make significant changes do not, and also lack the incentives to invest in change – this is particularly true for soy, where certification is still a niche market.<sup>45</sup>

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<sup>42</sup> [https://home.comcast.net/~gyde/national\\_definitions\\_of\\_forest.pdf](https://home.comcast.net/~gyde/national_definitions_of_forest.pdf)

<sup>43</sup> <https://earthenginepartners.appspot.com/science-2013-global-forest>

<sup>44</sup> <https://www.fao.org/docrep/006/ad665e/ad665e06.htm>

<sup>45</sup> <https://forestsnews.cifor.org/58107/blinding-consumers-to-the-true-cost-of-soy?fnl=en>



Therefore, the use of certification to ensure deforestation free supply chains may miss the overarching target of reducing deforestation on a wider scale.

### **Can the Scheme Assessment Framework be applied to other commodities?**

As mentioned in the above sections, the Scheme Assessment Framework was adapted to include additional requirements to evaluate agriculture certification schemes. It was found that the adapted Scheme Assessment Framework does provide useful insights into the coverage of issues relevant to deforestation.

It is also considered relevant to include the additional areas of assessment related to responsible business practices, protection of human rights, as well as requirements for protection of biodiversity and natural vegetation, as these have direct and indirect implications for the scheme's ability to prevent deforestation and forest degradation.

One issue that requires further consideration is the ability of the Scheme Assessment Framework to better address and cover issues related to the on-the ground performance of certification schemes. This is relevant in general to all types of certification schemes and should be considered for future work on scheme assessment.

It is also found that the issues added to the Scheme Assessment Framework for evaluation of deforestation and other issues of sustainability in other commodities would be equally relevant to include in an assessment of forest certification schemes. Especially the issue of how certification schemes manage conversion (for example of natural forest to industrial plantation) would have high relevance for the EC in relation to the future work on avoiding deforestation.

It is therefore suggested that a common framework could be developed that contains all relevant legality and sustainability requirements and could be used for further analysis.

## PART V: Recommendations

This section contains a series of recommendations based on the findings of this study.

### For Operators and Monitoring Organisations

To ensure that certified wood-products meet key legal requirements it is recommended to carefully evaluate the information about the product and the certification information associated with it. This means that Operators, when sourcing certified material, are recommended to apply the following process.

The process of due diligence needed on certified wood-products, should in theory be less involved than the effort and resources an Operator would need to apply to uncertified wood-products. The due diligence process has two key parts:

**First, check that the certification associated with the wood-product is valid, authentic and is included within the scope of the certification.**

The following steps may be taken to verify the validity, authenticity and scope of any certificate. Details on information available for individual scheme – or how that information can be accessed - can be found in the specific Scheme Assessment reports and the overview report on certification schemes.

1. Authenticity - Verify that the certificate and certificate license codes are authentic by assessing the certificate and any license codes communicated by the supplier, usually on invoices or other sales or delivery documentation. The codes should match each other - and should match the information available via online databases. Also check for scheme logos, labels and trademarks are correct and used in the appropriate manner. Faulty or incorrectly used logos or labels can indicate manipulation of certificates.
2. Validity - Operators should assess the validity of the certificate, by checking the certification license code against publicly available register of the certification scheme (if available). Most certificates have a period for which they are valid, so the end date of validity can be verified. Also it should be assessed if the certificate has been suspended or terminated during any period of time relevant to due diligence. If a register of all scheme certificates is not publicly available, such information may be obtainable by writing to the Scheme owner.
3. Relevance - Check that the certificate was issued to the relevant legal entity from which you are buying the wood-products in question. This can be done by verifying the names and addresses of the legal entities you are purchasing from, are the same as those listed for the certificate holder.
4. Scope - Check that the certificate covers the products you are buying. Most schemes certifications are limited in that the scope of the certification does not include all products and species manufactured or traded by the company. Operators should

check if the products they are sourcing as certified are, in fact, included within the scope of the certificate held by the selling entity.

5. Claims – verify the claim type of the certification. This will include assessing if the claim on the product is a 100% certified claim, a controlled wood/sources claim, or a claim that comprises some form of mixing (like a credit or mass-balance system). This is important for the second part of the due diligence on the material.

**Secondly verify that the certification scheme covers critical legal requirements and assess the risk of illegality in the country of harvest.**

This step of the process includes a comparing the results of this, or a comparable, study to understand any gaps or weaknesses in the legality coverage, against information on the risks of timber-legality non-compliance which may exist in the country of harvest of the material or wood-product in question.

6. Scheme coverage – check that the certification scheme covers all critical legal issues. This process includes verifying that the type of certification in question (see the first part) covers relevant legality and governance issues. In this process the Scheme Assessment Reports of this study can be used to provide an indication of where a specific scheme has gaps or shortcomings. The following aspects of schemes was addressed in this study and should be considered when assessing the scheme's coverage:
  - Scheme coverage of timber legality legislation is important to ensure that the scheme requirements applicable to the certificate holder encompass applicable legislation. E.g. the applicable legislation of the EUTR.
  - Chain of custody requirements are implemented to control the risk of mixing in the supply chain.
  - Scheme quality assurance systems ensure the certificate holders and CBs implement the standard requirements applicable to them effectively.
7. Legality Risks – assess the risk of illegality in the country of harvest. This step includes conducting a risk assessment of legality issues in the country of harvest or accessing an existing risk assessment or information from credible third parties. The risks of illegality should be identified in any due diligence process, to a level that will enable Operators to make informed decisions on their risk mitigation obligations.
8. Comparison of gaps and risks - where gaps have been identified in the certification scheme in question. The gaps identified in the certification scheme should be dealt similarly as the risks identified in the country of harvest., In this situation, the Operator is recommended to identify this and make plans to mitigate these. Conversely, where gaps have been identified in the certification scheme in question, but these are not associated with a corresponding non-negligible risk in the country of harvest, the Operator may be not required to conduct additional risk mitigation actions.
9. Mitigation – Where gaps have been identified in the certification scheme (e.g. legality issues not addressed by the scheme) and risks have been identified in the same category of legality in the country of harvest., there should be implemented risk

mitigation actions. Risk mitigation actions should be appropriate to the nature of the identified risks.

10. Documentation – As with other due diligence processes, the actions to assess and conducts due diligence on certified materials, should be documented. In this context, this would mean the following:

- recording the source used to assess the certification scheme
- recording the source used to assess timber legality risks in the country of harvest
- the results of the comparison of the certification scheme gaps/shortcomings against the country risk assessment.
- The recording of the risk mitigation actions taken, where gaps exist.

## For Competent Authorities

### **Competent Authorities should continue to recognise good practice in the forestry sector**

The EUTR recognises “certification or other third party verified schemes” as good practice in the forestry sector.<sup>46</sup> The Competent Authorities should recognise that certification schemes are an important tool for Operators to assess and mitigate risks in their supply chain. This process has the potential for Operators to achieve a high level of confidence in their supply chain with minimal use of resources and effort. This is an optimal solution from a cost-efficiency perspective.

Other approaches such as documentation checks conducted by the Operator themselves and carry additional risks of not capturing risks and carry additional operational costs to Operators. The long supply chains of importers in the EU significantly compromise their ability to gain access to the information required for them to conduct effective risk mitigation within a reasonable – and commercially viable – timeframe. The financial cost necessary to conduct effective due diligence, the availability of in-house technical competencies and the lack of fluency in the languages of the country of harvest and supply-chain entities are also limiting factors.

Therefore, for many companies certification is in the best option, in terms of assurance and cost efficiency, currently available to reduce risk. However, Competent Authorities must still understand the strengths and weaknesses of certification schemes to fully appreciate their value for the industry. When conducting checks on Operators relying on certification for risk mitigation, inspectors should have a good impression of where the most notable gaps or weaknesses lie within a certification scheme. The inspector should recognise that such gaps may not always translate into risks of legal non-compliance of the applicable legislation in the country of harvest.

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<sup>46</sup> Whereas clause 17, Regulation EC 995/2010

In addition to considering the above points, the CA's should be aware of and understand the due diligence process for certified material as recommended above. This means that CA staff should understand the details of the certification systems in question, understand the gaps of the system in question, and understand the risks relevant to specific countries of origin. CA's should therefore be skilled in applying the same methodology for due diligence on certified material, as the Operator is expected to conduct, and be experienced enough to evaluate the due diligence work of operators in order to verify the correctness and completeness of this work.

## For the European Commission

### **Clarify definitions on the scope of legality**

In the development phase of the Scheme Assessment Framework for this study, there was significant debate among consulted stakeholders about the exact scope of legislation that can be included as part of the definition of the applicable legislation, as found in the EUTR. It was quickly acknowledged that no consensus on the scope of applicable legislation, could be attained during the implementation of this study.

It is recommended that the EC provides a more comprehensive definition or guidance to what is covered by the five categories of applicable legislation, as mentioned in the EUTR.

### **Clarify definitions in relation to reclaimed and waste material.**

Certification schemes take different approaches to how reclaimed material is defined and categorised. In some cases, categories of reclaimed material are assumed to be explicitly aligned with the EUTR definition of waste. This means they could be exempt from the scope of the EUTR. In other cases, this may be implicit, or standard industry practices may assume alignment.

The EC is recommended to provide improved guidance in relation to the definition of waste material – and/or provide more or better examples of the kinds of materials which might be included/excluded from the requirements of the EUTR.

### **Create a publicly accessible register of European Commission responses to requests for clarification or interpretations in relation to the EUTR**

Preferred by Nature has consulted European Commission several times for clarification on technical matters or interpretations relating to the EUTR. The EC has responded, but it is not clear to what extent these clarifications are known by or disseminated to other stakeholders.

It is recommended that the EC create a publicly accessible register of official responses to requests for clarification or interpretations in relation to the EUTR. This will help to ensure a consistent interpretation of the EUTR by all stakeholders.

### **Support an ongoing process for scheme assessment.**

The following observations are made:

- The stakeholder consultation identified other certification schemes of interest to European operators, albeit with reduced volumes of certified products being placed on the European market. This means that some schemes were not included, that may be used by the timber industry, though most likely in relatively small volumes.
- Even for the schemes evaluated, these are adapting and evolving on an ongoing basis.
- Few Operators have the resources or technical know-how to evaluate certifications schemes. There is a huge efficiency advantage to performing this role 'centrally' to reduce the technical and financial barriers to Operators conducting reasonable due diligence.

For the service of Operators, Monitoring Organisations and Competent Authorities, the EC has recommended to facilitate the evaluation of more certification schemes relevant to European Operators and maintain such evaluations up to date, as schemes and standards change. This will also help to ensure a consistent interpretation of the EUTR by all stakeholders.

The EC is recommended to facilitate training on the findings – and lessons – of this study for Competent Authorities.

## **For forest certification schemes**

Certification schemes are encouraged to review the findings of an individual certification scheme assessments and consider addressing any weaknesses or gaps identified. Key issues identified in several schemes are detailed in the following paragraphs.

### **Accelerate the use of new technologies to strengthen chain of custody systems**

Accelerate the use of new technologies and platforms to strengthen chain of custody systems, including those that can identify incongruities in data at a scale otherwise not possible via analogue methods of data analysis. However, it is also imperative these new technologies are supported by systems and procedures which ensure follow-up, investigation and actions to address contradictions in data.

### **Address gaps surrounding supply-chain legality in the country of harvest**

Address gaps in coverage in relation to standards requirements for supply-chain entities. This coverage should address legality in relation to trade and customs in so far as the forest

sector is concerned.<sup>47</sup> It should apply to both Certificate Holders in COC-certified supply chains and entities included within the scope of due diligence systems.

### **Address gaps in relation to scheme transparency**

In the context of the EUTR, certification-scheme transparency is important to Operators and other organisations relevant to the proper application of the regulation. Schemes can take several measures to strengthen scheme transparency. Measures may include one or more of the following:

- Ensure the public availability online of Scheme requirements, in terms of normative requirements for both Certificate Holders and for Certification Bodies
- Aid evaluations by Operators and other stakeholders through publicly available impacts information about their schemes and aspects relevant to the EUTR.
- Ensure that an up-to-date register of certified or verified organisations is publicly available. This must be updated in 'real-time' as far as this is possible.
- Improve and/or broaden the quality of data available publicly, which would be of interest to Operators in conducting due diligence. Ensure basic information on certified or verified organisations, includes the following:
  - Scope of certification, including:
    - Specific products or product groupings
    - Relevant species
    - Additional information on products comprising of recycled material (type of reclaimed material, quantities)
    - Claim or claims methods or systems used? (e.g., Credit system, controlled sources/wood, etc....)
    - Information about forest area(s)/location(s) within scope and specific areas excised from the certification for whatever reason.
  - Periods of suspensions or terminations of the certifications to allow operators to become aware of non- certified companies.
  - Information relating to materials sourced via a controlled sources/wood system or DDS, such as the location of the forests/suppliers, the risk conclusions reached by the certificate holder conducting due diligence, and the risk mitigation actions implemented.
  - The names and locations of members or facilities included within a group/multisite certificates.
- Ensure public summary reports are made available on the internet, derived from the actual audits of Certificate holders. Such information provides a window into the actual performance of the certificate holder.

### **Address gaps in relation to how the scheme addresses and responds to risks of corruption**

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<sup>47</sup> Only relevant for trade and transport in the country of harvest.



Schemes can take several measures to strengthen how it addresses and responds to risks of corruption. Measures may include one or more of the following:

- Including direct normative requirements to ensure that licenses, right of land tenure, and management rights have been issued according to the legally prescribed procedure and the absence of corrupt practices.
- Include requirements to ensure that certificate holders do not engage in corrupt practices related to illegal harvesting.
- Include mechanisms to identify companies sanctioned for engagement in corrupt practices. Ensure there are normative requirements and formal processes in force for identifying organisations sanctioned for engagement in corrupt practices proactively or otherwise.
- Ensure the implementation of a clear and transparent complaint mechanism at all levels of the certification process.
- Ensure effective and robust stakeholder consultation as part of the certification process. This is done by some schemes, but not all, and should be emphasised as an aspect of certification systems, that would be very difficult to replicate by due diligence processes of Operators themselves.

## Scheme Assessment Framework agricultural commodities

A separate part of this study evaluated if the Scheme Assessment Framework could be applied to assess how certification schemes for agricultural commodities perform with regards to preventing deforestation.

It was found that the Scheme Assessment Framework has to be adapted to include requirements for certification schemes going beyond legality, such as issues related to responsible business practices, respect for human rights and protection of the environment (including no deforestation). It is also underlined that some schemes do not have any requirements on non-certified materials being used in mass-balance CoC systems.

Further to this, it is recommended that an adaptation of the Scheme Assessment framework could be finalised to develop one Scheme Assessment Framework that could work for all commodities and include a broad range of sustainability aspects and would also be relevant for forest certification schemes.

## Appendix 1: EUTR regulations and guidance on using certification schemes

### REGULATION (EU) No 995/2010 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 20 October 2010

laying down the obligations of operators who place timber and timber products on the market

[...]

**(19)** In order to recognise good practice in the forestry sector, certification or other third party verified schemes that include verification of compliance with applicable legislation may be used in the risk assessment procedure.

[...]

#### Article 6

##### Due diligence systems

**1.** The due diligence system referred to in Article 4(2) shall contain the following elements:

[...]

**(b)** risk assessment procedures enabling the operator to analyse and evaluate the risk of illegally harvested timber or timber products derived from such timber being placed on the market.

Such procedures shall take into account [...] relevant risk assessment criteria, including:

— assurance of compliance with applicable legislation, which may include certification or other third-party- verified schemes which cover compliance with applicable legislation,

[...]

### COMMISSION IMPLEMENTING REGULATION (EU) No 607/2012

of 6 July 2012

on the detailed rules concerning the due diligence system and the frequency and nature of the checks on monitoring organisations as provided for in Regulation (EU) No 995/2010 of the European Parliament and of the Council laying down the obligations of operators who place timber and timber products on the market

[...]

#### Article 4

##### Risk assessment and mitigation

Certification or other third-party verified schemes referred to in the first indent of the second paragraph of Article 6(1)(b) and in Article 6(1)(c) of Regulation (EU) No 995/2010 may be taken into account in the risk assessment and risk mitigation procedures where they meet the following criteria:

**(a)** they have established and made available for third-party use a publicly available system of requirements, which system shall at the least include all relevant requirements of the applicable legislation;

**(b)** they specify that appropriate checks, including field-visits, are made by a third party at regular intervals no longer than 12 months to verify that the applicable legislation is complied with;

**(c)** they include means, verified by a third party, to trace timber harvested in accordance with applicable legislation, and timber products derived from such timber, at any point in the supply chain before such timber or timber products are placed on the market;

**(d)** they include controls, verified by a third party, to ensure that timber or timber products of unknown origin, or timber or timber products which have not been harvested in accordance with applicable legislation, do not enter the supply chain.

[...]

#### Article 5

##### Record keeping by operators

1. Information concerning the operator's supply as provided for in Article 6(1)(a) of Regulation (EU) No 995/2010 and application of risk mitigation procedures shall be documented through adequate records, which shall be stored for five years and made available for checks by the competent authority.

2. In applying their due diligence system operators shall be able to demonstrate how the information gathered was checked against the risk criteria provided for in Article 6(1)(b) of Regulation (EU) No 995/2010, how a decision on risk mitigation measures was taken and how the operator determined the degree of risk.

[...]

COMMISSION NOTICE C(2016)-755

of 12.2.2016

## GUIDANCE DOCUMENT FOR THE EU TIMBER REGULATION

### 6. THE ROLE OF THIRD-PARTY-VERIFICATION SCHEMES IN RISK ASSESSMENT AND RISK MITIGATION

[...]

#### A. Background information

Voluntary forest certification and timber legality verification schemes are often used to meet specific customer requirements for timber products. Typically, these include a standard that describes management practices that must be implemented within a forest management unit, comprising: broad principles, criteria and indicators; requirements for checking compliance with the standard and awarding certificates; and separate chain-of-custody certification to provide assurance along the supply chain that a product only contains timber, or a specified percentage of timber, from certified forests.

When an organisation that is not the forest manager, manufacturer or trader, nor the customer requiring certification, carries out an assessment and awards a certificate, this is known as third-party certification.

Certification schemes generally require third-party organisations to be able to demonstrate their qualifications to perform assessments through a process of accreditation that sets standards for the skills of auditors and the systems that the certification organisations must adhere to. The International Organisation for Standardisation (ISO) has published standards covering both requirements for certification bodies and assessment practices. Proprietary timber legality verification schemes, though often provided by organisations that offer accredited certification services, generally do not require accreditation themselves.

A requirement for compliance with legislation governing the management of the forest management unit is generally part of forest management certification standards. Systems management standards, such as those for environmental management or quality management, generally do not include such a requirement, or the latter might not be rigorously checked in assessment.

#### B. Guidance

In considering whether to make use of a certification scheme or legality verification as assurance that the timber in a product had been legally harvested, an operator must determine whether the scheme incorporates a standard that includes all the applicable legislation. This requires some knowledge of the scheme the operator is using and how it is applied in the country where the timber was harvested.

Certified products generally carry a label with the name of the certification organisation that has set the criteria for the certificate and has set the requirements for the auditing process. Such organisations will normally be able to provide information on coverage of the certification and how it was applied in the country where the timber was harvested, including such details as the nature and frequency of field audits.

The operator should be satisfied that the third-party organisation that issued a certificate was sufficiently qualified and is in good standing with the certification scheme and the relevant accreditation body.

Information about how schemes are regulated can usually be obtained from the certification scheme. Some schemes allow certification when a specified percentage of the timber in a product has met the full certification standard. This percentage is usually stated on the label. In such cases, it is important that the operator obtains information about whether checks on the non-certified portion have been performed and whether those checks provide adequate evidence of compliance with the applicable legislation.

Chain-of-custody certification may be used as evidence that no unknown or non-permitted timber enters a supply chain. These are generally based on ensuring that only permitted timber is allowed to enter the supply chain at 'critical control points', and a product can be traced to its previous custodian (who must also hold chain-of-custody certification) rather than back to the forest where it was harvested. A product with chain-of-custody certification may contain a mix of certified and other permitted material from a variety of sources. When using chain-of-custody certification as evidence of legality, an operator should ensure that permitted material complies with applicable legislation and that controls are sufficient to exclude other material.

It is important to note that an organisation may hold chain-of-custody certification as long as it has systems in place to segregate certified, and the allowed percentage of, permitted material and non-permitted material, even if it is not producing any certified product at that time. When operators rely on certification as assurance and purchase from suppliers with chain-of-custody certification, they must check that the chain of custody certification covers the specific product they are purchasing.

In the process of assessing the credibility of a third-party-verification scheme, operators may use the following questions (note that the list is not exhaustive):

- ✓ Are all requirements under Article 4 of the Commission implementing Regulation (EU) No 607/2012 fulfilled?
- ✓ Is the certification or other third-party-verification scheme compliant with international or European standards (e.g. the relevant ISO-guides or ISEAL codes)?
- ✓ Are there substantiated reports about possible shortcomings or problems of the third-party-verification schemes in the specific countries from which the timber or timber products are imported?
- ✓ Are the third parties that perform the checks and verifications referred to under Article 4 (b)(c) and (d) of the Commission implementing Regulation (EU) No 607/2012 independent accredited organisations?

[...]

## Appendix 2: Requirements added to assessment of other commodities

The following outlines the additions that were made to the Scheme Assessment framework in order to include evaluation of deforestation and other aspects of sustainability, that was not included in the version of the Scheme Assessment framework used to evaluate forest certification schemes with focus on legality and the EUTR.

### 19.1.1 Responsible business management

Though not directly related to how well a scheme addresses potential deforestation by certificate holders, it was considered relevant to include requirements in the Assessment Framework focusing on responsible business management in general. These requirements of the Assessment Framework focus evaluating how certification schemes ensure that CH's conduct business in a legal and responsible manner, including how the potential risk of corruption is addressed. Corruption is, as has also been discussed for the forest and timber related schemes, an important aspect of ensuring legality and sustainability.

To evaluate this the following Criteria and Indicators were added to the Assessment Framework:

*Table 13: Business management indicators*

	<p>A.1B.1 Management and business practices are legal and responsible.</p> <p>The operations of land managers and the practices of businesses are conducted in compliance with applicable legislation, and in a responsibly manner.</p>	
A.1B.1.1	Planning and operations meet legal requirements.	<b>A.1B.1.1.1.</b> The scheme shall include requirements that ensures compliance with legal requirements related to disclosure of information.
		<b>A.1B.1.1.2.</b> The scheme shall include requirements that ensures compliance with legal requirements for land clearance or land-use changes.
A.1B.1.2	Corruption is effectively avoided	<b>A.1B.1.2.1</b> The scheme shall include requirements that ensures compliance with legal requirements relating to bribery, fraud and corruption.
		<b>A.1B.1.2.2</b> Scheme shall include requirements that ensure that certificate holders do not engage in payment of or accepting of bribes or other forms of corruption.

From the three schemes included, it was found that only RSPO includes direct mention of measures to prevent corruption. This is covered in their guidance to Criterion 1.2 of the principles and criteria for sustainable palm oil.

It is concluded that ensuring that certification schemes include clear and auditable requirements for certificate holders, as well as for Certification Bodies to avoid and manage risks of corruption would be an important part of future work to evaluate certification systems.

## 19.1.2 Peoples wellbeing and human rights are respected

The following criteria and indicators were added to the Scheme Assessment Framework:

*Table 14: People and human rights indicators*

	<p>A.1B.2 Peoples wellbeing and human rights are respected.</p> <p>The organisation shall respect legal obligations related to the rights of indigenous peoples and local communities.</p>	
A.1B.2.1	<p>The rights of Indigenous Peoples are respected according to the UN Declaration on the Rights of Indigenous Peoples and the ILO Indigenous and Tribal Peoples Convention</p>	<p><b>A.1B.2.1.1</b> The scheme shall include requirements that ensures compliance with legally recognised Indigenous People rights.</p>
		<p><b>A.1B.2.1.2</b> The scheme shall require certificate holders to identify indigenous peoples affected by land-use or other operations</p>
		<p><b>A.1B.2.1.3</b> The Scheme shall require the certificate holder to define and identify Indigenous Peoples and their rights in accordance with ILO Convention 169 and the United Nations Declaration on the Rights of Indigenous Peoples. This shall happen even if the national regulations of the host state fails to fully recognize these rights, fails to recognize certain indigenous groups as collective rights-holders or uses terminology or classifications which excludes the term indigenous.</p>
		<p><b>A.1B.2.1.4</b> Scheme shall include requirements to ensure that certificate holder is not engaged in any unresolved claims by Indigenous Peoples of collective land titling or, if there are claims, these shall be managed through a transparent process to resolve them.</p>
		<p><b>A.1B.2.1.5</b> Scheme shall require that certificate holder carry out a human rights due diligence process in accordance with principles 17-21 of the UN Guiding Principles on Business and Human Rights, to identify actual or potential adverse impacts on Indigenous Peoples, at the earliest possible stage and prior to any activity which may affect indigenous peoples.</p>
A.1B.2.2	<p>Community rights are respected</p>	<p><b>A.1B.2.2.1</b> Scheme shall require certificate holder to identify communities affected by the operations of the Organisation.</p>
		<p><b>A.1B.2.2.2</b> The scheme shall include requirements that ensures compliance</p>



		with legally recognised customary and community rights.
		<b>A.1B.2.2.3</b> The scheme shall require certificate holders to identify and respect the rights of local communities, where these are not legally defined.
		<b>A.1B.2.2.4</b> The scheme shall require certificate holders to identify and protect sites and resources within the area of operation, fundamental for satisfying the basic needs of local communities.
		<b>A.1B.2.2.5</b> The scheme shall require certificate holders to identify and protect sites, resources, habitats and of cultural, archaeological, or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities.
A.1B.2.3	Remediation measures are implemented as appropriate**.	<b>A.1B.2.3.1</b> The scheme shall require certificate holders to remediate any adverse impacts to Indigenous Peoples', communities' or workers' rights, to which the certificate holder have contributed. The organisation shall provide for remediation through an adequate, legitimate and culturally appropriate remedial mechanism which shall be defined in agreement with the affected parties' legitimate representatives.
		<b>A.1B.2.3.2</b> The scheme shall require certificate holders to establish an effective grievance mechanism that adheres to the Effectiveness Criteria of the UN Guiding Principles on Business and Human Rights.
		<b>A.1B.2.3.3</b> The scheme shall require certificate holders to develop a plan for remediation that includes clear geographic and time bound targets for implementation. Remediation plans shall be: <ul style="list-style-type: none"> <li>• developed in consultation with stakeholders;</li> <li>• developed and implemented in collaboration with relevant experts; and</li> <li>• made available to the public</li> </ul>
		<b>A.1B.2.3.4</b> The Scheme shall ensure that outcomes of the mutually agreed remediation process shall as a minimum: <ul style="list-style-type: none"> <li>• Ensure a prompt cessation of violating actions and provide a credible guarantee that they are not repeated.</li> <li>• If possible, provide full restitution and where full restitution is not possible provide just, fair and prompt compensation.</li> <li>• Benefit entire communities or groups rather than individual people.</li> </ul>
		<b>A.1B.2.3.5</b> The scheme shall require certificate holders to divest its interests in land to avoid remediation or until outstanding grievances are fully resolved, or obligations have been legally transferred to another party (e.g., the new owner).
		<b>A.1B.2.3.6</b> The certification scheme shall include requirements to ensure that where the Organisation has or is acquiring interests in commodity-producing properties, it shall remediate past harms, unless this responsibility is legally held by another party.

## Nature and the environment are protected

To evaluate how the Assessment Framework would function to include evaluation of these issues, the following criteria and indicators were added:

*Table 15: requirements for deforestation and protection of the environment*

	<p>A.1B.3 Nature and the environment are protected.</p> <p>Measures shall be implemented to ensure that forests and other natural ecosystems are not converted to other land uses or degraded due to the impacts of operations. Also, action shall be taken to protect the environment through conservation measures, as well as measures to reduce the negative impacts on soil and water resources.</p>	
A.1B.3.1	Natural ecosystems are protected from degradation and conversion.	<b>A.1B.3.1.1</b> The scheme shall require certificate holders to include requirements that ensures compliance with legal requirements relating to the conversion of natural forests or other natural ecosystems.
		<b>A.1B.3.1.2</b> The scheme shall require certificate holders to include requirements that ensures compliance with legal requirements for the use of fire as a land preparation and management tool.
		<b>A.1B.3.1.3</b> the Scheme shall include requirements to ensure that deforestation of natural forests or conversion of other natural ecosystems is not taking place.
A.1B.3.2	High Conservation Values (HCVs) are identified and protected.	<b>A.1B.3.2.1</b> The scheme shall require certificate holders to include requirements that ensures compliance with legal requirements relating to biodiversity protection, protected sites, and protection of endangered/protected species.
		<b>A.1B.3.2.2</b> The scheme shall require certificate holders to ensure that animals that are endangered or protected are not hunted, killed or held captive.
		<b>A.1B.3.2.3</b> The scheme shall require certificate holders to conduct an assessment to identify the presence of HCVs.
		<b>A.1B.3.2.4</b> The scheme shall require certificate holders to develop and implement strategies to protect the identified HCVs.
		<b>A.1B.3.2.5</b> The scheme shall require certificate holders to develop and implement strategies to enhance the identified HCVs.
		<b>A.1B.3.2.6</b> The scheme shall require certificate holders to conduct identification, protection, and enhancement activities relevant to HCVs , in consultation with relevant and/or affected stakeholders and experts.

		<b>A.1B.3.2.7</b> The scheme shall require certificate holders to regularly monitor any changes in the status of High Conservation Values and adapt management to secure continued protection. The monitoring shall be proportionate to the scale, intensity and risk of activities.
A.1B.3.4	Chemicals are used cautiously with minimal negative impacts	<b>A.1B.3.4.1</b> The scheme shall include requirements that ensures compliance with legal requirements relating to chemical use and storage.
		<b>A.1B.3.4.2</b> The scheme shall include requirements that ensures compliance with legal requirements relating to the use and storage of petroleum-based products.
		<b>A.1B.3.4.3</b> The scheme shall require certificate holders to meet the requirements of the WHO International Code of Conduct on Pesticide Management – Guidelines on Highly Hazardous Chemicals.
		<b>A.1B.3.4.4</b> The scheme shall require certificate holders to ensure that chemical drift, run-off or spills are effectively controlled.
		<b>A.1B.3.4.5</b> The scheme shall require certificate holders to apply chemicals with known risks for pollinators or other animals only if: <ul style="list-style-type: none"> <li>• Less toxic pesticides are not available.</li> <li>• Exposure to natural ecosystems is minimised; and</li> <li>• Contact of pollinators with these substances can be minimised.</li> </ul>
		<b>A.1B.3.4.6</b> The scheme should require certificate holders to promote organic or low chemical use production and actively seek to replace chemicals with alternative components/ingredients
A.1B.3.5	Waste is reduced and managed appropriately**.	<b>A.1B.3.5.1</b> The scheme shall include requirements that ensures compliance with legal requirements relating to waste and residue management.
A.1B.3.6	Water resources are protected and used efficiently**.	<b>A.1B.3.6.1</b> The scheme shall include requirements that ensures compliance with legal requirements for use of water (surface or ground water).
		<b>A.1B.3.6.2</b> The scheme shall require certificate holders to optimise use of water and reduce potential negative impacts on production and the surrounding environment.
A.1B.3.7	Soil is conserved and managed appropriately.	<b>A.1B.3.7.1</b> The scheme shall include requirements that ensures compliance with legal requirements related to soil management.
		<b>A.1B.3.7.2</b> The scheme shall require certificate holders to reduce water and wind erosion through practices such as ground covers, mulches, re-vegetation of steep areas, terracing, filter strips, or minimisation of herbicide use to protect soils.
		<b>A.1B.3.7.3</b> The scheme should require certificate holders to select and

		implement tillage and cultivation practices that maintain or improve the physical, chemical, and biological condition of soil and minimise soil erosion.
		<b>A.1B.3.7.4</b> The scheme should require certificate holders to manage crop nutrients and soil fertility through rotations, cover crops, and the application of plant and animal materials.
		<b>A.1B.3.7.5</b> The scheme should require certificate holders to manage plant and animal materials to maintain or improve soil organic matter content in a manner that does not contribute to contamination of crops, soil, or water by plant nutrients, pathogenic organisms, heavy metals, or residues of prohibited substances.
		<b>A.1B.3.7.6</b> The scheme should require certificate holders to reduce soil compaction through no-till or reduced-tillage farming, low pressure tyres, and/or restrictions on vehicle size and access times and locations.
A.1B.3.8	Natural ecosystems are restored as appropriate**.	<b>A.1B.3.8.1</b> The scheme shall require certificate holders to analyse and evaluate the deforestation or ecosystem degradation impacts in areas affected by the operation, including the analysis and evaluation of current land uses and land tenure/ownership, and identification of affected stakeholders.
		<b>A.1B.3.8.2</b> The scheme shall require certificate holders to select a suitable site or landscape for restoration based on the analysis.
		<b>A.1B.3.8.3</b> The scheme shall require certificate holders to include engagement of stakeholders, to include considerations of long-term goals of forest restoration and include the interests of all stakeholder groups in the restoration analysis.
		<b>A.1B.3.8.4</b> The scheme shall require certificate holders to develop and implement a restoration management plan, including: <ul style="list-style-type: none"> <li>• preparing a topographic land-use map, including a designation of ecosystem functions and assessment of accessibility</li> <li>• existence of natural regeneration and needs for planting.</li> <li>• agreeing on restoration/rehabilitation objectives</li> <li>• selecting the restoration/rehabilitation method</li> <li>• choosing the species to be used</li> <li>• establishing a nursery; and</li> <li>• assessing possible positive and negative social and environmental impacts.</li> </ul>
		<b>A.1B.3.8.5</b> The scheme shall require certificate holders to assess capacity-building needs and plan and implement the necessary training.
		<b>A.1B.3.8.6</b> The scheme shall require certificate holders to establish realistic time schedules and plan for financial requirements

		<b>A.1B.3.8.7</b> The scheme shall require certificate holders to monitor restored/rehabilitated areas, and conduct maintenance activities as required.
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## Appendix 3: Glossary of terms

<ul style="list-style-type: none"> <li>• Accreditation</li> <li>• Oversight</li> </ul>	Assessment of a certification body's provider's demonstration of competence to carry out specific assurance tasks.
<ul style="list-style-type: none"> <li>• Assessment</li> <li>• Main evaluation</li> <li>• Initial audit</li> <li>• Full system audit</li> <li>• Certification Audit</li> </ul>	These terms often refer to the first full scale evaluation performed for a company who desires to be certified/ verified. In ISO documents the term audit is used for both first and subsequent audits with the most common terms being initial audit or certification audit. Full system audit is used primarily for management systems auditing and consists of Stage 1 audit (document review and initial review), which can be replaced by pre-assessment (see below); and Stage 2 audit which is an on-site audit of full management system implementation.
<ul style="list-style-type: none"> <li>• Annual audit</li> <li>• Surveillance audit</li> <li>• Audit</li> </ul>	These terms often refer to repeatedly conducted evaluations to monitor continuous conformance of the auditee to the requirements. Preferred by Nature uses the term 'annual audit' for annual surveillance audits.
<ul style="list-style-type: none"> <li>• Active</li> <li>• Issued</li> <li>• Valid</li> </ul>	These terms define the status of a certification.
<ul style="list-style-type: none"> <li>• Pre-assessment</li> <li>• Pre-evaluation</li> <li>• Scoping</li> <li>• Pre-audit</li> <li>• Gap analysis</li> </ul>	Sometimes (in case of larger or more complex auditees), assessors perform an initial short and general evaluation to identify the main shortcomings that can potentially result in a negative recommendation after the main evaluation.
<ul style="list-style-type: none"> <li>• Certification</li> <li>• Verification</li> <li>• Registration</li> </ul>	The term is used a bit differently in different situations; however, it generally refers to the whole process of granting a certificate/ verification statement by an independent third-party assessor. The process starts formally with an application and ends after the certification/ verification decision has been made and certificate/ verification statement has been issued. In the broader context, annual surveillance activities are part of the certification/ verification process.
<ul style="list-style-type: none"> <li>• Certification body (CB)</li> <li>• Conformity assessment body (CAB)</li> <li>• Certifier</li> <li>• Assessor</li> <li>• Assurance provider</li> <li>• Third-party auditor</li> </ul>	A certification body is an independent, impartial and competent legal entity that carries out certification auditing. Although it is not always a requirement that the assessor be accredited, professional certification bodies are usually considered to be those who have gained accreditation for the auditing services they offer.
<ul style="list-style-type: none"> <li>• Client</li> <li>• Certified client</li> <li>• Applicant</li> <li>• Audit Client</li> <li>• Certificate holder</li> <li>• Auditee</li> </ul>	Although these terms are sometimes used interchangeably, they are not necessarily synonyms. <i>Applicant</i> refers to a company that has applied for certification, but has not yet received it. An <i>audit client</i> may request an audit; the <i>auditee</i> is the organisation being audited. In some cases, these can be different (e.g. a company ordering an audit for its supplier). With auditing

<ul style="list-style-type: none"> <li>• Supplier (in product certification)</li> <li>• Organisation</li> <li>• Company</li> </ul>	<p>services, the general term <i>client</i> seems to be the most widely used term.</p> <p>In the COC certification, the certificate is often issued to the organisation that has direct management responsibility for the Chain of Custody system under its control.</p> <p>In FM certification, the certificate is often issued to the organisation that has ownership or management control over the applicable forest management units.</p>
<ul style="list-style-type: none"> <li>• Standard</li> <li>• Audit criteria</li> <li>• Requirements</li> <li>• Certification requirements</li> <li>• Normative document</li> <li>• Norm</li> <li>• Checklist</li> </ul>	<p>These terms refer to documented requirements that must be fulfilled by the auditee in order to receive a certificate. <i>Audit criteria</i> is the definitive, formal common ISO term for any set of requirements against which the auditee is audited. <i>Standard</i> is a term used more commonly in everyday language.</p>
<ul style="list-style-type: none"> <li>• Non-conformance</li> <li>• Non-conformity</li> <li>• Non-compliance</li> </ul>	<p>These terms refer to non-fulfilment of a requirement. In simpler terms this means that some part of the standard has not been correctly fulfilled. Nonconformity is the definitive term in ISO documents. Similar options are used for positive fulfilment of requirements (conformance, conformity, compliance). Compliance is most often used as reference to legal requirement, whereas conformance is referring to voluntary requirements.</p>
<ul style="list-style-type: none"> <li>• NCR (non-conformity report)</li> <li>• CAR (corrective action request)</li> </ul>	<p>These two terms are commonly used by various auditing systems to describe the documentation of non-conformances.</p>
<ul style="list-style-type: none"> <li>• Suspension</li> </ul>	<p><i>Suspension</i> refers to the temporary ceasing of a certification validity. A suspension may occur under specific situations, such as where a certificate holder fails to meet certification requirements as part of an annual audit or to meet certification requirements detailed in a certification agreement.</p>
<ul style="list-style-type: none"> <li>• Termination</li> </ul>	<p><i>Termination</i> refers to the definitive end of a certification. A termination may occur prior to the end of the certification period (i.e. prior to the expiration date).</p>
<ul style="list-style-type: none"> <li>• Certification</li> </ul>	<p>This is the process whereby an independent third-party (called a certifier or certification body) assesses the quality of forest management in relation to a set of predetermined requirements (the standard). The certifier gives written assurance that a product or process conforms to the requirements specified in the standard</p>
<ul style="list-style-type: none"> <li>• Certification Scheme</li> </ul>	<p>3rd party scheme providing assurance of conformance to a normative standard.</p> <p>The organisation determines the objectives and scope of the certification system and applicable standards, as well as the rules for how the System will operate and the standards against which conformance will be assessed. In most cases this is the standard-setting organisation, but it may also act as a Certification body.</p>



• Competent authority	
• Complaint	
• Forest Management Enterprise (FME)	Organisation, company or operation responsible for forest management
• Forest Management Unit	A spatial area or areas submitted for certification with clearly defined boundaries managed to a set of explicit long term management objectives which are expressed in a management plan
• Species	A group of living organisms consisting of similar individuals capable of exchanging genes or interbreeding. The species is the principal natural taxonomic unit, ranking below a genus.
• Supply chain	The route of forest products and entities that take legal ownership of the forest products from the forest – where the material is harvested – to the Organisation that takes final ownership of the material
• Due Diligence System (DDS)	A set of steps or actions taken to ensure that due diligence is exercised. The due diligence system may consist of written guidelines and procedures that describe the due diligence process in detail.
• Publicly available	Obtainable by any person, without unreasonable barriers of access

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## **Annex 1: Forest-related certification schemes**

### **An overview**

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## Introduction

This report results from the European Commission project “*Study on Certification and Verification Schemes in the Forest Sector and for Wood-based Products*”, implemented by Preferred by Nature in 2020.

The overall objective of the project is to create a point of reference for all interested and concerned parties in forest and wood-based product certification, to (1) improve the understanding of certification programs in the context of the implementation of the EU Timber Regulation (EUTR); (2) creating a resource of knowledge on certification schemes; and (3) helping Competent Authorities, Monitoring Organisations, Operators and Traders (as identified under the EUTR) in their understanding of the potential benefits and shortcomings of forest certification schemes.

This report presents a general overview of private sector certification schemes to enable relevant operators, competent authorities, forest managers and owners to enhance their understanding of this topic. Furthermore, the study will allow these actors to understand the significance of a scheme-issued certificate or a certification claim on a product and how used appropriately in the context of the EUTR.

Sustainable forest management certification and ‘timber-legality verification’ schemes will be assessed against the same framework in this report. The schemes can be differentiated based on their institutional setup (see section 12.2 of this report). Still, they are all voluntary, non-governmental and market-based, with auditing performed by an independent party.

Certification and verification schemes are described under in the EUTR under Article 6(1)(b) and Article 6(1)(c) of Regulation (EU) No 995/2010<sup>48</sup>.<sup>49</sup> While some distinction can be made between certification and verification systems despite sharing important elements, the authors of this report have made the decision to refer to both terms commonly as “certification”.

However, it is important to understand the difference between voluntary certification and government-backed mandatory legality verification systems developed within the context of national policies or bilateral agreements such as the EU FLEGT Voluntary Partnership Agreements (VPAs). These state-mandated legality verification systems are omitted in this report.

## 1.1 Table of contents

**Section 1 to 3** comprises an Introduction, Executive Summary and a brief historical background on the development of forest-related private-sector certification schemes.

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<sup>48</sup> Regulation 995/2010. <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:295:0023:0034:EN:PDF>

<sup>49</sup> Implementing Regulation 607/2102, Article 4. [https://eur-lex.europa.eu/eli/reg\\_impl/2012/607/oj](https://eur-lex.europa.eu/eli/reg_impl/2012/607/oj)



**Section 4** details key features and major distinctions found in certification schemes. A distinction is made between how various standards and schemes establish conformance by taking a system-based or performance-oriented approach.

**Section 5** describes the principal actors engaged in certification schemes, including their roles within the scheme set up.

**Section 6** discusses the main requirements of a certificate holder and how requirements are structured to compose a standard.

**Section 7** draws up the discrete elements that form the scope of a certification scheme. Most certification schemes apply a similar approach when assessing conformance among their certificate holders.

**Section 8** reviews key aspects of the auditing process and explains commonly used terms.

**Section 9** examines accreditation, oversight and safeguarding of the auditing process and issues such as impartiality.

**Section 10** discusses other aspects of the certification schemes, such as institutional and procedural arrangements, including transparency, complaints, and standard setting issues.

**Section 11** covers certification schemes and its role under the EUTR as a component in due diligence systems. It also investigates which considerations should be made when evaluating scheme performance against the requirements of the EUTR.

## 2. Executive Summary

Forest-related certification schemes may help operators comply with the EU Timber Regulation (EUTR). It is explicitly stated in the regulation text that certification schemes may be taken into account in risk assessment and mitigation procedures. Still, it is important to emphasise that the regulation does not exempt certified products from the EUTR requirements. While it may be useful for operators to source certified products, they need to understand the strengths and limitations of forest-related certification schemes in the context of complying with the EUTR requirements.

Despite many similarities, each forest-related certification scheme comprises its own set of requirements, a discrete set of certification and accreditation procedures, differing approaches to quality assurance and a varying degree of transparency. These differences result in a high level of complexity for certificate holders, who in some cases may be simultaneously certified under several different certification schemes. This may lead to a lack of understanding of the limitations of the individual certification scheme and cause certificate holders to fail to understand that compliance with a voluntary forest certification scheme does not necessarily equal compliance with all applicable laws in the country in which they operate.

This report seeks to give its readers a much more comprehensive understanding of forest-related certification schemes, their design, structure, and applicability with the EUTR.

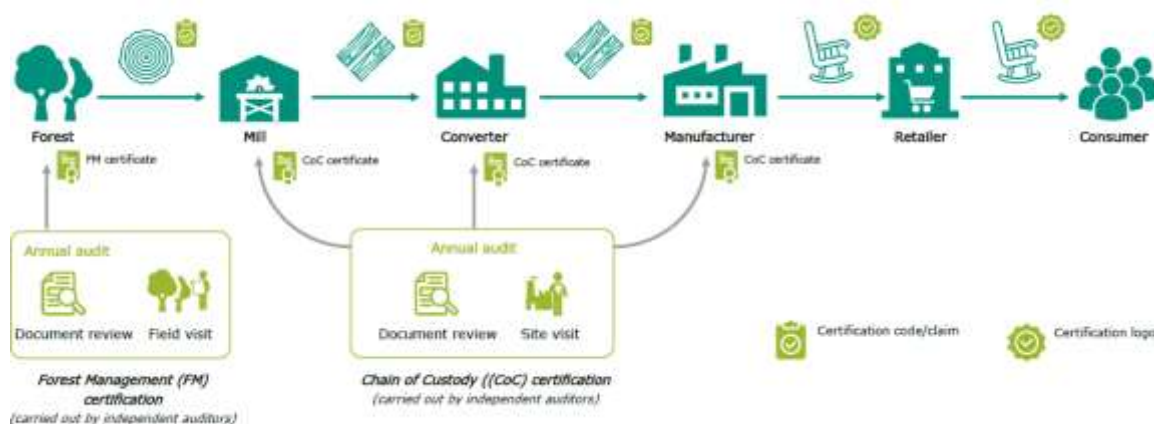


Image 1: Overview of forest-related certification

### Key features of forest-related certification

This paper focuses on legal and/or sustainable forest management certification and traceability systems for forest products<sup>50</sup> and class them according to key differences in the certification process. It may be helpful to distinguish between four distinct types of certification, depending on the process and object of certification. However, many certification schemes share characteristics of more than just one of the following types of certification.

- Product certification is when the object of certification is the product itself. Product certification seeks to ensure that a product meets predetermined specifications, such as a certain quality level and composition. While most forest certification schemes are not product certification systems per se since the product itself is not subject to evaluation. The schemes permit on-product certification claims for marketing purposes.
- System certification is when the object of certification is a system of procedures designed to deliver a uniform product or outcome. Under a system certification, the assessment focus on policies, processes, and systems in place rather than the product or performance. The ISO 9000 family of quality management systems is an example of a system certification regime.
- Process certification focuses on specific steps in a production process to acquire desired product properties. Chain of custody (CoC) certification can be described as a process certification, as the goal is to ensure traceability in the production flow through auditing.
- Performance-based certification focuses on outcome rather than process. Performance-based certification allows for flexibility in achieving a given outcome to meet certain thresholds or objectives.

Most forest certification schemes contain elements of both performance-based and system certification. Some criteria and indicators may set specific thresholds that need to be met by the certificate holder, while other criteria and indicators may require certain systems or procedures to be in place.

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<sup>50</sup> Certification systems dedicated to product specific attributes, such as wood quality or formaldehyde emissions from wood products, have omitted from this report.



Image 2: Overview of Overview and roles of actors in certification schemes

### Actors commonly involved in forest-related certification schemes

The following types of entities are usually present within a certification scheme:

- The Scheme owner is responsible for the development, administration, and maintenance of a scheme. Their role usually involves developing a set of normative requirements (standards) and ensuring that the standards are regularly revised, appropriately interpreted and implemented. Scheme owners also establish the requirements and procedures for certificate holders and develop an assurance system to ensure the proper functioning of the scheme.
- Accreditation bodies are tasked with accrediting other organisations (certification bodies) to deliver qualified certification services under a predetermined set of requirements. Accreditation bodies should regularly evaluate certification bodies' performance to ensure their continuous technical competence and integrity when conducting conformity assessment work. An accreditation body may be included in a scheme's institutional setup, in which case the scheme owner will usually choose the accreditation body. One or more accreditation bodies may provide accreditation services under a certification scheme. However, not all certification schemes function with an independent accreditation body, as some scheme owners directly accredit certification bodies.
- Certification bodies (CBs) are the third-party entities that deliver certification services, principally through auditing practices. A certification body usually employs individual auditors. Their role is to ensure that certificate holders conform to the applicable set of requirements whilst following the relevant procedures set up by the scheme owner for CBs. Some private-sector legality verification schemes are, however, also delivering certification activities themselves.
- Certificate holders are the organisations committing to the conformity assessments against one or more standards. As auditors regularly assess the certificate holders, they are generally referred to as the "auditee". However, some certification bodies distinguish between the 'certification client' and the 'auditee', i.e. the organisation being audited.

- Stakeholders may play different roles within the functioning of a scheme. The development of a standard can rest entirely in the hands of the scheme owner, or it may be developed through a collective effort involving different types of stakeholders.

### **Common characteristics shared by forest-related certification schemes**

- Schemes are international but not governed by sovereign states
  - Although environmental policies have historically been promoted through government involvement via regulatory mechanisms, almost all forest-related certification schemes are voluntary arrangements backed by a mix of private enterprises, business associations, and/or civil society organisations. Though public agencies may be involved at some level, they are usually not part of the scheme's decision-making bodies.
- Schemes develop their own standards
  - As similar international initiatives without governmental support, forest certification schemes can apply to multiple countries without any formal association between the sovereign states included in their scope. A notable trait of these non-governmental initiatives is their ability to develop standards, guidelines, product specifications and requirements in production methods to a common standard above what is required by national laws.
- Schemes are voluntary
  - Because of the sponsorship by non-governmental institutions, international initiatives are proprietary systems where certificate holders participate voluntarily. This aspect is shared across all present sustainable forest management certification and timber-legality certification schemes.
- Access to a scheme requires adherence to the requirements of the scheme
  - Schemes use standards to ensure a uniform application of requirements, and prospective scheme participants will have to undergo an application process. Depending on the applicants' place in the supply chain, it may set different requirements. The evaluation process may be more performance-based at the forest level, including implementing legal or sustainable forest management practices. For operators in the supply chain, Chain of Custody (CoC) requirements tend to be more system-based in nature, usually providing normative requirements related to traceability and claims about the status of certified products.
- Certification bodies shall be independent and impartial
  - The governing bodies of certification schemes are aspiring to maintain independence and objectivity in certification decisions. The impartiality of auditors, who evaluate conformance against a given standard, are core to this mission. To ensure objectivity in conformance evaluations, certification schemes rely upon an independent third party to conduct conformity assessments and make certification decisions. In third-party audits, the auditor

is without any conflict of interest to the auditee and performs the audit to verify conformance with requirements.

- It is the certificate holders who pay for certification schemes
  - It is a key principle in forest certification schemes that the certificate holders fund the costs associated with third-party auditing. A motive for forest owners, operators and traders to participate in private certification is the prospect of gaining market access or selling certified goods at a premium, compared to competing products. The third-party auditing service fee may be charged to the third-party auditor, who in turn reimburse the certification body or is charged directly to the certification body.

### **Definition of standard requirements for certificate holders**

The key part of a certification scheme is the requirements to which a certificate holder shall conform. The normative requirements listed within standards are usually structured within a hierarchy according to the importance of the requirements. A common approach is the use of *principles, criteria, indicators* (see section 6). In addition to standards, most certification schemes provide additional guidance, policies, procedures and interpretative documents to support the functioning of the scheme.

### **Understanding the scope of a certificate**

Organisations usually need to define the scope of forest or forest products and activities that the certification body shall evaluate. An organisation may wish to certify only a subset of its forest operations or products.

A forest management certification may focus on a single site or multiple sites, usually made up of individual Forest Management Units (FMU) owned or managed by a forest management enterprise (FME). Depending on the scheme, specific rules may apply to multisite certification. Special conditions or separate normative requirements, policies certification, or procedures may also apply to the FMUs that are excluded from the certification scope *not* included within the certification.

For processing or trade organisations, the scope of their CoC certificate may be limited to certain products composed of certified raw material. It is left to the discretion of the certificate holder to determine what products to include in the scope of certification.

It is important to keep in mind that the chain of custody in forest-related certification does not necessarily provide an ability to trace wood products back to their specific FMUs or forests of origin. CoC standards, however, do contain requirements designed to prevent any mixing or substitution of products or materials with uncertified material in the supply chain. Each link in the supply chain must implement those requirements for the whole system to function.

### **The certification process**

The evaluation of the certificate holder's conformance with the relevant requirements (standards) is conducted through audits. Audits often involve on-site visits, where representatives (auditors) of the Certification Body conduct an evaluation of the performance of the certificate holder (or prospective certificate holder), by reviewing documents, conducting inspections, inventory assessments, interviews with staff and/or consultation with stakeholders. The frequency of audits is detailed within the scheme's rules and procedures.

Certification schemes usually set rules on how audits should be conducted. Certification Bodies are typically required to apply a documented methodology for the assessment of organisations. In forest certification, an important distinction between schemes is whether stakeholder consultation shall be a part of the audit or not.

Most schemes require the outcome of the audit findings to be documented as a confidential audit report. A scheme may also require that a part of the report, typically a summary of findings, be made publicly available to ensure transparency regarding the performance of certificate holders and certification decisions. Transparency about audit findings is important and a notable differentiator between certification schemes. The publication of summary reports of certification audits can be valuable in relation to the EUTR, as they may provide relevant information regarding the performance of certified organisations and the scope of activities under evaluation.

Non-conformances can be considered the failure to implement and maintain systems or procedures or not meeting a performance threshold that may jeopardize the well-functioning and effectiveness of the certification scheme. Non-conformances can be classified depending on their gravity and scale. Different categories of non-conformance may have different deadlines for corrective measures to be implemented or may have a different impact on a certification decision.

Based on the conclusion of an audit, a recommendation will be made on whether to issue or maintain the validity of a certificate. The certificate will usually have a fixed period of validity, with five years being the norm, after which the certificate would need to be renewed. Renewal of a certificate will usually entail a full assessment of the certificate holders compliance with the applicable standards.

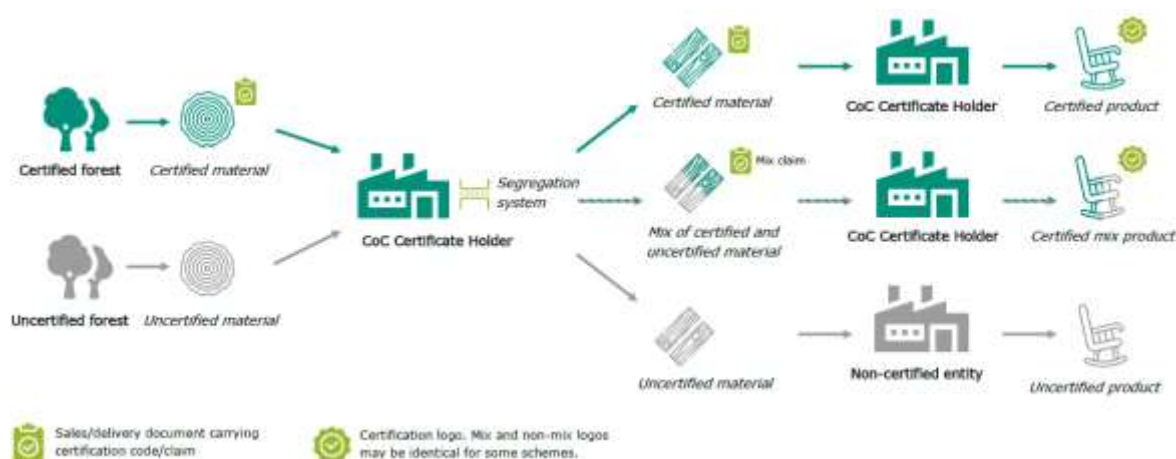


Image 3: Overview of the traceability system / transfer of claims through the supply chain



### Certification claims and communication

Forest certification schemes usually permit certificate holders to market certified products towards consumers in the form of labels on the product itself (also known as ‘on-product claims’) and/or communication to consumers about the certified status of the product or the certificate holder (also known as ‘off-product claims’). Certification labels have raised complexity as many certification schemes use different on-product labels, depending on the type of input material used (reclaimed material for example) and/or the method of segregating/mixing certified and uncertified material (mass balance/threshold systems) within the supply chain. A basic understanding of the meaning of the different certification labels is necessary to understand their applicability under the EUTR.

Some certification schemes restrict the use of certain types of product claims to business-to-business communication only, thus not permitting those certification claims towards consumers. An example of this is *FSC Controlled Wood* (non-certified material of known origin, with a low risk of stemming from unacceptable harvesting practices), which may only be marketed in business-to-business communication. In contrast, *FSC Certified Wood* (wood products originating from a certified forest or wood products containing both FSC certified material and FSC Controlled wood) may carry on-product claims (FSC 100% or FSC Mix logos) directed towards consumers.

Unlike sustainability certification schemes, timber legality certification schemes do not usually permit certificate holders to make on-product claims on their certified products.

### Accreditation of Certification Bodies

Accreditation is the process of evaluating and approving certification bodies to function under the scheme rules. The goals of providing robust and objective conformance assessments imply consistency over time, locations, and between certification bodies with similar audit conclusions reached – independently of the time, location, auditor, or certification body in question. Many approaches for calibration, guidance or interpretation have been employed by certification schemes to prevent or rectify threats to credibility and objectivity – often in line with ISO or ISEAL guidelines.

Schemes usually include requirements to ensure that certification bodies, auditors, and other personnel relevant to the conformance evaluation of an organisation are impartial in their decision making. Risks to impartiality and conflicts of interest can be prevented and monitored in various ways.

### Transparency

Schemes differ in their level of transparency, some aspects of which are fundamental to allow operators, competent authorities and other organisations to evaluate the applicability of the certification scheme to their due diligence system. Examples of where transparency is important to include:

- The provision of information on certificate scope (forests, manufacturing facilities) and validity via publicly available official databases;



- Information of relevance to buyers of certified products (species and origin, reclaimed content);
- Information on the different aspects of how a scheme is functioning (normative scheme requirements for certificate holders). This is important for the evaluation of the applicability of a scheme to the EUTR.

A good assurance system must also have detailed and consistently implemented procedures to handle appeals and complaints. A complaints procedure allows the expression of dissatisfaction over the functioning of a scheme, scheme-related entities (certification bodies, accreditation bodies) or scheme participants (certificate holders).

### **Certification Schemes and the EUTR**

The EUTR includes provisions to recognise third-party verification as a tool to mitigate risks in supply chains. Implementing Regulation 607/2012 details four conditions necessary for certification schemes to be considered, when implementing risk assessment and risk mitigation:

1. they shall have established and made available for third-party use a publicly available system of requirements, which system shall at the least include all relevant requirements of the applicable legislation;
2. they shall specify that appropriate checks, including field-visits, are made by a third party at regular intervals no longer than 12 months to verify that the applicable legislation is complied with;
3. they shall include means, verified by a third party, to trace timber harvested following applicable legislation, and timber products derived from such timber, at any point in the supply chain before such timber or timber products are placed on the market;
4. they shall include controls, verified by a third party, to ensure that timber or timber products of unknown origin or timber or timber products that have not been harvested according to applicable legislation do not enter the supply chain.

The EUTR guidance document (Commission Notice of 12.06.2016 - Guidance document or the EU Timber Regulation) further details the role of third-party verification schemes in risk assessment and risk mitigation.

These points form the basis for evaluating schemes in relation to the EUTR and defining the factors that can affect scheme performance and credibility. Each scheme includes different requirements, procedures, and assurance systems. Each will need to be evaluated by the individual operator sourcing certified products to determine its value as an indicator of negligible risk.

The operator needs to ensure that the certification scheme can provide a sufficient level of risk mitigation as desired. Looking at certification schemes through the lens of due diligence is therefore about understanding the make-up and functioning of the schemes and their potential areas of strength and potential weaknesses to understand how these might impact existing risks in timber supply chains.

**Comparing forest-related schemes against the EUTR**

Often the first information available to an operator about a certified product is a copy of the certificate itself – or a link to its publicly available online certificate database. Whether related to certification schemes' standards and requirements, or the schemes' institutional and procedural arrangements, the following list provides some key elements which should be considered for evaluation to understand the strengths and potential limitation of those schemes, given their use by operators to comply with EUTR requirements:

- Scheme normative requirements and the definition of legality
- Alignment with EUTR definitions, such as that for reclaimed material
- Chain of custody (CoC) requirements
- Certification claims and their specific meaning in relation to the EUTR
- Robustness of the scheme quality assurance systems
- Validity of certification (1-5 years)
- Level of scheme transparency in findings, audit results and complaints
- Stakeholder engagement in the certification scheme as indicators of the robustness and credibility of the scheme.

### 3. Background

Concerns regarding deforestation, illegal logging, poor forest management and land rights of forest-dependent peoples – particularly in tropical timber-producing countries - emerged in the mid-1980s to early 1990 and was promoted by campaigns lead by NGOs and Indigenous peoples' organisations (FERN, 2001). At the same time, the concept of sustainable development was gaining popularity in the wake of the 1987 Brundtland's report and the United Nations Conference on Environment and Development ('Earth Summit') of 1992 in Rio de Janeiro, Brazil. In 1990, international negotiations aimed at setting up a global forest treaty were launched, but this process failed as the international community never reached a consensus on the content of a binding multilateral instrument on forests and the necessary definition of sustainable forest management and mechanism to enforce it (Perera & Vlosky, 2006).

In parallel, discussions between the forest products sector, consumers of wood products, environmental and human-rights NGOs led to the development of a non-governmental market-based approach. It was designed to provide a credible way of identifying well-managed forests and timber products coming from those forests, while meeting the different needs and interests of actors involved (FERN, 2001). This started the development of voluntary certification and soon after led to the creation of the Forest Stewardship Council (FSC) in 1993, as an early 'front-runner'. Set up as an independent non-profit organisation with a global reach, FSC brought innovative decision-making processes accommodating to different interests and shaped the form that sustainable forest management certification would take through its 'Principles for Forest Stewardship' (Brown et al., 2008).

In the next few years, competition in the field of voluntary certification emerged, mainly from national and regional initiatives: In the USA with the Sustainable Forestry Initiative (SFI) in 1994, in Canada with the Canadian Standards Association in 1996 and the Pan-European Forest Certification (PEFC) in 1999 (Perera & Vlosky, 2006, Brown et al., 2008).

The multiplication of such national or regional forest certification schemes soon brought debates over mutual recognition. Based on its successfully working with European industry, small forest owners and other stakeholders, PEFC re-launched in 2003 as a global initiative called *"Programme for the Endorsement of Forest Certification schemes"*, working as a bench-marking scheme endorsing national certification schemes, such as SFI and CSA. By 2019, 48 national schemes in total have been endorsed under PEFC. PEFC is now the certification scheme with the largest area of certified forest, followed by FSC, with a round 325 million hectares and 210 million hectares certified, respectively.

Given the timeframes required to achieve certification for Forest Management Enterprises (FME), as well as the time taken to build a critical mass of certified forest, a gap emerged between the available volumes of certified timber and the demand for certified material. One early obstacle to growth of the certified forest area, was the challenges faced by particularly wood chip and fibre industries, as the requirement to physically segregate certified and non-certified material is very costly and untenable. Another obstacle was faced by producers of assembled products, for whom it could be very challenging to acquire all product components from certified forests. The result in both cases was an either-or situation, where either all or nothing of a production could be marketed as certified. To address these challenges, different procedures for mixing certified and uncertified material were introduced,

the two most common of which is the mass balance system (credit system) and the threshold system (percentage system). One consequence of introducing these mixing systems, was a drastic increase in the complexity of the certification schemes.

Having gained wide acceptance internationally, forest certification has also been facing important challenges in relation to its first objective of halting deforestation through promoting sustainable forest management.

Schemes have not always succeeded in certifying large areas of tropical forest, with the area of tropical natural forest under a certification scheme being relatively low in comparison to temperate natural forests and plantations. In 2002, tropical natural forests amounted to only 8% of the total of certified forests (Purbawiyatna & Simula, 2008) and the overall percentage appears to have changed little since then.<sup>51</sup> Most certified forests are located in North America and Europe, where certification has greatly helped in steering forest management toward more sustainable practices. This is attributed to multiple reasons such as poor governance and corruption, but also the potentially considerable cost of certification and a lack of human, financial or technical capacities at the disposal of the organisations to engage in a certification process (Perera & Vlosky, 2006).

Another challenge facing certification schemes is ensuring that smallholders of private forest can engage in forest certification without barriers and on equal terms with industrially- or publicly owned forests and plantations (Perera & Vlosky, 2006). Again, these challenges remain the high financial burden associated with certification and potential technical barriers to overcome. Many efforts have been made in this regard by certification schemes, such as the development of specific – or reduced – requirements for smallholders and the possibility for group or regionally-based certification.

In the meantime, government-led action to fight unsustainable forest management and deforestation emerged with several regulatory measures taken by countries or regions to restrict the entry into their internal market of products issued from illegal harvesting and trade. In this regard, the United States of America amended its Lacey Act in 2008, Australia adopted the Illegal Logging Prohibition Act in 2012 and the European Union launched its Forest Law Enforcement, Governance and Trade Action plan in 2003 and adopted its Timber Regulation (EU 995/2010)<sup>52</sup> in October 2010.<sup>53</sup>

These new regulatory measures represent a push to ensure the legality of timber being traded domestically and internationally. They mainly took the form of obligations of timber businesses trading in forest products to exercise 'due diligence' or 'due care' in relation to the potential risk of illegality in the country of harvest or during their trade.

The regulatory shift towards securing legality before aiming at sustainability, combined with the challenges of sustainability certification schemes, led to the development of certification or verification schemes geared toward ensuring the legality of timber.

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<sup>51</sup> [Global Canopy \(2017\) Certification Schemes Failing to Protect Tropical Forests](#)

<sup>52</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32010R0995>

<sup>53</sup> The EUTR entered into force in March 2013.

This new crop of schemes encompasses the certification of legal harvesting directly at the forest level and may include the certification of legality in trade and transport at different points in the supply chain. Other schemes focus on certification of the robustness and performance of due diligence practices conducted by an organisation on its timber supplies.

These latter schemes have mainly been developed by organisations already involved in delivering certification services for precursor schemes (for instance Bureau Veritas (OLB), Control Union (TLV), SCS (Legal Harvest) and NEPCon/Preferred by Nature (LegalSource).

In parallel, other certification schemes have emerged in relation to more specific forest product groups or processes. Examples include the [Sustainable Biomass Program](#) (SBP)<sup>54</sup> as a scheme for sustainable biomass production, schemes for sustainably produced, non-timber forest products (e.g. [FairWild](#)<sup>55</sup>, the International Standard for Sustainable Wild Collection of Medicinal and Aromatic Plants, etc.), as well as the ISO Standard specifically for the traceability of timber products ([ISO 38200/2018](#)).<sup>56</sup>

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<sup>54</sup> <https://sbp-cert.org/>

<sup>55</sup> <https://www.fairwild.org/>

<sup>56</sup> <https://www.iso.org/standard/70179.html>

## 4. Key features of certification

Certification can be defined as the action or process of providing someone or something with an official document attesting to a status or level of achievement.<sup>57</sup> However, not all certificates function alike, and it is important to understand the difference between different types of certificates - and the certification schemes that issue them - to understand how these can be used as part of a due diligence process to mitigate risks of illegal timber entering the supply chain.

Certification refers to a variety of systems, either voluntary or mandated, which may focus on sustainability issues or be limited to product legality only, or be limited to evaluating the system. As such, certification schemes can be divided into separate classes and types. Below is a brief overview of these different types and categories.

### 1.1 Product or process certification

**Product certification** describes when the object of certification is the product. Product certification will ensure that specific requirements are met (minimum-quality, strength, composition of raw materials). Outside of forest-related certification, product certification is often used in the manufacturing industry and building construction sectors. Product certification may cover “System certification”, “Process certification” and “Performance certification”.

**Process certification** normally focuses on specific steps in the production process to acquire specific product properties, such as expiration dates for food. This might be e.g. a minimum temperature or pH level for a minimum period of time during processing before reaching these properties. Chain of Custody (CoC) certification would normally fall under “Process certification” where the processes of ensuring traceability in the production flow are certified.

Whether focussing on the product or the process, another important distinction to make, is how different standards or schemes determine conformance, taking a system-based or performance-oriented approach.

**System certification** describes when the scheme evaluates the existence of a system aimed at achieving a specific goal. System standards evaluate the policies, processes and systems in place, but not necessarily or primarily the performance or outcomes of the systems. System-based standards focus on the processes rather than the outcome, with criteria set in relation to a management system and procedures for implementing performance. These will therefore assure systems are in place (policies, procedures, etc.) and functioning, without focussing on specific thresholds or the results those systems are

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<sup>57</sup> <https://dictionary.cambridge.org/dictionary/english/certification>

actually achieving. As described by FERN 2001, *“system-based standards are useful, particularly for large, complex companies managing a wide variety of impacts. However, a growing body of literature shows that implementation of system-based standards is not, on its own, enough to improve performance”* (FERN, 2001). The ISO family of standards is a good example of system-based standards, such as the ISO 14000 standards series for environmental management systems.

**Performance-based** certification focuses on the necessity to reach certain thresholds, outcomes or objectives, while perhaps giving a certain flexibility on how these are achieved. Forest certification standards are usually performance oriented to some level (with requirements for specific actions or practices to be conducted, thresholds to be reached, or outcomes achieved). Minimum performance thresholds are defined by the scheme, and the auditing process focusses on the outcomes and if forest management activities reach that given performance level.

In practice, both approaches are complementary and most of the forest-related standards include both systems and performance-related elements (FERN, 2001).

## 2.1 Voluntary (private) or mandated (government) certification

Certification schemes may be either voluntary (usually private initiatives) or mandated (usually government run initiatives). Historically, regulation of environmental issues has primarily been focussing on the use of regulatory mechanisms that impose requirements or restrictions on industries. However, the use of voluntary commitments as an alternative to traditional regulatory mechanisms for controlling environmental and social impacts has become increasingly common since the inception of e.g the FSC in 1993.

Regulations comprise binding norms adopted by the legislative or executive branch of government within a determined political entity. These apply to all entities and individuals concerned by the legal system in place. Violation of regulations usually leads to administrative and judicial proceedings such as fines, withdrawal of privileges, rights or sanctions.

A voluntary certification scheme is usually developed by private entities. They can be private enterprises, business associations, civil society organisations, or a combination of different actors. Governmental bodies can be represented but are usually not the only decision-making actors within the scheme. Voluntary certification schemes may be backed, supported or encouraged by governmental bodies or public institutions (for instance India's Timber Legality Assessment and Verification Scheme - VRIKSH or China's Timber Legality Verification System - CTLVS), but there is usually a formal split between the legal entity running the scheme and public bodies. Certification schemes can have a global reach and apply to several countries without any formal association with sovereign states.

Certification schemes may differ in their setup and approach depending on the overarching goal of the individual scheme, be that for example 1) to ensure conformance with the applicable legislation in a given sector; 2) to ensure sustainable management practices; or 3) to ensure adherence to a given quality standard within a sector.



Non-governmental initiatives develop and provide their own rules, guidelines or characteristics for products, processes and production methods, for which compliance is not mandatory within a given legal system. Certification schemes are usually proprietary systems, in that entities are free to adhere to them and to commit to comply with a certification scheme's requirements.

There is rather a unique case of one country announcing its intention to make a private certification scheme mandatory for all its forests concessions: in 2018 Gabon announced that all forest concessions will require to be FSC-certified by 2022.<sup>58</sup> This policy is still in the process of implementation, and could be considered to blur lines between private instruments and public regulations. However, the FSC scheme would continue to be controlled and managed by FSC itself, as scheme owner and as a non-governmental organisation.

The general category of certification also encompasses what the EUTR is describing as “voluntary verification systems”.<sup>59</sup> In this case, sustainable forest management certification and timber-legality certification schemes share an important common element being their voluntary aspect.

Broadly, government-led verification systems usually lead to the issuance of “licenses” linked to a single operator or product shipment rather than a “certificate” issued to the certified-organisation (certificate-holder) and a “certification claim” applied to a product sold under that certification.

This distinction applies to government-led mandatory legality verification systems elaborated within the context of bilateral agreements – such as EU FLEGT Voluntary Partnership Agreements (VPAs) and their Timber Legality Assurance Systems (TLAS). With regards to such public legality verification systems, once fully implemented, FLEGT licences issued as part of a functioning TLAS and are automatically compliant with the EU Timber Regulation.<sup>60</sup>

Operators implementing due diligence systems must be able to differentiate between mandated government-led initiatives and voluntary, non-governmental (private sector) initiatives.

### 3.1 Certification as an objective evaluation

Objectivity is a key principle in certification schemes, and the institutions backing them are making great efforts to stay independent and preserve objectivity in conformance assessments. This is partly attained by having independent auditors evaluate conformance against a set of requirements or criteria (standard). To achieve this in the evaluation of conformance, certification schemes incorporate the concept of an independent ‘third-party’

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<sup>58</sup> See: <https://news.mongabay.com/2018/10/the-legal-institutionalization-of-fsc-certification-in-gabon-commentary/>

<sup>59</sup> COMMISSION NOTICE C(2016)-755 of 12.2.2016, Part 6.

<sup>60</sup> This is notably the case of Indonesia implementing its own legality assurance system leading to the issuance of FLEGT licenses that can legally be imported into the EU without further due diligence.

organisation conducting the evaluation. The term ‘third-party’ can best be understood by describing all three main classes of an audit process:

First-party audits (often known as internal audits) occur when an organisation itself will audit a process, product or procedure, in order to ensure it aligns with a set of requirements determined by the organisation itself (these may be fully elaborated by the organisation itself or taken from an external source). In this case the auditor may be an employee of the organisation or an external consultant employed by the organisation to perform the audit. The outcome of this process is often recommendations or corrective measures the organisation should implement as it sees fit to obtain certification.

A second-party audit occurs when a company or organisation with a relationship or connection with the audited entity (the auditee), performs an audit to ensure that the auditee is meeting a set of requirements. These requirements may include special control over certain processes, requirements on traceability, requirements to have available specific documentation or records, or any of a host of other items of special interest to that customer. Whatever the outcome of this process is, it will affect only the relationship between the auditing entity (e.g. customer, trade association etc.) and the auditee (e.g. supplier, association member etc.).

First and second party audits or evaluations alone do not comprise certification in and of themselves (although these may comprise a part of the systems implemented by certified organisations).

Third-party audits occur where the auditor is independent to the auditee and performs the audit to verify that it has succeeded in meeting a set of requirements. Independent auditing organisations within certification schemes may be referred to as Conformance Assessment Bodies (CABs) or – within this report - Certification Bodies (CBs). They provide independent assurance that the auditee meets all the requirements of a chosen set of normative requirements (Standard) and continue to meet these requirements on an ongoing basis.

To guarantee objectivity, several independent parties may be involved in a scheme’s certification system to maintain the division of roles (e.g. standard setting, accreditation, certification) This is usually referred to as Accreditation (see next section). Additionally, various measures can be implemented by the scheme, such as mechanisms to prevent conflicts of interest, address complaints and foment certification scheme transparency (see section 10).

## 4.1 Financing of certification schemes

A key principle that is common to most private certification schemes which involve third-party auditing is the financing of these schemes. Forest owners, operators and traders who want to use private certification as part of their business are usually required to pay a fee to the certification scheme holder.

How this fee is governed varies by scheme. Payment for the third-party auditing service may either be directly to the scheme (who would then pay the certification body) or directly to the certification body.

Some schemes may require payment of different fees to both scheme and to Certification Body.

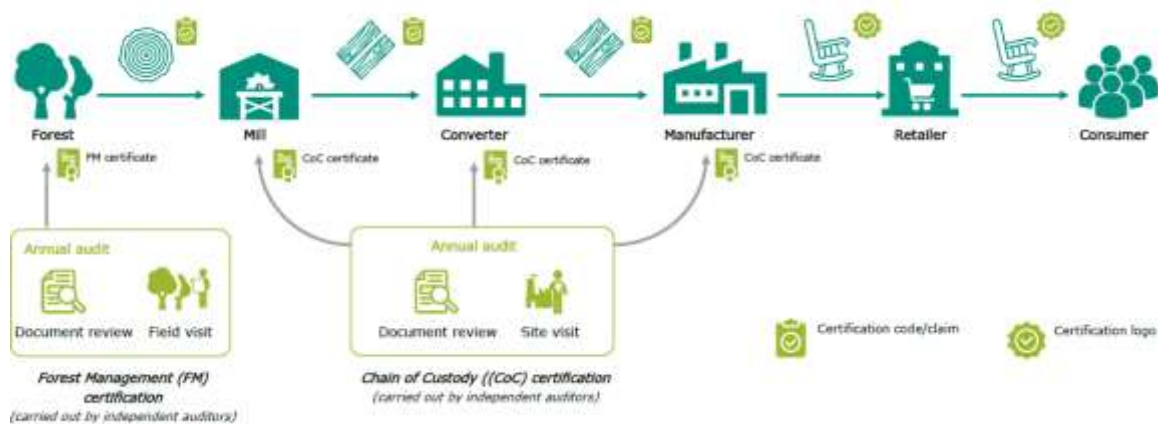


Figure 1: Overview of forest-related certification

## 5. Actors involved in certification schemes

*“A fully functioning assurance ecosystem includes several players, each with their own responsibilities.”*<sup>61</sup> Entities involved in certification schemes may be any kind of non-governmental entity such as private enterprises, trade associations, non-governmental and/or non-profit organisations with various governance structures. Governmental bodies may in some cases be represented in voluntary certification schemes but will usually not have decision-making power. The main types of entities involved in certification schemes are discussed below.

### 1.1 Scheme owners or managers

Scheme owners are responsible for the development, administration and maintenance of a certification scheme. This usually includes:

- Developing a set of relevant normative requirements (standards).
- Ensuring the maintenance, revision and appropriate interpretation of standards, including through elaborating guidance and tools.
- Developing rules and procedures for certificate holders and the process by which their conformance with the standards will be determined (see sections 7, 8 and 9).
- Formulation and implementation of an assurance system to ensure a proper functioning of the scheme (see sections 10 & 11).
- Day to day operational management of the scheme, marketing, promotion, financing, etc.

Scheme owners may be categorised according to their governance set-up. This will influence who has effective control over the scheme. A private structure where decision-making firmly rests on shareholders and their executive's representatives may influence the functioning of a certification scheme differently than a membership-based organisation, where decision making rests with a large and open membership base.

The interests of the scheme owners revolve on ensuring its credibility and consistency. Scheme owners also normally own the intellectual property, copyright, name and trademark of their scheme.

ISO<sup>62</sup> and ISEAL<sup>63</sup> have developed guidelines relevant to scheme owners in the development of certification schemes.

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<sup>61</sup> Sullivan J. May 2008. Who does what? An assurance ecosystem. Available at: <https://www.certificationkitbag.com/blog/2018/5/3/an-assurance-ecosystem>

<sup>62</sup> ISO/IEC 17067:20143 Conformity assessment – Fundamentals of product certification and guidelines for product certification schemes. <https://www.iso.org/standard/55087.html>

<sup>63</sup> ISEAL Standard-setting Code of Good practice, ISEAL Assurance Code of Good Practice, ISEAL Impacts Code of Good Practice. <https://www.isealalliance.org/credible-sustainability-standards/iseal-codes-good-practice>

Scheme owners can also act as accreditors of certifiers, or even act as the certifier themselves.

## 2.1 Accreditation bodies

Accreditation bodies are organisations that accredit other organisations (certification bodies) as qualified to deliver certification services based on a set of requirements. They will carry out regular evaluations of the certification bodies to ensure their ongoing competence to conduct conformity assessment work by evaluating their performance and conformity with scheme requirements, as well as the proper functioning of the system put in place by the certification body.<sup>64</sup>

*“To assess the competency of a conformity assessment body (CAB)<sup>65</sup> the [accreditation body] looks at the systems, process and procedures used as well as how they are executed.”<sup>66</sup>* Evaluations of certification bodies by accreditation bodies can cover, inter alia, the following elements:

- Evaluating the relationship between certification bodies and their clients (certificate holders).
- Ensuring that the staff involved are qualified and competent.
- Ensuring the proper planning and execution of audits.
- Ensuring conformity to scheme requirements in relation to certification decisions and the identifying and evaluating of non-conformities by the certificate holders, as well as concluding non-conformities.

If an accreditation body is included in the scheme’s institutional set-up; it will usually be chosen by the scheme owner. According to each scheme, one or more accreditation body may exist. For example, PEFC accepts accreditations from members of the International Accreditation Forum (IAF) or other regional accreditation groups such as the European co-operation for Accreditation (EA). On the contrary, the FSC works only with Assurance Services International (ASI).<sup>67</sup> Some accreditation bodies work at a national or regional level, whilst others may have an international reach (ASI for instance).

Not all certification schemes function with a separate accreditation body. The scheme owner can also conduct accreditation activities itself to endorse other organisations as certification bodies, dispensing with the need for a separate accreditation body. This is more common in

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<sup>64</sup> ISO describes accreditation bodies’ role as providing “third-party attestation related to a conformity assessment body conveying formal demonstration of its competence to carry out specific conformity assessment tasks”. ISO 17011:2004 3.1.

<sup>65</sup> Within forest certification schemes, the term Certification body (CB) describes the Conformity assessment body (CAB) responsible for evaluating the conformance of organisations and certificate holders. See : [https://www.iso.org/sites/cascaregulators/01\\_3\\_conformity-assessment-bodies.html](https://www.iso.org/sites/cascaregulators/01_3_conformity-assessment-bodies.html)

<sup>66</sup> Sullivan J., May 2008. Accreditation – What is it & why bother? Available at: <https://www.certificationkitbag.com/blog/2014/12/3/accreditation-why-bother>

<sup>67</sup> Assurance Services International: <https://www.asi-assurance.org/s>

the case of many legality verification schemes, where the scheme owner is also an accredited Certification Body.

Alternatively, a scheme owner may act directly as the certification body of certificate holders. Within the scheme owner's organisational structure, distinct functions or responsibilities may be placed on part of the organisation to oversee and ensure the quality of a separate part of the organisation which conducts the auditing activities.

### 3.1 Certification bodies

Certification bodies (CBs) are the entities that will deliver certification services, mainly through auditing practices. Individual auditors normally work for a certification body. Their role is to ensure that certificate holders are conforming to the applicable relevant set of requirements, while themselves following the relevant procedures set up by the scheme owner for CBs.

CBs work in a third-party capacity, they need to be impartial to ensure objective auditing and certification decision-making and thus uphold the credibility of the scheme.

CBs can vary in reach, size and organisational set-up. *“They can come in any organisational form and ownership, and can be commercial in focus or not-for-profit entities”. They can be government agencies, national standards bodies, trade associations, consumer organisations, or private or publicly owned companies.*<sup>68</sup> However, in the case of forest-related certification schemes, they are very rarely government agencies.

Usually, there is a competitive market among CBs who will charge a service fee to certificate holders.

It can also be the case the scheme owner is delivering certification activities itself. This is commonly the case of many private-sector legality verification schemes.

The Guidance Document for the EU Timber Regulation<sup>69</sup> refers to “certification” as those that usually include an accreditation process and where the scheme owner and certification bodies are separated. The guide refers to “proprietary timber legality verification schemes” to describe schemes where the scheme owner is also the certifier.<sup>70</sup> In theory, separating the scheme owner and the certifier allows for greater credibility, as it allows for the skills, procedures, and impartiality of the certifiers to be regularly assessed (FERN, 2001).

### 4.1 Certificate holders

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<sup>68</sup> ISO. Conformity Assessment bodies. [https://www.iso.org/sites/casc/coregulators/01\\_3\\_conformity-assessment-bodies.html](https://www.iso.org/sites/casc/coregulators/01_3_conformity-assessment-bodies.html)

<sup>69</sup> [https://ec.europa.eu/environment/forests/pdf/eutr\\_guidance.zip](https://ec.europa.eu/environment/forests/pdf/eutr_guidance.zip)

<sup>70</sup> It is important here to make the distinction between independent verification system and government-led verification systems, such as the Timber Legality Assurance Systems developed by States in the context of a Voluntary Partnership Agreement (VPA) negotiated with the EU (Brown et al., 2008). Also see COMMISSION NOTICE C(2016)-755 of 12.2.2016, Part 6.

Certificate holders (or applicant certificate holders) are the organisations (forest owners/processors) willing to voluntarily commit to conformity assessments against one or several standard(s). As they are regularly assessed by auditors, they are generally referred to as the “auditee”. A distinction is sometimes made by a Certification Body between the ‘certification client’ (which finances and is responsible for the certification) and the auditee, which is the organisation being audited. Certificate holders may in many cases also exert influence over a scheme, as members of the scheme, enabling them to put forward motions and vote at the scheme’s general assembly, participate in standard setting processes or other technical working groups and be represented in the board of directors of the scheme. Certification schemes may in return depend on established, well-known brands, to gain market recognition and reach consumers.

## 5.1 Other stakeholders

While developing a standard can rest solely in the hands of the scheme owner, it can also be a collective exercise involving stakeholders.

It is recognised that stakeholder engagement is crucial for any credible scheme<sup>71</sup> and involving many stakeholders can be quite a challenge, in particular if poorly organised. *“Crucial differences in standard setting between schemes appear to be related to: (i) the meaningfulness or effectiveness of participation by interested parties; (ii) interpretation of situations in which a stakeholder group does not participate even though it is invited to do so; and (iii) the possible dominance of certain parties”* (Purbawiyatna & Simula, 2008).

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<sup>71</sup> *“As the standard-setting process is arguably the most politically contentious part of forest certification, any credible scheme must engage all stakeholders in participation, and no stakeholder group should be allowed to dominate. Certain forestry Scheme do impose conditions on participation of relevant stakeholders for the development and maintenance of Standards.” Participation as a very important element has also been acknowledged by the International Forest industry round table (IFIR) and by the Intergovernmental Panel on Forests (IPF). The ISEAL Code of Good Practice for Setting Social and Environmental Standards also establishes the guidance that “the standard-setter informs stakeholders about why the standard is important and communicates to them how they can participate in the standards development or revision process. The standard-setter proactively engages with stakeholder groups that are likely to have an interest in the standard or that are likely to be affected by its implementation and provides them with mechanisms for participation that are appropriate and accessible. Stakeholders feel that their views are represented in the consultation process and in decision-making”.*





Figure 2: Overview of Overview and roles of actors in certification schemes

## 6. Requirements for certificate holders

A key component of a certification scheme is the set of requirements to which a certificate holder shall conform. These are the performance requirements upon which the scheme is based, often formulated hierarchically into different tiers, such as principles, criteria and indicators – the indicators are the performance threshold a certificate holder (current or prospect) should comply with.

### 1.1 Standards

A standard is a set of requirements applied to similar entities operating under similar conditions. A certification scheme can comprise several standards. For instance, both the PEFC and FSC schemes comprise global standards (applicable to different types of entities internationally, independent of location) and national or regional standards (comprising a set of requirements specific to a country or region).

In forest certification, forest owners or management enterprises usually must conform to one (forest management) standard, while processing and trading entities may be required to conform to a different (chain of custody and/or due diligence) standard: as their activities are fundamentally different, two sets of broad rules are needed (see section 7).

It is also common to find distinct standards for specific situations such as ‘group’ or ‘multi-site’ certification for the certification of multiple independent forest or supply-chain entities (group-certification standards). ‘Multi-site’ standards include special requirements for larger supply-chain organisations with multiple operational sites or facilities. Specialised standards for small-scale forests (small-holders, family-owned forests or owners of small areas of forest, low-intensity managed forests, or for small-scale processors and traders within the supply chain), standards for the making of certification-related claims and the use of trademarks, and standards for project certification (for the certification whole buildings or other projects), etc.

A certificate holder may be required to abide by one or several standards simultaneously. For example, many supply-chain organisations are certified for PEFC and/or FSC, for their chain of custody and to the standards which govern the use of trademarks.

Standards can also be elaborated to frame the actual functioning of the certification scheme, for example to set up requirements for the accreditation (approval) of certification bodies or to describe the development process for standards themselves (see section 9).

So, in terms of understanding the meaning of a certificate, it is important to understand which standards the certificate holder is certified against.

Finally, the use in standards of the terms ‘shall’ and ‘should’ often has significance. In line with ISO norms, requirements presented with ‘shall’ are mandatory for certificate holders, while the elements presented with ‘should’ are highly recommended, although it is possible that in exceptional or justified cases they can be disregarded.

## 6.1. Principles, criteria, indicators

The normative requirements listed within standards are usually structured within a hierarchy according to the size and importance of the requirement. A common approach – particularly for forest-management standards – is the use of *principles*, *criteria* and *indicators*.

Principles describe general guiding values. These may be comprised by one or more criteria, which will detail key requirements needed to achieve each principle. Criteria may be comprised by one or more indicators. Indicators will contain more tangible conditions that must be met, and which will help measure performance and assess whether a criterion is met. When employed by the certification scheme, ‘verifiers’ specify which measure or elements shall be used to assess conformance by the certificate holder with a criterion or indicator.

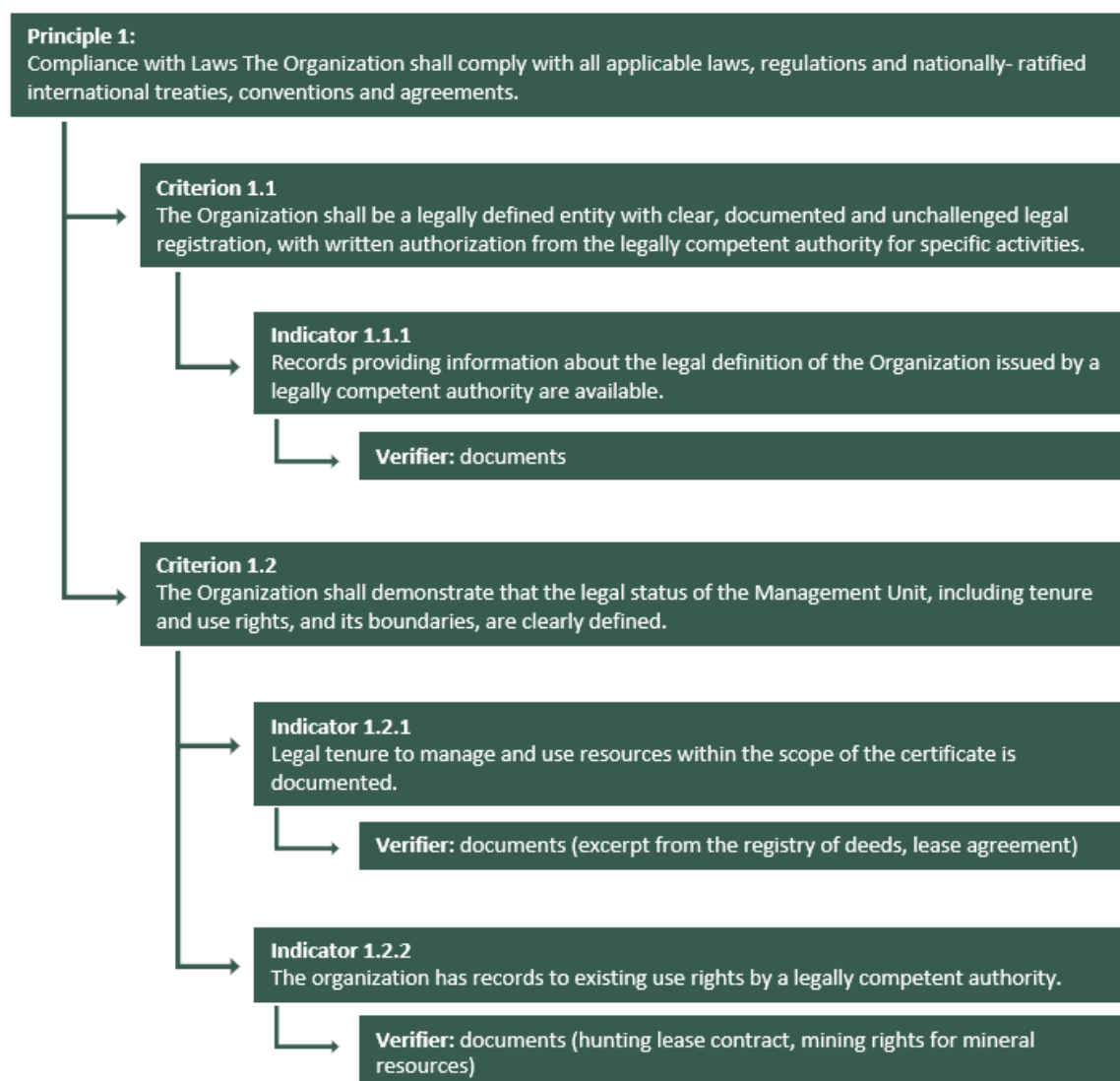


Figure 3: Illustration of the structure of standards. Excerpt from The FSC National Forest Stewardship Standard of the Federal Republic of Germany (approved 26 October 2017)

It is common for supply-chain related (e.g. chain of custody) standards to contain a simplified hierarchy of principles and criteria only.

Certification schemes often use a generic set of principles, criteria and indicators that are then adapted or adjusted to regional, national or other contexts, normally through the development of applicable national certification standards. This approach, or a variation of it, is commonly applied to forest-management standards. Other standards - such as those relevant to chain of custody, group or multisite certification or those for certification-related claims – are often not adapted to national or regional contexts and thus remain as internationally applied standards.

## 2.1 Procedures, policies and other normative documents

In addition to standards, most certification schemes employ the use of additional guidance, policies, procedures, rules, and interpretative documents to support consistent implementation of requirements and functioning of the scheme.

Apart from the standards, where the direct normative performance requirements are described, these additional documents may also be normative for the certificate holder by adding to, clarifying or expanding upon the principles, criteria and indicators.

In particular, interpretations by the scheme owner provide clarifications and/or guidance on the implementation of standards requirements – for the benefit of the certificate holder, Certification Body or other scheme stakeholder.

By its nature, certification guidance, whether it is in the form of stand-alone documents, or guidance text within a standard, is not normative but provides additional information which may serve to explain or interpret the normative requirement.

## 7. Defining the scope of a certificate

Understanding the scope of a certificate is critical to understanding what the certification of an organisation represents and covers. Organisations to be evaluated, i.e. Organisations to be evaluated (e.g. a forest operation, sawmill, manufacturer), i.e. a prospective certificate holders, usually need to define the scope of forest or forest-products and activities which will be evaluated by the Certification Body. It is not a requirement – nor a common occurrence – within most schemes that all forest operations or products managed by an organisation need to be included within the scope of the certificate and evaluated as conforming with the applicable standards. An organisation may wish to certify only a part of its forest operations or products. Therefore, a partial-certification scope can be determined and is usually defined and restricted within requirements set by the scheme.

In other words, partial certification of an organisation's (forest operation or supply-chain entity) product range - is usually feasible and permitted by the certification scheme. However, clarity in defining the scope of a certificate is essential to reducing the potential for confusion amongst certificate holders and certification bodies, as well as stakeholders and potential buyers of certified products.

The following considerations are also important:

- According to each scheme, a forest owner or management organisation may decide to include only some of the forests under its management – e.g., specific forest management units (FMUs) – within the scope of its certification (see section 7.2).
- As regards all other processing and trading entities, certificate-holders can usually choose among specific products or materials (product, species, etc.) or lines of production for which (chain of custody) is to be certified, whilst other products or materials handled by the organisation will remain non-certified and will be excluded from the scrutiny of the certification body. In the case of a certified due diligence system (DDS), at their discretion, certificate-holders may determine the specific products or supply chains included within the scope of the certificate (see section 7.3).

The following sections describe the different types of elements that can form part of the scope of a forest sector certification scheme.

### 1.1 Certificate requirements

#### 7.1. Sustainable forest management (FM)

Sustainable Forest Management standards usually include requirements linked to management planning, monitoring impacts of management activities, inventories, the implementation of silvicultural practices, the construction of forest infrastructures and other on-the-ground operations, as well as ecological and social objectives (conservation of biodiversity, improvements of livelihoods, acknowledgment of traditional land-use rights, the inclusion of stakeholders and local communities in decision making, etc.).

In addition to best-practice methods for sustainable forest management, Sustainable Forest Management standards often include the following:

- a commitment for sustainable forest management and may include continuous improvement approaches from forest owners or managers;
- requirements to comply with the legislation applicable in the jurisdiction within which the forest operations are located. These requirements comprise a baseline for sustainable forest management certification schemes, to which sustainability criteria are added;
- specialised sets of requirements for specific situations, such as for the certification of small-holders or owners of small areas of forest, of non-timber forest products, or of group certification (allowing a smaller size enterprise to be covered by a single certificate).

The two most important global forest-related certification schemes are PEFC and FSC:

- National forestry certification schemes and their forest management standards are endorsed by PEFC. PEFC will approve the standards, if they meet specific content and quality thresholds.<sup>72</sup> In this regard, the PEFC approach takes a bench-marking approach to existing schemes and standards, with PEFC existing as an umbrella organisation under which national forest management schemes and standards are endorsed.
- FSC, with its global forest management standard, has developed a generic set of criteria and indicators to meet its principles, which are translated into nationally adjusted standards that have been developed according to specific procedures set up by FSC.

### 7.1. Legal forest management or harvesting

Forest-related certification standards have historically focused on the need to define and encourage environmentally responsible, socially beneficial, and economically viable managed forests. Normally these standards also include requirements around compliance with existing legal frameworks, as the basis for constructing a more sustainable approach.

However, for some certification schemes - namely those focusing on timber-legality verification only - the forest-related standard may be limited to ensuring the legal management and harvest (or even only legal-harvest) of wood-products. Such standards are considerably less ambitious in their requirements than sustainable forest management standards, as they do not incorporate the social, environmental, and economic best practices associated with sustainable or responsible management of the forest. Rather, they are restricted to ensuring that the activities carried out within a forest management unit are conducted in line with applicable legal provisions only.

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<sup>72</sup> PEFC endorses existing certification schemes “through a rigorous assessment to confirm [they are] developed in line with [PEFC] requirements and meet [their] demanding international benchmark standards”. <https://www.pefc.org/standards-implementation/meeting-global-expectations>.



While ensuring legality might seem simpler and more straightforward at first sight, several challenges exist. Examples may include:

The definition of legislation related to forest management and timber harvesting.

- While the EUTR has its own definition of applicable legislation in the context of five specific areas, schemes may develop their own and/or may adapt the definition differently to include or exclude different elements of applicable legislation.
- Ambiguities in relation to legal requirements, or contradictions between legal requirements at different administrative levels within a jurisdiction.

Some schemes incorporate requirements on legal conformance of trade and transport operations within the supply chain, while other schemes do this only partially, or do not incorporate such considerations.

In the case of the major schemes containing sustainable forest management standards (FSC, PEFC), these have traditionally looked at ensuring the sustainable management of forests. Historically the schemes have paid less attention to legal compliance in relation to trade, transport, and customs within and between supply-chain entities. Requirements in relation to the legality of trade and transport of wood-products along the supply chain have been added later.

### 7.1. Due diligence schemes

Within some certification schemes, due diligence system (DDS) standards determine the requirements applicable to the policies and procedures that a certificate holder puts in place to ensure that it is not sourcing wood products or raw materials which are illegal, of unknown origin, or otherwise 'controversial' or 'unacceptable' according to scheme requirements<sup>73</sup> - for their use in manufacturing processes. Each scheme will provide a definition of 'unacceptable' raw materials, which in most cases includes illegally harvested or traded wood-products or material. However, the exact scope of legal requirements covered by the definition of unacceptable material varies between schemes.

DDS requirements developed by the schemes focus on the existence of appropriate procedures on collecting information on supplies, conducting risk-based assessments based on supply-chain information gathered, records of risks and implementing mitigation actions where a risk is identified. Additionally, the scheme may include requirements for the DDS, such as the need for documented procedures and training records. Other quality management requirements, such as the ongoing periodic (first-party) evaluation of the DDS and maintenance of the due diligence system itself may be included.

DDS standards may or may not have been developed specifically to support organisations under an obligation to implement a due diligence system for wood-products imported or

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<sup>73</sup> Due diligence standards vary in their description or list of controversial or unacceptable sources of wood products or raw material, according to the scheme requirements. Beyond illegally harvested or traded wood products, types of unacceptable wood material, found across a number of schemes, include wood supply associated with from conversion of natural forests, areas of social or other conflict, harvested in violation of HCVs or ecologically sensitive areas.

placed into a regulated market (for instance, operators under the EUTR). However, any organisation along the supply chain can in theory implement its own due diligence system. Examples of stand-alone due diligence standards include, among others:

- Bureau Veritas: DDS
- Control Union: Timber Legality Verification (TLV)
- SCS: Legal Harvest
- Preferred by Nature: LegalSource

Sustainability schemes have also incorporated due diligence concepts within their set of standards requirements – namely Controlled Sources (PEFC) and Controlled Wood (FSC). These are applied to the portion of non-certified raw materials that can be mixed with material coming from certified forests. Within these schemes, the supply chain entity responsible for the first mixing will be obliged to conform to both the chain of custody (COC) and Due Diligence System (DDS) requirements. However, via claims in business-to-business transactions, both FSC and PEFC also allow the trade of products or materials subjected to their due diligence systems to be traded independently, without being mixed with material coming from certified forests.

### 7.1. Traceability or Chain of Custody (CoC) of timber products

‘Chain of custody’ (CoC) refers to the physical path taken by a given product or material at various stages of an industrial process or along a supply-chain, with the certification evaluation usually taking place at each node (entity) in the supply-chain. The objectives of chain of custody standards are usually to link products to their source of origin and ensure that a product with a certification status maintains its status along the supply chain without being mixed with products or materials with a different certified-status or non-certified material.

While most CoC systems developed by certification schemes are not providing traceability back to the forest of origin, CoC standards do contain requirements designed to ensure that mixing or substitution of products or materials with a different certified status – or uncertified material – is not occurring along supply chain from the forest of origin to the final consumer. Each link in the supply chain must implement those requirements for the whole system to function. The CoC is not stronger than the weakest link in the chain.

Specific requirements can apply to operations with multiple factories or storage locations (multi-site requirements) or groups of entities under a single certificate.

CoC requirements will typically include options for segregation of materials via physical and temporal means, or via labelling approaches, to ensure that certified material is not mixed with uncertified material.

Calculation methods such as ‘percentage’ or ‘mass balance’ (credit system) approaches may also exist to allow virtual accounting scenarios, where the amount of certified inputs matches the amount of certified output for a given entity along the supply chain, over a period or production batch. Particularly, ‘mass balance’ methodologies allow for the selling of wood-products as certified, by drawing down from a mass balance (or credit) account of certified raw material that has been purchased by an organisation. The credits are then consumed

whilst certified product is manufactured. Actually, certified raw material may or may not have been incorporated into product being sold as certified.

Mass balance systems can be quite technically complex as they involve the management of significant amounts of data and volume information, as well as the use of conversion factors.<sup>74</sup> They also have an impact on certification claims consequently carried on output products. Different mass balance calculation systems, combined with Due Diligence Systems, permit the mixing of certified material with un-certified material and will enable different product claims.

As mentioned above, CoC standards are not used – nor able – to link timber products to a specific forest. However, they can link timber products to certified forests in general and provide consumers with assurance that the timber product sold as certified is connected to forests whose management has been verified as conforming with certain requirements. This is not the case for mass balance systems described above.

With the rise of due diligence requirements within certification schemes and the inclusion of due diligence ‘controlled’ material or sources in the production of certified products, CoC standards can also be used to link a product to supply chains where an organisation is implementing a risk-based approach to sourcing to exclude material of unknown or illegal sources from entering the supply chain.

FSC, PEFC and other organisations such as ISO<sup>75</sup> have a global or ‘generic’ CoC standard that is applicable to all supply-chain entities, regardless of type or location.



<sup>74</sup> All wood processing – from converting whole logs into sawn boards, the drying of wet timber products, to the manufacture of any (pulp, paper, solid or composite) product, inevitably means that a larger volume of wood material will be converted into a smaller volume, due to the production process. A conversion factor is primarily a ratio of raw-material input to output, such as from round logs to finished or semi-finished wood products. The measurement of conversion factors is commonly made to understand or verify the efficiency and technical progress of forest industries. The forest sector – and auditors – use conversion factors as a tool for analysing/verifying forest production, wood product manufacturing and the performance of industrial processes.

<sup>75</sup> ISO 38200/2018

*Figure 4: Overview of the traceability system / transfer of claims through the supply chain*

## 2.1 Organisational or area based scope

A forest management certification may include the entirety of the area or areas (Forest Management Units) owned or managed by the forest management enterprise (FME) or be limited to selected FMUs.

According to each scheme, rules may differ as to the extent to which this is permitted by the certificate holder, as well as what additional normative requirements, policies or procedures may apply to the FMUs not included within the certification. These areas may be of particular concern to the scheme if management objectives transgress greatly from the requirements for certification for the out-of-scope forest areas in comparison with certified forest areas, potentially violating the stated objectives of the scheme for sustainable forest management or even legal harvesting and trade.

Different schemes may also provide different rules or normative requirements, where certificate holders may wish to exclude specific areas within certified Forest Management Units from a certification. Similar concerns by the scheme may exist as described above, and such situations may not be commonly occurring within the scheme.

As a result of the above, it is critically important for the certificate holder, certification body and scheme to have clear requirements in relation to how partial certification scopes are communicated. This is essential to avoid mis-claims and confusion amongst buyers (including Operators, Monitoring organisations or competent authorities as far as the EUTR is concerned) in relation to which forest areas are covered by certification.

## 3.1 Products or supply-chain scope

For processing or trade organisations, the scope of their certificate may be limited to certain products consisting of – or incorporating in its production – certified raw material.

It is standard across all schemes that certificate-holders are generally free to select the specific products or materials (product, species, etc.) or lines of production for which chain of custody certification will be sought, whilst other products or materials managed by the organisation will remain non-certified and out of the scope of the certification. Effectively excluding it from the scrutiny of the certification body.

As a result, while some organisations may manufacture or trade only certified products, it is common that certificate holders have certified only a proportion of the scope of products they make available within a market. Few, if any, schemes place restrictions or a lower threshold limit on such entities with regards to the proportion of products they are required to manufacture or trade as certified.

In the case of schemes which incorporate a certified due diligence system (DDS), certificate-holders again may usually select at their discretion the specific products, materials or supply chains included within the scope of the certified DDS. In some instances, such as PEFC and

FSC, they may however be required to ensure certain materials used in later stages of a production units are subject to scrutiny within the DDS.

## 8. The certification process

Most certification schemes apply a comparable structured approach to evaluating the conformance of certificate holders. The following describes some key aspects of this process and clarifies the meaning of some of the terms often used.

### 1.1 Auditing conformance

The evaluation of the certificate holder's conformance with the relevant requirements (standards) is usually conducted through audits. Audits usually involve on-site visits in which representatives of the Certification Body conduct an evaluation of the performance of the certificate holder (or prospective certificate holder, in the case of certification main assessments), through different methods (document review, direct observation and measurement, interviews with staff and consultation of stakeholders).

Audits may be located at different stages of the certification process and therefore serve different purposes.

The types and frequency of audits are normally detailed within scheme rules and procedures. The usual types of audits are:

- **Certification main assessment:** these are usually the principal audit conducted of an organisation entering a certification scheme. Often, all the applicable requirements will be assessed during such audits by the auditor pertaining to the certification body.
- **Annual or surveillance audits.** These types of audits may be less intensive than certification and re-certification audits but are designed to ensure a programme exists of direct ongoing monitoring of the certified operation's activities. Requirements may be partially assessed and/or lower sample rates employed by the certification body.
- **Re-certification or re-assessment audits** happen at the end of a certification cycle (often 5 years). They are normally very similar in practice to certification main assessments.

**Verification audits** may also be conducted to evaluate the closure of non-conformances (see section 8.1.3) outside the normal audit schedule. Similarly, **scope-change audits** may be employed where the certificate holder wishes to significantly alter aspects of its certification scope between regular audits.

In addition, many schemes allow for certification bodies to conduct **un-announced** or '**short-notice**' audits in case major non-conformances are identified outside the normal audit schedule, or in a case where a substantiated complaint regarding a certified organisation is raised by a stakeholder.

Another distinction that can be drawn is the method of audit: some schemes require on-site audits allowing direct observations, monitoring and in-person interviews to be conducted. In other circumstances a certified organisation may be assessed via a remote (desk-based) audit, mostly limited to the review of information provided electronically by the audited entity (although remote interviews are also possible).

Often, a combination of on-site and remote audits may be employed within the scheme, under different circumstances.

### 8.1. Conducting audits

Certification schemes usually set rules on how audits should be conducted. Certification Bodies are usually required to apply a documented methodology for the assessment of organisations. These rules usually address:

- audit coverage (physical locations and activities covered).
- frequency of audits – standard among most schemes is that significant (annual or surveillance) audits are conducted within 12 months of each other.
- steps that the audits must include. For instance: opening and closing meetings, which activities must be evaluated; individuals to be interviewed or stakeholders consulted.
- the necessary skills, qualifications, and experience of auditors.
- the duration that should be spent by auditors for various types of audits (this can be set up in terms of person-days). Other audit timeliness factors, such report submission to the certificate holder after the audit has been completed.
- How audits must be recorded and how audits records are managed.
- Codes of conduct applying to certification bodies and auditors (availability, timeliness, accuracy, etc.). For more information on the topic of conflict of interest between the auditor and the auditee, see section 9.2.

Schemes may differ in the extent to which the requirements for forest management and for supply chain entities shall be applicable to the organisation's contractors and outsourcing facilities, as well as to their own staff.

In forest certification, an important distinguishing element between schemes is whether stakeholder consultation shall comprise a part of the audit process, as part of forest management or harvesting evaluations. The value of stakeholder consultation, when done properly, lies in its ability to improve the rigor of the audit process – and therefore of the scheme itself – by providing greater assurance that the certificate holder is conforming to the Scheme requirements. It does this by, among other things: i) assisting in audit planning by directing the auditor towards issues raised by stakeholders and ii) capturing issues which may otherwise have escaped the attention of the auditor/or which the auditor would unlikely capture due to limitations of time or resources. Schemes differ in the extent to which mechanisms exist to ensure that Certification Bodies conduct stakeholder consultation.

Often amongst the accreditation requirements, schemes usually seek to ensure that auditors, and other relevant personnel of the Certification Body, are qualified and competent to evaluate organisations' compliance with specific Scheme requirements.

### 8.1. Audit reports

Most schemes require that a description of audit findings and conclusions reached by the auditor, be recorded in the form of a confidential audit report. Rules in place can determine:

- the structure and elements to be included in audit reports.
- the requirement for internal report review processes.



- the level of confidentiality of the report or its constituent parts

On this last point, a scheme might request that the whole - or part - of an audit report are made publicly available as a pledge of transparency. In the case of PEFC, public summaries of audit reports are not made available by the scheme centrally. In the case of FSC FM and Controlled Wood audits, public summary reports are publicly available via the scheme certificate database (<https://info.fsc.org/>).

### 8.1. Non-conformities

During audits, auditors will assess whether the organisation is in conformance<sup>76</sup> with applicable requirements. Non-conformances can be considered as the failure to implement and maintain, systems or procedures – or the meeting of performance thresholds – which affect the organisation's ability to meet one or more requirements of the standard, that may result in a risk to the functioning and effectiveness of the certification as intended by the scheme.

Non-conformances may be split between “major” and “minor” size classes, depending on their gravity and scale. Different categories of a non-conformance:

- can lead to a different deadline for corrective measures to be implemented (for instance, prior to certification, or up to 3 months for a major non-conformance versus up to 12 months for minor non-conformance).
- impact differently on the certification decision (e.g., prior to certification)

For some schemes ‘Observations’ may be raised by the auditor, which bring to attention issues of potential risk of non-conformance. According to the schemes, an evaluation finding may not warrant a non-conformity but is identified by the audit team as an opportunity for improvement.

It should be noted that schemes may or may not require a different response, where the non-conformance relates to a legal non-compliance. In some schemes, legal non-compliances are likely to influence the gravity and scale of the non-conformance which is concluded by the auditor. However, Auditors are generally under no obligation to inform a relevant competent authority in the case they observe activities in breach of legislation to which the certificate holder is bound. If observed breaches take place outside the scope of the certification, the auditor may not be in a position to mark this as a non-conformance, although some schemes do provide avenues and alternative options to raise such issues.

### 8.1. Certification decision

Based on the conclusion of the audit, a certain recommendation will be reached whether to grant or approve certification for an organisation – or to maintain the validity of a certificate for an organisation which is already certified. Schemes may include requirements that ensure

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<sup>76</sup> Certification language uses the word “conformance” rather than “compliance”, which is associated with the enforcement of regulations. See Sullivan, J. 2014. Conformity vs. compliance. Available at: <https://www.certificationkitbag.com/blog/2014/3/5/conformity-vs-compliance>



that the certification decision process is well defined and that the decision on certification is conducted by positions/bodies that are separate to the auditor, and impartial to the auditee.

As a result, different rules may be set up to determine on which grounds decisions are made, upon the process (who has the authority to make certification decisions), and how this is communicated to the (applicant) certificate holder.

According to the scheme, minor non-conformances may or may not impede the delivering or continued validity of a certificate and have a longer deadline to be corrected, whilst major non-conformances will normally prevent the issuing of a certificate or can lead to a certificate suspension if they are not corrected by a certificate holder within their shorter timeline.

## 8.1. Certificate validity

Forest management, COC certificates – and, for some schemes, due diligence system certificates – may be awarded by the Scheme. These usually have a fixed period of validity, after which the certificate needs to be renewed. A 5-year period of validity is very common for forest-related certification schemes.

This does not mean that checks are not conducted during the period of validity: most schemes require annual, or at least regular, surveillance audits. These are normally less intensive than certification main assessments or re-certification audits (conducted at the end of the validity period). However, it is important to keep in mind that surveillance audits can still lead to the suspension of a certificate, which is why public-facing official databases detailing certificate validity and scope are a very important element of scheme transparency and robustness. It is important that these databases are maintained up to date on an ongoing basis. Some schemes do not have an online database but may be reached to check a certificate validity.

If the certificate is not renewed after the validity period, the entity involved will no longer be permitted to sell products as certified – or to make other certification-related claims - to other businesses or consumers. Equally, an entity engaged in a certification process is usually not permitted to sell products as certified, or to make any certification-related claims before the actual date of issuance of the certificate.

## 2.1 Claims and communication of certified status

Sustainable forest management certification schemes usually allow consumer or buyer-oriented claims to be made in relation to products covered by a certificate scope. However, for some schemes or types of products, claims may be restricted to business-to-business trade only (e.g. “FSC Controlled wood” claim within the FSC system, or “LegalSource certified” claim within the NEPCo LegalSource certification) rather than extending to end-consumers. Claims may be permitted ‘on-product’ in the form of labels, in the case of sustainable forest management certification schemes, however these are not usually permitted for certification schemes limited to timber-legality only.

With the increase in complexity of forest-related certification schemes, there is a substantial number of different claims which can be made. These normally provide information on the

inputs present in the wood-product and/or the method of segregation or mass-balance system used within the supply chain. While it is not within the purview of this report to elaborate on each single claim of all forest-related schemes, some main claim types are mentioned below:

- A “100%” claim usually means either that (1) all the timber in the product can be linked to a certified forest (FSC and PEFC) or that (2) a mass-balance calculation has been used and an equivalent volume of timber has been sourced from certified forests (PEFC).
- A “Mix” or “XX%” claim usually means that:
  - a part of the product is deriving from certified forests, whilst;
  - the remainder of the product comprises virgin material deriving from non-certified forests or reclaimed material. The non-certified virgin material may have been subject to a due diligence system implemented by a certified entity within the supply chain – or other controls – to avoid controversial sources such as illegally harvested timber entering production.
  - “XX%” and “Credit” (FSC) claims can be used to distinguish between the technical methods of calculating and attributing claims to products.
- a “recycled” claim usually means that all, or a majority part, of the timber derives from reclaimed sources. Schemes differ on both the definitions of reclaimed material, including post and pre-consumer reclaimed definitions (this is relevant to the definition of reclaimed material as described in the EUTR). Additionally, schemes differ regarding the level of information made available to interested parties, in relation to nature of the reclaimed material.

## 8.2. Trademark use

Schemes usually develop specific graphic requirements and other rules for the use of their trademarks, logos, and other distinctive features. This applies both to claims made on certified timber products (“off-product” claims such as those appearing on sales documents or other product-related information, as well as on-product/labelling requirements) in addition to claims regarding the organisation’s certified status.

## 9. Management of Certification Bodies

An important element of a certification scheme is the safeguards systems and procedures set up to uphold the credibility of the oversight of Certificate Holders.

### 1.1 Accreditation and Oversight

The requirements placed on certification bodies through what is called accreditation, is the process of evaluating and approving certification bodies to function under the Scheme rules. Indeed, the goals of providing robust and objective assessments implies consistency over time, locations and between certification bodies (two similar situations shall be assessed the same way – with similar audit conclusions reached – independently of the time, location, auditor, or certification body in question).

Many approaches for calibration, guidance, or interpretation, have been employed by certification schemes to prevent or correct threats to credibility and objectivity – often in line with ISO or ISEAL guidelines. The ISEAL Code of good practice<sup>77</sup> provides a detailed normative framework to support “*standards systems to measure and improve the results of their work and to ensure that standards are delivering the desired impact*”.

Even where a certification scheme does not accredit independent certification bodies (such as where the scheme owner is also the auditing organisation, as in the case of many timber - legality certification schemes) an oversight system will be applied to ensure the continued competence and performance of certification auditors to conduct conformity assessments to a particular standard (in short, measures to monitor the integrity of the audit process).

Mechanisms in place may concern both internal and external controls applied to auditors. These may include (to greater or lesser extents) the regular review of the performance of auditors and certification bodies through, for instance, regularly evaluating the performance of auditors conducting audits of certificate holders. Such audits may be conducted both by a designated person within the certification body as part of an internal quality control measure and/or by an external party such as the accreditation body.

### 2.1 Impartiality and conflicts of interests (COI)

Schemes usually include some requirements to ensure that certification bodies and their auditors - including other personnel relevant to the conformance evaluation of organisations - are impartial to the entities under evaluation.

Conflicts of interests may arise for example when an auditor, report reviewer or decision maker within a certification body has private or personal interests which risk influencing the

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<sup>77</sup> [ISEAL Assuring Compliance with Social and Environmental Standards](#)

objectivity of the audit process. This can happen if the auditor has a specific link to the (applicant) certificate holder: family or friendship links, business connections, etc.

On the other hand, risk of impartiality can occur if the auditor has previously conducted work on the behalf of the organisation, such as in setting up the procedures and system he/she is tasked with assessing or has provided consultancy on topics connected to the certificate-holders systems and procedures. Previous consultancy services to an (applicant) certificate holder should always be disclosed.

Risks to impartiality and conflicts of interest can be prevented and monitored in various ways:

- schemes can require certification bodies to set up systems, procedures and records dedicated to the detection and prevention of risk to impartiality and COI – this can be achieved with systematic disclosure of (real or perceived) COI by certification body staff members prior to composing audit teams, a good management of data on COI, etc.
- mechanisms such as composing teams with several auditors, auditor rotation or even certification body rotation may be implemented.
- clear mechanisms can be implemented restricting and monitoring information delivered to (applicant) certificate holders by certification bodies (such as training) to avoid actively engaging in their efforts toward achieving conformity with a specific standard.

## 10. Scheme management

### 1.1 Transparency

Schemes differ in their level of transparency, some aspects of which are extremely important to allowing operators, competent authorities and other organisations to evaluate the applicability of the scheme certifications to their due diligence concerns. Examples of where transparency is important, include:

- the provision of information on certificate scope (forests, manufacturing facilities, etc..) and validity via public-facing official databases is very important and useful tool, adding to scheme transparency and robustness. It is important that these databases are maintained up to date on an ongoing basis. Some schemes do not have an online database but may be reached to check a certificate validity. However, information in relation to gaps in the certified status of certificate holders, may not be available.
- information of relevance to buyers for certified products. This may be important to organisations which are also Operators under the EUTR, and includes information on species and origin, reclaimed content, etc. in relation to the certified product.
- ensuring that relevant information about the different aspects of scheme functioning is freely available, including scheme normative requirements for certificate holders and certification bodies; how the system is governed; which entities are evaluated and under what process, as well as impact information. This is important to permit evaluation of the value of the scheme in relation to the EUTR.
- allowing for stakeholder engagement in relation to the scheme.

Finally, Schemes also differ with regards to the extent to which publicly available summaries of audits are made, with relevant conclusions and associated scope information. Such reports may or may not include related information which is important to organisations which are also Operators under the EUTR, such as: non-conformances raised by auditors, risks and risk mitigation actions taken within certified due diligence systems, etc.

### 2.1 Appeals and complaints

A robust assurance system must also have detailed and consistently implemented procedures to handle appeals and complaints.

Appeals refer to the possibility for the (applicant) certificate holder to obtain the reconsideration of a certification decision taken by the certification body. This can cover mechanisms internal to the certification body, or externally, such as where a procedure exists to raise an appeal to the accreditation body or the scheme owner. Those mechanisms can define deadlines for addressing the appeal, responsible authorities, transparency of the process, etc.

Complaint's procedures refer to permitting the expression of dissatisfaction over the functioning of a scheme, scheme-related entity (certification body, accreditation body...) or scheme participant (certificate holder). The option of raising complaints should be made

available to any stakeholder (person or organisation) in regard to the activities of any of the entities involved within a certification scheme. Specific procedures can be defined to handle complaints; *“To be credible, a certification scheme must have a complaints mechanism to allow it to address complaints and rectify mistakes made during certification or accreditation procedures. Ideally, an independent dispute panel or similar body should deal with complaints”* (FERN, 2001).

### 3.1 Standard setting

Schemes differ in their approaches to standard setting, as well as in the level of transparency which comprises the standard-setting process. Furthermore, schemes vary widely in the level to which stakeholders can influence, participate in, or support the standard setting process.

Likewise, where applicable and according to individual Schemes, they may differ in the extent to which international standards are used as a starting point to be adapted to national or subnational contexts in which they are being implemented (e.g., FSC scheme), or conversely, used as a benchmark to review and approve existing national standards (e.g., PEFC scheme).

## 11. Certification schemes and the EUTR

Despite their similarities, each certification scheme encompasses a different system of requirements and – to differing degrees – covers a different scope of legal, social and environmental criteria. Additionally, each scheme comprises different levels of transparency, different rules and procedures as well as different quality assurance requirements. These can lead to substantially different approaches to ensuring conformance among organisations which participate (certify) in the scheme.

In the following sections, it is discussed how certification schemes may be used as a component of the due diligence system applied by Operators to meet the EUTR requirements.

### 1.1 EUTR requirements

The EUTR includes provisions to recognise third party verification to mitigate risks in supply chains. The Implementing Regulation 607/2012 details four conditions necessary for certification schemes to be considered when implementing risk assessment and risk mitigation,<sup>78</sup> namely that the scheme in question has:

- A publicly available system of requirements (standards) including at least all requirements of the applicable legislation.
- A third-party regularly conducting appropriate checks including field-visits (12 months interval maximum).
- Means to trace timber harvested and derived products at any point of the supply chain before it is placed on the EU market.
- Controls to ensure that products/materials along the supply chain are not mixed with products of unknown origin or timber harvested in contravention of applicable legislation.

The EUTR Guidance document further details *“the role of third-party-verification schemes in risk assessment and risk mitigation”*.<sup>79</sup> It requires that in order to *“make use of a certification scheme or legality verification as assurance that the timber in a product had been legally harvested”*, operators must:

- have knowledge of the scheme being used, including its coverage of applicable legislation.
- have knowledge of the practical implementation of the scheme in the country of harvest of the timber. In other words, be aware of substantiated reports about possible shortcomings or problems of the third-party schemes in the specific countries from which the timber or timber products are imported.

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<sup>78</sup> Art. 4, Implementing Regulation (EU) No 607/2012.

<sup>79</sup> For the exact EUTR language on certification, see Appendix 1.

- have confidence that appropriate checks are conducted on the portion of material potentially coming from non-certified forests and allowed into the timber mix.
- be satisfied that the third-party organisation that issued a certificate was sufficiently qualified and is in good standing with the certification scheme and the relevant accreditation body.
- have knowledge on the robustness of chain of custody requirements and checks so that only permitted material enters the supply chain.
- have strong confidence in the credibility of the scheme, ensuring the frequency of audits, identifying whether an independent organisation is performing checks on the certification body, or even checking compliance with international or European standards on certification schemes and auditing (ISO and ISEAL guidance being cited as examples).

These points form the basis for evaluating schemes in relation to the EUTR and with the discussion in the next section regarding factors that can affect scheme performance and credibility.

## 2.1 Assessing certification schemes

Whilst each scheme includes different requirements, procedures, and assurance systems, each will need to be evaluated by the Operator within the EUTR's mandated due diligence requirements, to determine its value as an indicator of low risk. It is important for the operator to ensure that the scheme is able to provide a sufficient level of risk mitigation as desired, in cases where risks of legal non-compliance may exist.

### 11.2. Comparing forest-related schemes against the EUTR

Whether related to certification schemes' standards and requirements, or to the schemes' institutional and procedural arrangements, the following elements should be considered for evaluation to understand the strengths and potential limitation of those schemes, in view of their use by Operators to comply with EUTR requirements:

#### 1. Scheme normative requirements and the definition of legality

Normative requirements in general – and for specific standards – should be well formulated and organised, sufficiently clear to allow for consistent interpretation, and implemented in sufficiently rigorous way to provide strong assurance on systems and performances.

Forest-related schemes usually include requirements on the legal compliance of forest management units with applicable legislation, thereby defining boundaries of what legal rules are considered by the Scheme. This may vary amongst schemes.

The EUTR has its own definition of forest-related applicable, including national legislation and international conventions. It is therefore important to determine if/where schemes differ from this definition: some schemes might go beyond the EUTR definition, which does not create any issue, whilst other schemes may fall short of aligning with this definition, in which



case it is important to determine where exactly the gaps exist (i.e. where a scheme does not include, as relevant, an area of legislation that the EUTR does include as applicable, and therefore relevant).

Requirements to ensure supply-chain legality have, to some extent, been included within certification schemes as later additions to standard requirements, which have historically focussed on demonstrating forest-level performance. It is important to determine if they are as robustly addressed and monitored compared to forest-level legality risks.

It may be necessary to assess the extent to which schemes are vulnerable to different types of corruption which may impact the forest sector, particularly bribery. Corruption is probably extremely difficult for private certification schemes to avoid or address in any meaningful way and perhaps only indirectly. However, risks of corruption are specifically mentioned by the EUTR as a crucial risk factor to illegality.

## 2. Alignment with other EUTR definitions

Besides requirements on the legal compliance of forest management units, a few other concepts may be tackled differently between a certification scheme and the EUTR and have an impact as to how the scheme can be used to comply with the EUTR. These concerns, among other things:

- due diligence systems: where due diligence requirements are used within a certification scheme, it is one thing to ensure that the “applicable legislation” is similar between the scheme and the EUTR, but it is also crucial to ensure that the required elements of due diligence are robust enough to bring confidence that there is indeed a low risk of legislation not being complied with. This is applicable both: i) for standalone due diligence standards and, ii) where mixing of certified material is permitted with non-certified (“controlled”) material. In such systems, there is a potential for weaknesses to exist in relation to the non-certified (controlled) material to some extent, with a weaker level of control applied by the certification schemes to ensuring legal compliance by operators, or less robust monitoring by the certified organisations and/or certification bodies.
- reclaimed material: the EUTR exempts post-consumer recycled timber and timber products, mainly based on whether the recycled material has completed its lifecycle or not.<sup>80</sup> Forest-related certification schemes might include a different definition of reclaimed material (leading to recycled claims on certified products). Indeed, many schemes are aware of the tension that exists between encouraging the re-utilisation

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<sup>80</sup> Recital (11) of Regulation (EU) No 995/2010 states that “[b]earing in mind that the use of recycled timber and timber products should be encouraged, and that including such products in the scope of this Regulation would place a disproportionate burden on operators, used timber and timber products that have completed their lifecycle, and would otherwise be disposed of as waste, should be excluded from the scope of this Regulation”. More details are provided by the Commission Notice C(2016) 755 – Guidance document for the EUTR – Part 5B and the Guidance document on Recycled timber and timber products by the Expert Group on the EU Timber Regulation and the Forest Law Enforcement, Governance and Trade (FLEGT) Regulation.

of material that would otherwise have been discarded and the concern that this option can be misused to lower conditions applying to some material, for by-products and scraps of the timber industry. This and the highly complex and technical nature of some industries using reclaimed materials has led many certification schemes to develop clear requirements on the subject, starting with as clear a definition as possible of pre-consumer and post-consumer reclaimed material.

### **3. Chain of custody systems**

Certification schemes need to contain robust chain of custody (COC) requirements. This is essential for the schemes in linking a specific timber product to a certified entity. COC systems provide the confidence that a product is within the certification scope of the entity harvesting the timber (or subjecting wood material to due diligence procedures) and that no contamination of such material is occurring with other timber products throughout the supply chain.

In theory, all schemes may suffer from a risk of accidental errors, miscalculations, or mistakes in relation to certified claims, as well as potentially deliberate mis-implementation of standard requirements. In recognition of this issue, many schemes are engaged in ongoing efforts to ensure robust transaction verification systems are in place, with interest increasing in the use of transaction verification, cloud databases, IT platforms and other technologies.

### **4. Claims on timber products**

It is important to understand the meaning of different claims which are possible within a scheme, as each may hold different weight and have different levels of meaning in relation to the EUTR.

In the same vein, as the point above, all schemes are subject to accidental or intended false claims – whether through mislabelling or via sales claims on invoice and transport documents. Schemes may have more or less efficient ways of controlling such deliberate or accidental false claims.

Conversely, mistakes can be made by the entity purchasing the certified products, for example by relying on the active certificate of their supplier without actively ensuring that timber products traded are also linked to the certification system in place.<sup>81</sup>

### **5. Scheme assurance systems**

Schemes must have sufficiently robust quality assurance systems to ensure certification bodies and/or certificate-holders' conformance with standards requirements in all contexts.

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<sup>81</sup> See Appendix 4 for an overview of the process of validating certification claims (FSC and PEFC).

Assurance systems should include an oversight mechanism, which is robustly implemented (sufficient processes are in place to review the performance of CBs and their auditors). Where schemes may not have sufficient systems in place to address risks to impartiality and conflict of interest, this may not allow for rigorous independent certification decision-making, and therefore be detrimental to the credibility of the Scheme.

The challenges of corruption and bribery within the countries within which a scheme operates may place added pressure, and increase risks, in relation to a scheme's ability to meet its own objectives and ensure there is trust in scheme certification claims. An important element is therefore ensuring the scheme seeks to address in robust ways the risk that official documents related to the awarding of permissions and licenses such as concession rights, harvesting permits and transportation of wood products, etc. are not issued based on bribery or corrupt practices. They should also be free of potential disputes and complaints, nor conflict of interest between auditors and certificate holders which may bring into question their validity.

## **6. Scheme transparency**

Transparency is an important element as regards scheme credibility. Of course, a scheme's applicable standard(s) and requirements must be publicly available, otherwise this could impede the use of the scheme by the Operator, by preventing comparison with other schemes and with regulatory requirements (such as the EUTR).

Transparency issues include whether public certificate databases are updated in real time but extend far beyond this to the many other aspects of certification schemes which can affect a schemes' utility and the trust it generates among users and stakeholders.

Institutional and procedural arrangements of forest-related certification schemes should be clear and transparent, for instance as regards the scheme owner, the decision-making structures, the use an independent accreditation body and the existence of certification bodies.

Additionally, clarity on the following elements may be important: elements of a scheme's procedural set-up for auditing, such as the assessment process and certification decision making methodology; the management of non-conformances; oversight mechanisms and the management of disputes and complaints, and their resolution.

Finally, transparency in relation to audit findings is important (and a key differentiator between certification schemes). The provision of summary reports of certification audits can be valuable to providing key EUTR-relevant information regarding the performance of the certified organisation and the scope of activity under evaluation.

## **7. Stakeholders**

As a sub-component of transparency, it is generally agreed that stakeholder engagement has the potential to increase the robustness and credibility of a certification scheme. Some schemes allow stakeholders to participate in the development and interpretation of standards. Others require that stakeholders be consulted during audits where they are affected or may be an interested party.

### 3.1 Understanding certificates

Often the first information available to an operator about a certified product, is a copy of the certificate itself – or a link to the publicly-available online certificate database. In order for the certification to be understood in relation to the underlying attributes of the scheme to which it belongs, a number of questions could be asked. These questions can help to further investigate and understand relevant aspects of the certified product or material in question.

Different certification schemes will have different formats in relation to their formal “certificates” – meaning the statement to express the conformance level of the certificate holder. There is variation in what information can be extracted from certificates. Following are some key aspects of a certificate that should be available for consideration:

- Certificate holder legal name
- Main address – including addresses of additional locations or installations included within the scope of the certificate.
- Certificate number or code: unique code that identifies an organisation as certified under the Scheme.
- Scheme standards (or type of certification) to which the Certificate Holder is certified.
- Forest areas covered by certification.
- Product scope, including for each product:
  - i) product type, description or classification;
  - ii) species from which it is comprised;
  - iii) output category or scheme claim (if applicable)

See Annex 4 for guidance on how to validate certification claims.

## EUTR regulations and guidance on using certification schemes

### **REGULATION (EU) No 995/2010 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

of 20 October 2010

*laying down the obligations of operators who place timber and timber products on the market*

[...]

**(19)** In order to recognise good practice in the forestry sector, certification or other third party verified schemes that include verification of compliance with applicable legislation may be used in the risk assessment procedure.

[...]

#### **Article 6**

Due diligence systems

1. The due diligence system referred to in Article 4(2) shall contain the following elements:

[...]

**(b)** risk assessment procedures enabling the operator to analyse and evaluate the risk of illegally harvested timber or timber products derived from such timber being placed on the market.

Such procedures shall consider [...] relevant risk assessment criteria, including:

— assurance of compliance with applicable legislation, which may include certification or other third-party- verified schemes which cover compliance with applicable legislation,

[...]

### **COMMISSION IMPLEMENTING REGULATION (EU) No 607/2012**

of 6 July 2012

*on the detailed rules concerning the due diligence system and the frequency and nature of the checks on monitoring organisations as provided for in Regulation (EU) No 995/2010 of the European Parliament and of the Council laying down the obligations of operators who place timber and timber products on the market*

[...]

#### **Article 4**

**Risk assessment and mitigation**

Certification or other third-party verified schemes referred to in the first indent of the second paragraph of Article 6(1)(b) and in Article 6(1)(c) of Regulation (EU) No 995/2010 may be taken into account in the risk assessment and risk mitigation procedures where they meet the following criteria:

**(a)** they have established and made available for third-party use a publicly available system of requirements, which system shall at the least include all relevant requirements of the applicable legislation;

**(b)** they specify that appropriate checks, including field-visits, are made by a third party at regular intervals no longer than 12 months to verify that the applicable legislation is complied with;

**(c)** they include means, verified by a third party, to trace timber harvested in accordance with applicable legislation, and timber products derived from such timber, at any point in the supply chain before such timber or timber products are placed on the market;

**(d)** they include controls, verified by a third party, to ensure that timber or timber products of unknown origin, or timber or timber products which have not been harvested in accordance with applicable legislation, do not enter the supply chain.

[...]

## **COMMISSION NOTICE C(2016)-755**

of 12.2.2016

### **GUIDANCE DOCUMENT FOR THE EU TIMBER REGULATION**

#### **6. THE ROLE OF THIRD-PARTY-VERIFICATION SCHEMES IN RISK ASSESSMENT AND RISK MITIGATION**

[...]

##### **A. Background information**

Voluntary forest certification and timber legality verification schemes are often used to meet specific customer requirements for timber products. Typically, these include a standard that describes management practices that must be implemented within a forest management unit, comprising: broad principles, criteria and indicators; requirements for checking compliance with the standard and awarding certificates; and separate chain-of-custody certification to provide assurance along the supply chain that a product only contains timber, or a specified percentage of timber, from certified forests.

When an organisation that is not the forest manager, manufacturer or trader, nor the customer requiring certification, carries out an assessment and awards a certificate, this is known as third-party certification.

Certification schemes generally require third-party organisations to be able to demonstrate their qualifications to perform assessments through a process of accreditation that sets standards for the skills of auditors and the systems that the certification organisations must adhere to. The International Organisation for Standardisation (ISO) has published standards

covering both requirements for certification bodies and assessment practices. Proprietary timber legality verification schemes, though often provided by organisations that offer accredited certification services, generally do not require accreditation themselves.

A requirement for compliance with legislation governing the management of the forest management unit is generally part of forest management certification standards. Systems management standards, such as those for environmental management or quality management, generally do not include such a requirement, or the latter might not be rigorously checked in assessment.

## **B. Guidance**

In considering whether to make use of a certification scheme or legality verification as assurance that the timber in a product had been legally harvested, an operator must determine whether the scheme incorporates a standard that includes all the applicable legislation. This requires some knowledge of the scheme the operator is using and how it is applied in the country where the timber was harvested.

Certified products generally carry a label with the name of the certification organisation that has set the criteria for the certificate and has set the requirements for the auditing process. Such organisations will normally be able to provide information on coverage of the certification and how it was applied in the country where the timber was harvested, including such details as the nature and frequency of field audits.

The operator should be satisfied that the third-party organisation that issued a certificate was sufficiently qualified and is in good standing with the certification scheme and the relevant accreditation body.

Information about how schemes are regulated can usually be obtained from the certification scheme. Some schemes allow certification when a specified percentage of the timber in a product has met the full certification standard. This percentage is usually stated on the label. In such cases, it is important that the operator obtains information about whether checks on the non-certified portion have been performed and whether those checks provide adequate evidence of compliance with the applicable legislation.

Chain-of-custody certification may be used as evidence that no unknown or non-permitted timber enters a supply chain. These are generally based on ensuring that only permitted timber is allowed to enter the supply chain at 'critical control points', and a product can be traced to its previous custodian (who must also hold chain-of-custody certification) rather than back to the forest where it was harvested. A product with chain-of-custody certification may contain a mix of certified and other permitted material from a variety of sources. When using chain-of-custody certification as evidence of legality, an operator should ensure that permitted material complies with applicable legislation and that controls are sufficient to exclude other material.

It is important to note that an organisation may hold chain-of-custody certification as long as it has systems in place to segregate certified, and the allowed percentage of, permitted material and non-permitted material, even if it is not producing any certified product at that time. When operators rely on certification as assurance and purchase from suppliers with chain-of-custody certification, they must check that the chain of custody certification covers the specific product they are purchasing.

In the process of assessing the credibility of a third-party-verification scheme, operators may use the following questions (note that the list is not exhaustive):

- ✓ Are all requirements under Article 4 of the Commission implementing Regulation (EU) No 607/2012 fulfilled?
- ✓ Is the certification or other third-party-verification scheme compliant with international or European standards (e.g. the relevant ISO-guides or ISEAL codes)?
- ✓ Are there substantiated reports about possible shortcomings or problems of the third - party-verification schemes in the specific countries from which the timber or timber products are imported?
- ✓ Are the third parties that perform the checks and verifications referred to under Article 4 (b)(c) and (d) of the Commission implementing Regulation (EU) No 607/2012 independent accredited organisations?

[...]



## Summary table – categorisation of forest-related schemes

See accompanying Excel: *Relevant certification and verification schemes*

## Glossary of terms

<ul style="list-style-type: none"> <li>• Accreditation</li> <li>• Oversight</li> </ul>	Assessment of a certification body's provider's demonstration of competence to carry out specific assurance tasks.
<ul style="list-style-type: none"> <li>• Assessment</li> <li>• Main evaluation</li> <li>• Initial audit</li> <li>• Full system audit</li> <li>• Certification Audit</li> </ul>	These terms often refer to the first full scale evaluation performed for a company who desires to be certified/ verified. In ISO documents the term audit is used for both first and subsequent audits with the most common terms being initial audit or certification audit. Full system audit is used primarily for management systems auditing and consists of Stage 1 audit (document review and initial review), which can be replaced by pre-assessment (see below); and Stage 2 audit which is an on-site audit of full management system implementation.
<ul style="list-style-type: none"> <li>• Annual audit</li> <li>• Surveillance audit</li> <li>• Audit</li> </ul>	These terms often refer to repeatedly conducted evaluations to monitor continuous conformance of the auditee to the requirements. NEPCon uses the term 'annual audit' for annual surveillance audits.
<ul style="list-style-type: none"> <li>• Active</li> <li>• Issued</li> <li>• Valid</li> </ul>	These terms define the status of a certification.
<ul style="list-style-type: none"> <li>• Pre-assessment</li> <li>• Pre-evaluation</li> <li>• Scoping</li> <li>• Pre-audit</li> <li>• Gap analysis</li> </ul>	Sometimes (in case of larger or more complex auditees), assessors perform an initial short and general evaluation to identify the main shortcomings that can potentially result in a negative recommendation after the main evaluation.
<ul style="list-style-type: none"> <li>• Certification</li> <li>• Verification</li> <li>• Registration</li> </ul>	The term is used a bit differently in different situations; however it generally refers to the whole process of granting a certificate/ verification statement by an independent third-party assessor. The process starts formally with an application and ends after the certification/ verification decision has been made and certificate/ verification statement has been issued. In the broader context,

	annual surveillance activities are part of the certification/ verification process.
<ul style="list-style-type: none"> <li>• Certification body (CB)</li> <li>• Conformity assessment body (CAB)</li> <li>• Certifier</li> <li>• Assessor</li> <li>• Assurance provider</li> <li>• Third-party auditor</li> </ul>	A certification body is an independent, impartial and competent legal entity that carries out certification auditing. Although it is not always a requirement that the assessor be accredited, professional certification bodies are usually considered to be those who have gained accreditation for the auditing services they offer.
<ul style="list-style-type: none"> <li>• Client</li> <li>• Certified client</li> <li>• Applicant</li> <li>• Audit Client</li> <li>• Certificate holder</li> <li>• Auditee</li> <li>• Supplier (in product certification)</li> <li>• Organisation</li> <li>• Company</li> </ul>	<p>Although these terms are sometimes used interchangeably, they are not necessarily synonyms. <i>Applicant</i> refers to a company that has applied for certification but has not yet received it. An <i>audit client</i> may request an audit; the <i>auditee</i> is the organisation being audited. In some cases, these can be different (e.g., a company ordering an audit for its supplier). With auditing services, the general term <i>client</i> seems to be the most widely used term.</p> <p>In the COC certification, the certificate is often issued to the organisation that has direct management responsibility for the Chain of Custody system under its control.</p> <p>In FM certification, the certificate is often issued to the organisation that has ownership or management control over the applicable forest management units.</p>
<ul style="list-style-type: none"> <li>• Standard</li> <li>• Audit criteria</li> <li>• Requirements</li> <li>• Certification requirements</li> <li>• Normative document</li> <li>• Norm</li> <li>• Checklist</li> </ul>	These terms refer to documented requirements that must be fulfilled by the auditee in order to receive a certificate. <i>Audit criteria</i> is the definitive, formal common ISO term for any set of requirements against which the auditee is audited. <i>Standard</i> is a term used more commonly in everyday language.
<ul style="list-style-type: none"> <li>• Non-conformance</li> <li>• Non-conformity</li> <li>• Non-compliance</li> </ul>	These terms refer to non-fulfilment of a requirement. In simpler terms this means that some part of the standard has not been correctly fulfilled. Nonconformity is the definitive term in ISO documents. Similar options are used for positive fulfilment of

	requirements (conformance, conformity, compliance). Compliance is most often used as reference to legal requirement, whereas conformance is referring to voluntary requirements.
<ul style="list-style-type: none"> <li>• NCR (non-conformity report)</li> <li>• CAR (corrective action request)</li> </ul>	These two terms are commonly used by various auditing systems to describe the documentation of non-conformances.
<ul style="list-style-type: none"> <li>• Suspension</li> </ul>	<i>Suspension</i> refers to the temporary ceasing of a certification validity. A suspension may occur under specific situations, such as where a certificate holder fails to meet certification requirements as part of an annual audit or to meet certification requirements detailed in a certification agreement.
<ul style="list-style-type: none"> <li>• Termination</li> </ul>	<i>Termination</i> refers to the definitive end of a certification. A termination may occur prior to the end of the certification period (i.e., prior to the expiration date).
<ul style="list-style-type: none"> <li>• Certification</li> </ul>	This is the process whereby an independent third-party (called a certifier or certification body) assesses the quality of forest management in relation to a set of predetermined requirements (the standard). The certifier gives written assurance that a product or process conforms to the requirements specified in the standard
<ul style="list-style-type: none"> <li>• Certification Scheme</li> </ul>	<p>3rd party scheme providing assurance of conformance to a normative standard.</p> <p>The organisation determines the objectives and scope of the certification system and applicable standards, as well as the rules for how the System will operate and the standards against which conformance will be assessed. In most cases this is the standard-setting organisation, but it may also act as a Certification body.</p>
<ul style="list-style-type: none"> <li>• Competent authority</li> </ul>	

<ul style="list-style-type: none"> <li>• Complaint</li> </ul>	
<ul style="list-style-type: none"> <li>• Forest Management Enterprise (FME)</li> </ul>	<i>Organisation, company, or operation responsible for forest management</i>
<ul style="list-style-type: none"> <li>• Forest Management Unit</li> </ul>	<i>A spatial area or areas submitted for certification with clearly defined boundaries managed to a set of explicit long term management objectives which are expressed in a management plan</i>
<ul style="list-style-type: none"> <li>• Species</li> </ul>	<i>A group of living organisms consisting of similar individuals capable of exchanging genes or interbreeding. The species is the principal natural taxonomic unit, ranking below a genus.</i>
<ul style="list-style-type: none"> <li>• Supply chain</li> </ul>	<i>The route of forest products and entities that take legal ownership of the forest products from the forest – where the material is harvested – to the Organisation that takes final ownership of the material</i>
<ul style="list-style-type: none"> <li>• Due Diligence System (DDS)</li> </ul>	<i>A set of steps or actions taken to ensure that due diligence is exercised. The due diligence system may consist of written guidelines and procedures that describe the due diligence process in detail.</i>
<ul style="list-style-type: none"> <li>• Publicly available</li> </ul>	<i>Obtainable by any person, without unreasonable barriers of access</i>

## How to validate certification claims (FSC and PEFC)

This procedure outlines how the validity and scope of the supplier's certificate and certification claims can be verified, via FSC and PEFC databases.

### 1. FSC Certificate Checks

For FSC certified supply chains, verify the validity and scope of the supplier's certificate and ensure that certification claims are provided for purchased goods.

#### 1.1. Verify supplier's certificate validity & scope

- Go to the FSC online database: [info.fsc.org](http://info.fsc.org)
- Click "Certificate search"

Figure 1: FSC Public Search

- Search for your supplier by:
- Supplier's name (i.e. name of the legal entity declared by the supplier); or
- Supplier's FSC certificate code (which can be found on the supplier's FSC certificate, FSC invoice or transport documentation)

NOTE: Each FSC-certified company has a unique code that identifies them as an FSC certificate holder, e.g. TP Toys has the code NC-COC-014367

Figure 2: Searching by Name or Code

- Click "search".
- Click on the link to your supplier (which appears after you have clicked "search").

**RESULTS**  
Found 2 results.

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Certificate Code	Certificate Status	CW	License Number	License Status	Organization Name	Site/Member	Country	Issue Date	Expiry Date
NC-COC-014367	Valid		FSC-C021373	✓	Robovision Ltd., trading as: TP Toys: New Product Development, Distribution, Marketing	✓	UNITED KINGDOM	2012-09-05	2017-09-04
NC-COC-014367	Valid		FSC-C021373	✓	Robovision Ltd., trading as: TP Toys		UNITED KINGDOM	2012-09-05	2017-09-04

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Figure 3: Certificate Results

- Verify that the 'Certificate code' on the FSC online database (see Figure 4) matches the code provided on the suppliers FSC certificate, invoice or transport documentation.
- 

**CERTIFICATE**

Information from 2016/04/11 - 13:35 UTC  
 Certificate Code **NC-COC-014367**  
 Former Certificate Code **RA-COC-002599**  
 License Code **FSC-C021373**

Figure 4: Checking the certificate code

**CERTIFICATE DATA**

Status **Valid**  
 First Issue Date 2007-09-05  
 Last Issue Date 2012-09-05  
 Expiry Date 2017-09-04  
 Standard FSC-STD-40-004 V2-1

Figure 5: Checking certificate validity

- Check the certificate is '**Valid**' and check the 'Expiry date'.
- Verify that the **product scope** shown on the FSC database matches the information on the supplier's invoice, delivery note, including: i) Product type; ii) Species; iii) Main output category (i.e. FSC claim); iv) Address of certified site.

PRODUCTS				
Product Type	Trade Name	Species	Primary Activity	Main Output Category
W12 Indoor furniture	Other small wooden items (used in the kitchen - chopping boards, bread bins, kitchen trolleys)	Fagus sylvatica L., Quercus spp	brokers/traders without physical possession	FSC 100%
W12 Indoor furniture W12.7 Office furniture	Solid wooden furniture (used in offices)	Fagus sylvatica L., Quercus spp	brokers/traders without physical possession	FSC 100%
W13 Outdoor furniture and gardening W13.1 Garden furniture	Garden wooden furniture	Robinia pseudoacacia L.	brokers/traders without physical possession	FSC 100%
W12 Indoor furniture W12.4 Beds	Beds	Fagus sylvatica L., Quercus spp	brokers/traders without physical possession	FSC 100%
W12 Indoor furniture W12.9 Wardrobes	Wardrobe	Fagus sylvatica L., Quercus spp	brokers/traders without physical possession	FSC 100%

Figure 6: Checking product scope

## 1.2. Validate sales and delivery documentation

Verify that the supplier's invoice and delivery note, includes all relevant information – see below. Verify that items with an asterisk mirror the information as it appears on the online FSC database:

- Name and address of the supplier\*
- FSC COC certificate code\*
- Main output category (FSC certification claim)\*
- Product code & Description of the product
- Claim period or invoice numbers to which the FSC declaration applies.

## 1.3. Check certified forests exist in country/region of harvest

For all FSC certified supply chains, if the forest management unit is identified by the supplier, the certificate validity can also be checked, and it is possible to check whether the species included within the product is included within the scope of the forest management unit certification.

## 2. PEFC Certificate Checks

For PEFC certified supply chains verify the validity and scope of the supplier's certificate and ensure that certification claims are provided for purchased goods.



## 2.1. Verify supplier's certificate validity & scope

Frequency: The following checks shall be conducted annually, at a minimum.

- Go to the PEFC online database: [www.pefc.org/find-certified/certified-certificates](http://www.pefc.org/find-certified/certified-certificates)
- Click “Advanced search” (Figure 7)
- Find the supplier by searching for:
  - Supplier's name (i.e. name of the legal entity declared by the supplier)
  - the supplier's PEFC certificate number (which can be found on the supplier's PEFC certificate, invoice or transport documentation)
- Click “search”
- Click on “more info” against the correct supplier certificate (Figure 8).

Figure 7: PEFC certificate search

The information checks provided for PEFC and FSC certificates on the online databases are similar and validity and scope checks can be conducted in a similar way. However, the PEFC online database does not provide scope information on species of certification claim types. Only product type and product trade name is shown.

<b>The Bed Base Co. Ltd</b>		Individual Certificate
Certificate	CoC	
Country	United Kingdom	
Certificate No.	SA-PEFC/COC-001744	
Certification body	Soil Association Certification Limited Woodmark	
PEFC logo licence No.	PEFC/16-37-1547	
Certificate status	Valid	
<a href="#">» More info</a>		

Figure 8: Accessing the certificate details

## 2.2. Validate sales and delivery documentation

- The information in point 2 is required on the supplier's PEFC invoice **OR** delivery note.<sup>82</sup>
- The items with an asterisk should mirror the information as it appears in the PEFC database:
  - a. Name and address of the supplier\*
  - b. PEFC COC certificate code\*
  - c. Main output category (PEFC certification claim)\*
  - d. Product code & Description of the product
  - e. Claim period or invoice numbers to which the PEFC declaration applies.

<sup>82</sup> PEFC allows the choice of document to which the PEFC-certified claim is made.

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## **Annex 2: Certification Scheme Assessment Procedure (SAP)**

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## Introduction

This document conforms to Activity 2.2 of the project “Study on Certification and Verification Schemes in the Forest Sector and for Wood-based Products” and the development of a Scheme Assessment Procedure (SAP) that will act as the methodology and guide to the application of the Certification Scheme Assessment Framework (SAF).

The overall objective of the Study is to create a resource of knowledge and reference for all interested and concerned parties in the forest- and wood-based products sector concerning what certification is, the different types of certification and how certification schemes work as well as a categorisation of the relevant forest- and wood-based products certification schemes based on their type, scope, purpose and intended use, including relevant examples

It should help Competent Authorities, Operators and Monitoring Organisations covered by the EUTR in their understanding of potential benefits, strengths and shortcomings of the various certification schemes. As such, one part of the overall objectives is to create an overview of existing certificates, third-party verified schemes and certifying bodies issuing certificates with regard to forests and wood-based products and to evaluate their respective strengths and weaknesses in respect to the EUTR obligations. This should, in turn, encourage stronger standards and transparency of certification and third part verification schemes.

As part of the above objective, this documented procedure has been developed to guide the evaluation of the differences and uniformities between certificates and certifying bodies.

This procedure therefore details the process for applying the Scheme Assessment Framework when conducting an evaluation of a Certification/Legality Verification scheme. This is important to ensuring a uniform approach, so that all scheme assessments are made in a consistent, rigorous and systematic way.

## Application of framework

### 12. Goal of certification scheme evaluation

- 1.1. The Scheme Assessment Framework (SAF) shall be used to assess the ability of certification schemes to provide assurance that material traded via the scheme has a low (negligible) risk of being illegally harvested or traded. The framework and this procedure have been developed to align with the legality definition of the [EU Timber Regulation](#) and the associated [Guidance Document](#) and requirements for the use of third party certification schemes as outlined in the [Commission implementing Regulation \(EU\) No 607/2012](#).

### 13. Overview of evaluation approach

- 2.1. The SAF should be applied to the level of implementation of the Scheme standards. This means that where the scheme is organized through national (or sub-national) standard setting and quality management schemes, these should be the object of assessment. International rules, procedures or standards should be evaluated where they are relevant to the implementation of the Scheme as well.
- 2.2. The framework includes requirements to assess how different timber certification schemes provide assurance of low (negligible) risk of 'legal non-compliance' of certified material.
- 2.3. The assessment (see assessment methodology below for more details) of each Scheme shall be conducted primarily using four broad sources of information:

**1: Publicly available information from the scheme itself:** in relation to documented normative requirements (existing standards, policies and procedures) and documents that guide the operational functioning of the Scheme (such as guidance<sup>83</sup> and other tools or resources which describe how requirements should be interpreted)

**2: Direct interviews and discussions with relevant Scheme personnel:** the application of the Framework will not be limited to desk-based review of documents but will also include on-site interviews with relevant representatives from the selected Schemes (and where relevant, related bodies such as assurance providers, accreditation bodies and certificate holders) to ensure a detailed representation of the functions of the schemes.

Interviews are expected to provide the assessment team with information about the intended functioning of schemes and deepen the understanding of the

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<sup>83</sup> Guidance is often contained within separate guidance documents or embedded in assurance requirements as interpretation guidance that can be referred to. It provides necessary context and consistency for the interpretation of standards.

activities of the scheme participants. This will be based on an interview guide and questionnaires developed before interviews are conducted.

**3: Stakeholder input via the Stakeholder Consultative Forum:** input solicited by Preferred by Nature – or submitted independently by Stakeholders - via the Stakeholder Consultative Forum.

**4: Outcomes or impacts information:** it is not possible (as this is not within the scope of activities of the project) for on-site assessments to be employed to evaluate the framework or on-site performance of Certificate Holders, Certification Bodies or Scheme managers. Furthermore, many Scheme evaluation exercises focus primarily on the content of standards – the requirements that need to be met by Certificate Holders. This is clearly important, but can be insufficient. Two standards that look identical on paper can support very different outcomes depending on how they are implemented in practice. It is therefore necessary to look at both the performance requirements and the operational systems that support their uptake.

As a result, other publicly available information or data (public summaries of audit reports, research studies, stakeholder reports, competent authority data, certificate databases) as well as expert or authority consultations, which inform the evaluation of the Scheme in relation to the results or impacts that it has achieved, or that relates to Schemes in general<sup>84</sup>.

## 14. Certification Scheme Assessment Framework

- 3.1 Assessment of each Certification Scheme shall be conducted by application of the criteria, indicators and threshold guidance contained in the Scheme Assessment Framework (SAF) to evaluate the schemes ability to ensure that legal requirements are met.
- 3.2 The SAF is divided into separate sections aiming at evaluating different aspects of the Scheme. These include:

### A: Requirements for Certificate Holders

- A.1 Legal Requirements at the forest level
- A.2 Legal requirements for supply chain entities

Does the scheme include a complete and comprehensive set of requirements enabling evaluation of compliance with applicable legislation by the certificate

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<sup>84</sup> In the absence of on-site evaluation of Schemes, it is important to recognise that the first "Scheme normative requirements" column is - to an extent - a proxy for impacts and that we should aim to include where possible any measurement or evaluation of actual results as the data becomes more reliable and available.



holder? These requirements are applicable to forest level, as well as supply chain entities.

- A.3 Requirements for material control

Does the scheme include requirements to ensure that material from unknown sources is not mixed into the product flow included in the scope of the certification? This may be via a CoC system using different forms of physical separation or using risk-based approaches to supply chain management. It should be underlined that it is not a requirement of the SAF that schemes have a specific type of CoC system, but there does need to be performance requirements that assure the absence of mixing.

- A.4 General requirements for Certificate Holders
- A.5 Quality and procedural requirements for Certificate Holders

The SAF contains criteria that shall be used to assess how the scheme ensures that Certificate Holders have in place systems, capacity and qualifications to continually meet the Scheme requirements.

#### **B: Requirements for Certification Bodies**

- B.1 General Certification Body requirements
- B.2 Certification Body requirements for auditing and certification

These criteria are formulated to assess the system of the Scheme that should be in place to manage processes like accreditation, oversight, competence and resources in relation to Certification Bodies.

#### **C: Requirements for Certification Schemes**

- C.1 Transparency
- C.2 Standard setting
- C.3 Accreditation
- C.4 Certification process

These criteria are formulated to assess the system of the Scheme that should be in place to manage Standard setting and revision, as well as on-going scheme maintenance and development, including scheme transparency, managing complaints etc.

## **15. Template tools**

- 4.1 Assessment of certification schemes shall follow this procedure, and use the following documents:

- Certification Scheme Assessment Framework (SAF);
- Certification Scheme Assessment Report (SAR) template (to be Developed);

- Scheme & Stakeholder interview templates (modified for different stakeholder groups) (to be Developed).

## 16. Scope of assessment

- 5.1 The assessment of each certification scheme shall identify at the outset - and include - **all the types of certification standard** relevant to timber legality included in the scheme. Any differences between different standards for different forest types must be included (e.g. where separate standards exist for natural forests and plantations).

By way of example:

- evaluation of the PEFC Scheme must include evaluation of the PEFC Forest Management (FM) standard, Group Forest Management and the PEFC COC standard.
- evaluation of the FSC Scheme must include evaluation of the FSC certification according to the Forest Management (FM) standard, SLIMF standard, as well as the FSC FM – and FSC COC – Controlled Wood standards, along with FSC CoC standard.

- 5.2 The assessment of each certification scheme shall identify at the outset, and include, all **models of certification** which may exist within the Scheme. It is possible that some variations may exclude the need for evaluation of some indicators. Examples of certification models include:

- Forest Management certification
- Group and multi-site certification
- Smallholder, family-owned or reduced intensity models
- Regional or jurisdictional models of certification
- DDS and risk-based certification models.

- 5.3 The assessment shall **include all documented normative requirements** (existing standards, policies, procedures, interpretations, directives, instructions...) as well as the documented guidance that supports the operational functioning of the Scheme (such as guidance, advice notes, and other tools or resources).

- 5.4 The assessment of each certification scheme shall consider the use of **approved temporary or interim standards** developed within Schemes.

- 5.5 The assessment of each certification scheme shall not consider **draft standards/guidance which have not been finalised and/or approved** as per Scheme document development processes.

- 5.6 On a case by case basis, assessments shall consider any **approved final versions of standards/guidance**, where the new document has not come into force or is still in a transitional phase (where the date for full replacement of the previous standard has not arrived).

## 17. Selection of schemes

- 6.1 Selection of schemes for evaluation – scheme selection shall be made by Preferred by Nature, in agreement with the EC, with input via a public stakeholder process. The following three elements shall be included in the process and decision making for Scheme selection:
- Public stakeholder process, including initial stakeholder survey on scheme selection (run 18th June to 2nd July).
  - Our evaluation of the relevance and use by the Scheme to the European forest sector and wood-using industries, as a risk mitigation tool in relation to the EU Timber Regulation.
  - Relevance of the importance to the global forest sector and wood-industries, in relation to the use of certification schemes, including basic metrics such as the number of certifications or forest area certified, etc.
- 6.2 Communicate with Scheme owners/manager – it is important to communicate the intentions to evaluate specific schemes or standards with the Scheme owner, once the selection of Schemes has been made.

## Assessment steps



Figure 1: Scheme evaluation process (once SAF and SAP are finalised and approved)

## 18. Key steps of the Scheme evaluation process

- 7.1 The assessment process has a number of distinct steps that should be followed. These comprise, in the following approximate order and are discussed in turn:
- Application of the Assessment Framework by internal experts (Assessors),
  - Internal quality review,
  - External peer review
  - Stakeholder consultation

- 7.2 **Application of the Assessment Framework** – This shall include communication with the Scheme owners/managers. See section D. Assessment Methodology. The application of the assessment framework shall be applied on two levels:

- Evaluation of the Scheme at overall (central or international) level
- Consideration of how the Scheme will be implemented at the local (national) level. The purpose is that national level evaluation is to provide data and findings that feed in as evidence into the central-level evaluation.

In the case of two schemes (FSC/PEFC), Preferred by Nature shall evaluate national implementation of these two Schemes for four countries. In the case of other schemes, attempts should be made to understand the extent and level of local adaptation.

- 7.3 **Internal quality review** – The Assessor (Preferred by Nature team responsible for the application of the Assessment Framework) shall ensure internal quality checks of draft scheme assessments before peer review and stakeholder consultations take place.

7.3.1. The objective of the internal review is to ensure i) the assessments have complied with the procedure outlined in this manual; ii) the rigor of the

evaluation process, as well as; iii) the consistency of evaluation approach across all Scheme evaluations.

**7.4 External Peer Review** – at least three peers, selected based on their experience and competence, shall act as independent reviewers.

7.4.1. Three or more external peers should be established prior to initiation of the analysis.

7.4.2. External peer reviewers shall be free of conflict of interest in relation to the schemes under evaluation. Peer reviewers shall complete and sign a Disclosure of Conflict of Interest agreement with Preferred by Nature.

7.4.3. External peer reviewers shall possess experience and competence with relevant schemes. They may have such experience from direct work as auditors for a scheme, or through work in relevant industry where they may have applied the scheme to supply chains or land management. Alternatively, they may have participated (as stakeholders) in scheme and standards development processes, whether within working groups or otherwise. Additionally, they may have experience from public administration or government.

7.4.4. Assessment findings should undergo 2 rounds of external peer review. One round after the internal review of a draft assessment, and a second and final review of a final draft if major issues remain, or significant changes are made after the first round, prior to making publicly available for consultation.

7.4.5. In cases where significant issues or questions remain after the second review, a third review of these specific issues may be necessary.

**7.5 Stakeholder consultation** – a stakeholder consultation forum shall be developed via a website of a defined contact where stakeholders have the ability to provide feedback and receive information about the evaluation.

7.5.1. Stakeholders should be consulted at relevant steps in the assessment process such as for the following:

- The development of the Framework
- Selection of schemes for evaluation
- Review of draft assessment results – minimum one round of consultation shall be conducted
- Provision of feedback on an ongoing basis through the Preferred by Nature website and webinars

Note: The Stakeholder Consultation Form (SFC) provides the principal forum for engagement with stakeholders. Input and feedback shall be actively encouraged by inviting all stakeholders within the SFC to provide input into the assessment process. Such stakeholders include, but not limited to the following:

- Scheme Owners/managers
- Certification Bodies

- Industry and forest-sector representatives (individual companies and the associations which represent them)
- Civil Society Organisations
- Government bodies and government representatives, particularly Competent Authorities responsible for the implementation of the EUTR.
- Academia and research institutions.

Ensuring balanced representation is part of the Project implementation manual, and outside of this documented procedure, which is focussed on the application of the SAF only. However, all stakeholders which are part of the Project SFC will be notified and have equal opportunity to provide input on one or more drafts of the project findings.

7.5.2. Stakeholders shall be informed of the assessment process prior to the selection of schemes and initiation of the assessment process.

7.5.3. All comments/input from stakeholders shall be recorded and stored.

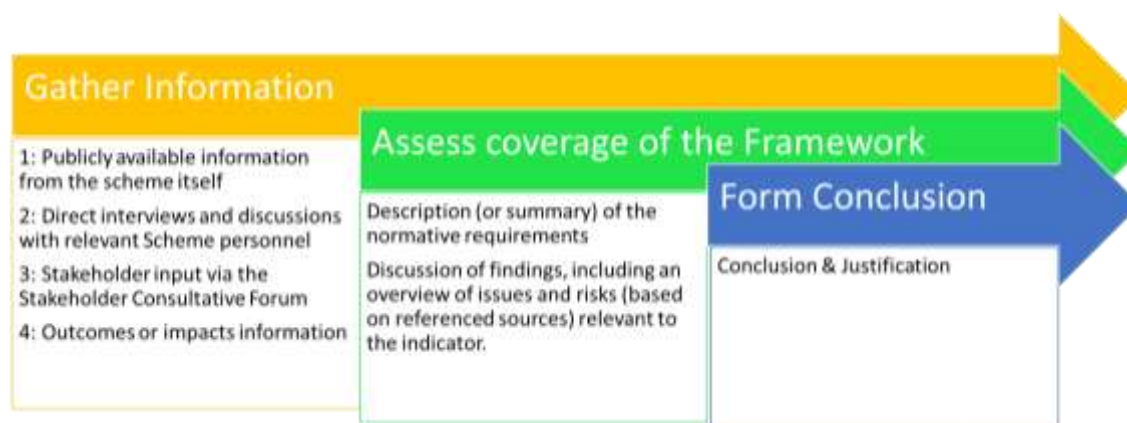
7.5.4. The Assessors (Preferred by Nature team responsible for the application of the Assessment Framework) shall review all comments/input from stakeholders.

7.5.5. The Assessors shall respond in writing to all comments and input, recording the action taken, or revisions made, to address each comment. These records shall be stored in a file and made publicly available.

## Assessment methodology

The main step in this process is the evaluation of how the Scheme is aligned with the requirements of the Framework. This consists of a desk review of documentation about the Scheme's requirements, systems and operations. Also additional sources of information will be used, beyond what can be provided by the Scheme owner itself.

This section describes the evaluation methodology that will be employed:



*Figure 2: Scheme evaluation methodology – basic steps*

## 19. Assessment methodology – information gathering

- 8.1. As above, the assessment of each indicator should be conducted primarily using four sources of information:

- 1: Publicly available information from the scheme itself
- 2: Direct interviews and discussions with relevant Scheme personnel
- 3: Stakeholder input via the Stakeholder Consultative Forum
- 4: Outcomes or impacts information

These are addressed in turn below:

### **1: Publicly available information from the scheme itself**

- 8.2. Identify a clear description of the Scheme normative requirement(s) or other core documents<sup>85</sup> that are considered to cover a corresponding SAF indicator, and record these in the report template.

Note: The Assessor may contact the Scheme manager and ask them to support filling in relevant information. However, the Assessor has ownership and remains responsible for the content and quality of the input. To this end, all information completed by others shall be checked by the Assessor.

- 8.2.1. For each indicator, the following shall be considered by Assessors, using a systematic approach, to ensure complete coverage of the Scheme in the analysis:

- relevant types of certification standard
- models of certification
- the use of approve temporary or interim standards
- approved final versions of standards/guidance, where the new document has not come into force or is still in a transitional phase

- 8.3. Identify a clear description of the Scheme GUIDANCE or other tools or resources which describe how requirements should be interpreted, that are considered to be most relevant to the SAF indicator.

- 8.4. Sources referenced in the Scheme Assessment Report (SAR), shall be described in the following way: i) Certification Scheme (if not indicated in the Standard Code); ii) Standard Code or name; iii) Version; iv) relevant criterion or Indicator; iii) link on the Scheme website. Example:

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<sup>85</sup> These may be Scheme guides, interpretations, directives, policies, procedures or advice notes.

- PEFC ST 2002:2013 2015-12-07 Second Edition, criterion 5.4.1:  
<https://cdn.pefc.org/pefc.org/media/2019-02/023fae13-c278-4104-93e0-bf48b123bc8b/5aa3f8bc-30c3-5f99-951e-e6a8f6d1d01b.pdf>
- 8.5. Provide a description (or summary) of the normative requirements and guidance/interpretations.
- 8.5.1. As a general rule (unless the section is too large), cut/paste relevant section(s) of text into the report finding for reference ("Scheme Info" column in the orange section of the SAR). This shall assist internal and peer review processes.
- 8.6. Make a note of any questions, uncertainties or ambiguities for later consultation (via direct interview) with relevant Scheme personnel.

## **2: Direct interviews and discussions with relevant Scheme personnel**

- 8.7. Interviews with Scheme personnel (and where relevant, related bodies such as assurance providers, accreditation bodies and certificate holders) are expected to provide the assessment team with information about the intended functioning of schemes and deepen the understanding of the activities of the scheme participants.
- 8.8. At the outset of each Scheme assessment, an 'initial list' of information required from the Scheme may be elaborated, to be presented as soon as possible to Scheme personnel.
- 8.9. The subject matter for future interviews with Scheme personnel, shall vary according to the questions which remain or gaps which require to be filled in the assessment.
- 8.10. Questions should be formulated by email and written responses with evidence (additional data, information, guidance or normative documents...) requested in return. This will reduce time for note-taking and ensure accurate records of the Scheme response are recorded.
- 8.11. If necessary, follow-up interviews or calls can be conducted by either phone or online, to clarify questions or responses in the email exchange. Where possible they should be carried out in the language of the interviewee.
- 8.12. Returned written responses (and/or interview notes) should be saved (with a systematic file name) in the relevant file.
- 8.13. Sources referenced in the Scheme Assessment Report (SAR), shall be described in the following way: i) Certification Scheme; ii) Interview/email date; iii) Interviewee (position).
- E.g. BV call-14/10/2020-Head of Accreditation.
- E.g. FSC email response-09/12/2020-Head of Accreditation.

## **3: Stakeholder input via the Stakeholder Consultative Forum (SCF)**



Via the SCF, interested stakeholders can provide feedback, both on the evaluation and on insights they have about the evaluated Schemes. This will provide the means to gather additional insight about the Schemes, providing a useful complement to the desk review. Consultation input shall be considered as an information source to be weighed alongside other information.

8.14. Stakeholder input shall be provided via the Stakeholder Consultative Forum.

8.15. Sources referenced in the Scheme Assessment Report (SAR) shall be described in the following way: i) Code in relation to Stakeholder input register; ii) Organisation

E.g. [Stakeholder register code] 132 – Forest Trends.

8.16. Direct interviewees to follow up on Stakeholder input, shall be conducted using the same approach (questionnaire templates, etc.) as with Scheme personnel.

#### **4: Outcomes or impacts information**

Performance or impact data – where available – can give greater insight about how a Scheme operates in practice. The general premise is that this will give a more complete picture of its performance, or the performance of certification schemes in general.

8.17. At the level of the Scheme, Principle, Criterion or Indicator, consider any publicly available information or data which informs the evaluation of the Scheme in relation to the results or impacts it has achieved, or that relate to certification/verification schemes in general. The following shall be considered:

- Data/information sources such as: research studies<sup>86</sup>, scientific articles, NGO reports or investigations, documented expert consultations, competent authority data, certificate databases, independent monitors, news articles or other stakeholder information.
- Reports analysing certification scheme impacts and application
- Examples of audit reports.
- Interviewees with experts conducted using the same approach (questionnaire templates, etc.) as with Scheme personnel.

8.18. Consider the quality and credibility of the data. Ensure that claims are substantiated.

8.19. Consider the extent to which publicly available information which focuses on one geographic region or Scheme, may apply to other regions or Schemes. Alternatively, findings of NGO reports and other information may show other patterns in relation to Schemes (such as their ability to respond to bribery and other forms of corruption).

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<sup>86</sup> For example, research or analysis regarding non-conformances of Schemes related to an area of legality.

8.20. Sources shall always be fully referenced so that they are verifiable by external parties. The Harvard Referencing style shall be used (see this [guide](#)). See the following examples of format:

- **Report/article:** Andersen, D. (2018). Illegal timber from natural forest. Nature. Available at: [www.fdfgdgsdf.com](http://www.fdfgdgsdf.com)
- **Legislation:** Forest Law 2010. Law No. 04/2003, 21 October 2010, Article 12-43 <http://www.forestlaw.org/other-publications/forest-law-no-04-na-lao-pdr/>.
- **Webpage/website:** UK Forestry Commission (2020) Available from: <https://timbertransportforum.org.uk/work/good-practice/> [Accessed 19th May 2020]
- **Personal communication:** Law, James. United Kingdom EUTR Competent Authority. (Personal communication, 26th November 2020)

## 20. Assessment methodology – evaluation of coverage

9.1. The **objective of the evaluation** is to understand how well a Scheme is aligned to meet EUTR requirements for due diligence, through the use of the SAF.

9.1.1. Sections A1 to A3 may be relatively straight-forward to evaluate, as they address mostly performance requirements and coverage of the definition of timber legality as far as the EUTR is concerned.

9.1.2. However, sections A4, A5, B and C address issues of quality assurance and their impact on the operational ability of the scheme to ensure a low-risk (negligible) conclusion in relation to certified products placed on the EU market. As a result, it may not necessarily always be the case that a gap (Partially Covered or Not Covered conclusion) in relation to a single criterion, may not necessarily always result in the need to report a significant deficiency or gap in the Scheme as a whole, but rather just point to a potential vulnerability in relation to the Scheme's robustness or potential weakness.

9.2. Provide an **appropriate justification** for coverage by the Scheme of the specific indicator in the SAF, as necessary. This will follow the following approximate format:

- Description (or summary) of the normative requirements (as per 8.4 above)
- Discussion of findings, including an overview of issues and risks (based on referenced sources) relevant to the indicator. Include any Outcomes or impacts data or information (as per 8.6 above).
- Conclusion & Justification which shall be clearly formulated as **Covered**, **Partly Covered** or **Not covered**. Include a summary justification of the designation to provide the rationale behind the final conclusion. E.g. *"based on findings x, y and z, it is concluded that the indicator is PARTLY COVERED"*.

9.2.1. Record any variations in conformance between types of certification standard, or certification models. Examples:

- an area of customary rights may be included within the PEFC FM standard, but does not form part of the definition of legality in the PEFC COC Controlled Sources section of the COC standard
- FSC FM certification and FSC (FM) Controlled Wood standards may cover an indicator, whereas SLIMF certification does not.

9.3. Record the level of conformance of the Scheme with the indicator. Options<sup>87</sup> include: 1. Covered, 2. Partly Covered or 3. Not covered. The definitions of the options are as follows:

Conclusion	Definition	Explanation
<b>Covered</b>	When available Scheme requirements and information - and any impacts evidence available - indicate the coverage of the SAF indicator.	Coverage is the ability of the Scheme to provide assurance that material traded via the Scheme has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber Regulation.
<b>Partially Covered</b>	When available Scheme requirements and information - and any impacts evidence available - indicate only partial coverage of the SAF indicator.  Alternatively, special concerns about Scheme standards, credibility, rigor or coverage may exist.  NOTE: It is important to justify the partial coverage, and indicate where the issues are which result in a Coverage conclusion not being given.	Partial Coverage means the Scheme is only partly able – or may be compromised in one or more ways – to provide assurance that material traded via the Scheme has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber Regulation.
<b>Not Covered</b>	When available Scheme requirements and information - and any impacts evidence available - indicate that there is no coverage of the SAF indicator.  NOTE: It is important to justify a no coverage conclusion.	The Scheme is not – or inadequately – able to provide assurance that material traded via the Scheme has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber

<sup>87</sup> As a result of having only three possible scores, the option of trying to divide partial coverage into a number of different levels is avoided, which carries a significant risk of becoming subjective.

		Regulation.
<b>Not Applicable (N/A)</b>	When, for whichever reason, the SAF indicator does not apply.	

## 21. Assessment methodology – coverage conclusions and risk

The Scheme evaluation process will result in a decision about the extent of alignment or coverage of a Scheme with the EUTR and the criteria of the SAF. The Assessor will be responsible to make the decision. As with the evaluation itself, key considerations are consistency and transparency in relation to the justification for the conclusion.

In coming to a decision, different sources of information will be used, some of which may conflict. It will be important to consider the source, robustness and integrity of each type of data or information to assess how much weight to assign to it in the decision-making process.

10.1. Within the evaluation of coverage, the framework will require an assessment for each indicator as to if/how different a Scheme provides assurance of low (negligible) risk of 'legal non-compliance' for certified material.

10.2. The threshold of low (**negligible**) risk of 'legal non-compliance', as well as the methodology to determine low risk, can be considered similar to other Preferred by Nature risk assessment processes:

A situation can be considered low risk if the potential legal non-compliances that may arise in the case of certified material from that Scheme are:

- temporary lapses.
- unusual/non-systematic; or
- limited in their temporal and spatial impact.

A situation cannot be considered low risk (i.e. risk is specified or non-negligible) if the potential legal non-compliances that may arise in the case of certified material from that Scheme may:

- not be temporary, and probably are systematic
- continue over a long period of time;
- affect a wide area and/or cause significant damage;
- not/will not be corrected or adequately responded when identified; or
- have a significant negative impact on the society, the production of forest products and other services, the forest ecosystem and the people directly and indirectly affected by forest operations.

## Glossary of Definitions

**Country Expert (CE)** – A Preferred by Nature staff member engaged to assist with the assessment of a Scheme, who has professional experienced and/or a detailed understanding of the country/regional context within which the Scheme, system or standard operates.

**Assessor** – The Preferred by Nature staff member who is responsible for facilitating and managing the assessment of the Scheme, including managing the assessment process, preparing and conducting interviews with the Scheme owner, and preparing/revising draft and final report. The Assessor shall have the necessary experience and competences (including language skills required for the Scheme assessment).

**Internal Reviewer (IR)** – A Preferred by Nature staff member with senior authority and experience to review draft Scheme Assessment Reports.

**Peer Reviewer (PR)** – External peer reviewers (free of conflict of interest in relation to the schemes under evaluation) that shall review and approve select project outputs, such as the Assessment Framework, Assessment Framework Procedures, and Draft or Final Evaluation Reports, to ensure that methodologies used are sound and free of any bias.

## **Annex 3: Certification Scheme Assessment Framework (SAF)**

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## 22. Introduction

This Framework has been developed as part of the outputs to the project “Study on Certification and Verification Schemes in the Forest Sector and for Wood-based Products”, implemented by Preferred by Nature on behalf of the European Commission.

Part of the project aims to assess certification schemes to clarify the role of certification, their functioning and their ability to meet EUTR due diligence requirements.

## 23. Background

The objective of the Study is to create a resource of knowledge and reference for all interested and concerned parties in the forest- and wood-based products sector. It should help Competent Authorities, Operators and Monitoring Organisations covered by the EUTR in their understanding of potential benefits and shortcomings of certification, in particular in the context of the implementation of the EUTR. As such, one part of the overall objectives is to create an overview of existing certificates, third-party verified schemes and certifying bodies issuing certificates with regard to forests and wood-based products and to evaluate their respective strengths and weaknesses in respect to the EUTR obligations. This should, in turn, encourage stronger standards and transparency of certification and third party verification schemes.

It should be underlined that it is NOT the intention of the study to create a compliance checklist of certification schemes. The EUTR continues to recognise third party certification as an important potential tool for risk assessment and risk mitigation, but does not recognise certification as proof of compliance. This will not change based on this study.

As part of the above objective, this framework has been developed to allow evaluation of the differences and uniformities between certificates and certifying bodies. It includes requirements to assess to which degree different forest certification schemes provide assurance of low (negligible) risk of ‘legal non-compliance’ of certified material.

The Framework aligns with the definitions and approach to certification schemes as described within the [EU Timber Regulation \(No. 995/2010\)](#) and the associated [Guidance Document](#), along with additional requirements for the use of third party certification schemes as outlined in the Commission implementing Regulation (EU) No 607/2012 and specifically Article 4 in the [Commission Implementing Regulation \(EU\) No 607/2012](#).

The Framework takes into account verifiers for Article 6 in the EUTR, and documentation for Article 4 of the Implementing Regulation, as well as a wide array of sustainability standards and benchmarks used in the areas of forest and wood-based products, among other resources identified under References.

## 24. Defining legality requirements

A key question of this study is to what extent different certification schemes consider the aspects of legality, as included in the EUTR.

The Framework contains a list of principles, criteria and indicators for the legality of forest products, which correlate with the definition of “applicable legislation”, defined by the EUTR as: legislation in force in the country of harvest covering the following matters:

- rights to harvest timber within legally gazetted boundaries,



- payments for harvest rights and timber including duties related to timber harvesting,
- timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting,
- third parties' legal rights concerning use and tenure that are affected by timber harvesting, and
- trade and customs, in so far as the forest sector is concerned.

It is noted that national laws include the laws and regulations of all jurisdictions within a nation (local, regional, and national). The constitution as well as international laws and conventions that nations have ratified are also considered as applicable law.

## Refining legality definition

To enable a more granular evaluation of legality issues, the Framework has been designed to include criteria under each legality principle. These criteria are subdivisions of the Principles and detail the specific legislation a certification scheme should address in order to meet the overarching principles defining applicable legislation.

As an example, the Principle of “legal rights to harvest within the gazette areas” has been subdivided into criteria that all are part of the principle level issue of “rights to harvest”. In this Framework the Right to harvest has been sub-divided into requirements related to applicable legislation within:

- land tenure and management rights
- existence of concession licenses.
- management and harvesting planning, and
- harvest permits

The subsequent use of indicators in this framework are applied in order to enable the evaluation under each criterion.

**NOTE: It should be underlined that the criteria and indicators are used only as indicative of relevant requirements that could be reflected in national applicable legislation.**

## 25. Structure of the Framework

The framework uses the terms principles, criteria and indicators to define the different levels of requirements determined for assessing certification schemes.

**Principles of this framework:** The Preferred by Nature Certification Scheme Assessment Framework contains the following principles (broad requirements or subject areas to be covered):

- A: Requirements for Certificate Holders
  - A.1 Legal Requirements at the forest level
  - A.2 Legal requirements for supply chain entities
  - A.3 Requirements for material control
  - A.4 General requirements for Certificate Holders
  - A.5 Quality and procedural requirements for Certificate Holders
- B: Requirements for Certification Bodies
  - B.1 General Certification Body requirements

- B.2 Certification Body requirements for auditing and certification
- C: Requirements for Certification Schemes
  - C.1 Transparency
  - C.2 Standard setting
  - C.3 Accreditation and oversight
  - C.4 Certification process

**Criteria of this framework:** sub-sections of requirements which help to support evaluation of the Principles.

**Indicators of this framework:** Quantitative or qualitative variables which can be measured or described, and which help to support evaluation of the Criterion. Each indicator is written to be as clear and incisive as possible, enabling a consistent assessment that results in a robust picture of potential conformance with the framework. Some of the Indicators are accompanied by explanatory guidance where necessary to ensure consistency of interpretation.

## 26. References

The below documents and reports have been used as references for the development of this Framework. Inclusion in this list does not indicate that the Framework complies with any of the standards mentioned.

- [Accountability Framework Definitions.](#)
- CEPI, 2000. [Comparative Matrix of Forest Certification Schemes.](#)
- [Commission Delegated Regulation \(EU\) No 363/2012](#) of 23.2.2012 on the procedural rules for the recognition and withdrawal of recognition of monitoring organisations as provided for in Regulation (EU) No 995/2010
- [Commission Implementing Regulation \(EU\) No 607/2012](#) of 6 July 2012 on the detailed rules concerning the due diligence system and the frequency and nature of the checks on monitoring organisations as provided for in Regulation (EU) No 995/2010
- CPET, 2015. Results of the Evaluation of Category A Evidence: Forest Certification Schemes
- [Dutch Timber Procurement Policy Framework for Evaluating Evidence of Compliance with Timber Procurement Requirements.](#) 2014.
- [EUTR Guidance Document.](#) adopted 12 February 2016.
- [EUTR Guidance note on Recycled Materials](#)
- [EUTR Guidance on Armed Conflict](#)
- FSC Advise Note - Applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises (FSC-ADV-30-010-01 EN)
- Fern, 2001. Behind the logo: An environmental and social assessment of forest certification schemes
- [ISEAL Assurance Code Version 2.0](#)
- [ISEAL Credibility Principles v1.0](#)
- [ISEAL Impacts Code of Good Practice Version 2.0](#)
- [ISEAL Standard Setting Code v6 Dec 2014](#)
- [ISEAL Sustainability Benchmarking Good Practice Guide](#)
- ISO 19011:2011 Guidelines for auditing management systems
- ISO/IEC 17021-1: 2015 - Conformity Assessment - Requirements for Bodies Providing Audit and Certification of Management Systems
- ISO/IEC 17065:2012 - Conformity Assessment – Requirements for Bodies Certifying Products, Processes and Services
- Preferred by Nature standard: [Certification System Evaluation v1-0 \(LS-18\)](#) approved 10/02/2017
- [Regulation \(EU\) No 995/2010](#) of the European parliament and of the council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market
- WWF, 2006. Forest Certification Assessment Guide (FCAG).
- WWF, 2016. WWF Certification Assessment Tool (CAT) Heading 3: keep the information in subtitles as short as possible

## 27. Glossary

**Accreditation body:** Entity charged with oversight (see Oversight) of a Certification Body.

**Applicable legislation:** refers to the EUTR definition of applicable legislation in the country of harvest, which is legislation in force in the country of harvest covering the following matters:

- rights to harvest timber within legally gazetted boundaries,
- payments for harvest rights and timber including duties related to timber harvesting,
- timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting,
- third parties' legal rights concerning use and tenure that are affected by timber harvesting, and
- trade and customs, in so far as the forest sector is concerned.

It is noted that the legislation in the country of harvest includes international laws and conventions that nations have ratified. ‘

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

**Certification Scheme:** the requirements (Schemes), as well as the rules and procedures for how the Scheme will operate.

**Certificate Holders:** Organisation that choose to certify their activity according to Scheme requirements.

**Client:** The person or enterprise that is seeking assurance of their conformity with the requirements in a Scheme.

**Due Diligence System (DDS):** A set of steps or actions taken to ensure that due diligence is exercised. The due diligence system may consist of written guidelines and procedures that describe the due diligence process in detail.

**Normative requirements:** the specific criteria and indicators contained in the standard(s) used by the Scheme.

**Organisation:** The person or enterprise that is seeking assurance of their conformance with the requirements in a Scheme (synonyms: operator, client, enterprise, entity, participant, producer, member and auditee).

**Oversight:** Assessment of an CBs competence to carry out specific assurance tasks.

**Publicly available:** Obtainable by any person, without unreasonable barriers of access.

**Scheme:** the totality of requirements of the certification scheme, including standards, policies, procedures, and guidelines under which the Scheme operate.

**Scheme owner:** The organisation that determines the objectives and scope of the Scheme, as well as the rules for how the Scheme will operate and the standards against which conformance will be assessed. In most cases this is the Standard-setting organisation.

**Standard-setting organisation:** The organisation responsible for managing the development and revision of the standard(s), applied by the Scheme.

**Supply chain:** the network of entities that take legal and/or physical ownership of forest products in their production, transport, trade, distribution, sale and consumption. A supply chain starts from the forest or plantation – where the material is harvested – to the final organisation downstream which sells (e.g. retailer) or consumes the product or material.

## 28. Framework for evaluating certification and verification schemes

The table below contains the principles, criteria and indicators used for evaluating certification Schemes.

Code	Criterion	Indicators	Threshold & guidance
<b>A. Requirements for Certificate Holders</b>  Requirements applicable to the Certificate Holders. These include requirements to comply with applicable legislation, as well as requirements relevant to ensuring continued performance and integrity of the operations – as far as is related to legal compliance.			
<b>A1 Legal Requirements at the forest level</b>  This principle relates to how the scheme ensures that Certificate Holders comply with all applicable legislation. This section relates to requirements of the Scheme that applies to Certificate Holders - or other entities subject to the normative requirements of the Scheme (e.g. included within the scope of a certified due diligence system) - within the Country of Harvest.			
	<b>A.1.1 Rights to harvest timber within legally gazetted boundaries</b>		
<b>A.1.1.1</b>	Land tenure and management rights	<b>A.1.1.1.1.</b> The Scheme shall include requirements that ensure compliance with legislation covering land tenure rights, including customary rights as well as management rights.	It should be clearly described in the standard how to evaluate the legal compliance. In this regard it shall not be considered adequate to include only a generic statement such as "all land tenure and management documents should be available". The EUTR Guidance states: "an operator must determine whether the scheme incorporates a standard that includes all the applicable legislation." See C.2.1.1.
		<b>A.1.1.1.2.</b> The Scheme shall include requirements to ensure that licenses, right of tenure and management rights, have been issued:  i) according to the legally prescribed procedure,	The Scheme should explicitly address the potential for corrupt practices and include requirements to exclude corruption.

		ii) in compliance with third parties' legal rights concerning tenure, iii) specifying the legally-gazetted boundaries, and; iv) with absence of corrupt practices.	
		<b>A.1.1.1.3</b> The Scheme shall include requirements that ensure the existence of legal business registration, and other relevant legally required licenses.	
<b>A.1.1.2</b>	Concession licenses	<b>A.1.1.2.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating procedures for the issuing of concession licenses, including use of legal methods to obtain concession licenses and that licenses are covering only legally gazetted areas	It shall not be considered adequate to include only a generic statement such as "Concession licenses should be available". See C.2.1.1.
<b>A.1.1.3</b>	Management and harvesting planning	<b>A.1.1.3.1</b> The Scheme shall include requirements that ensure compliance with legislation and legal obligations for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring.	See C.2.1.1.
		<b>A.1.1.3.2</b> The Scheme shall include requirements that all legally required planning documents have been approved prior to implementation of forest harvesting activities.	
		<b>A.1.1.3.3</b> The Scheme shall include requirements to ensure that certificate holders meet legal requirements concerning benefit sharing they have negotiated with communities. E.g. social agreements or social responsibility agreements or cahier de charges, dependent on the country.	This should include legal requirements related to agreements reached with affected indigenous peoples and local communities through FPIC with their self-chosen representatives.
<b>A.1.1.4</b>	Harvesting permits	<b>A.1.1.4.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating the issuing of harvesting permits, licenses or other legal documents required for specific harvesting operations.	It should be noted that in countries with high level of corruption the mis-use of permits (e.g. salvaging or artisanal permits) is large. The system should guarantee there is no misuse of these permits.
<b>A.1.2 Payments for harvest rights and timber including duties related</b>			

	<b>to timber harvesting</b>		
<b>A.1.2.1</b>	Payment of royalties and harvesting fees	<b>A.1.2.1.1</b> The Scheme shall include requirements that ensure compliance with legislation covering payment of all legally required forest harvesting-specific fees such as royalties, stumpage fees and other volume-based fees, as well as land area taxes or fees.	The Scheme shall ensure that payments of fees are based on correct classification of volumes, qualities, species, and license area.
<b>A.1.2.2</b>	Value-added taxes and other sales taxes	<b>A.1.2.2.2</b> The Scheme shall include requirements that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales).	The Scheme shall ensure that payments of value-added taxes are based on correct classification of volumes, qualities, species and license area.
	<b>A.1.3 Timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting</b>		
<b>A.1.3.1</b>	Timber harvesting regulations	<p><b>A.1.3.1.1</b> The Scheme shall include requirements that ensure compliance with legal obligations for harvesting techniques and technology including timing of harvest, selective cutting, shelter wood regeneration, clear felling, transport of timber from felling sites and seasonal limitations etc.</p> <p>This includes the mis-use of salvaging permits or other specific ministerial permits, with the intention of circumventing harvest regulations</p>	Typically, the legislation includes regulations related to the size of felling areas, minimum age and/or diameter for felling activities and elements that shall be preserved during felling., the establishment of skidding or hauling trails, road construction, drainage systems and bridges, planning and monitoring of harvesting activities. In other words, any legally binding codes for harvesting practices shall be considered.
		<b>A.1.3.1.2</b> The Scheme shall include requirements to control potential illegal activities by third parties within the area managed by the operation.	It is recognised here that customary rights as recognised in international law or the constitution may in some cases conflict with statutory law. There should be differentiation between activities conducted under customary law and clear illegal activities conducted by outsiders with no customary or other rights.
<b>A.1.3.2</b>	Protected sites and species	<b>A.1.3.2.1</b> The Scheme shall include requirements that ensure compliance with legislation related to protected areas as well as protected, rare, or endangered species, including their habitats and potential habitats.	Note that protected areas may include protected cultural sites, including sites with historical monuments. It should be clear that requirements for the identification of protected areas is conducted according to the legal requirements.

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		<b>A.1.3.2.2</b> Requirements that ensure compliance with legislation related to protected areas and habitats, shall include that the identification of protected areas is conducted according to the legal requirements.	
<b>A.1.3.3</b>	Environmental requirements	<b>A.1.3.3.1</b> The Scheme shall include requirements that ensure compliance with legislation related to environmental impact assessment in connection with harvesting, acceptable levels of damage and disturbance of soil resources, establishment of buffer zones (e.g. along watercourses, open areas, breeding sites), maintenance of retained trees on felling sites, seasonal limitations on harvesting, and environmental requirements for forest machinery.	NOTE: Topics such as pollution control, use of pesticides/herbicides, soil erosion, emissions to air/water etc., are included in this indicator if regulated in law in relation to harvesting activities.
<b>A.1.3.4</b>	Health and safety	<b>A.1.3.4.1</b> The Scheme shall include requirements that ensure compliance with Health & Safety legislation.	Health and safety requirements shall be considered relate to operations in the forest, including in-forest processing (not office work, or activities not associated with actual forest operations). Including but not limited to the use of personal protective equipment for persons involved in harvesting activities, use of safe felling and transport practices, establishment of protection zones around harvesting sites, and safety requirements relating to machinery used, and legal and safety requirements in relation to chemical usage.
		<b>A.1.3.4.2</b> The requirements from point A.1.3.4.1 shall also cover the activities of contractors or other personnel operating within the area of the license area.	
<b>A.1.3.5</b>	Legal employment	<b>A.1.3.5.1</b> The Scheme shall include requirements that ensure compliance with legislation for employment of personnel involved in harvesting (and in-forest processing) activities including but not limited to requirements for: contracts and working permits, obligatory insurances, certificates of competence and other training requirements, and payment of social and income taxes.	Legal employment requirements shall be considered relate to operations in the forest, including in-forest processing (not office work, or activities not associated with actual forest operations).
		<b>A.1.3.5.2</b> The Scheme shall include requirements that ensure compliance with legislation for minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labour, and discrimination and legislation allowing for freedom of association.	These are specified in the relevant ILO Conventions ratified by most countries.



		<b>A.1.3.5.3</b> The requirements from point A.1.3.5.1 and A.1.3.5.2 shall also cover the activities of contractors or other personnel operating within the area of the license area.	
	<b>A.1.4 Third parties' legal rights concerning use and tenure that are affected by timber harvesting</b>		
<b>A.1.4.1</b>	Customary rights	<b>A.1.4.1.1</b> The Scheme shall include requirements that ensure compliance with respect for customary tenure rights relevant to forest harvesting activities.	
		<b>A.1.4.1.2</b> The Scheme shall include requirements that ensure compliance with legislation relating to sharing of benefits.	
<b>A.1.4.2</b>	Free, Prior and Informed Consent	<b>A.1.4.2.1</b> The Scheme shall include requirements that ensure compliance with the internationally adopted principles of 'Free, Prior and Informed Consent' in connection with granting rights to forest management.	Although the legal right for FPIC only refers to indigenous and tribal people, any certified company should apply FPIC in relation to all affected local communities.
<b>A.1.4.3</b>	Indigenous and traditional peoples' rights	<b>A.1.4.3.1</b> The Scheme shall include requirements that ensure compliance with national legislation and international conventions ratified that respect the tenure rights of indigenous and tribal peoples to forest land as well as their right to FPIC.	Possible aspects to consider are land tenure; and the right to use certain forest-related resources or practice traditional activities, where these may involve forest lands.
	<b>A.1.5 Trade and customs, in so far as the forest sector is concerned</b>		
<b>A.1.5.1</b>	Classification of species, quantities, qualities	<b>A.1.5.1.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating how harvested material is classified in terms of species, Quantities and qualities in connection with trade and transport.	Incorrect classification of harvested material is a well-known method of reducing/avoiding payment of legally prescribed taxes and fees.
<b>A.1.5.2</b>	Trade and transport	<b>A.1.5.2.1</b> The Scheme shall include requirements that ensure compliance with legally required trading permits as well as legally required transport documents that accompany transport of wood from forest operations.	

<b>A.1.5.3</b>	Offshore trading and transfer pricing	<b>A.1.5.3.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating offshore trading and transfer pricing.	Offshore trading with related companies placed in tax havens – combined with the misuse (abuse) of transfer pricing requirements – is a well-known way to avoid payment of legally prescribed taxes and fees to the country of harvest. Many countries have established legislation covering transfer pricing and offshore trading.
<b>A.1.5.4</b>	Customs regulations	<b>A.1.5.4.1</b> The Scheme shall include requirements that ensure compliance with legislation covering areas such as export/import licenses, and product classification related to customs (codes, quantities, qualities and species).	
<b>A.1.5.5</b>	CITES	<b>A.1.5.5.1</b> The Scheme shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).	
<b>A.1.5.6</b>	Legislation requiring due diligence / due care procedures	<b>A.1.5.6.1</b> The scheme shall include requirements that ensure compliance with legislation covering due diligence/due care procedures, including e.g. due diligence/due care systems, declaration obligations, and /or the keeping of trade related documents, legislation establishing procedures to prevent trade in illegally harvested timber and products derived from such timber, etc.	Requirements should include explicit information about the content of the scheme – or make explicit reference to requirements as outlined in the EUTR - when the Certificate Holder is located in European Union.
<b>A2 Legal requirements for supply chain entities</b>  trade and customs, in so far as the forest sector is concerned.  This section shall apply to Certificate Holders - or other entities subject to the normative requirements of the Scheme (e.g. included within the scope of a certified due diligence system) - within the Country of Harvest.			
	<b>A.2.1. Legal registration</b>		
<b>A.2.1.1</b>	Legal Registration	<b>A.2.1.1.1</b> The scheme shall include requirements that ensure the existence of legal business registration, and other relevant legally required licenses.	Includes legislation regulating the registration of business (business/saw mill license, operation visas, tax payment cards, approvals, etc.) and approval of scope of business and processing.

<b>A.2.2 Taxes and fees</b>			
<b>A.2.2.1</b>	Payment of taxes, royalties and fees	<b>A.2.2.1.1</b> The Scheme shall include requirements that ensure compliance with legislation covering payment of all legally required taxes, royalties and fees.	The Scheme shall ensure that payments of the fees specified at point A2.1.1 are based on correct classification of volumes, qualities, species and license area.
<b>A.2.2.2</b>	Value-added taxes and other sales taxes	<b>A.2.2.2.1</b> The Scheme shall include requirements that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales).	The Scheme shall ensure that payments of value-added taxes are based on correct classification of volumes, qualities, species and license area.
<b>A.2.3 Trade and transport</b>			
<b>A.2.3.1</b>	Classification of species, quantities, qualities	<b>A.2.3.1.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating how products are classified in terms of species, volumes and qualities in connection with trade and transport.	Incorrect classification of harvested material is a well-known method of reducing/avoiding payment of legally prescribed taxes and fees.
<b>A.2.3.2</b>	Trade and transport	<b>A.2.3.2.1</b> The Scheme shall include requirements that ensure compliance with required trading permits as well as legally required transport documents that accompany transport of wood.	
<b>A.2.3.3</b>	Offshore trading and transfer pricing	<b>A.2.3.3.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating offshore trading.	Offshore trading with related companies placed in tax havens – combined with the misuse (abuse) of transfer pricing requirements – is a well-known way to avoid payment of legally prescribed taxes and fees to the country of harvest. Many countries have established legislation covering transfer pricing and offshore trading.  It should be noted that only transfer pricing and offshore trading, as far as they are legally prohibited in the country, can be included here.
		<b>A.2.3.3.2</b> The Scheme shall include requirements that ensure compliance with legislation regulating transfer pricing.	
<b>A.2.3.4</b>	Customs regulations	<b>A.2.3.4.1</b> The Scheme shall include requirements that ensure compliance with legislation covering areas such as export/import licenses, and product classification related to customs (codes, quantities, qualities and species).	

<b>A.2.3.5</b>	CITES	<b>A.2.3.5.1</b> The Scheme shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).	
<b>A.2.3.6</b>	Legislation requiring due diligence / due care procedures	<b>A.2.3.6.1</b> The scheme shall include requirements that ensure compliance with legislation covering due diligence/due care procedures, including e.g. due diligence/due care systems, declaration obligations, and /or the keeping of trade related documents, legislation establishing procedures to prevent trade in illegally harvested timber and products derived from such timber, etc.	Requirements should include explicit information about the content of the scheme – or make explicit reference to requirements as outlined in the EUTR - when the Certificate Holder is located in European Union.
<b>A3 Requirements for material control</b>			
	<b>A.3.1 Material control</b>		
<b>A.3.1.1</b>	Material origin and identification	<b>A.3.1.1.1</b> The Scheme shall require systematic processes to enable the identification of the country of harvest of the material, and where applicable to a higher level of detail, such as the sub-national region or concession level.	Depending on the System's approach to tracking and sourcing, there shall be CoC systems in place to validate claims through the supply chain (product certification systems) or to identify origin of products to a level of detail appropriate to the level of risk identified in the supply chain (risk-based Due Diligence Systems).  The Scheme shall allow EUTR operators to clearly understand the content of the product in relation to the sources of origin.
		<b>A.3.1.1.2</b> The Scheme shall require systematic processes to enable the identification of the species included in materials or products included in the scope of certification.	The names of the species of trees included in all products in the scope of certification shall be available and identified by common or trade name, as well as scientific name (genus and species).  The Scheme shall allow EUTR operators to clearly understand the content and the source of the product in relation to the species.
		<b>A.3.1.1.3</b> The Scheme shall include clear and effective measures to prevent material from non-negligible risk, unverified or potentially illegal sources from entering the supply chain and mixed with conforming material.	Systems to assure segregation of materials from unknown or potentially illegal sources shall exist. This may be done via different types of systems, but there shall be a well-documented process to assure that materials are not mixed in cases where several different material

			categories (origins or risks) are handled.
		<b>A.3.1.1.4</b> Where applicable, the Scheme shall require the segregation and tracking of certified (according to each individual claim type) or verified legal wood along the supply chain, using appropriate inventory methods and documented controls where necessary to ensure that risks of mixing are identified, managed and mitigated.	Chain of Custody system requirements shall be formulated and implemented to assure that material carrying the certification or verification claim can be traced through processing, trade and transport.  In cases when the Certificate Holder is transforming materials into products, with a corresponding loss of weight, volume or number of units, the Scheme shall ensure yields are checked and verified.
	<b>A.3.2 Recycled material</b>		
<b>A.3.2.1</b>	Waste material	<b>A.3.2.1.1</b> The Scheme shall have a definition of waste material which at least covers the definition of waste material as described by the EUTR Guidance document.	The Scheme shall include requirements to ensure that “timber products of a kind covered by the Annex of the EUTR, produced from material that has completed its lifecycle and would otherwise have been discarded as waste” included in the scope of certification/verification will not be mixed with “by-products of a manufacturing process that involves material which has not completed its lifecycle”, unverified or virgin material (as defined by the EUTR), irrespective of the method applied. The requirements below, therefore, do not require tracking of all reclaimed material, but allow for risk-based systems to manage risk of contamination with pre-consumer, virgin or unknown material.
		<b>A.3.2.1.2</b> The Scheme shall require systematic processes to enable the identification of waste material that has completed its life cycle and to differentiate this material from virgin or material that are by-products of a manufacturing process which has not completed its lifecycle as defined by the EUTR.	The Scheme shall allow EUTR operators to clearly understand the content of the product in relation to the content of the material in relation to virgin and/or reclaimed materials.
		<b>A.3.2.1.3</b> The Scheme shall include clear and effective measures to prevent “timber products of a kind covered by the Annex of the EUTR”, produced from i) reclaimed material that has NOT completed its lifecycle and would otherwise have been discarded as waste”, ii) unverified or iii) virgin material (as defined by the EUTR) from, entering the supply chain.	

A4 General requirements for Certificate Holders			
A.4.1	Conflict resolution	<p><b>A.4.1.1</b> The Scheme shall include requirements that ensure that disputes are identified, recorded and managed, in a way that:</p> <ul style="list-style-type: none"> <li>i) ensures there is a transparent ongoing process to address the issue</li> <li>ii) requires for the exclusion from the scope of the certificate situations or areas or forest where the legality of tenure or management/harvesting is not defined or is unclear and disputed.</li> <li>iii ensures respect for legally-enshrined customary tenure rights of local communities.</li> </ul>	<p>This indicator relates to the robustness of the Certification scheme. It is intended to determine whether requirements are in place for CHs to manage risks that the legally enshrined rights of third parties are not violated, in areas of conflict or disputes.</p> <p>The indicator asks if the Scheme sets requirements that apply to Certificate Holders themselves – it is probably most relevant to Forest management and Controlled Wood Certificate Holders.</p>
	Corruption	<b>A.4.1.2</b> The scheme shall include requirements to ensure that certificate holders do not engage in corrupt practices related to illegal harvesting.	
A5 Quality and procedural requirements for Certificate Holders			
A.5.1	Internal procedures for Certificate Holders	<b>A.5.1.1</b> The Scheme shall include requirements for the Certificate Holders to have in place - and implement - systems and procedures covering all requirements of the Scheme.	Scheme requirements are written in measurable terms, with guidance on interpretation if flexibility is required, or to avoid ambiguity.
		<b>A.5.1.2</b> The Scheme shall include requirements for the Certificate Holders to regularly review the proper functioning of their own procedures.	Ensuring the continued implementation of procedures is important to the on-going ability of the organisation to meet certification requirements.
A.5.2	Qualification and competence	<b>A.5.2.1</b> The Scheme shall include requirements that ensure that certified organisations have personnel with sufficient qualifications and competencies to consistently and effectively implement Scheme requirements.	This requirement specifies the importance of ensuring that certified organisations have qualified, and competent staff tasked with ensuring that the Scheme requirements are met and enforced.
A.5.3	Risk based approaches to sourcing, trade or production	<b>A.5.3.1</b> If the Scheme includes an option to implement a risk based approach to sourcing non-certified material (Due Diligence System), it shall: i) contain clear requirements and ii) ensure consistent implementation of the Due Diligence System, for all activities, materials and suppliers included within the scope of the certification.	
		<b>A.5.3.2</b> The Scheme shall include requirements that ensure that whenever there is a change in the risk related to illegal harvest,	Changes in supply chains may introduce new risks and these should be dealt with prior to including products from these new supply chains in the

		trade or transport in a supply chain – or a supply chain covered by a DDS – the risk shall be assessed and mitigated prior to shipping and sale.	scope of the certification.
		<b>A.5.3.3</b> In cases where other 3rd party schemes are recognised by the due diligence system as meeting specific due diligence requirements, the scheme shall include requirements that ensure that it is clear: i) on what basis recognition is made and; ii) how it is verified that other Schemes ensure conformance with the specific due diligence requirements.	
		<b>A.5.3.4</b> The Scheme shall include requirements to ensure that the DDS comprises, at a minimum, the following elements: i) a quality management system, ii) procedures for obtaining access to information pertinent to the identification of risk; iii) risk assessments, and iv) the implementation of mitigations measures when risks are identified.	

## B. Requirements for Certification Bodies

Scheme requirements for Certification Bodies shall be clear and unambiguous and allow the Scheme owner to verify the level of conformance of each Certification Body to these requirements.

### B.1 General Certification Body requirements

B.1.1	Competence and qualifications	<b>B.1.1.1</b> The Scheme shall have mechanisms to ensure that auditors, and other relevant personnel of the Certification Body, are qualified and competent to evaluate organisations' compliance with specific Scheme requirements.	ISO 19011 definition of competence: (3.14) Demonstrated personal attributes and demonstrated ability to apply knowledge and skills.  ISEAL: Auditors need to be able to use their judgement to come to a quick understanding of a client's performance. Similarly, individuals responsible for audit reviews and decisions also need to be competent in their responsibilities. Among the strategies to mitigate the risks of non-
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			<p>conformity, having competent auditors is one of the most important. Basic requirements for supporting auditor competence are included in ISO17065 (6.1.2) and in ISO 17021-2 Section 7 and Annexes A to D in that document. The System owner must take ultimate responsibility for the competence of auditors working in its assurance programme.</p> <p>This requirement relates to the existence of clear requirements for competence and qualifications of auditors involved in evaluating Scheme conformance, as well as personnel involved in the certification decision-making process.</p> <p>The requirement includes ongoing evaluation of the CBs.</p>
		<b>B.1.1.2</b> If the Scheme includes an option for the Certificate Holder to implement a Due Diligence System, the scheme shall ensure that the auditors and other relevant personnel of the Certification Body are qualified and competent to evaluate organisations' compliance with related Scheme requirements.	<p>This requirement relates to the existence of clear requirements for competence and qualifications of auditors involved in evaluating Scheme conformance, as well as personnel involved in the certification decision-making process. This is particularly relevant as due diligence systems often include a variety of legality issues, rather than traceability.</p>
B.1.2	Impartiality	<b>B.1.2.1</b> The scheme shall include requirements to ensure that auditors, and other personnel relevant to the conformance evaluation of an organisation shall be impartial to the entity(-ies) under evaluation.	<p>ISO 19011: Independence: the basis for the impartiality of the audit and objectivity of the audit conclusions. Auditors should be independent of the activity being audited wherever practicable and should in all cases act in a manner that is free from bias and conflict of interest. For internal audits, auditors should be independent from the operating managers of the function being audited. Auditors should maintain objectivity throughout the audit process to ensure that the audit findings and conclusions are based only on the audit evidence.</p> <p>ISEAL: Scheme systems [shall] identify and mitigate conflicts of interest throughout their operations, particularly in the assurance process and in governance.</p>
		<b>B.1.2.2</b> The Scheme shall include requirements that ensure that the certification decision process is; i) well defined and; ii) ensures that the decision on certification is conducted by positions/bodies that are impartial to the auditee.	
<b>B.2 Certification Body requirements for auditing and certification</b>			



### ANNEX 3 : CERTIFICATION SCHEME ASSESSMENT FRAMEWORK (SAF)

B.2.1	Auditing process	<b>B.2.1.1</b> The Scheme shall include requirements that ensure that Certification Bodies apply a documented methodology for the evaluation (assessments and audits) of clients.	
		<b>B.2.1.2</b> As a minimum, this methodology shall include procedures for the following activities: i) Evaluation of conformity of organisations to the Schemes (e.g. audit of sites, or inspection of records or of self-assessment declarations); ii) Review and certification decision; iii) Issuance of a certificate; and iv) Periodic re-assessment.	<p>Certification procedures shall require field visits to applicant forest management units <u>BEFORE</u> a certificate can be issued. It is likely that simple single (FM and or CoC) certificates require an on-site assessment prior to certificate issue. However, consider how the Scheme handles other types of certification, including for example, group, multisite, regional models of certification. Does the Scheme have mechanisms to ensure all sites/members are evaluated prior to certificate issue?</p> <p>These requirements relate directly to the procedures implemented by the Certification Bodies to conduct audits. The CB should have in place procedures to ensure that they are following the System requirements for auditing. The CB therefore should have in place an efficient set of procedures to ensure consistent and uniform implementation of the System's audit requirements.</p>
		<b>B.2.1.3</b> The Scheme shall include requirements that ensure that Certification Bodies have in place - and implement – specific procedures for audits that include at least the following: i) frequency of audits; (no longer than every 12 months); ii) requirements for on-site (field) visits where applicable; iii) sampling protocol for audits (if applicable); iv) structure and competencies of the audit team; v) the minimum set of aspects that need to be checked in every audit; vi) minimum content of audit reports, including non-conformances, clarification of scope, audit process and evaluation findings. vii) ability for unannounced or short-notice audits in case of substantiated claims or for other reasons.	<p>Regarding point ii) Consider if any flexibility in relation to field visits in the FM context exists and if this is justified. This is raised in relation to the Covid19 situation, although other exceptions may exist.</p>
B.2.2	Stakeholder consultation	<b>B.2.2.1</b> The Scheme shall include mechanisms to ensure that Certification Bodies conduct consultation with stakeholder (including rights holders) as appropriate in	<p>This indicator relates to the robustness of the Certification scheme. It is intended to capture requirements of certification bodies and their ability to detect potential legal non-compliances via stakeholder consultation</p>

		<p>relation to audits (only applicable where necessary** for evaluating compliance of certificate holders).</p> <p>The scheme shall ensure that the certification holder has a proper stakeholder consultation process in place.</p>	<p>processes.</p> <p>**refers to specific areas of legal requirements such as, but not limited to, land tenure, indigenous and third parties' rights, FPIC, legal requirements relating to directly affected stakeholder or neighbouring communities....</p> <p>The scheme should require that the certification holder has a good stakeholder consultation scheme in place including an early warning/ grievance mechanism.</p> <p>Stakeholder consultation is required. For example, this could be during the evaluation of compliance to laws relating to third parties' customary tenure rights to resources.</p> <p>Where required, the time and place of the consultation and surveillance audits should be made known to stakeholders, in a manner that can be easily understood and accessed by all including local communities together with an culturally appropriate invitation to provide comments about the assessed organisation (and its activities) to the CB or accreditation body.</p> <p>Sufficient consultation with external stakeholders will ensure that all relevant issues are identified relating to compliance with the relevant requirements of the standard</p> <p>The following guidance indicates strong stakeholder consultation by a CB:</p> <p>1 Where a consultation process is conducted, it shall be implemented adequate to the size and scale of the CH's operation, based on the following:</p> <p>1.1 Stakeholder identification: the identification of affected and interested stakeholders and rights-holders in relation to the forest management activities of the CH</p> <p>1.2. The CB shall employ effective means to consult stakeholders, using culturally appropriate consultation techniques, and the language spoken by the recipients and inclusive of women, youth and other potentially marginalised groups.</p> <p>NOTE: Techniques may include: face to face meetings, personal contacts</p>
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			<p>by phone, email, or letter, notice published in the national and/or local press and on relevant websites, local radio announcements, or local customary notice boards.</p> <p>1.3. The CB shall only exclude information that is considered confidential. Stakeholders shall be asked to provide their consent to the publication of their comments.</p> <p>NOTE: Examples of consultation techniques include: arrangements for individual or group meetings, structured interview by telephone, contact by mail or email with a request for written comments to a predetermined set of specific questions.</p> <p>1.4 Stakeholder feedback: Within sixty (60) days after the end of the consultation period, the CB shall respond to all stakeholders who participated in the consultation process explaining how their comments were taken into account.</p> <p>1.5 Consultation records: The CB shall maintain records of the consultation process, including a list of stakeholders consulted and the comments provided, and evidence that the consultation was carried out in conformance with the requirements of this standard.</p> <p>2 The CB shall prepare a summary of the consultation process, which shall include:</p> <ul style="list-style-type: none"> <li>a) The areas for which the stakeholder consultation has been conducted (e.g. geo-reference data, state, province, supply unit);</li> <li>b) A list of the stakeholder groups invited by the CB to participate in the consultation;</li> <li>c) A summary of the stakeholder comments received. Comments shall only be published with prior consent from the consulted stakeholder and not associated with stakeholder identifiable information;</li> <li>d) A description of how the CB has taken stakeholder comments into account, with a documented justification in each case.</li> </ul> <p>NOTE: the interpretation of stakeholders includes rights-holders.</p>
B.2.2	Corruption	<b>B.2.2.1</b> The Scheme shall include mechanisms to identify (or for the Certification Body to do so) companies sanctioned for engagement in corrupt practices relevant to the forest sector.	

C. Requirements for Certification Schemes			
C.1 Transparency			
C.1.1	Transparency	<b>C.1.1.1</b> Scheme requirements for both Certificate Holders and Certification Bodies shall be publicly available online.	Transparency of the requirements against which certified organisations are evaluated is a key feature of a certification System.
		<b>C.1.1.2</b> Schemes shall include requirements that ensure that relevant information about the following is freely available: i) development and content of the Scheme; ii) how the system is governed; iii) who is evaluated and under what process; iv) impact information and the various ways in which stakeholders can engage.	
		<b>C.1.1.3</b> The Scheme shall include requirements that ensure that an up-to-date register of certified/verified organisations is publicly available.	<p>This requirement should make it possible to identify the certification status of named companies from their name or certification code. Where these exist online, registers in the form of searchable databases should include: names, sizes and locations of all certified units, including expiry dates, and certificate scope</p> <p>The register should be updated within a timeframe that is suitable and meaningful to the function of conducting due diligence. Preferably in real time (typically maximum 24-hour turnaround in data updating).</p>
		<b>C.1.1.4</b> The Scheme shall make summaries (or full reports) with relevant findings from audits available on the internet.	<p>At the level of the Certificate Holder, the public summary information should – as a minimum – provide accurate and up-to-date information on:</p> <ul style="list-style-type: none"> <li>i. Scope of the certificate with regards to a full list of sites, facilities or members included.</li> <li>ii. Scope of the certificate with regards to those materials, products or product groups that are included.</li> <li>iii. The date of issue and ordinary date of termination/withdrawal of the</li> </ul>

			<p>certificate.</p> <p>iv. The current status of validity of the certificate (e.g. active, suspended, terminated). Note: should include a record of periods of suspension or termination.</p> <p>v. Rationale for certification decision</p> <p>vi. Overview of findings and description of non-conformances – particularly those which relate to legal compliance.</p>
C.1.2	Impartiality	<p><b>C.1.2.1</b> Procedures for handling complaints and grievances shall be in place, made publicly available and implemented. The procedures shall be clearly publicized, making it easy for stakeholders to submit comments or complaints where applicable.</p>	<p>In detail, the following guidance indicates a strong complaints procedure:</p> <ul style="list-style-type: none"> <li>• A documented policy and procedure is developed and implemented to handle comments and complaints from stakeholders (including rights-holders) that are related to any aspect of the Scheme, including but not limited to: i) Actions by CHs; ii) Actions by the Accreditation Body (if applicable);...</li> <li>• The policy is made public and there shall be no cost-implications to the complainant.</li> <li>• The policy/procedure include mechanisms for:</li> <li>• Acknowledging receipt of complaints.</li> <li>• Informing stakeholders of the complaint procedure, and providing an initial response to complainants within a time period of two (2) weeks;</li> <li>• Conducting a preliminary assessment to determine whether evidence provided in a complaint is or is not substantial;</li> <li>• Dialogue with complainants that aims to solve complaints assessed as substantial before further actions are taken;</li> <li>• Providing information on the steps to be taken by the Scheme/CB in order to resolve the complaint, as well as how a precautionary approach will be used, shall be included with the complaint;</li> <li>• Implementing a process (e.g. field verification and/or desk verification) to verify a complaint assessed as substantial by the Scheme or CB, within two (2) months of its receipt;</li> <li>• Determining the corrective action to be taken by suppliers and the means to enforce its implementation, if a complaint has been assessed and verified as substantial.</li> <li>• Verifying whether corrective action has been taken by suppliers</li> </ul>

			<p>and whether it is effective;</p> <ul style="list-style-type: none"> <li>• Informing the complainant, the Certification body, or other stakeholders, as necessary.</li> <li>• Recording and filing all complaints received and actions taken.</li> </ul>
C1.3	Conflict of interest and corruption	C.1.3.1 The Certification Scheme shall have in place requirements at all levels of the scheme (normative requirements for CHs, requirements for CBs, and for the scheme functioning) to manage risks of corruption and conflict of interest.	
<b>C.2 Scheme &amp; standard scope</b> <p>Note: section C2 is not specifically referring to EUTR issues but has been included as part of the evaluation of schemes to understand scheme structures.</p>			
C.2.1	Standard adaptation to the national or subnational context	<b>C.2.1.1</b> International standards shall be adapted to the national or subnational context in which they are being implemented and contain a list of applicable legislation, or the Scheme shall enable/require detailed evaluation of applicable legislation in a national context.	<p>National adaptation of standards shall enable assessment of compliance to applicable legislation. This could be done by ensuring that lists of applicable legislation are available from the Scheme owner or be available at the level of the Certificate Holder.</p> <p>The Scheme shall ensure the applicable laws that shall be complied with, are clearly specified and available to the actors of the scheme (CBs and certificate holders). In this regard it shall not be considered adequate to include only a generic statement such as "all relevant laws and regulations regarding harvesting shall be met". Either the Scheme:</p> <ul style="list-style-type: none"> <li>• determines the list of legislation</li> <li>• or requires the Certificate Holder to do so. While this second option is possibly less rigorous a process (a Certificate Holder may have fewer resources to dedicate to building such a list), at least the Certificate Holder and list are subject to evaluation by the Certification Body. So, there is some assurance that applicable legislation will not be missed out.</li> </ul>

C.2.2	International conventions and treaties	<b>C.2.2.1</b> The Scheme shall include a list of the relevant international conventions to which the country has ratified, and which hold legal force in the country.	
C.2.3	Use of contractors	<b>C.2.3.1</b> The requirements for forest managers and supply chain entities shall be applicable to the organisation's contractors and outsourcing facilities.	Purpose of this is to clarify that whenever contractors or outsourced entities are used they are subject to the same requirements as the Certificate Holder (where harvesting contractors in the forest or subcontracted processing). E.g. an FM CH cannot subcontract harvesting and therefore avoid dealing with harvesting laws.
C.2.4	Endorsing and recognising of other Schemes and systems	<b>C.2.4.1</b> If the Scheme includes the recognition or endorsement of other schemes or systems, it shall ensure coverage and consistent implementation of EUTR requirements at all levels.	These requirements refer to Scheme, not the Certificate Holder or operator.
<b>C.3 Accreditation and oversight</b>			
C.3.1	Accreditation	<b>C.3.1.1</b> The Scheme shall include a system for accreditation or oversight of Certification Bodies to ensure that CBs have in place the required procedures, capacity and competencies.	
		<b>C.3.1.2</b> The Scheme shall ensure that the requirements and process for accreditation is publicly available.	
		<b>C.3.1.3</b> The Scheme shall make publicly available, an up-to-date list and details of all accredited Certification Bodies	
		<b>C.3.1.4</b> The Accreditation Body shall have mechanisms to ensure that relevant personnel are qualified and competent to evaluate Certification Body's performance in relation to Scheme requirements.	
C.3.2	Oversight mechanism	<b>C.3.2.1</b> The Scheme shall ensure that the competence and consistent performance of Certification Bodies is regularly evaluated.	The review of performance should be used for subsequent follow up and implementation of corrective actions where shortcomings are identified.

		Performance shall employ both desk-based AND field approaches, including: i) Stakeholder consultation ii) In-field evaluation of the performance of the Certification Body, whether via on-site inspections of certified forests/supply chain entities or witness audits of audit personnel.	ISEAL assurance code: Oversight of Certification Bodies is typically managed through an ISO 17011 accreditation process, but can be accomplished in other ways, depending on the needs of the Schemes. For example, a Schemes system could employ an independent assurance body to review the System. Alternatively, a System owner could arrange to oversee the work of Certification Bodies directly, recognising that this model provides less independence and requires the owner to have the competencies described in this section. Less formal Systems could develop a scrutiny committee of peers or stakeholders to oversee the assurance process. In all models of oversight, independence of the oversight mechanism from the CB is necessary.
		<b>C.3.2.2</b> The Scheme shall include requirements that ensure that the oversight mechanism applies a clear basis for: i) establishing conformance; ii) raising corrective actions for non-conformance, and ensuring closure within timeframes to avoid legal non-compliance, and; iii) certification issue (or maintenance) decision making.	Regarding C.3.2.2.ii) consider the impact of deadlines for corrective actions on compliance of 'legal requirements. If in breach with EUTR, the law may not allow for long correction periods (e.g. 6months). So it is relevant to know for how long a certified forest/operator is allowed to sell certified products after an audit has identified 'major' shortcomings.
		<b>C.3.2.3</b> The Scheme shall specify the approach to be used in oversight, ensuring that the oversight mechanism is independent of the Certification Bodies being assessed.	The procedures to conduct oversight of Certification activities by the Scheme owner, should be developed and implemented in a way that ensures the impartiality and independence of the Scheme owner.
		<b>C.3.2.4</b> The Scheme shall define the frequency of oversight or the procedure for determining the frequency, applicable in the case of risk-based oversight.	The frequency of evaluations should ideally be at least every 12 months
<b>C.4 Certification process</b>			
C.4.1	Compliance evaluation	<b>C.4.1.1</b> The Scheme shall include requirements that ensure that the Certification Bodies applies a clear basis for: i) establishing conformance; ii) raising corrective actions for non-compliance, and; iii) certification decision making.	Clarity in the performance threshold for organisations seeking certification should be clear and unambiguous. The procedures for Certification Bodies should ensure that a uniform threshold is applied to evaluate conformance by auditees.  This criterion relates to the ability of the Certification Bodies to make consistent decisions on conformance by certificate holders. This is important as clarity of conformance thresholds are necessary for the



			client to understand the requirements they are supposed to meet and for the auditors to be able to make consistent decisions of conformance.
		<b>C.4.1.2</b> The Scheme requirements for establishing conformance should enable comparison with the definition of negligible and non-negligible risk as outlined in the EUTR and associated guides.	<p>Scheme evaluation of the Certificate Holder shall be performance-based, or system/and performance based. The requirements for certification audits must include assessment of systems and documentation together with verification of outcomes adequate to ensure that both system and performance requirements in the standard are being met.</p> <p>Applicable certification standards have auditable indicator(s) for each criterion or are written in a way that they require an absolute level of performance (as opposed to merely relative improvement or the existence of a process)</p>
		<b>C.4.1.3</b> The Scheme shall include requirements that ensure that the above requirements are in line with the requirements of the EUTR to prohibit illegal material or material with a non-negligible risk category being placed on the EU market.	
		<b>C.4.1.4</b> the Scheme shall include requirements that ensure that the decision process to certify organisations, or maintain certification of CHs, is free from conflict of interest and includes checks and balances.	

## **Annex 4: Scheme Assessment Report Programme for the Endorsement of Forest Certification (PEFC)**

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## Summary

The Programme for the Endorsement of Forest Certification (PEFC) is one of the World's largest voluntary forest certification schemes with over 320 million certified hectares and 27,000 certified supply chain entities. It is the largest forest certification scheme in terms of certified forest area.

PEFC operates a third-party certification system, whereby it sets the normative and benchmark standards together with guidance and procedural documents. The scheme has support from International Accreditation Forum (IAF) in recognizing bodies allowed to accredit the certification bodies. In addition to the accreditation process, certification bodies shall be notified by PEFC<sup>88</sup> before issuing certificates. Evaluations of Certificate holders include field audits.

The scheme recognises national forest certification system standards. The recognition process and incorporation into the PEFC family of new national forest certification systems is known as 'endorsement' and includes assessments made by an independent assessor and recognition of PEFC Council. After five years of the approval date, endorsed systems shall initiate a standard review process in relation to their standards.

PEFC National Governing Bodies (NGBs) play multiple roles in assuring the credibility of a system in a specific country. NGBs conduct notification of certification bodies (CBs), without that CBs cannot issue PEFC FM certificates. Simultaneously, NGBs have a role in forest certification system setting, appointing a standardizing body or acting themselves as a standardizing body and responsible for maintaining the forest certification system. At the international level, NGBs are part of PEFC Council Board together with International Stakeholders, accepting new National Governing Bodies and changes of Scheme, including normative and Benchmark standards. Similarly, Accreditation Bodies are part of IAF, involved in accepting new Accreditation Bodies.

Certification Bodies conduct assessments and issue certificates to organisations. Various organisations can apply for certification at the forest or supply chain level, from single to groups of forestry companies; smallholders and community groups; from sawmills, traders, manufacturers and printers.

PEFC operates two certification approaches which apply to forests: i) certification of forest – and forest management – organisations and supply-chain entities; and ii) certification of a risk-based due-diligence mechanism for managing non-PEFC-certified material inputs into PEFC-certified products.

PEFC's Forest Management (FM) standard is a benchmark standard based on 6 criteria (chapter 8) and 94 requirements. Certification at the forest level is based on standards developed by the national forest certification system, which conform to the set of rules and requirements defined by PEFC International.<sup>89</sup> The development of PEFC standards includes consultation with stakeholders.

PEFC's Chain of Custody (CoC) standard is a global standard, applied as-is, to all supply chain entities wishing to sell PEFC certified products with a PEFC claim. PEFC has integrated a due diligence mechanism into its CoC standard to allow the mixing of PEFC-certified material and non-PEFC-certified material in the manufacture of PEFC-certified products, whilst at the same time avoiding raw material from controversial sources. PEFC's definition of controversial sources includes illegally harvested and traded wood.

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<sup>88</sup> PEFC International or National Governing Body

<sup>89</sup> PEFC ST 1003:2018 Sustainable Forest Management, is the latest benchmark standard developed by PEFC International to which national standards are independently assessed against and must conform to, in order to become PEFC endorsed.

Finally, the system provides for the inclusion of recycled wood material via the Chain of Custody standard.

### Overall findings

PEFC is a fully-developed certification scheme, which includes many of the processes and elements that would be expected of such a global certification scheme. Across the three main subject areas of this study – requirements for Certificate Holders, Certification Bodies and for the Scheme itself – PEFC was assessed as partially covered for each broad topic area that was evaluated. In other words, at the indicator level, study conclusions were often a mixture of alignment with the scheme assessment framework (coverage) but also partial coverage and sometimes no coverage.

Out of the 84 indicators of the scheme assessment framework evaluated within the study, 30 were concluded as Covered, 39 as Partially Covered and 14 as Not Covered. 1 indicators were concluded as Not Applicable.

It should be noted that this reflects an evaluation that has only considered the normative and guidance documents relevant to the scheme, along with the websites of FSC and ASI. Consideration of impact studies and other information relating to the performance of certification schemes in general, are included in a Meta-report which brings together findings in relation to all five schemes.

### Legal requirements at the forest level

The first part of this study addressed legal requirements at the forest level for forest management certification, evaluating how PEFC ensures that Certificate Holders comply with all applicable legislation. The study concluded that legal requirements at the forest level are mostly Covered by PEFC Forest Management standard (PEFC ST 1003: 2018), and Partially Covered as far as the Controlled Sources requirements within the COC standard (PEFC ST 2002: 2020) are concerned.

Of the 27 indicators assessed, 15 were evaluated as covered, 9 were partially covered and 3 are not covered for PEFC Forest Management. Across the same 27 indicators in the case of Controlled Sources requirements, only 6 were evaluated as Covered, 15 as partially covered and 6 as not covered. In both cases, many of the identified gaps related to ambiguities, omissions, or cases where no clear reference was made within PEFC standard requirements to an aspect of forest legality included in the framework.

For Controlled Sources, however, all indicators related to trade and customs are not covered. The definition of controversial sources does not appear to cover legal compliance in relation to trade, transport and customs<sup>90</sup>, for non-certified forest entities included within the due diligence requirements of the scheme. This represents a significant gap within the scheme.

PEFC requires that the international Sustainability benchmark standard is adapted to the national context in which it is being implemented by forest organisation. On most occasions, the four national forest certification standard evaluations conducted (for Brazil, China, Russia and Romania) corroborated the findings of the international level evaluation. Although, it must be noted that these standards had not yet been updated to the current version of the international Sustainable Forest Management (FM) benchmark standard (PEFC ST 1003: 2018).

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<sup>90</sup> Note: in the context of the EUTR, trade, transport and customs laws are only relevant within the country of harvest.

In fact, as of the date of this report, no countries have yet an approved national standard that has been updated from the previous version of the international FM benchmark standard (PEFC ST 1003: 2010) to the current version. At the same time, two approved standards (Brazil and Ireland) are still developed based on the initial version of the standard, developed in 1998 - “Pan European Operational Level Guidelines”, although both schemes are currently in a process of review for compliance with PEFC ST 1003:2018. However, the delays in updating all national FM standards to meet updated benchmarks, represents a significant gap in the PEFC system.

There are streamlined certification procedures for Group Certification. This approach to certification was also evaluated within the scope of this study and evaluated as deemed not to impact the integrity of the system.

### **Legal requirements at the supply chain level**

Significant gaps in the PEFC system were found at the supply chain level, where several legal requirements covering trade and transport in so far as the forest sector is concerned (applicable to the country of harvest, in the context of this study) were not covered or only partially covered.

Firstly, the study addressed requirements for legal compliance by Certificate holders which are supply chain entities, focussing on the PEFC CoC standard. This standard is applicable to all certified supply chain entities within the PEFC system. Of the 10 indicators evaluated, 3 were concluded as Partially Covered, while 7 as Not Covered. This is considered a significant gap within the PEFC system.

While the normative requirements of the accreditation standard require Certificate bodies to collect information related to the legal status of the certificate holder, the requirement for legal business registration and the holding of other relevant legally required licenses is not made a requirement of Certificate Holders within the CoC standard. While indicators relating to CITES and due diligence were assessed as partially covered, Certificate holders are not required to comply with legislation concerning taxes and fees, how products are classified, trading permits, offshore trading, transfer pricing, export/import licenses.

There is a second major gap within the due diligence requirements for non-certified material entering the PEFC system that form part of the PEFC Controlled Source requirements for supply-chain entities. Here, the PEFC due diligence process does not include the evaluation of risks of legal non-compliance in relation to: legal business registration; trade, transport and customs, or the payment of taxes and fees within the country of origin. As a result, of the 10 indicators within this principle, all were evaluated as Not Covered.

### **Material control**

Via the PEFC CoC standard and other normative requirements, the PEFC system maintains a system of material control, tracking and traceability, similar to other fully-developed certification schemes.

In the case of material derived from Controlled Sources, the control system includes systematic processes to enable the identification of the country of harvest of the material as well as the species included in certified materials or products. However, where only PEFC-certified products are sourced, the implementation of a Due Diligence system to obtain information related to the country of harvest and species is voluntary only.

PEFC standard requirement includes clear and effective measures to prevent material from non-negligible risk, unverified or potentially illegal sources from entering the supply chain. However, the CoC system does not include any validation of certified volumes

transferred from sellers to purchasers vertically up and down supply chains, meaning that risks of errors - or even fraudulent activity – exist in relation to the volumes of PEFC-certified products sold along supply chains. However, it is also not a concern specific to PEFC, but many of the schemes evaluated within this study.

A further gap to be noted regards reclaimed timber. PEFC descriptions of recycled material described in Terms and definition of the COC standard (PEFC ST 2002: 2020), do not entirely align with the definition of waste material as defined in – and excluded from the requirements of – the EU Timber Regulation and associated guidance documents. This discrepancy between PEFC and EU definitions means material might enter the PEFC system without the required due diligence.

### **Other requirements for certificate holders**

Requirements for CoC certificate holders related to conflict resolution – specifically that disputes are identified, recorded and managed in a robust and transparent way – are covered. However, conflict resolution is assessed as partially covered for FM certification because standard requirements do not extend to requiring the exclusion from the scope of a certificate situations or forest areas where the legality of tenure or management is not defined, unclear or disputed. certificate holders do not engage in corrupt practices related to illegal harvesting. In the case of requirements that certificate holders do not engage in corrupt practices related to illegal harvesting, this is addressed within the PEFC system for FM certification. For CoC certification, there is no requirement that certificate holders do not engage in corrupt practices related to illegal harvesting.

General requirements for certificate holders related to Quality and procedural requirements are mostly addressed within the PEFC system. Documented systems and procedures covering all requirements of the relevant standards are required both for Forest Management and Chain of Custody certification. At the same time, PEFC requires that certified organisations have personnel with sufficient competencies to implement Scheme requirements.

In relation to requirements for risk-based approaches to sourcing (Due Diligence Systems) for non-certified material, PEFC was concluded as partially covering the quality indicators. Normative requirements are described for the consistent implementation of a DDS for sourcing non-certified material. Whenever there is a change in the risk profile for a supply chain covered by a DDS, the risk shall be assessed and mitigated prior to shipping and sale.

However, some important issues arise elsewhere. Due diligence procedures are described in Annex 1 of the PEFC CoC standard. However, there are no requirements or guidance on what basis – or how - the schemes shall be evaluated by the certificate holder other than that they cover the activities included in the term controversial sources and are covered by a supported by third-party certification. At the same time, DDS procedures defined in the COC standard are such that it is not clear that the system will always capture risks present within supply-chains.

### **Requirements for Certification Bodies**

Quality requirements for Certification Bodies were generally evaluated as Covered (6 indicators), based on PEFC normative requirements, with some notable exceptions (resulting in 2 Partially Covered indicators, 1 not covered).

Covered indicators concerned Certification Bodies having mechanisms to ensure auditor (and other relevant personnel of the Certification Body) qualifications and competence, as well as to ensure impartiality in the conformance evaluation process. PEFC ensures that Certification Bodies have and apply a documented methodology and procedures for the evaluation of conformity of organisations and issuance of certificates.



Important indicators that are partially covered are related to the frequency of audits, as these may exceed 12 months in the case of CoC certification. In the case of forest management, it is not clear if standards consistently includes the ability for unannounced or short-notice audits in case of substantiated claims or for other reasons.

At the same time, stakeholder consultation is concluded as partially covered. For forest management, not all national schemes include stakeholder consultation for evaluating compliance of certificate holders. In the case of Chain of custody, there is no requirement to conduct stakeholder consultation. 1 indicator is partially covered.

One important gap was identified: there are no mechanisms or formal processes for the scheme - or requirements for Certification Body - to proactively identify companies sanctioned for engagement in corrupt practices relevant to the forest sector.

### **Other requirements of the Certification scheme**

In relation to scheme transparency, 1 indicator was assessed as covered. Of the 4 indicators evaluated as partially covered and 1 not covered, some of these cover important issues:

Most of the procedures and standards related to the Scheme are publicly available on internet. However, some procedures related to the accreditation process and impact information are not publicly available.

A register of certified/verified organisations is publicly available. The database allows a user to identify the certification status of named companies from their name or certification code. However, the database does not include information about certified forest areas or locations within the scope of the certificate. At the same time, the Scheme is not requiring that summary audit reports are publicly available on the internet.

In relation to issues of accreditation and oversight, most indicators were evaluated as covered based on the normative requirements. PEFC has in place a system for the accreditation and oversight of Certification Bodies to ensure that CBs have in place the required procedures, capacity and competencies. Some of the procedures used for accreditation are publicly available, however not all of them. For example, standards used in the assessment of Accreditation or Certification Bodies applicants, are not publicly available.

The PEFC system includes an oversight mechanism which is independent of the Certification Bodies and includes requirements to ensure the frequency of oversight or a procedure for determining the frequency. However, while the PEFC system includes in field evaluation of Certification bodies, stakeholder consultation does not form part of the accreditation or evaluation process.

PEFC ensures that the oversight mechanism for Certificate Holders applies a clear basis for establishing conformance, raising corrective actions for non-conformance, ensuring closure within defined timeframes, and certification issue/maintenance decision making.

Certification bodies may issue corrective actions to certificate holders for non-conformances (up to 3 months for major non-conformities and up to 12 months for minor non-conformities, according to different audit types) across. This approach ensures that non-conformances in relation to PEFC requirements are addressed systematically and within a specific timeframe. It is also an approach similar to that employed by almost all forest certification schemes.

In the case of surveillance and re-certification audits, the timeframes permitted to address and close non-conformities are such that there is a possible risk that illegal (or non-negligible) wood products may enter the EU market without mitigation having taken place. This could occur if a non-conformity which represented an infringement of legislation was



issued to a certificate holder. It is possible the non-conformity would not be addressed for a period of up to 3 or 12 months, during which production or trade was still taking place.

This PEFC system includes requirements to develop procedures, capacity and competencies. The list and details of all accredited Certification Bodies are up to date and publicly available and PEFC International includes a system to ensure qualification and competence of National Accreditation Bodies.

## Introduction

The objective of the Study is to create a resource of knowledge and reference for all interested and concerned parties in the forest- and wood-based products sector. It should help Competent Authorities, Operators and Monitoring Organisations covered by the EUTR in their understanding of potential benefits and shortcomings of certification, in particular in the context of the implementation of the EUTR. As such, one part of the overall objectives is to create an overview of existing certificates, third-party verified schemes and certifying bodies issuing certificates with regard to forests and wood-based products and to evaluate their respective strengths and weaknesses in respect to the EUTR obligations. This should, in turn, encourage stronger standards and transparency of certification and third party verification schemes.

It should be underlined that it is NOT the intention of the study to create a compliance checklist of certification schemes. The EUTR continues to recognise third party certification as an important potential tool for risk assessment and risk mitigation, but does not recognise certification as proof of compliance. This will not change based on this study.

As part of the above objective, this framework has been developed to allow evaluation of the differences and uniformities between certificates and certifying bodies. It includes requirements to assess to which degree different forest certification schemes provide assurance of low (negligible) risk of 'legal non-compliance' of certified material.

The Framework aligns with the definitions and approach to certification schemes as described within the [EU Timber Regulation \(No. 995/2010\)](#) and the associated [Guidance Document](#), along with additional requirements for the use of third party certification schemes as outlined in the Commission implementing Regulation (EU) No 607/2012 and specifically Article 4 in the [Commission Implementing Regulation \(EU\) No 607/2012](#).

The Framework takes into account verifiers for Article 6 in the EUTR, and documentation for Article 4 of the Implementing Regulation, as well as a wide array of sustainability standards and benchmarks used in the areas of forest and wood-based products, among other resources identified under References.

## Acronyms

PEFC	Programme for the Endorsement of Forest Certification
CoC	Chain of Custody
FM	Forest Management
Cerflor	Brazilian Forest Certification Programme
SFI	Sustainable Forest Initiative
SAR	Scheme Assessment Report
SAF	Scheme Assessment Framework
EU	European Union
EUTR	Regulation (EU) No 995/2010 of the European Parliament

## Glossary of terms used, specific to this report

**International level** – Normative and guidance documents, systems and procedures developed by PEFC international, and relevant to the functioning of the whole scheme.

**National level** – Normative and guidance documents, systems and procedures developed by each PEFC national member, that is relevant to the specific country or region.

**National scheme** – National PEFC member with a certification scheme endorsed by PEFC in the country.

## 29. Overview of Certification Scheme

### Background

The Programme for the Endorsement of Forest Certification (PEFC) is an international non-profit and non-governmental organization promoting responsible forest management around the World. With more than 320 million hectares of certified forest, this is the largest forest certification scheme in terms of forest certified area.

The PEFC program was founded in 1999 (initially as Pan-European Forest Certification) in response to the specific requirements of small and family forest owners. The scheme acts as an umbrella organization endorsing national forest certification systems based on a defined process, where multiple external resources are used.

National forest certification systems undergo third-party assessment against PEFC's Sustainability Benchmarks to ensure consistency with the PEFC international requirements. They become PEFC national members, once they have demonstrated conformance with PEFC international requirements and are approved by the PEFC General Assembly. PEFC national members generally maintain their own names<sup>91</sup>.

PEFC is the membership associated organisation, with the vast majority of international members being related to the commercial forest sector. Currently has 56 national members, but some members<sup>92</sup>, have not developed a certification system and/or this may not yet have been endorsed by PEFC International. Currently PEFC has endorsed 48 national forest certification systems (herein referred to as **national schemes**).

### Global Governance

PEFC International is registered in Geneva, Switzerland and is the entity responsible for developing and maintaining the normative framework; PEFC brand; and trademark. PEFC International provides services to partners and stakeholders around the world. This is supplemented by the work of national members, which provide services to partners and constituents at local level.

International Accreditation Forum (IAF) is the sole entity providing recognition of bodies allowed to accredit the certification bodies. It was founded in 1993 with the purpose of operating a program for the accreditation of organisations working with conformity assessment, to ensure that certification of products, processes or services in one region or country should be accepted in other regions or countries. PEFC is an associated member of the IAF.

The PEFC certification system operates as a third-party system where PEFC International is responsible for the development, maintenance and interpretation of the PEFC normative framework. Certification Bodies evaluate the conformity of organisations applying for – or already holding – certification, against the requirements of the normative framework. These Certification Bodies must be accredited and notified to conduct evaluations and issue PEFC certificates. As the certification bodies evaluate the conformity of organisations, the accreditation bodies check that certification bodies follow the relevant accreditation requirements. Notification could be carried out by PEFC International or a National Governing Body (NGB) and allows certification bodies to issue PEFC certificates. All NGBs are also Accreditation bodies.

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<sup>91</sup> Example: Certflor in Brazil or SFI in the USA and Canada

<sup>92</sup> Example: PAFC Congo

## Scheme endorsement process

PEFC is an umbrella of endorsed national forest certification systems.

National standards are developed by a standardizing body, which can be the NGB or another entity. When the national forest certification system is ready, an application for endorsement and mutual recognition is submitted to PEFC International. According to PEFC, the process usually takes about 22 weeks.

An external assessment is made, with PEFC International is involved in the appointment of the evaluating organisation. Based on the recommendation from external assessment, the PEFC Board of Directors recommends the endorsement of the system to the PEFC General Assembly. The PEFC General Assembly then decides on the endorsement following the PEFC Council Statutes. When endorsed, the national system becomes part of the PEFC umbrella. After endorsement, multiple steps are defined for maintaining the endorsement. Endorsed systems shall start a review process after five years from the approval date.

To ensure that national standards are developed according to PEFC International requirements, the standardizing body follows the “PEFC Sustainability benchmark” as defined in PEFC GD 1007. According to the PEFC Sustainability benchmark, a national standard is required to demonstrate conformance with one or more of the following:

- Sustainable Forest Management standard - PEFC ST 1003, *Sustainable Forest Management – Requirements*;
- Standard setting procedures - PEFC ST 1001, *Standard Setting – Requirements*;
- Group requirements where group certification of forest management is part of the system - PEFC ST 1002, *Group Forest Management Certification Requirements*;
- Chain of custody standard - PEFC ST 2002, *Chain of Custody of Forest Based Products – Requirements*;
- system’s administrative procedures:
  - for notification of certification bodies: PEFC GD 1004, *Administration of PEFC scheme*, chapter 5;
  - for PEFC logo licensing: PEFC GD 1004, *Administration of PEFC scheme*, chapter 6;
  - for complaints and dispute resolution: PEFC GD 1004, *Administration of PEFC scheme*, chapter 8;
- procedures for certification and accreditation:
  - TD Annex 6 (PEFC ST 1004), *Certification and Accreditation Procedures, for forest management certification*;
  - PEFC ST 2003, *Requirements for Certification Bodies operating Certification against the PEFC International Chain of Custody Standard, for chain of custody certification*.

## Accreditation and Notification Process

Organisations seeking to certify against the PEFC certification standards shall be accredited and notified. Accreditation is carried out by an accreditation body, signatory of the Multilateral Recognition Arrangement (MLA) for product certification. Multilateral Recognition Arrangement (MLA) for product certification is managed by International Accreditation Forum (IAF). Notification is done by PEFC International or National Governing Body (NGB).

- In the case that there is no national PEFC member in a specific country, notification is conducted by PEFC International, and accreditation could be done by any member of IAF, signatory of MLA. IAF contains more than 100 accreditation bodies that can support this process.

- In the case that a national member is active in a country, then notification and accreditation must be done by the NGB, as it is mandatory for NGB to be a member of IAF – MLA. Once approved, the Certification Body will enter into a notification agreement with PEFC. Accreditation shall be issued against ISO/IEC 17065:2021, and PEFC ST 2002 and PEFC ST 2003 shall be followed.

PEFC standards do not require annual audits by accreditation body/NGB/PEFC International of certification bodies. It might be required by IAF, based on ISO standards, but these procedures are not publicly available. According to standards developed by PEFC, documented procedures and internal audits are developed by each certification body. The results of internal audits are provided to PEFC International or the NGB.

Currently, the number of certification bodies globally accredited to audit to PEFC standards is 144. These Certification Bodies have varying scopes for their accreditation, differing by technical and geographical scope.

### **Certification Standards**

The two main types of certification within the PEFC system are Forest Management (FM) and Chain of Custody (CoC).

#### *Forest Management*

PEFC Forest Management certification is based on the PEFC benchmark standard with six operation criteria, which intend to set out best practices for forest management and are applicable worldwide (see Box 1). Each principle has a number of indicators providing practical ways to ascertain if the criterion is being followed. Criteria of chapter 8, together with other chapters of PEFC ST 1003: 2018 are the backbone of developing national standards.

PEFC forest management certification is solely available in countries with national schemes and all national standards shall be endorsed by PEFC (as described in Scheme endorsement process). Information available on the PEFC website shows that, to date, no country has an approved national standard which has been updated to conform with the latest PEFC - Sustainable Forest Management standard, PEFC ST 1003: 2018.

#### **Box 1 Criterion of Chapter 8 - PEFC ST 1003: 2018**

Criterion 1: Maintenance or appropriate enhancement of forest resources and their contribution to the global carbon cycle
Criterion 2: Maintenance of forest ecosystem health and vitality
Criterion 3: Maintenance and encouragement of productive functions of forests (wood and non-wood)
Criterion 4: Maintenance, conservation and appropriate enhancement of biological diversity in forest ecosystems
Criterion 5: Maintenance or appropriate enhancement of protective functions in forest management (notably soil and water)
Criterion 6: Maintenance or appropriate enhancement of socio-economic functions and conditions

#### *Chain of custody*

PEFC Chain of Custody certification applies to manufacturers, processors and traders of PEFC certified forest products, and ensures that materials and products which are sold with PEFC claims originate from certified forests, controlled sources, reclaimed materials, or a mixture of these. It allows certified companies to make sales claims in relation to their PEFC products.

The current version of the standard is PEFC ST 2002: 2020 Chain of Custody of Forest and Tree Based Products – Requirements. This standard formally replaced the previous 2013 version on 14 February 2020. However, the transition date for its use by PEFC certificate holders is 14 February 2022. After this date, companies still certified against the

2013 version will need to update their system according to the 2020 version, in preparation for certification against this version during their next external audit. Only the 2020 version of the chain of custody standard was evaluated in this study.

PEFC Chain of Custody certification allows for the mixing of PEFC certified materials with non-certified materials, under special conditions. The non-certified materials must meet the 'PEFC Controlled Sources' requirements (this does not apply to recycled materials). These requirements seek to ensure that the non-certified input does not originate from controversial sources, defined by PEFC as deriving from:

- a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.*
- b) Activities where the capability of forests to produce a range of wood and non-wood forest products and services on a sustainable basis is not maintained or harvesting levels exceed a rate that can be sustained in the long term.*
- c) Activities where forest management does not contribute to the maintenance, conservation or enhancement of biodiversity on landscape, ecosystem, species or genetic levels.*
- d) Activities where ecologically important forest areas are not identified, protected, conserved or set aside.*
- e) Activities where forest conversions occur, in other than justified circumstances where the conversion:*
  - i. is in compliance with national and regional policy and legislation applicable for land use and forest management, and*
  - ii. does not have negative impacts on ecologically important forest areas, culturally and socially significant areas, or other protected areas, and*
  - iii. does not destroy areas of significantly high carbon stock, and*
  - iv. makes a contribution to long-term conservation, economic, and/or social benefits.*
- f) Activities where the spirit of the ILO Declaration on Fundamental Principles and Rights at Work (1998) is not met.*
- g) Activities where the spirit of the United Nations Declaration on the Rights of Indigenous Peoples (2007) is not met.*
- h) Conflict timber.*
- i) Genetically modified trees.*

As PEFC Controlled Sources are an integral part of Chain of Custody standard, only organisations certified against the Chain of Custody standard are able to use wood from uncertified sources in PEFC products. PEFC Controlled Sources cannot be applied at the forest management certification level.

For PEFC Controlled Sources, a due diligence system is required to be implemented by the CoC certified organisation, in order to source non-certified material. Appendix 1 of Chain of Custody standard contains the requirements for this due diligence system.



There are different material categories, or claims, that can be used in the manufacture of products – or sold – under PEFC Chain of Custody certification:

- PEFC 100%, which comprises material from PEFC certified forests and has only been handled by Chain of Custody certified organisations in the supply chain.
- PEFC Controlled Sources, which comprises material that was evaluated as Controlled Source through a due diligence process and therefore has not only been handled by certified organisations in the supply chain. Controlled Sources claims can only be used business to business and not as a final claim category for consumers.
- X% PEFC Certified which contains a mixture of PEFC 100% and PEFC Controlled Sources material.

Sales claims which include these categories can be made on sales and delivery documents for the different PEFC certified products.

#### *Group certification models*

At both the FM and CoC levels, individual small organisations can join together to form a group and apply for group certification, to share the costs and workload of obtaining and maintaining certification. In each case, a Group Entity (a person or group of persons, such as a cooperative, association or company) takes responsibility for establishing and managing a system ensuring compliance of the Group Members.

For both FM and CoC Group certification, there are reduced external auditing requirements, whereby Certification Bodies audit annually just a sample of the Group Members, along with the Group Entity. This reduced external auditing is compensated by the fact the Group Entity is required to conduct audits of all Group Members on an annual basis, the results of which are audited by the Certification Body during the audit.

### **Verifying PEFC Certificates**

PEFC maintains a public certificate database, which can be accessed at <https://www.pefc.org/find-certified>. Certificates are searchable using various queries including business name, country, certificate number, certification type, and product type. The database contains the following information available for each certificate: certificate and license codes, address and contact information of the certified organisation, certification validity and dates, group members and sites, and product types.

Information provided by PEFC informed this study that a new public database will be made available in 2021. The new system may include additional information, in comparison to the existing database.

### **Policy and standard development**

PEFC has a development, review and revision process for its international standards, benchmark standards, national standards, procedural documents, and guidance documents. Details of the current consultations are published on their website<sup>93</sup>, where anyone can sign up to the relevant consultation. A regularly updated overview and schedule of the development, review and revision processes can also be checked from the website.<sup>94</sup>

The PEFC Council technical documents development procedure, PEFC GD 1003, specifies how documents of the normative framework are developed, reviewed and

<sup>93</sup> <https://consultations.pefc.org/>

<sup>94</sup> <https://consultations.pefc.org/system/calendar>



revised. This involves the establishment of a Working Groups. Two permanent groups are established: for chain of custody and for sustainable forest management. PEFC GD 1003 includes detailed steps that are required to be followed at each stage in a development process, which includes public consultation.

### **Stakeholder engagement**

Stakeholder engagement forms an integral part of standard development processes as well as requirements of FM certificate holders. At the broader level, different aspects the scheme are open for stakeholder input through the consultation platform<sup>7</sup>.

## 30. About this report

### 1.1 Report Structure

The PEFC scheme has been evaluated on two levels:

- **International level** – all applicable global documents and information were evaluated, considering how the scheme is structured and functions globally; and
- **National level** – where a sample of four countries were selected for a closer look, to see how the international requirements and processes are reflected in nationally-endorsed schemes, and if they follow the PEFC scheme's international requirements, thus providing evidence to feed into the findings at the international level, where possible. The four countries are Brazil, China, Romania and Russia.

In this version of this draft report (version 0.31), the findings from the national-level evaluations have been incorporated into the findings of the international-level evaluation and are, thus, presented in summary only. The national-level reports will be annexed as notes to later versions of this report.

This study is based on the Scheme Assessment Framework (SAF) (as described in Section 3 below), the first two sub-sections cover the legal requirements to be addressed by Certificate Holders. The first section (A1) focusses on legal requirements at the forest level, whilst the second section (A2) focusses on legal requirements for supply chain entities. Due to the size and complexity of the scheme the findings for these two sections have each been split into two sections, each with an additional letter suffix:

- **A.1a Legal Requirements at the forest level – Forest management certification**  
This covers full PEFC Forest Management certification, drawing mainly from the following standards: PEFC ST 1003: 2018 Sustainable Forest Management, and PEFC ST 1002: 2018 Group Forest Management Certification. As described above, these are the international PEFC standards that national schemes' forest management standards are independently assessed against and must conform to, in order to become PEFC endorsed.  
For this reason, the national-level evaluations are also important in the evaluation of PEFC, to allow the incorporation findings relating to how the national schemes compare against the international-level requirements.
- **A.1b Legal Requirements at the forest level – Input non-PEFC certified forest.**  
This covers non-PEFC-certified material entering the PEFC system via the Controlled Sources requirements within the CoC standard: PEFC ST 2002: 2020 Chain of Custody of Forest and Tree Based Products – Requirements.
- **A.2a Legal requirements for supply chain entities – Certificate holders**  
This covers a part of CoC standard and the requirements that are directly applicable to COC certificate holders (PEFC ST 2002: 2020 Chain of Custody of Forest and Tree Based Products – Requirements, excluding Annex 1).
- **A.2b Legal requirements for supply chain entities – Non-PEFC certified supply chains**  
This covers non-PEFC-certified material entering the PEFC system via the Controlled Sources requirements within the CoC standard: PEFC ST 2002: 2020 Chain of Custody of Forest and Tree Based Products – Requirements – Annex 1, and refers to the non-certified supply chain entities between the forest gate and the point of export in the country of harvest.

The splitting of these sections, assists with the readability of the report and mirrors the two types of inputs may be used in certified products: PEFC-certified material (from certified forests) and PEFC Controlled Sources (non PEFC-certified material, controlled by the certificate holder, to minimise the risk that the non-certified input originates from controversial sources) with different requirements that are applicable for each input type.

## 2.1 Overview of the certification standards used for this analysis

Type	Normative
<b>General</b>	<ul style="list-style-type: none"> <li>• PEFC ST 1001: 2017 Standard-setting – Requirements</li> <li>• Certification and Accreditation Procedures - Annex 6</li> <li>• Various ISO standards</li> <li>• PEFC GD 1001: 2008 Structure of the PEFC technical documentation – general requirements</li> <li>• PEFC GD 1002: 2019 Acceptance of PEFC members</li> <li>• PEFC GD 1003: 2009 PEFC Council technical documents development procedures – requirements</li> <li>• PEFC GD 1004: 2009 Administration of PEFC scheme</li> <li>• PEFC GD 1006: 2012 PEFC Notification of Certification Bodies operating Chain of Custody Certification in Countries without Authorised Bodies</li> <li>• PEFC GD 1007: 2017 Endorsement and Mutual Recognition of Certification Systems and their Revision</li> <li>• PEFC GD 1008: 2019 PEFC Information and Registration System – Data Requirements</li> <li>• PEFC GD 1009: 2018 Nomination and Election Procedures for the PEFC Council Board</li> <li>• PEFC GL7 2007 PEFC Council procedures for the investigation and resolution of complaints and appeals</li> </ul>
<b>Forest Management</b>	<ul style="list-style-type: none"> <li>• PEFC ST 1003: 2018 Sustainable Forest Management</li> <li>• PEFC ST 1002: 2018 Group Forest Management Certification</li> <li>• PEFC ST 2003: 2020 Requirements for Certification Bodies operating Certification against the PEFC International</li> <li>• ILO 169</li> <li>• Various ISO standards</li> <li>• PEFC Checklist - Sustainable Forest Management (PEFC ST 1003:2018)</li> </ul>
<b>Chain of Custody</b>	<ul style="list-style-type: none"> <li>• PEFC ST 2002: 2020 Chain of Custody of Forest and Tree Based Products – Requirements.</li> </ul> <p>NOTE: this version of the Chain of Custody standard formally replaced the previous 2013 version on 14 February 2020. However, the transition date for its use by PEFC certificate holders is 14 February 2022. After this date, companies still certified against the 2013 version will need to prepare their system according to the 2020 version, in preparation for certification against this version during their next external audit.</p> <ul style="list-style-type: none"> <li>• PEFC ST 2003: 2020 Requirements for Certification Bodies operating Certification against the PEFC International</li> <li>• Various ISO standards</li> </ul>

## 31. Evaluation methodology

The scheme is evaluated against Scheme Assessment Framework (SAF) and Scheme Assessment Procedure (SAP) in order to assess how the scheme covers relevant requirements of the EUTR, and the criteria defined by the European Commission as the basis for this Study.

For each indicator, we will have a conclusion that will show the level of conformance of the Scheme with the indicator:

Conclusion	Definition	Explanation
<b>Covered</b>	When available Scheme requirements and information - and any impacts evidence available - indicate the <i>coverage</i> of the SAF indicator.	Coverage is the ability of the Scheme to provide assurance that material traded via the Scheme has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber Regulation.
<b>Partially Covered</b>	When available Scheme requirements and information - and any impacts evidence available - indicate only <i>partial coverage</i> of the SAF indicator.  Alternatively, special concerns about Scheme standards, credibility, rigor or coverage may exist.  NOTE: It is important to justify the partial coverage, and indicate where the issues are which result in a Coverage conclusion not being given.	Partial Coverage means the Scheme is only partly able – or may be compromised in one or more ways – to provide assurance that material traded via the Scheme has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber Regulation.
<b>Not Covered</b>	When available Scheme requirements and information - and any impacts evidence available - indicate that there is <i>no coverage</i> of the SAF indicator.  NOTE: It is important to justify a no coverage conclusion.	The Scheme is not – or inadequately – able to provide assurance that material traded via the Scheme has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber Regulation.
<b>Not Applicable (NA)</b>	When, for whichever reason, the SAF indicator does not apply.	

## 32. Overview of findings

Requirement Section	Conclusion	Summary	Conclusion	Summary
<b>D. Requirements for Certificate Holders</b>				
<b>A.1 Legal Requirements at the forest level</b>	<b>a - Forest management certification</b>		<b>b - Input from non-PEFC certified forest</b>	
A.1.1 Rights to harvest timber within legally gazetted boundaries	<b>Partially covered</b>  5 indicators are covered 2 indicators are partially covered	Indicators related to land tenure, management rights, and concession license are almost covered. Standard requires to cover legislation but not explicitly requiring legal methods to obtain these documents. 2 indicators are covered and 2 partially covered.  PEFC standard requirements cover legislation related to forest management, harvesting planning and permits. 3 indicators assessed as covered.	<b>Partially covered</b>  1 indicator is covered 6 indicators are partially covered	Indicators related to land tenure and management rights, and concession licenses are partially covered. The standard includes applicable legislation on forest management as well as tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders. However, a specific reference to legislation in the case when there are no indigenous peoples, local communities or other affected stakeholders is not made.  For other indicators of this criterion, the PEFC international standard includes compliance with applicable local, national or international legislation on forest management. However, it does not make clear reference to legally-gazetted boundaries and legal business registration.  Indicators related to management and harvesting planning are partially covered. Indicator related to harvesting permits is covered.  The PEFC standard includes compliance with applicable local, national or international legislation on forest management but does not make clear references to certain aspects of management planning; the requirement for legally required planning documents to be approved before the implementation; legislation regulating the issuing of harvesting permits, licenses or other legal documents required for specific harvesting operations.

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A.1.2 Payments for harvest rights and timber including duties related to timber harvesting	<b>Partially covered</b>  2 indicators are partially covered	PEFC standard includes compliance with legislation related to the payment of applicable royalties and taxes but does not explicitly request compliance with legislation regulating value-added taxes; stumpage fees, other volume-based fees, land area taxes.	<b>Partially covered</b>  2 indicators are partially covered	The PEFC standard includes compliance with legislation related to the payment of applicable royalties and taxes but does not explicitly request compliance with legislation regulating value-added taxes; stumpage fees, other volume-based fees, land area taxes.
A.1.3 Timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting	<b>Partially covered</b>  5 indicators are covered 3 indicators are partially covered	<p>Indicators related to timber harvesting regulations are almost covered. Note that the PEFC standard requires control of potential illegal activities by third parties within the managed area. At the same time, it requires compliance with forest management legislation. However, clear references to compliance with legislation regulating harvesting techniques and technologies is not made. 1 covered and 1 partially covered.</p> <p>Indicators related to protected sites and species are almost covered. The PEFC standard requires compliance with legislation regulating protected and endangered species, but does not include clear reference to legislation regulating the identification of protected areas. 1 covered and 1 partially covered.</p> <p>Indicator related to environmental requirements is partially covered. Specific references to compliance with legislation regulating environmental impact assessments is not made. 1 indicator partially covered.</p> <p>Indicators related to health and safety and legal employment are covered by the national standards, although the international standard is not clear for legal employment. These 3 indicators however were concluded as covered.</p>	<b>Partially covered</b>  3 indicators are covered 5 indicators are partially covered	<p>Indicators related to timber harvesting regulations are almost covered. Standard requests comply with forest management legislation. However, an explicit request to compliance with legislation regulated harvesting techniques and technology is not made. 1 covered and 1 partially covered.</p> <p>Indicators related to protected sites and species are almost covered. Standard includes compliance with legislation regulating protected and endangered species, but not clearly reference legislation regulating the identification of protected areas. 1 covered and 1 partially covered.</p> <p>Indicator related to environmental requirements is partially covered. Specific references to compliance with legislation regulating environmental impact assessment is not made. 1 indicator partially covered.</p> <p>PEFC standard requirements cover the indicator related to health and safety. Indicators related to legal employment are almost covered. Standard requests comply with forest management legislation. However, a specific reference to compliance with legislation contracts and working permits, obligatory insurances, certificates of competence and other training requirements, and payment of social and income taxes, is not made within the PEFC normative requirements. 1 indicator covered and 1 partially covered.</p>
A.1.4 Third parties' legal rights concerning use and	<b>Covered</b>	Indicators related to customary rights; Free, Prior and Informed Consent; and Indigenous	<b>Covered</b>	Indicators related to customary rights; Free, Prior and Informed Consent; and Indigenous and

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tenure that are affected by timber harvesting	4 indicators are covered	and traditional peoples' rights are covered by the standard requirements. 4 indicators covered.	4 indicators are covered	traditional peoples' rights are covered by the standard requirements. 4 indicators covered.
A.1.5 Trade and customs, in so far as the forest sector is concerned	<b>Partially covered</b>  1 indicator is covered 2 indicators are partially covered 3 indicators are not covered	<p>Indicators related to the classification of species, quantities, qualities; and trade and transport are partially covered.</p> <p>There is a requirement to comply with applicable local, national and international legislation on forest management. However, clear reference to complying with legislation regulating how harvested material is classified or related to trade and transport is not made. 2 indicators partially covered.</p> <p>Indicator related to CITES is covered. The international PEFC standard does not have explicit requirements related to CITES permits, but all national standard assessed have requirements related to CITES. 1 indicator covered.</p> <p>Indicators related to offshore trading; transfer pricing; customs regulations; and legislation requiring due diligence / due care procedures are evaluated as not covered. While there is a requirement to comply with applicable local, national and international legislation on forest management, no clear reference is made to compliance in relation to these areas of law. 3 indicators concluded as not covered.</p>	<b>Not Covered</b>  6 indicators are not covered	<p>Indicators related to the classification of species, quantities, qualities; trade and transport; Offshore trading and transfer pricing; Customs regulations; CITES and Legislation requiring due diligence / due care procedures are not covered.</p> <p>The definition of controversial sources (3.7) includes forest and tree-based material sourced from activities not complying with applicable local, national, or international legislation on forest management, including forest management practices and other areas of law. However, the definition does not appear to cover legal compliance in relation to trade, transport and customs, for non-certified forest entities included within the due diligence requirements of the scheme.</p>
<b>A.2 Legal requirements for supply chain entities</b>	<b>a - Certificate Holders</b>		<b>b - Input from non-PEFC certified forest</b>	
A.2.1. Legal registration	<b>Partially covered</b>  1 indicator is not covered	Indicator related to legal registration is assessed as not covered. The certification body is collecting information related to the legal status of the certificate holder. However, legal business registration or other relevant legally required licenses are not specifically required to	<b>Not Covered</b>  1 indicator is not covered	Indicator related to legal registration is assessed as not covered. Standard requirements include forest and tree-based material sourced from activities not complying with applicable local, national or international legislation on forest management, including forest management practices and other

		be ascertained or evaluated. Simultaneously, there is no requirement in the chain of custody standard to ensure the existence of legal business registration or other relevant legally required licenses.		areas of law . This definition is specific to forest management only. It does not appear to include compliance relevant to the supply chain legality, covering legislation relevant to business registration and other relevant legally required licenses that applies to supply chain entities.
A.2.2 Taxes and fees	<b>Not Covered</b> 2 indicators are not covered	Standard has no requirement to ensure compliance with legislation covering taxes and fees.	<b>Not Covered</b> 2 indicators are not covered	Standard has no requirement to ensure compliance with legislation covering taxes and fees.
A.2.3 Trade and transport	<b>Partially covered</b> 2 indicators are partially covered 5 indicators are not covered	<p>Standard has no requirement to ensure compliance with legislation regulating how products are classified, trading permits, offshore trading, transfer pricing, export/import licenses. 5 indicators not covered.</p> <p>Indicator related to CITES is assessed as partially covered. When CH is not implementing a DDS, there is no requirement to ensure compliance with CITES legislation, but if the Certificate Holder is implementing a DDS, then the requirement is included. 1 indicator partially covered.</p> <p>Indicator related to due diligence/ due care procedures is assessed as partially covered. There is no specific reference ensuring compliance with legislation covering due diligence/due care procedures. Appendix 1 is effectively a due diligence mechanism, but it does not apply to all certificate holders themselves. 1 indicator partially covered.</p>	<b>Not Covered</b> 7 indicators are not covered	Standard requirements include forest and tree-based material sourced from activities not complying with applicable local, national or international legislation on forest management, including forest management practices and other areas of law . This definition is specific to forest management only. It does not appear to include compliance with trade and transport legislation (Classification of species, quantities, qualities; Trade and transport; Offshore trading and transfer pricing; Customs regulations; CITES; Legislation requiring due diligence / due care procedures). 7 indicators not covered.



### 33. Evaluation

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
<b>A. Requirements for Certificate Holders</b>					
Requirements applicable to the Certificate Holders. These include requirements to comply with applicable legislation, as well as requirements relevant to ensuring continued performance and integrity of the operations – as far as is related to legal compliance.					
<b>A.1a Legal Requirements at the forest level - Forest management certification</b>					
Principle A.1a relates to how the scheme ensures that Certificate Holders comply with all applicable legislation at the forest level. It applies to Single and Group Certification. The standard assessed in this section: PEFC ST 1003: 2018.					
Note: Section A1 is split into two components: A.1a with findings related to a forest certified by PEFC and A.1b with findings related to what is happening in the non-certified forest subject to Controlled Sources requirements.					
	<b>A.1a.1 Rights to harvest timber within legally gazetted boundaries</b>				
<b>A.1a.1.1</b>	Land tenure and management rights	<b>A.1a.1.1.1.</b> The Scheme shall include requirements that ensure compliance with legislation covering land tenure rights, including customary rights as well as management rights.	<p>PEFC ST 1003: 2018</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties</p>	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>There are generic indicators stating that all applicable legislation shall be identified and accessible for the organization (6.3.1.1) and that applicable legislation on forest management shall be followed by the certificate holder (6.3.1.2).</p> <p>According to PEFC ST 1003: 2018 - 6.3.2.1 and 6.3.2.2 legislation covering land tenure rights, including customary rights, are required to be met by the certificate holder.</p> <p>Group Forest management certification</p> <p>According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level.</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>and taxes.</p> <p>6.3.2.1 The standard requires that property rights, tree ownership and land tenure arrangements shall be clearly defined, documented and established for the relevant management unit. Likewise, legal, customary and traditional rights related to the forest land shall be clarified, recognised and respected.</p> <p>6.3.2.2 The standard requires that forest practices and operations shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO 169 and the UN Declaration on the Rights of Indigenous Peoples, which shall not be infringed upon without the free, prior and informed consent of the holders of the rights, including the provision of compensation where applicable. Where the extent of rights is not yet resolved, or is in dispute, there are processes for just and fair resolution. In such cases forest managers shall, in the interim, provide meaningful opportunities for parties to be engaged in forest management decisions whilst respecting the processes and roles and responsibilities laid out in the policies and laws where the certification takes place.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <ul style="list-style-type: none"> <li>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements;</li> <li>...</li> <li>- where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements;</li> <li>...</li> </ul>	<p>The four national level evaluations corroborate the findings at the international level. Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for single and group forest management certification.</p>	

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		<p><b>A.1a.1.1.2.</b> The Scheme shall include requirements to ensure that licenses, right of tenure and management rights, have been issued:</p> <p>i) according to the legally prescribed procedure,</p> <p>ii) in compliance with third parties' legal rights concerning tenure,</p> <p>iii) specifying the legally-gazetted boundaries, and;</p> <p>iv) with absence of corrupt practices.</p>	<p>PEFC ST 1003: 2018</p> <p>6.1.2 The standard requires that inventory and mapping of forest resources shall be established and maintained, adequate to local and national conditions and in correspondence with the requirements described in this international benchmark standard.</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>6.3.1.3 The standard requires that where no anti-corruption legislation exists, the organisation must take alternative anti-corruption measures appropriate to the risk of corruption.</p> <p>6.3.2.1 The standard requires that property rights, tree ownership and land tenure arrangements shall be clearly defined, documented and established for the relevant management unit. Likewise, legal, customary and traditional rights related to the forest land shall be clarified, recognised and respected.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <ul style="list-style-type: none"> <li>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of</li> </ul>	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>In reference to part i), there are generic indicators stating that all applicable legislation shall be identified and accessible for the organization (6.3.1.1) and that applicable legislation on forest management shall be followed by the certificate holder (6.3.1.2). However, the requirements to ensure that licenses, right of tenure and management rights, have been issued according to the legally prescribed procedure, is not specifically mentioned.</p> <p>In reference to parts ii) and iii), PEFC ST 1003: 2018 - 6.3.2.1, defines compliance with third parties' legal rights. Generic indicators state that all applicable legislation should be identified and accessible for the organization (6.3.1.1) and that applicable legislation shall be followed by the certificate holder (6.3.1.2). According to indicator PEFC ST 1003: 2018 – 6.1.2, the certificate holder should establish inventory and mapping of forest resources, which should cover legally-gazetted boundaries.</p> <p>In reference to part iv) PEFC ST 1003: 2018 - 6.3.1.3, defines that anti-corruption measures should be taken if there is no legislation in the country. In countries where anti-corruption legislation is in place, this should be followed by the certificate holder (6.3.1.2).</p> <p>Group Forest management certification</p> <p>According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level</p> <p>The four national level evaluations corroborate the findings at the international level. In all four national standards, the requirement for the absence of corruption practice is not mentioned. In addition, in the case of China, there is no requirement to ensure that licenses, right of tenure and management rights, have been issued in compliance with third parties' legal rights concerning tenure. Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p>	Partially Covered

## ANNEX 4 : SCHEME ASSESSMENT REPORT – PEFC

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>PEFC ST 1003, Sustainable Forest Management – Requirements;</p> <p>...</p> <p>- where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements;</p> <p>...</p>	<p><b>Justification</b></p> <p>This indicator is concluded as partially covered for single and group forest management certification. There is no requirement to ensure that licenses, right of tenure and management rights, have been issued according to the legally prescribed procedure, is not specifically mentioned.</p>	
		<p><b>A.1a.1.1.3</b> The Scheme shall include requirements that ensure the existence of legal business registration, and other relevant legally required licenses.</p>	<p>PEFC ST 1003: 2018</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <p>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements;</p> <p>...</p> <p>- where group certification of forest management is part of the system,</p>	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>There are generic indicators stating that all applicable legislation shall be identified and accessible for the organisation (6.3.1.1) and that applicable legislation shall be followed by the certificate holder (6.3.1.2). It is not clear if PEFC International includes legal business registration and other relevant legally required licenses within their interpretation of "applicable local, national and international legislation on forest management".</p> <p>It is the case that ISO 9000: 2015 requires certification bodies to document legal status as a part of the application for certification. However, legal business registration or other relevant legally required licenses are not specifically required to be ascertained or evaluated. At the same time, the process of documenting the legal status is carried out as a part of the application and is not subject to evaluation as part of annual audits.</p> <p>Group Forest management certification</p> <p>According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level.</p> <p>The four national level evaluations (Brazil, China, Russia, and Romania) covered the requirements of this indicator. Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p>	Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements; ...	<b>Justification</b>  This indicator is concluded as covered for single and group forest management certification. In the assessment of national schemes, all assessed standards covered these requirements even though they were developed based on a previous version of the PEFC International standard. Therefore, this indicator is concluded as covered, based on the national level assessments.	
<b>A.1a.1.2</b>	Concession licenses	<b>A.1a.1.2.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating procedures for the issuing of concession licenses, including use of legal methods to obtain concession licenses and that licenses are covering only legally gazetted areas	<p>PEFC ST 1003: 2018</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <ul style="list-style-type: none"> <li>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements;</li> <li>...</li> <li>- where group certification of forest management is part of the system,</li> </ul>	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>At the international level, standard PEFC ST 1003: 2018 does not explicitly include the term "concession license". However, there are generic indicators stating that all applicable legislation shall be identified and accessible for the organisation (6.3.1.1) and that applicable legislation shall be followed by the certificate holder (6.3.1.2).</p> <p>It is not clear if PEFC International consistently includes legal methods to obtain concession licenses within their interpretation of "applicable local, national and international legislation on forest management". Simultaneously, normative requirements do not explicitly request to include only legally gazetted areas within concession licenses.</p> <p>Group Forest management certification</p> <p>According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level</p> <p>Two national-level evaluations (Brazil and Russia) corroborate the partial coverage finding at the international level. The use of legal methods to obtain concession licenses is not addressed by the current standards from Brazil and Russia. For Romania and China, this indicator is not applicable. Although, according to the findings from C.2.1.1, national standards assessed on this project have been developed based on the previous version of Forest Management standard.</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements; ....	<b>Justification</b>  This indicator is concluded as partially covered for single and group forest management certification. It is not clear if PEFC International consistently includes legal methods to obtain concession licenses within their interpretation of “applicable local, national and international legislation on forest management”. Simultaneously, normative requirements do not require that these cover only legally gazetted areas.	
<b>A.1a.1.3</b>	Management and harvesting planning	<b>A.1a.1.3.1</b> The Scheme shall include requirements that ensure compliance with legislation and legal obligations for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring.	PEFC ST 1003: 2018  4.3.2 The standard requires that forest management shall comprise the cycle of inventory and planning, implementation, monitoring and evaluation, and shall include an appropriate assessment of the social, environmental and economic impacts of forest management practices. This shall form a basis for a cycle of continuous improvement.  6.2 Management plan 6.2.1 The standard requires that management plans shall be: a) elaborated and periodically updated or continually adjusted; b) appropriate to the size and use of the forest area; c) based on applicable local, national and international legislation as well as existing land-use or other official plans; and d) adequately covering forest resources. 6.2.2 The standard requires that management plans shall take into account the different uses or functions of the managed forest area. 6.2.3 The standard requires that management plans shall include at least a description of the current forest management unit, long-term objectives, and the average annual allowable cut, including its justification. 6.2.4 The standard requires that the annually allowable use of non-wood forest products shall be included in the management plan where forest management covers commercial use of non-wood forest products at a level which can have an impact on their long-term sustainability. 6.2.5 The standard requires that management plans specify ways and means to minimise the risk of degradation and damage to forest	<b>Findings</b>  Single Forest management certification There are generic indicators stating that all applicable legislation shall be identified and accessible for the organisation (6.3.1.1) and that applicable legislation shall be followed by the certificate holder (6.3.1.2). It is not clear if PEFC International consistently includes legislation regulating conducting of forest inventories, having a forest management plan and related planning and monitoring within their interpretation of “applicable local, national and international legislation on forest management”.  According to PEFC ST 1003:2018 - 6.2, management planning is required, and inventory and mapping of the forest shall be established and maintained. PEFC ST 1003:2018 – 4.3.2 requires implementing a plan based on monitoring and evaluation of social, environmental, and economic impacts.  Group Forest management certification According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.  Findings at the national level The four national level evaluations (Brazil, China, Russia, and Romania) covered the requirements of this indicator. Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.	Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>ecosystems.</p> <p>6.2.6 The standard requires that management plans shall take into account the results of scientific research.</p> <p>6.2.7 The standard requires that a summary of the management plan, appropriate to the scope and scale of forest management, shall be publicly available and shall include information on the general objectives and forest management principles.</p> <p>6.2.8 The standard requires that the publicly available summary of the management plan may exclude confidential business and personal information and other information made confidential by applicable legislation or for the protection of cultural sites or sensitive natural resource features.</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <ul style="list-style-type: none"> <li>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of</li> </ul>	<p><b>Justification</b></p> <p>This indicator is concluded as covered for single and group forest management certification. In the assessment of national schemes, all assessed standards covered these requirements even though they were developed based on a previous version of the PEFC International standard. Therefore, this indicator is concluded as covered, based on the national level assessments.</p>	



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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			PEFC ST 1003, Sustainable Forest Management – Requirements; ... - where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements; ...		
		<b>A.1a.1.3.2</b> The Scheme shall include requirements that all legally required planning documents have been approved prior to implementation of forest harvesting activities.	<p>PEFC ST 1003: 2018</p> <p>6.2.1 The standard requires that management plans shall be:</p> <p>a) elaborated and periodically updated or continually adjusted;</p> <p>b) appropriate to the size and use of the forest area;</p> <p>c) based on applicable local, national and international legislation as well as existing land-use or other official plans; and</p> <p>d) adequately covering forest resources.</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the “legislation applicable to forest management” is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <p>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of</p>	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>PEFC International requirements include an indicator with a general statement that all applicable legislation should be identified and accessible for the organisation (6.3.1.1) and that applicable legislation shall be followed by the certificate holder (6.3.1.2). At the same time, according to PEFC ST 1003: 2018 – 6.2.1. c) management plan shall be based on legislation.</p> <p>It is not clear if PEFC International consistently includes legislation related to the approval of planning documents prior to the implementation of forest harvesting activities within their interpretation of “applicable local, national and international legislation on forest management” or that management planning “shall be based on legislation”.</p> <p>Group Forest management certification</p> <p>According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level</p> <p>The four national level evaluations (Brazil, China, Russia, and Romania) covered the requirements of this indicator. Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for single and group forest management certification. In the assessment of national schemes, all assessed standards covered these requirements even though they</p>	Covered



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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			PEFC ST 1003, Sustainable Forest Management – Requirements; ... - where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements; ...	were developed based on a previous version of the PEFC International standard. Therefore, this indicator is concluded as covered, based on the national level assessments.	
<b>A.1a.1.4</b>	Harvesting permits	<b>A.1a.1.4.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating the issuing of harvesting permits, licenses or other legal documents required for specific harvesting operations.	PEFC ST 1003: 2018 6.2 Management plan 6.2.1 The standard requires that management plans shall be: a) elaborated and periodically updated or continually adjusted; b) appropriate to the size and use of the forest area; c) based on applicable local, national and international legislation as well as existing land-use or other official plans; and d) adequately covering forest resources. 6.2.2 The standard requires that management plans shall take into account the different uses or functions of the managed forest area. 6.2.3 The standard requires that management plans shall include at least a description of the current forest management unit, long-term objectives, and the average annual allowable cut, including its justification. 6.2.4 The standard requires that the annually allowable use of non-wood forest products shall be included in the management plan where forest management covers commercial use of non-wood forest products at a level which can have an impact on their long-term sustainability. 6.2.5 The standard requires that management plans specify ways and means to minimise the risk of degradation and damage to forest ecosystems. 6.2.6 The standard requires that management plans shall take into account the results of scientific research. 6.2.7 The standard requires that a summary of the management plan, appropriate to the scope and scale of forest management, shall be publicly available and shall include information on the general objectives and forest management principles. 6.2.8 The standard requires that the publicly available summary of the management plan may exclude confidential business and personal information and other information made confidential by applicable legislation or for the protection of cultural sites or sensitive natural resource features.	<b>Findings</b>  Single Forest management certification There are generic indicators stating that all applicable legislation shall be identified and accessible for the organisation (6.3.1.1) and that applicable legislation shall be followed by the certificate holder (6.3.1.2). Additionally, according to PEFC ST 1003: 2018 - 6.2, the management plan shall be based on applicable local, national and international legislation. These indicators make it impossible to avoid including harvesting licenses.  Group Forest management certification According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.  Findings at the national level Russia and Romania national-level evaluation partial covered the requirements of this indicator. For Russia, there is a general indicator that all applicable legislation shall be followed, but there is no reference to compliance with legislation regulating the issuing of harvesting permits. In case of Romania, there are no specific requirements regarding the harvesting permits, licenses or other legal documents required for specific harvesting operations. Brazil and China covered the requirements of this indicator. Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.  <b>Justification</b>  This indicator is concluded as covered for single and group forest management certification.	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <ul style="list-style-type: none"> <li>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements;</li> <li>...</li> <li>- where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements;</li> <li>...</li> </ul>		
	<b>A.1a.2 Payments for harvest rights and timber including duties related to timber harvesting</b>				

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
A.1a.2.1	Payment of royalties and harvesting fees	A.1a.2.1.1 The Scheme shall include requirements that ensure compliance with legislation covering payment of all legally required forest harvesting-specific fees such as royalties, stumpage fees and other volume-based fees, as well as land area taxes or fees.	<p>PEFC ST 1003: 2018</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <ul style="list-style-type: none"> <li>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements;</li> <li>...</li> <li>- where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements;</li> <li>...</li> </ul>	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>According to PEFC ST 1003: 2018 6.3.1.2 legislation related to the payment of applicable royalties and taxes are required to be met by the certificate holder. It is not clear if PEFC International includes legislation regulating stumpage fees and other volume-based fees, as well as land area taxes or fees within their interpretation of "applicable royalties and taxes".</p> <p>Group Forest management certification</p> <p>According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level</p> <p>Romania national-level evaluation corroborates the partial coverage finding at the international level, as a reference to legislation regulating payments of royalties is not made. Based on the normative requirements of the Romanian Forest Certification Scheme this indicator is considered as partially covered, considering that the reference to the legislation regulating payments of royalties and harvesting fees is made in general terms. Brazil, China, and Russia covered the requirements of this indicator. Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered for single and group forest management certification. A specific reference to compliance with legislation regulating stumpage fees, and other volume-based fees, as well as land area taxes or fees, is not made.</p>	Partially Covered
A.1a.2.2	Value-added taxes and other sales taxes	A.1a.2.2.2 The Scheme shall include requirements	<p>PEFC ST 1003: 2018</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and</p>	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>According to PEFC ST 1003: 2018 6.3.1.2 legislation related to the</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales).	<p>determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <ul style="list-style-type: none"> <li>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements;</li> <li>...</li> <li>- where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements;</li> <li>...</li> </ul>	<p>payment of applicable royalties and taxes are required to be met by the certificate holder. It is not clear if PEFC International includes legislation regulating value-added tax or other sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales) within their interpretation of "applicable royalties and taxes".</p> <p>Group Forest management certification</p> <p>According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level</p> <p>Romania national-level evaluation corroborates the partial coverage finding at the international level, as a reference to the legislation regulating value-added taxes and other sale taxes is not made. Based on the normative requirements of standard, this indicator is considered as partially covered, considering that the reference to the legislation regulating value-added taxes and other sale taxes is made in general terms. Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered for single and group forest management certification. A specific reference to compliance with legislation regulating value-added tax or other sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales) is not made.</p>	
	<b>A.1a.3 Timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to</b>				

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
	<b>timber harvesting</b>				
<b>A.1a.3.1</b>	Timber harvesting regulations	<p><b>A.1a.3.1.1</b> The Scheme shall include requirements that ensure compliance with legal obligations for harvesting techniques and technology including timing of harvest, selective cutting, shelter wood regeneration, clear felling, transport of timber from felling sites and seasonal limitations etc.</p> <p>This includes the mis-use of salvaging permits or other specific ministerial permits, with the intention of circumventing harvest regulations</p>	<p>PEFC ST 1003: 2018</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>8.3.3 The standard requires that management, harvesting and regeneration operations shall be carried out at a time, and in a way, that does not reduce the productive capacity of the site, for example by avoiding damage to soil and retained stands and trees.</p> <p>8.3.4 The standard requires that harvesting levels of both wood and non-wood forest products shall not exceed a rate that can be sustained in the long term, and optimum use shall be made of the harvested products.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <ul style="list-style-type: none"> <li>- the content of the (regional, national or sub-national) forest</li> </ul>	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>There are generic indicators stating that all applicable legislation shall be identified and accessible for the organisation (6.3.1.1) and that applicable legislation shall be followed by the certificate holder, including but not limited to forest management practices (6.3.1.2).</p> <p>PEFC ST 1003: 2018 – 8.3.4. requires that the certificate holder does not exceed the harvesting level (quota) for wood and non-wood products. According to PEFC ST 1003: 2018 – 8.3.3. management, harvesting and regeneration operations shall be carried out in a way that does not reduce the productive capacity of the site.</p> <p>It is not clear if PEFC International consistently includes legislation regulating harvesting techniques and technology including the timing of harvest, selective cutting, shelter wood regeneration, clear felling, transport of timber from felling sites and seasonal limitations.</p> <p>Group Forest management certification According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level</p> <p>Romania and Russia national-level evaluations corroborate the partial coverage finding at the international level. In Russia, there is a general statement that all applicable legislation shall be followed. However, a specific mention of harvesting techniques is not made. In case of Romania, there is no reference in the standard to the specific regulatory framework for harvesting techniques. Brazil and China covered the requirements of this indicator. Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p>	Partially Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements; ... - where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements; ...	<b>Justification</b>  This indicator is concluded as partially covered for single and group forest management certification. Specific references to compliance with legislation regulating harvesting techniques and technology including the timing of harvest, selective cutting, shelter wood regeneration, clear felling, transport of timber from felling sites and seasonal limitations are not made.	
		<b>A.1a.3.1.2</b> The Scheme shall include requirements to control potential illegal activities by third parties within the area managed by the operation.	PEFC ST 1003: 2018  6.3.1.4 The standard requires that measures shall be implemented to address protection of the forest from unauthorised activities such as illegal logging, illegal land use, illegally initiated fires, and other illegal activities.  PEFC GD 1007: 2017  5 PEFC Sustainability Benchmark The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements: - the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements; ... - where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements; ...	<b>Findings</b>  Single Forest management certification According to PEFC ST 1003: 2018 – 6.3.1.4, the certificate holder shall implement measures to protect the forest from potential illegal activities.  Group Forest management certification According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.  Findings at the national level Brazil and China national-level evaluation corroborate the coverage finding at the international level. Russia and Romania national-level evaluation do not corroborate the findings at the international level.  Russia does not distinguish between illegal activities conducted under customary law and illegal activities conducted by outsiders, with no customary rights and therefore this indicator is assessed as partially covered. Romania's national scheme does not make any reference related to illegal activities, and therefore the conclusion is not covered. Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.  <b>Justification</b>  This indicator is concluded as covered for single and group forest management certification. Control of potential illegal activities is directly addressed in the normative requirement at the level of PEFC	Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				International.	
<b>A.1a.3.2</b>	Protected sites and species	<b>A.1a.3.2.1</b> The Scheme shall include requirements that ensure compliance with legislation related to protected areas as well as protected, rare, or endangered species, including their habitats and potential habitats.	<p>PEFC ST 1003: 2018</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>8.4.3 The standard requires that protected, threatened and endangered plant and animal species shall not be exploited for commercial purposes. Where necessary, measures shall be taken for their protection and, where relevant, to increase their population.</p> <p>8.4.11 The standard requires that infrastructure shall be planned and constructed in a way that minimises damage to ecosystems, especially to rare, sensitive or representative ecosystems and genetic reserves, and that takes threatened or other key species – in particular, their migration patterns – into consideration.</p> <p>8.5.1 The standard requires that protective functions of forests for society, such as their potential role in erosion control, flood prevention, water purification, climate regulation, carbon sequestration and other regulating or supporting ecosystem services shall be maintained or enhanced.</p> <p>8.5.2 The standard requires that areas that fulfil specific and recognised</p>	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>There is a generic indicator stating that all applicable legislation shall be identified and accessible for the organisation (6.3.1.1). According to PEFC ST 1003: 2018 6.3.1.2 applicable legislation shall be followed by the certificate holder, including but not limited to nature and environmental protection; protected and endangered species.</p> <p>In addition, according to PEFC ST 1003: 2018 – 8.4.3, 8.4.11, 8.5.1, 8.5.2 and 8.6.3 the protection of: - protected, threatened and endangered plant and animal (8.4.3);</p> <ul style="list-style-type: none"> <li>- rare, sensitive or representative ecosystems and genetic reserves (8.4.11)</li> <li>- forests for society, such as their potential role in erosion control, flood prevention, water purification, climate regulation, carbon sequestration and other regulating or supporting ecosystem services (8.5.1)</li> <li>- specific historical, cultural or spiritual significance and areas fundamental to meeting the needs of indigenous peoples and local communities (8.6.3)</li> </ul> <p>Group Forest management certification</p> <p>According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level</p> <p>The four national level evaluations (Brazil, China, Russia, and Romania) covered the requirements of this indicator. Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p> <p><b>Justification</b></p>	Covered



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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>protective functions for society shall be mapped, and forest management plans and operations shall ensure the maintenance or enhancement of these functions.</p> <p>8.6.3 The standard requires that sites with recognised specific historical, cultural or spiritual significance and areas fundamental to meeting the needs of indigenous peoples and local communities (e.g. health, subsistence) shall be protected or managed in a way that takes due regard of the significance of the site.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <ul style="list-style-type: none"> <li>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements;</li> <li>...</li> <li>- where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements;</li> <li>...</li> </ul>	<p>This indicator is concluded as covered for single and group forest management certification. The protection of sites and species is directly addressed in the normative requirement at the level of PEFC International.</p>	
		<p><b>A.1a.3.2.2</b></p> <p>Requirements that ensure compliance with legislation related to protected areas and habitats, shall include that the identification of protected areas is conducted according to the</p>	<p>PEFC ST 1003: 2018</p> <p>8.4.2 The standard requires that inventory, mapping and planning of forest resources shall identify, protect, conserve or set aside ecologically important forest areas.</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by</p>	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>There is a generic indicator stating that all applicable legislation shall be identified and accessible for the organisation (6.3.1.1). According to PEFC ST 1003: 2018 6.3.1.2 applicable legislation shall be followed by the certificate holder, including but not limited to nature and environmental protection; protected and endangered species. It is not clear if PEFC International consistently includes legislation regulating the identification of protected areas.</p> <p>Group Forest management certification</p> <p>According to PEFC GD 1007: 2017, group certification follows the</p>	Partially Covered



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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		legal requirements.	<p>the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <ul style="list-style-type: none"> <li>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements;</li> <li>...</li> <li>- where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements;</li> <li>...</li> </ul>	<p>requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level</p> <p>Russia and China national-level evaluation corroborate the partial coverage finding at the international level. Standards do not include a specific requirement that the identification of protected areas is conducted according to the legal requirements. A general requirement that all applicable legislation shall be followed is available. Brazil and Romania national-level evaluation covered the requirements of this indicator. Although, according to the findings from C.2.1.1, national standards assessed on this project have been developed based on the previous version of Forest Management standard.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered for single and group forest management certification. A specific reference to compliance with legislation regulating the identification of protected areas is not made.</p>	
<b>A.1a.3.3</b>	Environmental requirements	<b>A.1a.3.3.1</b> The Scheme shall include requirements that ensure compliance with legislation related to environmental impact assessment in connection with harvesting,	<p>PEFC ST 1003: 2018</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered</p>	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>There are generic indicators stating that all applicable legislation shall be identified and accessible for the organisation (6.3.1.1) and that applicable legislation shall be followed by the certificate holder, including but not limited to forest management practices and nature and environmental protection (6.3.1.2).</p> <p>In addition, according to PEFC ST 1003: 2018 – 8.5.1 and 8.5.3, at the international level, erosion control is required, and techniques applied shall be suitable for sensitive soils. However, there is no</p>	Partially Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		acceptable levels of damage and disturbance of soil resources, establishment of buffer zones (e.g. along watercourses, open areas, breeding sites), maintenance of retained trees on felling sites, seasonal limitations on harvesting, and environmental requirements for forest machinery.	<p>species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>8.2.9 The standard requires that pesticides, such as chlorinated hydrocarbons whose derivatives remain biologically active and accumulate in the food chain beyond their intended use, and any pesticides banned by international agreement, shall be prohibited. Note: "Pesticides banned by international agreements" are defined in the Stockholm Convention on Persistent Organic Pollutants.</p> <p>8.5.1 The standard requires that protective functions of forests for society, such as their potential role in erosion control, flood prevention, water purification, climate regulation, carbon sequestration and other regulating or supporting ecosystem services shall be maintained or enhanced.</p> <p>8.5.3 The standard requires that special care shall be given to forestry operations on sensitive soils and erosion-prone areas as well as in areas where operations might lead to excessive erosion of soil into watercourses. Techniques applied and the machinery used shall be suitable for such areas. Special measures shall be taken to minimise the pressure of animal populations on these areas.</p> <p>PEFC GD 1007: 2017 5 PEFC Sustainability Benchmark The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements: - the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements; ... - where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements;</p>	<p>specific reference to the legal obligations related to this activity.</p> <p>It is not clear if PEFC International consistently includes within its interpretation of forest management practices and nature and environmental protection (6.3.1.2), legislation regulating environmental impact assessment in connection with harvesting, acceptable levels of damage and disturbance of soil resources, the establishment of buffer zones (e.g. along watercourses, open areas, breeding sites), maintenance of retained trees on felling sites, seasonal limitations on harvesting, and environmental requirements for forest machinery.</p> <p>Group Forest management certification According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level Russia and China national-level evaluation corroborate the partial coverage finding at the international level. Standards do not include a specific reference to legislation related to environmental impact assessment in connection with points of this indicator. Brazil and Romania national-level evaluation covered the requirements of this indicator. Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered for single and group forest management certification. Specific references to compliance with legislation regulating environmental impact assessments in connection with harvesting, acceptable levels of damage and disturbance of soil resources, the establishment of buffer zones (e.g. along watercourses, open areas, breeding sites), maintenance of retained trees on felling sites, seasonal limitations on harvesting, and environmental requirements for forest machinery are not made.</p> <p>It is not clear if PEFC International consistently includes these within its interpretation of forest management practices and nature and</p>	

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			...	environmental protection (6.3.1.2).	
<b>A.1a.3.4</b>	Health and safety	<b>A.1a.3.4.1</b> The Scheme shall include requirements that ensure compliance with Health & Safety legislation.	<p>PEFC ST 1003: 2018</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>6.3.4.1 The standard requires that forest operations shall be planned, organised and performed in a manner that enables health and accident risks to be identified and all reasonable measures to be applied to protect workers from work-related risks. Workers shall be informed about the risks involved with their work and about preventive measures.</p> <p>6.3.4.2 The standard requires that working conditions shall be safe, and guidance and training in safe working practices shall be provided to all those assigned to a task in forest operations. Working hours and leave shall comply with national laws or applicable collective agreements.</p> <p>Note: Guidance for specifying national standards can be obtained from the ILO Code of Good Practice: Safety and Health in Forestry Work.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual</p>	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>There are generic indicators stating that all applicable legislation shall be identified and accessible for the organisation (6.3.1.1) and that applicable legislation shall be followed by the certificate holder, including but not limited to health, labour and safety issues (6.3.1.2).</p> <p>According to PEFC ST 1003: 2018 – 6.3.4.1 and 6.3.4.2 health, safety, and work conditions should be followed by the workers. At the same time, it is recommended to use as a guide for specifying national standards, the ILO Code of Good Practice on Safety and Health in Forestry Work.</p> <p>Group Forest management certification</p> <p>According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p><b>Findings at the national level</b></p> <p>The four national level evaluations corroborate the findings at the international level (see report Annexes for details). Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for single and group forest management certification. Health &amp; Safety legislation is directly addressed in the normative requirement at the level of PEFC International.</p>	Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>recognition shall demonstrate conformance with the following PEFC requirements:</p> <ul style="list-style-type: none"> <li>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements;</li> <li>...</li> <li>- where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements;</li> <li>...</li> </ul>		
<b>A.1a.3.5</b>	Legal employment	<b>A.1a.3.5.1</b> The Scheme shall include requirements that ensure compliance with legislation for employment of personnel involved in harvesting (and in-forest processing) activities including but not limited to requirements for: contracts and working permits, obligatory insurances, certificates of competence and other training requirements, and payment of social and	<p>PEFC ST 1003: 2018</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>6.3.4.3 The standard requires that wages of local and migrant forest workers as well as of contractors and other operators operating in PEFC-certified areas shall meet or exceed at least legal, industry minimum standards or, where applicable, collective bargaining agreements.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual</p>	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>There are generic indicators stating that all applicable legislation shall be identified and accessible for the organisation (6.3.1.1) and that applicable legislation shall be followed by the certificate holder, including but not limited to health, labour and safety issues (6.3.1.2).</p> <p>According to PEFC ST 1003: 2018 – 6.3.4.3 wages of forest workers for certificate holder and contractors shall meet legal requirements.</p> <p>It is not clear if PEFC International consistently includes with the definition of labour, legislation regulating employment of personnel involved in harvesting activities including working permits, obligatory insurances, certificates of competence and other training requirements, and payment of social and income taxes.</p> <p>Group Forest management certification</p> <p>According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level</p> <p>The four national level evaluations covered the requirements of this indicator (see report Annexes for details). Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p>	Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		income taxes.	recognition shall demonstrate conformance with the following PEFC requirements: - the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements; ... - where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements; ...	<b>Justification</b>  This indicator is concluded as covered for single and group forest management certification. In the assessment of national schemes, all assessed standards covered these requirements even though they were developed based on a previous version of the PEFC International standard. Therefore, this indicator is concluded as covered, based on the national level assessments.	
		<b>A.1a.3.5.2</b> The Scheme shall include requirements that ensure compliance with legislation for minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labour, and discrimination and legislation allowing for freedom of association.	PEFC ST 1003: 2018  6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.  Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.  6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.  6.3.3.1 The standard requires that forest practices and operations shall comply with fundamental ILO conventions.  6.3.4.3 The standard requires that wages of local and migrant forest workers as well as of contractors and other operators operating in PEFC-certified areas shall meet or exceed at least legal, industry minimum standards or, where applicable, collective bargaining agreements.  PEFC GD 1007: 2017	<b>Findings</b>  Single Forest management certification There are generic indicators stating that all applicable legislation shall be identified and accessible for the organisation (6.3.1.1) and that applicable legislation shall be followed by the certificate holder, including but not limited to health, labour and safety issues (6.3.1.2). It is not clear if PEFC International consistently includes with the definition of labour, legislation for minimum working age and the minimum age for personnel involved in hazardous work, legislation against forced and compulsory labour, and discrimination and legislation allowing for freedom of association.  However, according to 1003: 2018, 6.3.3.1 requires complying with fundamental ILO conventions. ILO conventions include requirements for minimum working age and the minimum age for personnel involved in hazardous work, legislation against forced and compulsory labour. PEFC ST 1003: 2018, 6.3.4.3 stating that collective bargain agreements legislation should be followed.  Group Forest management certification According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.  Findings at the national level Brazil Romana and China national-level evaluation this indicator as covered. Russia national scheme has requirements related to no violations of labour guarantees and social obligations in relation to workers. However, standard does not include a requirement related	Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <ul style="list-style-type: none"> <li>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements;</li> <li>...</li> <li>- where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements;</li> <li>...</li> </ul>	<p>to minimum working age. Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for single and group forest management certification. Legislation for minimum working age are followed based on the requirement to complying with fundamental ILO conventions.</p>	
	<b>A.1a.4 Third parties' legal rights concerning use and tenure that are affected by timber harvesting</b>				
<b>A.1a.4.1</b>	Customary rights	<b>A.1a.4.1.1</b> The Scheme shall include requirements that ensure compliance with respect for customary tenure rights relevant to forest harvesting activities.	<p>PEFC ST 1003: 2018</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p>	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>Standard requirement PEFC ST 1003: 2018 - 6.3.2.1. includes that property rights, tree ownership and land tenure arrangements shall be clearly defined, documented and established for the relevant management unit. Additionally that legal, customary and traditional rights related to the forest land shall be clarified, recognised and respected.</p> <p>According to PEFC ST 1003: 2018 - 6.3.2.2 customary and traditional rights are to be included in standard requirements. Forest practices and operations shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO 169 and the UN Declaration on the Rights of Indigenous Peoples.</p> <p>In addition, there are generic indicators stating that all applicable legislation shall be identified and accessible for the organisation</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>6.3.2.1 The standard requires that property rights, tree ownership and land tenure arrangements shall be clearly defined, documented and established for the relevant management unit. Likewise, legal, customary and traditional rights related to the forest land shall be clarified, recognised and respected.</p> <p>6.3.2.2 The standard requires that forest practices and operations shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO 169 and the UN Declaration on the Rights of Indigenous Peoples, which shall not be infringed upon without the free, prior and informed consent of the holders of the rights, including the provision of compensation where applicable. Where the extent of rights is not yet resolved, or is in dispute, there are processes for just and fair resolution. In such cases forest managers shall, in the interim, provide meaningful opportunities for parties to be engaged in forest management decisions whilst respecting the processes and roles and responsibilities laid out in the policies and laws where the certification takes place.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <ul style="list-style-type: none"> <li>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements;</li> <li>...</li> <li>- where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements;</li> <li>...</li> </ul>	<p>(6.3.1.1) and that applicable legislation shall be followed by the certificate holder, including but not limited to tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders (6.3.1.2).</p> <p>Group Forest management certification</p> <p>According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level</p> <p>Brazil Russia and China national-level evaluation corroborate the coverage evaluation from the international level. For Romania, this indicator is not applicable (see report Annexes for details). Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for single and group forest management certification. Legislation regulation customary tenure rights relevant to forest harvesting activities is directly addressed in the normative requirement at the level of PEFC International.</p>	
		<b>A.1a.4.1.2</b> The Scheme shall include requirements that ensure	PEFC ST 1003: 2018 - 6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>There are generic indicators stating that all applicable legislation shall be identified and accessible for the organisation (6.3.1.1) and</p>	Covered



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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		compliance with legal obligations concerning benefit sharing they have negotiated with communities or customary users. E.g. social agreements or social responsibility agreements or cahier de charges, dependent on the country.	<p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>PEFC ST 1003: 2018 - 6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>PEFC ST 1003: 2018</p> <p>6.3.2.1 The standard requires that property rights, tree ownership and land tenure arrangements shall be clearly defined, documented and established for the relevant management unit. Likewise, legal, customary and traditional rights related to the forest land shall be clarified, recognised and respected.</p> <p>6.3.2.2 The standard requires that forest practices and operations shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO 169 and the UN Declaration on the Rights of Indigenous Peoples, which shall not be infringed upon without the free, prior and informed consent of the holders of the rights, including the provision of compensation where applicable. Where the extent of rights is not yet resolved, or is in dispute, there are processes for just and fair resolution. In such cases forest managers shall, in the interim, provide meaningful opportunities for parties to be engaged in forest management decisions whilst respecting the processes and roles and responsibilities laid out in the policies and laws where the certification takes place.</p> <p>ILO 169, Article 2</p> <p>1. Governments shall have the responsibility for developing, with the participation of the peoples concerned, co-ordinated and systematic action to protect the rights of these peoples and to guarantee respect for</p>	<p>that applicable legislation shall be followed by the certificate holder, including but not limited to tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders (6.3.1.2). It is not clear if PEFC International consistently includes within this requirement, compliance with legal obligations concerning benefit sharing.</p> <p>Standard requirement PEFC ST 1003: 2018 - 6.3.2.1. includes that property rights, tree ownership and land tenure arrangements shall be clearly defined, documented and established for the relevant management unit. Additionally that legal, customary and traditional rights related to the forest land shall be clarified, recognised and respected.</p> <p>According to PEFC ST 1003: 2018 - 6.3.2.2 forest practices and operations shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO 169 and the UNDRIP. ILO 169 (Articles 2, 15 and 35) and UNDRIP (Article 32) address the sharing of benefits from the exploitation of resources to which they hold rights.</p> <p>Group Forest management certification According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level Brazil, Russia and China national level evaluations corroborate the coverage evaluation from the international level. For Romania, this indicator is not applicable (see report Annexes for details). Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for single and group forest management certification. Legislation regulation sharing of benefits is at least indirectly addressed (through ILO 169) in the normative requirement at the level of PEFC International.</p>	



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>their integrity.</p> <p>2. Such action shall include measures for:</p> <p>(a) ensuring that members of these peoples benefit on an equal footing from the rights and opportunities which national laws and regulations grant to other members of the population;</p> <p>Article 15</p> <p>1. The rights of the peoples concerned to the natural resources pertaining to their lands shall be specially safeguarded. These rights include the right of these peoples to participate in the use, management and conservation of these resources.</p> <p>2. In cases in which the State retains the ownership of mineral or sub-surface resources or rights to other resources pertaining to lands, governments shall establish or maintain procedures through which they shall consult these peoples, with a view to ascertaining whether and to what degree their interests would be prejudiced, before undertaking or permitting any programmes for the exploration or exploitation of such resources pertaining to their lands. The peoples concerned shall wherever possible participate in the benefits of such activities, and shall receive fair compensation for any damages which they may sustain as a result of such activities.</p> <p>Article 35</p> <p>The application of the provisions of this Convention shall not adversely affect rights and benefits of the peoples concerned pursuant to other Conventions and Recommendations, international instruments, treaties, or national laws, awards, custom or agreements.</p> <p>UNDRIP</p> <p>Article 32</p> <p>...</p> <p>2. States shall consult and cooperate in good faith with the indigenous peoples concerned through their own representative institutions in order to obtain their free and informed consent prior to the approval of any project affecting their lands or territories and other resources, particularly in connection with the development, utilization or exploitation of mineral, water or other resources.</p>		
<b>A.1a.4.2</b>	Free, Prior and Informed Consent	<b>A.1a.4.2.1</b> The Scheme shall include requirements	PEFC ST 1003: 2018 - 6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>There are generic indicators stating that all applicable legislation</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		that ensure compliance with the internationally adopted principles of 'Free, Prior and Informed Consent' in connection with granting rights to forest management	<p>obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>PEFC ST 1003: 2018 - 6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>PEFC ST 1003: 2018</p> <p>6.3.2.2 The standard requires that forest practices and operations shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO 169 and the UN Declaration on the Rights of Indigenous Peoples, which shall not be infringed upon without the free, prior and informed consent of the holders of the rights, including the provision of compensation where applicable. Where the extent of rights is not yet resolved, or is in dispute, there are processes for just and fair resolution. In such cases forest managers shall, in the interim, provide meaningful opportunities for parties to be engaged in forest management decisions whilst respecting the processes and roles and responsibilities laid out in the policies and laws where the certification takes place.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <ul style="list-style-type: none"> <li>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of</li> </ul>	<p>shall be identified and accessible for the organisation (6.3.1.1) and that applicable legislation shall be followed by the certificate holder, including but not limited to tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders (6.3.1.2).</p> <p>Standard requirement PEFC ST 1003: 2018 - 6.3.2.1. includes that property rights, tree ownership and land tenure arrangements shall be clearly defined, documented and established for the relevant management unit. Additionally that legal, customary and traditional rights related to the forest land shall be clarified, recognised and respected.</p> <p>It is not clear if PEFC International consistently includes within the above requirements, ensuring compliance with the internationally adopted principles of 'Free, Prior and Informed Consent' in connection with granting rights to forest management.</p> <p>However, according to PEFC ST 1003: 2018 - 6.3.2.2 forest practices and operations shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO 169 and the UNDRIP. ILO 169 (Articles 2, 15 and 35) and UNDRIP (Article 32) address the exploitation of resources to which Indigenous and Tribal Peoples hold rights, via processes that imbibe the principles of FPIC.</p> <p>In 6.3.2.2 the concept of 'Free, Prior and Informed Consent' is addressed directly as a requirement within the forest management standard.</p> <p>Group Forest management certification</p> <p>According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level</p> <p>Not applicable for China, Russia and Romania. For Brazil, this indicator is covered through ILO 169 and United Nations Declaration on the Rights of Indigenous Peoples. Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>PEFC ST 1003, Sustainable Forest Management – Requirements;  ...  - where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements;  ...  ILO 169  Article 2  1. Governments shall have the responsibility for developing, with the participation of the peoples concerned, co-ordinated and systematic action to protect the rights of these peoples and to guarantee respect for their integrity.  2. Such action shall include measures for:  (a) ensuring that members of these peoples benefit on an equal footing from the rights and opportunities which national laws and regulations grant to other members of the population;  Article 35 The application of the provisions of this Convention shall not adversely affect rights and benefits of the peoples concerned pursuant to other Conventions and Recommendations, international instruments, treaties, or national laws, awards, custom or agreements.  Article 15  1. The rights of the peoples concerned to the natural resources pertaining to their lands shall be specially safeguarded. These rights include the right of these peoples to participate in the use, management and conservation of these resources.  2. In cases in which the State retains the ownership of mineral or sub-surface resources or rights to other resources pertaining to lands, governments shall establish or maintain procedures through which they shall consult these peoples, with a view to ascertaining whether and to what degree their interests would be prejudiced, before undertaking or permitting any programmes for the exploration or exploitation of such resources pertaining to their lands. The peoples concerned shall wherever possible participate in the benefits of such activities, and shall receive fair compensation for any damages which they may sustain as a result of such activities.  Article 35  The application of the provisions of this Convention shall not adversely affect rights and benefits of the peoples concerned pursuant to other Conventions and Recommendations, international instruments, treaties,</p>	<p><b>Justification</b></p> <p>This indicator is concluded as covered for single and group forest management certification.</p>	

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			<p>or national laws, awards, custom or agreements.</p> <p>UNDRIP Article 32 ...</p> <p>2. States shall consult and cooperate in good faith with the indigenous peoples concerned through their own representative institutions in order to obtain their free and informed consent prior to the approval of any project affecting their lands or territories and other resources, particularly in connection with the development, utilization or exploitation of mineral, water or other resources.</p>		
A.1a.4.3	Indigenous and traditional peoples' rights	A.1a.4.3.1 The Scheme shall include requirements that ensure compliance with national legislation and international conventions ratified that respect the tenure rights of indigenous and tribal peoples to forest land as well as their right to FPIC.	<p>PEFC ST 1003: 2018</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>6.3.2.1 The standard requires that property rights, tree ownership and land tenure arrangements shall be clearly defined, documented and established for the relevant management unit. Likewise, legal, customary and traditional rights related to the forest land shall be clarified, recognised and respected.</p> <p>6.3.2.2 The standard requires that forest practices and operations shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO 169 and the UN</p>	<p><b>Findings</b></p> <p>Single Forest management certification Two generic indicators state that all applicable legislation shall be identified and accessible for the organisation (6.3.1.1) and that applicable legislation shall be included within forest management standards, including but not limited to tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders (6.3.1.2).</p> <p>According to PEFC ST 1003: 2018 - 6.3.2.2 forest practices and operations shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO 169 and the UNDRIP. ILO 169 (Articles 2, 15 and 35) and UNDRIP (Article 32) address the exploitation of resources to which Indigenous and Tribal Peoples hold rights, via processes that imbibe the principles of FPIC. In 6.3.2.2 the concept of 'Free, Prior and Informed Consent' is addressed directly as a requirement within the forest management standard.</p> <p>Group Forest management certification According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level Brazil, Russia and China national-level evaluation corroborate the coverage evaluation from the international level. For Romania, this indicator is not applicable (see report Annexes for details). Although,</p>	Covered

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			<p>Declaration on the Rights of Indigenous Peoples, which shall not be infringed upon without the free, prior and informed consent of the holders of the rights, including the provision of compensation where applicable. Where the extent of rights is not yet resolved, or is in dispute, there are processes for just and fair resolution. In such cases forest managers shall, in the interim, provide meaningful opportunities for parties to be engaged in forest management decisions whilst respecting the processes and roles and responsibilities laid out in the policies and laws where the certification takes place.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <ul style="list-style-type: none"> <li>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements;</li> <li>...</li> <li>- where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements;</li> <li>...</li> </ul>	<p>according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for single and group forest management certification. Requirements that respect the tenure rights of indigenous and tribal peoples to forest land, as well as their right to FPIC, is directly addressed in the normative requirement at the level of PEFC International.</p>	
	<b>A.1a.5 Trade and customs, in so far as the forest sector is concerned</b>				
<b>A.1a.5.1</b>	Classification of species, quantities, qualities	<b>A.1a.5.1.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating how harvested	<p>PEFC ST 1003: 2018</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p>	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>There are generic indicators stating that all applicable legislation shall be identified and accessible for the organisation (6.3.1.1) and that applicable legislation on forest management shall be followed by the certificate holder (6.3.1.2). However, while these indicators include legislation in relation to forest management and forest management practices, they do not appear to include legislation</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		material is classified in terms of species, quantities and qualities in connection with trade and transport.	<p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <ul style="list-style-type: none"> <li>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements;</li> <li>...</li> <li>- where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements;</li> <li>...</li> </ul>	<p>regulating how harvested material is classified in terms of species, quantities and qualities in connection with trade and transport.</p> <p>Group Forest management certification</p> <p>According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level</p> <p>Russia and China national-level evaluation do not cover the requirements of this indicator.</p> <p>Brazil national-level evaluation covered the requirements of this indicator. For Romania, this indicator is evaluated as partially covered because no specific reference to classification of volumes, qualities, species, and license area are made. A requirement that forest management should comply with legislation applicable to forest management issues is made. Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered for single and group forest management certification. Requirements that ensure compliance with legislation regulating how harvested material is classified in terms of species, quantities and qualities in connection with trade and transport, are partially included by PEFC International as a requirement within forest management standards.</p>	
A.1a.5.2	Trade and transport	A.1a.5.2.1 The Scheme shall include requirements that ensure compliance with legally required trading permits as well as legally required	<p>PEFC ST 1003: 2018</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with</p>	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>There are generic indicators stating that all applicable legislation shall be identified and accessible for the organisation (6.3.1.1) and that applicable legislation on forest management shall be followed by the certificate holder (6.3.1.2). However, while these indicators include legislation on forest management and forest management practices, they do not appear to include legislation regulating trading permits as well as legally required transport documents that</p>	Partially Covered

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		transport documents that accompany transport of wood from forest operations.	<p>applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <ul style="list-style-type: none"> <li>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements;</li> <li>...</li> <li>- where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements;</li> <li>...</li> </ul>	<p>accompany the transport of wood from forest operations.</p> <p>Group Forest management certification</p> <p>According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level</p> <p>Russia, Romania and China national level do not cover the requirements of this indicator. Brazil national-level evaluation covered the requirements of this indicator. Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered for single and group forest management certification. Requirements that ensure compliance with legislation regulating trading permits as well as legally required transport documents that accompany the transport of wood from forest operations are partially included by PEFC International as a requirement within forest management standards.</p>	
<b>A.1a.5.3</b>	Offshore trading and transfer pricing	<b>A.1a.5.3.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating offshore trading and transfer pricing.	<p>PEFC ST 1003: 2018</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties</p>	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>There are generic indicators stating that all applicable legislation shall be identified and accessible for the organisation (6.3.1.1) and that applicable legislation on forest management shall be followed by the certificate holder (6.3.1.2). However, while these indicators include legislation in relation to forest management and forest management practices, they do not appear to include legislation regulating offshore trading and transfer pricing.</p> <p>Group Forest management certification</p> <p>According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level</p>	Not Covered



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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>and taxes.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <ul style="list-style-type: none"> <li>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements;</li> <li>...</li> <li>- where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements;</li> <li>...</li> </ul>	<p>Brazil national-level evaluation covered the requirements of this indicator. For Russia there is no legislation related to offshore trading and therefore is not applicable. China and Romania do not cover the requirements of this indicator. Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for single and group forest management certification. Requirements that ensure compliance with legislation regulating offshore trading and transfer pricing do not appear to be included by PEFC International as a requirement within forest management standards.</p>	
<b>A.1a.5.4</b>	Customs regulations	<b>A.1a.5.4.1</b> The Scheme shall include requirements that ensure compliance with legislation covering areas such as export/import licenses, and product classification related to customs (codes, quantities, qualities and species).	<p>PEFC ST 1003: 2018</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The</p>	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>There are generic indicators stating that all applicable legislation shall be identified and accessible for the organisation (6.3.1.1) and that applicable legislation on forest management shall be followed by the certificate holder (6.3.1.2). However, while these indicators include legislation in relation to forest management and forest management practices, they do not appear to include legislation covering export/import licenses, and product classification related to customs (codes, quantities, qualities and species).</p> <p>Group Forest management certification</p> <p>According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level</p> <p>Russia, Romania national-level evaluation corroborate the not coverage finding at the international level. Brazil national-level evaluation covered the requirement of this indicator. For China there is no possible for forest management entities to export products and therefore is not applicable. Although, according to the findings from</p>	Not Covered



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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <ul style="list-style-type: none"> <li>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements;</li> <li>...</li> <li>- where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements;</li> <li>...</li> </ul>	<p>C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for single and group forest management certification. Requirements that ensure compliance with legislation regulating export/import licenses, and product classification related to customs (codes, quantities, qualities and species), do not appear to be included by PEFC International as a requirement within forest management standards.</p>	
A.1a.5.5	CITES	A.1a.5.5.1 The Scheme shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).	<p>PEFC ST 1003: 2018</p> <p>8.4.3 The standard requires that protected, threatened and endangered plant and animal species shall not be exploited for commercial purposes. Where necessary, measures shall be taken for their protection and, where relevant, to increase their population.</p> <p>Note: The requirement does not preclude trade according to CITES requirements.</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p>	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>There are generic indicators stating that all applicable legislation shall be identified and accessible for the organisation (6.3.1.1) and that applicable legislation on forest management shall be followed by the certificate holder (6.3.1.2). However, while these indicators include legislation in relation to forest management and forest management practices, they do not appear to include legislation that ensures compliance with legislation related to CITES permits.</p> <p>According to 8.4.3, the threatened and endangered plant and animal species shall not be exploited for commercial purposes and should be protected. However, there is no specific reference to legal obligations related to this activity.</p> <p>Group Forest management certification</p> <p>According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level</p> <p>Brazil, Russia and China national level assess this indicator as covered. For Romania, this indicator is not applicable. Although, according to the findings from C.2.1.1, the national standards assessed on this project have been developed based on the previous version of international Forest Management standard.</p>	Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements:</p> <ul style="list-style-type: none"> <li>- the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements;</li> <li>...</li> <li>- where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements;</li> </ul> <p>PEFC ST 2002:2020 Appendix 1 "1.4.: The organisation procuring raw material originating from species listed in Appendix I to III of CITES shall comply with applicable legislation relating to CITES."</p> <p>...</p>	<p><b>Justification</b></p> <p>This indicator is concluded as covered for single and group forest management certification. On the assessment of national schemes, all assessed standards covered these requirements even if the standard is developed based on a previous version of the standard. Therefore, the conclusion of this indicator is covered based on assessment from the national level</p>	
<b>A.1a.5.6</b>	Legislation requiring due diligence/ due care procedures	<b>A.1a.5.6.1</b> The scheme shall include requirements that ensure compliance with legislation covering due diligence/ due care procedures, including e.g. due diligence/ due care systems, declaration obligations, and /or the keeping of trade related documents, legislation establishing	<p>PEFC ST 1003: 2018</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>Note: For a country which has signed a FLEGT Voluntary Partnership Agreement (VPA) between the European Union and the producing country, the "legislation applicable to forest management" is defined by the VPA agreement.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>PEFC GD 1007: 2017</p> <p>5 PEFC Sustainability Benchmark</p> <p>The objective of the endorsement process is to determine whether an applicant system meets the PEFC Sustainability Benchmark. The</p>	<p><b>Findings</b></p> <p>Single Forest management certification</p> <p>There are generic indicators stating that all applicable legislation shall be identified and accessible for the organisation (6.3.1.1) and that applicable legislation on forest management shall be followed by the certificate holder (6.3.1.2). However, while these indicators include legislation in relation to forest management and forest management practices, they do not appear to include requirements that ensure compliance with legislation covering due diligence/ due care procedures.</p> <p>Group Forest management certification</p> <p>According to PEFC GD 1007: 2017, group certification follows the requirements as per PEFC ST 1003: 2018.</p> <p>Findings at the national level</p> <p>Brazil national-level evaluation covered the requirements of this indicator. Romania national-level evaluation does not cover the requirements of this indicator as there is no specific reference related to legislation covering due diligence/ due care procedures. In China and Russia, this indicator is not applicable, as no legislation</p>	Not Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		procedures to prevent trade in illegally harvested timber and products derived from such timber, etc.	applicant system, submitted for PEFC Council endorsement and mutual recognition shall demonstrate conformance with the following PEFC requirements: - the content of the (regional, national or sub-national) forest management certification standard(s) shall meet the requirements of PEFC ST 1003, Sustainable Forest Management – Requirements; ... - where group certification of forest management is part of the system, the group certification model shall meet the requirements of PEFC ST 1002, Group Forest Management Certification – Requirements; ...	requiring due diligence is in place. Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.  <b>Justification</b>  This indicator is concluded as not covered for single and group forest management certification. Requirements that ensure compliance with legislation covering due diligence/due care procedures do not appear to be included by PEFC International as a requirement to be included within forest management standards.	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
<b>A.1b Legal Requirements at the forest level - Input from non-PEFC certified forest</b>  This section relates to requirements of the Scheme that applies to Certificate Holders applying the normative requirements of the Scheme relating to its due diligence system. The standard assessed in this section: PEFC ST 2002: 2020, Indicator 3.7 and Appendix 1. Note: Section A is split into two components: A.1a with findings related to a forest certified by PEFC and A.1b with findings related to the non-certified forest subject to Controlled Sources requirements.					
	<b>A.1b.1 Rights to harvest timber within legally gazetted boundaries</b>				
<b>A.1b.1.1</b>	Land tenure and management rights	<b>A.1b.1.1.1.</b> The Scheme shall include requirements that ensure compliance with legislation covering land tenure rights, including customary rights	PEFC ST 2002: 2020  3.28 PEFC controlled sources  Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources.  3.7 Controversial sources  Forest and tree based material sourced from:  a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest	<b>Findings</b>  According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).  Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS)	Partially Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		as well as management rights.	<p>management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is "negligible risk" that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>7.1.2 For PEFC product groups where only input material used was delivered with a PEFC claim by a supplier covered by a PEFC recognised certificate, an organisation may implement the PEFC DDS by meeting the following requirements:</p> <p>a) In order to enable PEFC certified and uncertified entities further down the supply chain to implement a DDS, the organisation shall, upon request, provide the information specified in Appendix 1, 2.1 for material passed on with a PEFC claim. If the organisation does not possess the requested information, the request shall be passed on to relevant supplier(s) of the organisation (Appendix 1, 2.2).</p> <p>b) Where internal or external substantiated concerns on the origin of input material from controversial sources are raised, the organisation shall follow up on these concerns following Appendix 1, 4.</p> <p>c) The organisation shall define, document and implement a commitment and a procedure, also covering forest and tree based material/products not covered by the organisation's PEFC chain of custody, ensuring that where it is known to the organisation, or where it has received substantiated concerns, that forest and tree based material/products originates in illegal sources (controversial sources, 3.7a), it shall not be placed on the market until the concern has been resolved in accordance with Appendix 1, 4.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p>when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>According to the definition of Controversial sources (3.7), legislation covering land tenure rights are required to be met for indigenous peoples, local communities or other affected stakeholders. However, a specific reference to legislation in case when there are no indigenous peoples, local communities or other affected stakeholders is not made.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered for controlled sources. A specific reference is made to compliance with legislation covering land tenure rights for indigenous peoples, local communities or other affected stakeholders. However, a reference to legislation in case when there are no indigenous peoples, local communities or other affected stakeholders is not made.</p>	

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		<p><b>A.1b.1.1.2.</b> The Scheme shall include requirements to ensure that licenses, right of tenure and management rights, have been issued:</p> <p>i) according to the legally prescribed procedure,</p> <p>ii) in compliance with third parties' legal rights concerning tenure,</p> <p>iii) specifying the legally-gazetted boundaries, and;</p> <p>iv) with absence of corrupt practices.</p>	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is "negligible risk" that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>In reference to parts i), ii) and iii), the definition of Controversial sources (3.7) includes applicable legislation on forest management as well as tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders. However, the requirement that licenses, right of tenure and management rights, have been issued according to the legally prescribed procedure – and specifying the legally-gazetted boundaries – is not specifically included. At the same time, a specific reference to compliance with legislation covering land tenure rights is not made in case that general there are no indigenous peoples, local communities or other affected stakeholders.</p> <p>In reference to part iv) there is no mention that issuing of rights and licences are issued in the absence of corrupt practices, but controversial sources definition (3.7) includes anticorruption legislation.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered for controlled sources. A specific reference to compliance with legislation covering the issuing of rights and licences according to the legally prescribed procedure, specifying legally-gazetted boundaries, is not made</p>	Partially Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				within the PEFC normative requirements. There is no inclusion for legislation covering land tenure rights if there is no indigenous peoples, local communities or other affected stakeholders.	
		<b>A.1b.1.1.3</b> The Scheme shall include requirements that ensure the existence of legal business registration, and other relevant legally required licenses.	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti corruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).</p> <p>It is not clear if the definition of controversial sources (3.7) “applicable local, national or international legislation on forest management, including but not limited to forest management practices” includes legal business registration and other relevant legally required licenses.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered for controlled sources. A specific reference to compliance with legislation regulating legal business registration is not made.</p>	Partially Covered
<b>A.1.1.2</b>	Concession licenses	<b>A.1b.1.2.1</b> The Scheme shall include	PEFC ST 2002: 2020	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		requirements that ensure compliance with legislation regulating procedures for the issuing of concession licenses, including use of legal methods to obtain concession licenses and that licenses are covering only legally gazetted areas	<p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti corruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is "negligible risk" that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p>choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).</p> <p>It is not clear if PEFC International consistently includes legal methods to obtain concession licenses within their interpretation of controversial sources "<i>applicable local, national or international legislation on forest management, including but not limited to forest management practices</i>". Simultaneously, normative requirements do not explicitly request to include only legally gazetted areas within concession licenses.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered for controlled sources. It is not clear if PEFC International consistently includes legal methods to obtain concession licenses within their interpretation of controversial sources, as well as ensuring that licences only cover legally gazetted areas.</p>	
A.1b.1.3	Management and harvesting planning	A.1b.1.3.1 The Scheme shall include requirements that ensure compliance with	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in</p>	Partially Covered



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		legislation and legal obligations for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring.	<p>there is “negligible risk” that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p>relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).</p> <p>It is not clear if the definition of controversial sources “<i>applicable local, national or international legislation on forest management, including but not limited to forest management practices</i>” includes compliance with legislation and legal obligations for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered for controlled sources. A specific reference to compliance with legislation and legal obligations for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring is not made within the PEFC normative requirements.</p>	
		<b>A.1b.1.3.2</b> The Scheme shall include requirements that all legally required planning documents have been approved	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.</p> <p>3.7 Controversial sources</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p>	Partially Covered



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		prior to implementation of forest harvesting activities.	<p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).</p> <p>It is not clear if the definition of controversial sources “<i>applicable local, national or international legislation on forest management, including but not limited to forest management practices</i>” includes requirements that all legally required planning documents have been approved prior to the implementation of forest harvesting activities.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered for controlled sources. A specific reference to requirements that all legally required planning documents have been approved prior to the implementation of forest harvesting activities is not made within the PEFC normative requirements.</p>	
<b>A.1b.1.4</b>	Harvesting permits	<b>A.1b.1.4.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating the issuing of harvesting permits, licenses or other legal documents required for	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders;</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to</p>	Covered

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		specific harvesting operations.	<p>health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is "negligible risk" that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p>minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1). The definition of controversial sources "<i>applicable local, national or international legislation on forest management, including but not limited to forest management practices</i>" make it impossible to avoid including harvesting licenses.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for controlled sources.</p>	
	<b>A.1b.2 Payments for harvest rights and timber including duties related to timber harvesting</b>				
<b>A.1b.2.1</b>	Payment of royalties and harvesting fees	<b>A.1b.2.1.1</b> The Scheme shall include requirements that ensure compliance with legislation covering payment of all legally required forest harvesting-specific fees such as royalties,	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are</p>	Partially Covered

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		<p>stumpage fees and other volume-based fees, as well as land area taxes or fees.</p>	<p>applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is "negligible risk" that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p>sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).</p> <p>It is not clear if the definition of controversial sources "<i>applicable local, national or international legislation on forest management, including but not limited to...the payment of applicable royalties and taxes</i>" includes compliance with legislation covering payment of all legally required forest harvesting-specific fees such as stumpage fees and other volume-based fees, as well as land area taxes or fees.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered for controlled sources. A specific reference to compliance with legislation covering payment of stumpage fees and other volume-based fees, as well as land area taxes or fees is not made within the PEFC normative requirements.</p>	
<b>A.1b.2.2</b>	Value-added taxes and other sales taxes	<p><b>A.1b.2.2.2</b> The Scheme shall include requirements that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales).</p>	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p>cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).</p> <p>It is not clear if the definition of controversial sources “<i>applicable local, national or international legislation on forest management, including but not limited ... to the payment of applicable royalties and taxes</i>” includes compliance with legislation covering VAT and other sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales).</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered for controlled sources. A specific reference to compliance with legislation covering VAT and other sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales) is not made within the PEFC normative requirements.</p>	
	<b>A.1b.3 Timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting</b>				
<b>A.1b.3.1</b>	Timber harvesting regulations	<b>A.1b.3.1.1</b> The Scheme shall include requirements that ensure compliance with legal obligations for harvesting techniques and technology including timing	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS)</p>	Partially Covered

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		<p>of harvest, selective cutting, shelter wood regeneration, clear felling, transport of timber from felling sites and seasonal limitations etc.</p> <p>This includes the mis-use of salvaging permits or other specific ministerial permits, with the intention of circumventing harvest regulations</p>	<p>management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is "negligible risk" that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p>when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).</p> <p>It is not clear if the definition of controversial sources "<i>applicable local, national or international legislation on forest management, including but not limited to forest management practices</i>" includes compliance with legal obligations for harvesting techniques and technology including the timing of harvest, selective cutting, shelter wood regeneration, clear felling, transport of timber from felling sites and seasonal limitations.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered for controlled sources. Specific references to compliance with legal obligations for harvesting techniques and technology including the timing of harvest, selective cutting, shelter wood regeneration, clear felling, transport of timber from felling sites and seasonal limitations are not made within the PEFC normative requirements.</p>	
<b>A.1b.3.2</b>	Protected sites and species	<b>A.1b.3.2.1</b> The Scheme shall include requirements that ensure compliance with legislation related to protected areas as well as protected, rare, or endangered species,	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of</p>	Covered

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		including their habitats and potential habitats.	<p>indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p>standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).</p> <p>It is considered that the definition of controversial sources “<i>applicable local, national or international legislation on forest management, including but not limited to... nature and environmental protection, protected and endangered species</i>” includes compliance with legislation related to protected areas as well as protected, rare, or endangered species, including their habitats and potential habitats.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for controlled sources.</p>	
		<b>A.1b.3.2.2</b> Requirements that ensure compliance with legislation related to protected areas and habitats, shall include that the identification of protected areas is conducted according to the legal requirements.	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed</p>	Partially Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p>(Appendix 1, 6.1).</p> <p>It is not clear if the definition of controversial sources “<i>applicable local, national or international legislation on forest management, including but not limited to ... forest management practices; nature and environmental protection; protected and endangered species</i>” includes compliance with legislation related to protected areas and habitats including identification of protected areas.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered for controlled sources. A specific reference to compliance with legislation related to protected areas and habitats including identification of protected areas is not made within the PEFC normative requirements.</p>	
<b>A.1b.3.3</b>	Environmental requirements	<b>A.1b.3.3.1</b> The Scheme shall include requirements that ensure compliance with legislation related to environmental impact assessment in connection with harvesting, acceptable level of damage and disturbance of soil resources, establishment of buffer zones (e.g. along watercourses, open areas, breeding sites),	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).</p> <p>It is not clear if the definition of controversial sources “<i>applicable local, national or international legislation on forest management, including but not limited to ... forest management practices; nature</i></p>	Partially Covered

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		maintenance of retained trees on felling sites, seasonal limitations on harvesting, and environmental requirements for forest machinery.	<p>originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p><i>and environmental protection; protected and endangered species"</i> includes compliance with legislation related to environmental impact assessment in connection with harvesting, acceptable levels of damage and disturbance of soil resources, the establishment of buffer zones (e.g. along watercourses, open areas, breeding sites), maintenance of retained trees on felling sites, seasonal limitations on harvesting, and environmental requirements for forest machinery.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered for controlled sources. Specific references are not made within the PEFC normative requirements to comply with legislation related to environmental impact assessment in connection with harvesting, acceptable levels of damage and disturbance of soil resources, the establishment of buffer zones (e.g. along watercourses, open areas, breeding sites), maintenance of retained trees on felling sites, seasonal limitations on harvesting, and environmental requirements for forest machinery.</p>	
<b>A.1b.3.4</b>	Health and safety	<b>A.1b.3.4.1</b> The Scheme shall include requirements that ensure compliance with Health & Safety legislation.	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti corruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed</p>	Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p>(Appendix 1, 6.1).</p> <p>The definition of controversial sources “<i>applicable local, national or international legislation on forest management, including but not limited to...health, labour and safety issues</i>” includes compliance with Health &amp; Safety legislation.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for controlled sources.</p>	
<b>A.1b.3.5</b>	Legal employment	<b>A.1b.3.5.1</b> The Scheme shall include requirements that ensure compliance with legislation for employment of personnel involved in harvesting (and in-forest processing) activities including but not limited to requirements for: contracts and working permits, obligatory insurances, certificates of competence and other training requirements,	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).</p> <p>It is not clear if the definition of controversial sources “<i>applicable local, national or international legislation on forest management, including but not limited to...health, labour and safety issues</i>” includes compliance with legislation for contracts and working permits, obligatory insurances, certificates of competence and other</p>	Partially Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		and payment of social and income taxes.	PEFC ST 2002: 2020 Appendix 1  Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.	training requirements, and payment of social and income taxes.  <b>Justification</b>  This indicator is concluded as partially covered for controlled sources. A specific reference to compliance with legislation contracts and working permits, obligatory insurances, certificates of competence and other training requirements, and payment of social and income taxes, is not made within the PEFC normative requirements.	
		<b>A.1b.3.5.2</b> The Scheme shall include requirements that ensure compliance with legislation for minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labour, and discrimination and legislation allowing for freedom of association.	PEFC ST 2002: 2020  3.28 PEFC controlled sources  Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources.  3.7 Controversial sources  Forest and tree based material sourced from:  a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti corruption and the payment of applicable royalties and taxes.  f) Activities where the spirit of the ILO Declaration on Fundamental Principles and Rights at Work (1998) is not met.  6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.  7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is "negligible risk" that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.	<b>Findings</b>  According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).  Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.  There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).  It is not clear if the definition of controversial sources part a) " <i>applicable local, national or international legislation on forest management, including but not limited to... health, labour and safety issues</i> " includes compliance with legislation for minimum working age and the minimum age for personnel involved in hazardous work, legislation against forced and compulsory labour, and discrimination and legislation allowing for freedom of association. However, part f)	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			PEFC ST 2002: 2020 Appendix 1 Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.	would cover this area.  <b>Justification</b>  This indicator is concluded as covered for controlled sources.	
	<b>A.1b.4 Third parties' legal rights concerning use and tenure that are affected by timber harvesting</b>				
<b>A.1b.4.1</b>	Customary rights	<b>A.1b.4.1.1</b> The Scheme shall include requirements that ensure compliance with respect for customary tenure rights relevant to forest harvesting activities.	PEFC ST 2002: 2020 3.28 PEFC controlled sources Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources. 3.7 Controversial sources Forest and tree based material sourced from: a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes. 6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups. 7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is "negligible risk" that it originates from controversial sources and that it meets the definition of PEFC controlled sources material. PEFC ST 2002: 2020 Appendix 1	<b>Findings</b>  According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).  Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.  There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).  The definition of controversial sources " <i>applicable local, national or international legislation on forest management, including but not limited to...property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders</i> " includes compliance with respect for customary tenure rights relevant to	Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.	<p>forest harvesting activities.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for controlled sources.</p>	
		<b>A.1b.4.1.2</b> The Scheme shall include requirements that ensure compliance with legal obligations concerning benefit sharing they have negotiated with communities or customary users. E.g. social agreements or social responsibility agreements or cahier de charges, dependent on the country.	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>f) Activities where the spirit of the ILO Declaration on Fundamental Principles and Rights at Work (1998) is not met.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).</p> <p>According to PEFC ST 2002: 2020 – 3.7 f) forest practices and operations shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO. ILO 169 (Articles 2, 15 and 35) address the sharing of benefits from the exploitation of resources to which they hold rights.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for controlled sources. Legislation regulation sharing of benefits is at least indirectly addressed (through ILO 169) in the normative requirement at the level of PEFC International.</p>	Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
A.1b.4.2	Free, Prior and Informed Consent	A.1b.4.2.1 The Scheme shall include requirements that ensure compliance with the internationally adopted principles of 'Free, Prior and Informed Consent' in connection with granting rights to forest management.	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>g) Activities where the spirit of the United Nations Declaration on the Rights of Indigenous Peoples (2007) is not met.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is "negligible risk" that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p> <p>UNDRIP Article 32 ...</p> <p>2. States shall consult and cooperate in good faith with the indigenous peoples concerned through their own representative institutions in order</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).</p> <p>It is not clear if the definition of controversial sources part a) "<i>applicable local, national or international legislation on forest management, including but not limited to...property, tenure and land-use rights for indigenous peoples</i>" includes compliance with the internationally adopted principles of 'Free, Prior and Informed Consent' in connection with granting rights to forest management. However, in the case of part g), this covers the indicator. UNDRIP (Article 32) address the exploitation of resources to which Indigenous and Tribal Peoples hold rights, via processes that imbibe the principles of FPIC.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for controlled sources.</p>	Covered

# ANNEX 4 : SCHEME ASSESSMENT REPORT – PEFC

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			to obtain their free and informed consent prior to the approval of any project affecting their lands or territories and other resources, particularly in connection with the development, utilization or exploitation of mineral, water or other resources.		
A.1b.4.3	Indigenous and traditional peoples' rights	A.1b.4.3.1 The Scheme shall include requirements that ensure compliance with national legislation and international conventions ratified that respect the tenure rights of indigenous and tribal peoples to forest land as well as their right to FPIC.	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti corruption and the payment of applicable royalties and taxes.</p> <p>g) Activities where the spirit of the United Nations Declaration on the Rights of Indigenous Peoples (2007) is not met.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is "negligible risk" that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).</p> <p>The definition of controversial sources part a) "<i>applicable local, national or international legislation on forest management, including but not limited to...property, tenure and land-use rights for indigenous peoples</i>" includes compliance with legislation and international conventions ratified that respect the tenure rights of indigenous and tribal peoples. Furthermore, part g) strengthens coverage of the indicator. UNDRIP (Article 32) address the exploitation of resources to which Indigenous and Tribal Peoples hold rights, via processes that imbibe the principles of FPIC.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for controlled sources.</p>	Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
	<b>A.1b.5 Trade and customs, in so far as the forest sector is concerned</b>				
<b>A.1b.5.1</b>	Classification of species, quantities, qualities	<b>A.1b.5.1.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating how harvested material is classified in terms of species, Quantities and qualities in connection with trade and transport.	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).</p> <p>The definition of controversial sources (3.7) includes forest and tree-based material sourced from activities not complying with applicable local, national or international legislation on forest management, including forest management practices and other areas of law. This definition does not appear to include legislation regulating how harvested material is classified in terms of species, quantities and qualities in connection with trade and transport.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for controlled sources. Legislation regulating how harvested material is classified in terms of species, quantities and qualities in connection with trade and transport, does not appear to be included by PEFC International</p>	Not Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				within the definition of controversial sources in the Chain of Custody standard.	
A.1b.5.2	Trade and transport	A.1b.5.2.1 The Scheme shall include requirements that ensure compliance with legally required trading permits as well as legally required transport documents that accompany transport of wood from forest operations.	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti corruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product group there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>national government sanctions restricting the export/import of such forest and tree based products</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).</p> <p>The definition of controversial sources (3.7) includes forest and tree-based material sourced from activities not complying with applicable local, national or international legislation on forest management, including forest management practices and other areas of law. This definition does not appear to include compliance with legally required trading permits as well as legally required transport documents that accompany the transport of wood from forest operations.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for controlled sources. Legislation compliance with legally required trading permits as well as legally required transport documents that accompany the transport of wood from forest operations do not appear to be included by PEFC International within the definition of controversial</p>	Not Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				sources in the Chain of Custody standard.	
<b>A.1b.5.3</b>	Offshore trading and transfer pricing	<b>A.1b.5.3.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating offshore trading and transfer pricing.	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).</p> <p>The definition of controversial sources (3.7) includes forest and tree-based material sourced from activities not complying with applicable local, national or international legislation on forest management, including forest management practices and other areas of law. This definition does not appear to include compliance with legislation regulating offshore trading and transfer pricing.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for controlled sources. Legislation regulating offshore trading and transfer pricing does not appear to be included by PEFC International within the definition of controversial sources in the Chain of Custody standard.</p>	Not Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
A.1b.5.4	Customs regulations	A.1b.5.4.1 The Scheme shall include requirements that ensure compliance with legislation covering areas such as export/import licenses, and product classification related to customs (codes, quantities, qualities and species).	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).</p> <p>The definition of controversial sources (3.7) includes forest and tree-based material sourced from activities not complying with applicable local, national or international legislation on forest management, including forest management practices and other areas of law. This definition does not appear to include compliance with legislation covering areas such as export/import licenses, and product classification related to customs (codes, quantities, qualities and species).</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered for controlled sources. A specific reference to compliance with legislation covering areas such as export/import licenses and product classification related to customs is not made within the PEFC normative requirements. In addition, some specific cases in relation to the risk assessment tables in Appendix 1 mean that risks may not always be captured.</p>	Not Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				This indicator is concluded as not covered for controlled sources. Legislation regulating export/import licenses, and product classification related to customs (codes, quantities, qualities and species), does not appear to be included by PEFC International within the definition of controversial sources in the Chain of Custody standard.	
A.1b.5.5	CITES	A.1b.5.5.1 The Scheme shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).</p> <p>The definition of controversial sources (3.7) includes forest and tree-based material sourced from activities not complying with applicable local, national or international legislation on forest management, including forest management practices and other areas of law. This definition does not appear to include compliance with legislation related to CITES permits.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for controlled sources. Legislation related to CITES permits does not appear to be included by PEFC International within the definition of controversial sources</p>	Not Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				in the Chain of Custody standard.	
<b>A.1b.5.6</b>	Legislation requiring due diligence/ due care procedures	<b>A.1b.5.6.1</b> The scheme shall include requirements that ensure compliance with legislation covering due diligence/due care procedures, including e.g. due diligence/due care systems, declaration obligations, and /or the keeping of trade related documents, legislation establishing procedures to prevent trade in illegally harvested timber and products derived from such timber, etc.	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 Appendix 1</p> <p>Appendix 1, 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>There are generic indicators (3.7. a) stating wood originated from cases when applicable legislation is not followed it is not allowed (Appendix 1, 6.1).</p> <p>The definition of controversial sources (3.7) includes forest and tree-based material sourced from activities not complying with applicable local, national or international legislation on forest management, including forest management practices and other areas of law. This definition does not appear to include requirements that ensure compliance with legislation covering due diligence/due care procedures.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for controlled sources. Requirements that ensure compliance with legislation covering due diligence/due care procedures do not appear to be included by PEFC International within the definition of controversial sources in the Chain of Custody standard.</p>	Not Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
<b>A.2a Legal requirements for supply chain entities - Certificate Holders</b>					
<p>Principle A.2a relates to requirements for Certificate holders to meet trade, transport and customs laws (within the country of harvest), in so far as the forest sector is concerned. The standard assessed in this section is PEFC ST 2002: 2020</p> <p>Note: Section A2 is split into two components: A.2a with findings related to requirements for Certificate holders and A.2b with findings related to requirements for entities subject to Controlled Sources requirements.</p>					
	<b>A.2a.1. Legal registration</b>				
<b>A.2a.1.1</b>	Legal Registration	<b>A.2a.1.1.1</b> The scheme shall include requirements that ensure the existence of legal business registration, and other relevant legally required licenses.	PEFC ST 2003: 2020 7.2.1 The certification body shall obtain from the client organisation, as a minimum, the following information and documentation as a part of the application for certification: a) corporate entity, name, address and legal status	<p><b>Findings</b></p> <p>According to 7.2.1 of PEFC ST 2003: 2020, the legal status of the certificate holder is checked during the audit. The Certification Body must gather information in relation to legal status, but there is no requirement for certificate holders that ensures the existence of legal business registration, and other relevant legally required licenses.</p> <p>It is the case that ISO 9000: 2015 requires certification bodies to document legal status as a part of the application for certification. However, legal business registration or other relevant legally required licenses are not specifically required to be ascertained or evaluated. At the same time, the process of documenting the legal status is carried out as a part of the application and is not subject to evaluation as part of annual audits.</p> <p><b>Justification</b></p> <p>This indicator is concluded as Not Covered for certificate holders. The Certification Body must gather information in relation to legal status, but there is no requirement to ensure the existence of legal business registration, or other relevant</p>	Not Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				legally required licenses.	
	<b>A.2a.2 Taxes and fees</b>				
<b>A.2a.2.1</b>	Payment of taxes, royalties and fees	<b>A2a.2.1.1</b> The Scheme shall include requirements that ensure compliance with legislation covering payment of all legally required taxes, royalties and fees.		<p><b>Findings</b></p> <p>There is no requirement to ensure compliance with legislation covering payment of all legally required taxes, royalties and fees, which is applicable to the Certificate holder itself.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for certificate holders. PEFC International has no requirement to ensure compliance with legislation covering payment of all legally required taxes, royalties and fees, applicable to the Certificate holder itself.</p>	Not Covered
<b>A.2a.2.2</b>	Value-added taxes and other sales taxes	<b>A2a.2.2.1</b> The Scheme shall include requirements that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold, including selling		<p><b>Findings</b></p> <p>There is no requirement to ensure compliance with legislation regulating different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales), which is applicable to the Certificate holder itself.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for certificate holders. PEFC International has no requirement to ensure compliance with legislation regulating different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales), applicable</p>	Not Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		material as growing forest (standing stock sales).		to the Certificate holder itself.	
	<b>A.2a.3 Trade and transport</b>				
<b>A.2a.3.1</b>	Classification of species, quantities, qualities	<b>A.2a.3.1.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating how products are classified in terms of species, volumes and qualities in connection with trade and transport.		<p><b>Findings</b></p> <p>There is no requirement to ensure compliance with legislation regulating how products are classified in terms of species, volumes and qualities in connection with trade and transport, which is applicable to the Certificate holder itself.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for certificate holders. PEFC International has no requirement to ensure compliance with legislation regulating how products are classified in terms of species, volumes and qualities in connection with trade and transport, applicable to the Certificate holder itself.</p>	Not Covered
<b>A.2a.3.2</b>	Trade and transport	<b>A.2a.3.2.1</b> The Scheme shall include requirements that ensure compliance with required trading permits as well as legally required transport		<p><b>Findings</b></p> <p>There is no requirement to ensure compliance with required trading permits as well as legally required transport documents that accompany the transport of wood, which is applicable to the Certificate holder itself.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for certificate holders. PEFC International has no requirement to ensure compliance with required trading permits as well as legally</p>	Not Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		documents that accompany transport of wood.		required transport documents that accompany the transport of wood, applicable to the Certificate holder itself.	
<b>A.2a.3.3</b>	Offshore trading and transfer pricing	<b>A.2a.3.3.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating offshore trading.		<p><b>Findings</b></p> <p>There is no requirement to ensure compliance with legislation regulating offshore trading, which is applicable to the Certificate holder itself.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for certificate holders. PEFC International has no requirement to ensure compliance with legislation regulating offshore trading, applicable to the Certificate holder itself.</p>	Not Covered
		<b>A.2a.3.3.2</b> The Scheme shall include requirements that ensure compliance with legislation regulating transfer pricing.		<p><b>Findings</b></p> <p>There is no requirement to ensure compliance with legislation regulating transfer pricing, which is applicable to the Certificate holder itself.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for certificate holders. PEFC International has no requirement to ensure compliance with legislation regulating transfer pricing, applicable to the Certificate holder itself.</p>	Not Covered
<b>A.2a.3.4</b>	Customs regulations	<b>A.2a.3.4.1</b> The Scheme shall include requirements that ensure compliance with		<p><b>Findings</b></p> <p>There is no requirement to ensure compliance with legislation regulating covering areas such as export/import licenses, and product classification related to customs (codes, quantities, qualities and species), which is</p>	Not Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		legislation covering areas such as export/import licenses, and product classification related to customs (codes, quantities, qualities and species).		<p>applicable to the Certificate holder itself.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for certificate holders. PEFC International has no requirement to ensure compliance with legislation regulating covering areas such as export/import licenses, and product classification related to customs (codes, quantities, qualities and species), applicable to the Certificate holder itself.</p>	
<b>A.2a.3.5</b>	CITES	<p><b>A.2a.3.5.1</b></p> <p>The Scheme shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).</p>	<p>PEFC ST 2002: 2020 Appendix 1</p> <p>1. General requirements</p> <p>...</p> <p>1.4 The organisation procuring raw material originating from species listed in Appendix I to III of CITES shall comply with applicable legislation relating to CITES.</p>	<p><b>Findings</b></p> <p>As per 7.1.1 of PEFC ST 2002: 2020, the certificate holder shall implement a Due Diligence System (DDS) laid down in Appendix 1, when sourcing input material which is not PEFC-certified. In such a case, the role of the DDS in Appendix 1 is to ensure non-certified materials or products which are sourced by the Certificate Holder do not derive from controversial sources. The DDS in Appendix 1 is not expected to be applied to the Certificate holder itself or to PEFC-certified material.</p> <p>If not implementing a DDS, there is no requirement to ensure compliance with legislation related to CITES permits, which is applicable to the Certificate holder itself. However, if the Certificate Holder is implementing a DDS in conformance with Appendix 1 of PEFC ST 2002: 2020, then general requirement 1.4 applies, which requires the organisation to comply with applicable legislation relating to CITES.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered for certificate holders. If not implementing a DDS, there is no requirement</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				to ensure compliance with legislation related to CITES permits, which is applicable to the Certificate holder itself. However, if the Certificate Holder is implementing a DDS in conformance with Appendix 1 of PEFC ST 2002: 2020, then general requirement 1.4 applies, which requires the organisation to comply with applicable legislation relating to CITES.	
<b>A.2a.3.6</b>	Legislation requiring due diligence / due care procedures	<b>A.2a.3.6.1</b> The scheme shall include requirements that ensure compliance with legislation covering due diligence/due care procedures, including e.g. due diligence/due care systems, declaration obligations, and /or the keeping of trade related documents, legislation establishing procedures to prevent trade in illegally harvested timber and	PEFC ST 2002: 2020  3.35 Recycled material Forest and tree based material that is: a) Recovered from waste during a manufacturing process. Excluded is reutilisation of materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process that generated it. Excluded are by-products resulting from primary production processes, such as sawmilling by-products (sawdust, chips, bark, etc.) or forestry residues (bark, chips from branches, roots, etc.) as they are not considered waste. b) Generated by households or by commercial, industrial and institutional facilities in their role as end-users of the product that can no longer be used for its intended purpose. This includes returns of material from the distribution chain. Note 1: The term “capable of being reclaimed within the same process that generated it” means that the material generated in one process is continuously returned to the same process at the same site. An example is residue generated by a press line in a panel board production that continuously re-enters the same press line. This is not considered as recycled material. Note 2: The definition is based on definitions of ISO 14021. Note 3: Different examples of recycled material are provided in PEFC GD 2001.  7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due	<b>Findings</b>  As per 7.1.1 of PEFC ST 2002: 2020, the certificate holder shall implement a Due Diligence System (DDS) laid down in Appendix 1, when sourcing input material which is not PEFC-certified (or recycled material). In such a case, the role of the DDS in Appendix 1 is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.  Appendix 1 is intended to ensure that activities conducted by the organisation under the scope of this standard conform to all applicable timber legality legislation, including trade and customs laws (appendix 1, 1.1). Indeed, Appendix 1 may help in this way, however there is no specific reference to <i>ensuring compliance</i> with legislation covering due diligence/due care procedures, either in the case of Appendix 1 or for Certificate holders which are not implementing a DDS but which may still be subject to some trade and customs laws.  <b>Justification</b>  This indicator is concluded as partially covered for certificate holders. There is no specific reference to ensuring compliance with legislation covering due diligence/due care procedures, either in the case of Appendix 1 or for Certificate Holders which are not implementing a DDS but which may still be subject to some trade and customs laws.	Partially Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		products derived from such timber, etc.	<p>diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>7.1.2 For PEFC product groups where only input material used was delivered with a PEFC claim by a supplier covered by a PEFC recognised certificate, an organisation may implement the PEFC DDS by meeting the following requirements:</p> <p>a) In order to enable PEFC certified and uncertified entities further down the supply chain to implement a DDS, the organisation shall, upon request, provide the information specified in Appendix 1, 2.1 for material passed on with a PEFC claim. If the organisation does not possess the requested information, the request shall be passed on to relevant supplier(s) of the organisation (Appendix 1, 2.2).</p> <p>b) Where internal or external substantiated concerns on the origin of input material from controversial sources are raised, the organisation shall follow up on these concerns following Appendix 1, 4.</p> <p>c) The organisation shall define, document and implement a commitment and a procedure, also covering forest and tree based material/products not covered by the organisation’s PEFC chain of custody, ensuring that where it is known to the organisation, or where it has received substantiated concerns, that forest and tree based material/products originates in illegal sources (controversial sources, 3.7a), it shall not be placed on the market until the concern has been resolved in accordance with Appendix 1, 4.</p> <p>PEFC ST 2002: 2020 - Appendix 1</p>		

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>1.1 In order to help ensure that activities conducted by the organisation under the scope of this standard conform to all applicable timber legality legislation, including trade and customs laws, and to minimise the risk that the procured material originates in controversial sources, the organisation shall operate a Due Diligence System (DDS), in accordance with the following elements of this standard.</p> <p>1.3 The organisation shall implement the PEFC DDS in three steps relating to:</p> <ul style="list-style-type: none"> <li>a) gathering information</li> <li>b) risk assessment</li> <li>c) management of significant risk supplies</li> </ul> <p>3.1 The organisation shall carry out a risk assessment, assessing the risk of procuring raw material from controversial sources for all input forest and tree based material covered by the organisation's PEFC chain of custody, with the exception of material/products delivered with a PEFC claim by a supplier with a PEFC recognised certificate, as this material can be considered as having "negligible risk" of originating in controversial sources.</p>		

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
<b>A.2b Legal requirements for supply chain entities - Non-PEFC certified supply chains</b>  Principle A.2b relates to requirements of the Scheme that applies to Certificate Holders applying the normative requirements of the Scheme relating to its due diligence system. It asks if the requirements for entities subject to Controlled Sources, cover trade, transport and customs laws (within the country of harvest), in so far as the forest sector is concerned. The standard assessed in this section is PEFC ST 2002: 2020 Indicator 3.7 and Appendix 1 Note: Section A2 is split into two components: A.2a with findings related to requirements for Certificate holders and A.2b with findings related to requirements for entities subject to Controlled Sources requirements.					
	<b>A.2b.1. Legal registration</b>				
<b>A.2b.1.1</b>	Legal Registration	<b>A.2b.1.1.1</b> The scheme shall include requirements that ensure the existence of legal business registration, and other relevant legally required licenses.	PEFC ST 2002: 2020 3.28 PEFC controlled sources Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources. 3.7 Controversial sources Forest and tree based material sourced from: a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes. 6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups. PEFC ST 2002: 2020 - Appendix 1 1.1 In order to help ensure that activities conducted by the organisation under the scope of this standard conform to all applicable timber legality legislation, including trade and customs laws, and to minimise the risk that	<b>Findings</b>  Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020): " <i>Appendix 1: PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources</i> ". In such a case, the role of the DDS in Appendix 1 is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.  PEFC ST 2002: 2020, Appendix 1, indicator 1.1 describes that to ensure compliance with applicable timber legality legislation and trade and customs laws,	Not Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>the procured material originates in controversial sources, the organisation shall operate a Due Diligence System (DDS), in accordance with the following elements of this standard.</p> <p>6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p>the certificate holder shall operate a due diligence system to minimise the risk that the procured material originates in controversial sources, in accordance with Appendix 1.</p> <p>The definition of controversial sources (3.7) includes forest and tree-based material sourced from activities not complying with applicable local, national or international legislation on forest management, including forest management practices and other areas of law. This definition is specific to forest management only. It does not appear to include compliance relevant to supply chain legality, covering legislation relevant to business registration, and other relevant legally required licenses, that applies to supply chain entities.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for controlled sources. Legislation regulating the existence of legal business registration, and other relevant legally required licenses, does not appear to be included by PEFC International within the definition of controversial sources in the Chain of Custody standard.</p>	
	<b>A.2b.2 Taxes and fees</b>				
<b>A.2b.2.1</b>	Payment of taxes,	<b>A2b.2.1.1</b> The Scheme shall	PEFC ST 2002: 2020	<b>Findings</b>	Not Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
	royalties and fees	include requirements that ensure compliance with legislation covering payment of all legally required taxes, royalties and fees.	<p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>PEFC ST 2002: 2020 - Appendix 1</p> <p>1.1 In order to help ensure that activities conducted by the organisation under the scope of this standard conform to all applicable timber legality legislation, including trade and customs laws, and to minimise the risk that the procured material originates in controversial sources, the organisation shall operate a Due Diligence System (DDS), in accordance with the following elements of this standard.</p> <p>6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020): "<i>Appendix 1: PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources</i>". In such a case, the role of the DDS in Appendix 1 is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>PEFC ST 2002: 2020, Appendix 1, indicator 1.1 describes that to ensure compliance with applicable timber legality legislation, including trade and customs laws, the certificate holder shall operate a due diligence system to minimise the risk that the procured material originates in controversial sources, in accordance with Appendix 1.</p> <p>The definition of controversial sources (3.7) includes forest and tree-based material sourced from activities not complying with applicable local, national or international legislation on forest management, the payment of applicable royalties and taxes. This definition is specific to forest management only. It does not appear to include compliance relevant to the supply chain legality, covering legislation relevant to legally</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>required taxes, royalties and fees that apply to products being traded along the supply chain.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for controlled sources.</p> <p>Legislation covering payment of all legally required taxes, royalties and fees, does not appear to be included by PEFC International within the definition of controversial sources in the Chain of Custody standard.</p>	
A.2b.2.2	Value-added taxes and other sales taxes	A2b.2.2.1 The Scheme shall include requirements that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales).	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>PEFC ST 2002: 2020 - Appendix 1</p> <p>1.1 In order to help ensure that activities conducted by the organisation under the scope of this standard conform to all applicable timber legality</p>	<p><b>Findings</b></p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020): "<i>Appendix 1: PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources</i>". In such a case, the role of the DDS in Appendix 1 is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>PEFC ST 2002: 2020, Appendix 1, indicator 1.1 describes that to ensure compliance with applicable timber legality</p>	Not Covered



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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>legislation, including trade and customs laws, and to minimise the risk that the procured material originates in controversial sources, the organisation shall operate a Due Diligence System (DDS), in accordance with the following elements of this standard.</p> <p>6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p>legislation, including trade and customs laws, the certificate holder shall operate a due diligence system to minimise the risk that the procured material originates in controversial sources, in accordance with Appendix 1.</p> <p>The definition of controversial sources (3.7) includes forest and tree-based material sourced from activities not complying with applicable local, national or international legislation on forest management, including the payment of applicable royalties and taxes. This definition is specific to forest management only. It does not appear to include compliance relevant to the supply chain legality, covering legislation relevant to VAT and other sales taxes that apply to products being traded along the supply chain.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for controlled sources.</p> <p>Legislation covering VAT and other sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales), does not appear to be included by PEFC International within the definition of controversial sources in the Chain of Custody standard.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
	<b>A.2b.3 Trade and transport</b>				
<b>A.2b.3.1</b>	Classification of species, quantities, qualities	<b>A.2b.3.1.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating how products are classified in terms of species, volumes and qualities in connection with trade and transport.	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>PEFC ST 2002: 2020 - Appendix 1</p> <p>1.1 In order to help ensure that activities conducted by the organisation under the scope of this standard conform to all applicable timber legality legislation, including trade and customs laws, and to minimise the risk that the procured material originates in controversial sources, the organisation shall operate a Due Diligence System (DDS), in accordance with the following elements of this standard.</p> <p>6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p><b>Findings</b></p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020): "<i>Appendix 1: PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources</i>". In such a case, the role of the DDS in Appendix 1 is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>The definition of controversial sources (3.7) includes forest and tree-based material sourced from activities not complying with applicable local, national or international legislation on forest management, including forest management practices and other areas of law. This definition is specific to forest management only. It does not appear to include compliance relevant to the supply chain legality, covering legislation relevant to how products are classified in terms of species, volumes and qualities that apply to products being traded along the supply chain.</p>	Not Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p><b>Justification</b></p> <p>This indicator is concluded as not covered for controlled sources.</p> <p>Legislation regulating how products are classified in terms of species, volumes and qualities in connection with trade and transport, does not appear to be included by PEFC International within the definition of controversial sources in the Chain of Custody standard.</p>	
A.2b.3.2	Trade and transport	A.2b.3.2.1 The Scheme shall include requirements that ensure compliance with required trading permits as well as legally required transport documents that accompany transport of wood.	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>PEFC ST 2002: 2020 - Appendix 1</p> <p>1.1 In order to help ensure that activities conducted by the organisation under the scope of this standard conform to all applicable timber legality legislation, including trade and customs laws, and to minimise the risk that the procured material originates in controversial sources, the organisation shall operate a Due Diligence System (DDS), in accordance with the</p>	<p><b>Findings</b></p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020): "<i>Appendix 1: PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources</i>". In such a case, the role of the DDS in Appendix 1 is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>The definition of controversial sources (3.7) includes forest and tree-based material sourced from activities not complying with applicable local, national or international legislation on forest management, including forest</p>	Not Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>following elements of this standard.</p> <p>6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p>management practices and other areas of law. This definition is specific to forest management only. It does not appear to include compliance relevant to the supply chain legality, covering legislation relevant to trade and transport that apply to products being traded along the supply chain.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for controlled sources.</p> <p>Compliance with required trading permits as well as legally required transport documents that accompany the transport of wood does not appear to be included by PEFC International within the definition of controversial sources in the Chain of Custody standard.</p>	
<b>A.2b.3.3</b>	Offshore trading and transfer pricing	<b>A.2b.3.3.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating offshore trading.	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC</p>	<p><b>Findings</b></p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020): "<i>Appendix 1: PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources</i>". In such a case, the role of the DDS in Appendix 1 is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder</p>	Not Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>controlled sources material as input for PEFC product groups.</p> <p>PEFC ST 2002: 2020 - Appendix 1</p> <p>1.1 In order to help ensure that activities conducted by the organisation under the scope of this standard conform to all applicable timber legality legislation, including trade and customs laws, and to minimise the risk that the procured material originates in controversial sources, the organisation shall operate a Due Diligence System (DDS), in accordance with the following elements of this standard.</p> <p>6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p>derive from controversial sources.</p> <p>The definition of controversial sources (3.7) includes forest and tree-based material sourced from activities not complying with applicable local, national or international legislation on forest management, including forest management practices and other areas of law. This definition is specific to forest management only. It does not appear to include compliance relevant to the supply chain legality, covering legislation relevant to offshore trading that apply to products being traded along the supply chain.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for controlled sources.</p> <p>Legislation regulating offshore trading does not appear to be included by PEFC International within the definition of controversial sources in the Chain of Custody standard.</p>	
		<b>A.2.3.3.2</b> The Scheme shall include requirements that ensure compliance with legislation regulating transfer pricing.	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international</p>	<p><b>Findings</b></p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020): "<i>Appendix 1: PEFC Due Diligence</i>"</p>	Not Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>PEFC ST 2002: 2020 - Appendix 1</p> <p>1.1 In order to help ensure that activities conducted by the organisation under the scope of this standard conform to all applicable timber legality legislation, including trade and customs laws, and to minimise the risk that the procured material originates in controversial sources, the organisation shall operate a Due Diligence System (DDS), in accordance with the following elements of this standard.</p> <p>6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p><i>System (DDS) for the avoidance of material from controversial sources". In such a case, the role of the DDS in Appendix 1 is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</i></p> <p>The definition of controversial sources (3.7) includes forest and tree-based material sourced from activities not complying with applicable local, national or international legislation on forest management, including forest management practices and other areas of law. This definition is specific to forest management only. It does not appear to include compliance relevant to the supply chain legality, covering legislation relevant to transfer pricing that apply to products being traded along the supply chain.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for controlled sources.</p> <p>Legislation regulating transfer pricing does not appear to be included by PEFC International within the definition of controversial sources in the Chain of Custody standard.</p>	
A.2b.3.4	Customs regulations	A.2b.3.4.1 The Scheme shall include requirements that	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an</p>	<p><b>Findings</b></p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder</p>	Not Covered

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		ensure compliance with legislation covering areas such as export/import licenses, and product classification related to customs (codes, quantities, qualities and species).	<p>organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>PEFC ST 2002: 2020 - Appendix 1</p> <p>1.1 In order to help ensure that activities conducted by the organisation under the scope of this standard conform to all applicable timber legality legislation, including trade and customs laws, and to minimise the risk that the procured material originates in controversial sources, the organisation shall operate a Due Diligence System (DDS), in accordance with the following elements of this standard.</p> <p>Appendix 1, Table 1: List of indicators for negligible risk</p> <p>Appendix 1, Table 2: List of indicators for significant risk at origin level</p> <p>Appendix 1, Table 3: List of indicators for significant risk at supply chain level</p> <p>6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p>shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020): "<i>Appendix 1: PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources</i>". In such a case, the role of the DDS in Appendix 1 is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>The definition of controversial sources (3.7) includes forest and tree-based material sourced from activities not complying with applicable local, national or international legislation on forest management, including forest management practices and other areas of law. This definition is specific to forest management only. It does not appear to include compliance relevant to the supply chain legality, covering legislation relevant to export/import licenses, and product classification related to customs that apply to products being traded along the supply chain.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for controlled sources.</p> <p>Legislation covering areas such as export/import licenses, and product classification related to customs (codes,</p>	

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				quantities, qualities and species), does not appear to be included by PEFC International within the definition of controversial sources in the Chain of Custody standard.	
A.2b.3.5	CITES	A.2b.3.5.1 The Scheme shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>PEFC ST 2002: 2020 - Appendix 1</p> <p>1.1 In order to help ensure that activities conducted by the organisation under the scope of this standard conform to all applicable timber legality legislation, including trade and customs laws, and to minimise the risk that the procured material originates in controversial sources, the organisation shall operate a Due Diligence System (DDS), in accordance with the following elements of this standard.</p> <p>1.4 The organisation procuring raw material originating from species listed in Appendix I to III of CITES shall comply with applicable legislation relating to CITES.</p> <p>6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p><b>Findings</b></p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020): “<i>Appendix 1: PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources</i>”. In such a case, the role of the DDS in Appendix 1 is to minimise the risk that non-certified materials or products which are sourced by the Certificate Holder derive from controversial sources.</p> <p>The definition of controversial sources (3.7) includes forest and tree-based material sourced from activities not complying with applicable local, national or international legislation on forest management, including forest management practices and other areas of law. This definition is specific to forest management only. It does not appear to include compliance relevant to the supply chain legality, covering legislation relevant to CITES permits that apply to products being traded along the supply chain.</p>	Not Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>Appendix 1, indicator 1.4 requires the certificate holder to comply with CITES requirement, however this is requested just for the certification holder and is not seen as applicable to supply chain entities.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered for controlled sources.</p> <p>Legislation related to CITES permits does not appear to be included by PEFC International within the definition of controversial sources in the Chain of Custody standard.</p>	
<b>A.2b.3.6</b>	Legislation requiring due diligence / due care procedures	<b>A.2b.3.6.1</b> The scheme shall include requirements that ensure compliance with legislation covering due diligence/due care procedures, including e.g. due diligence/due care systems, declaration obligations, and /or the keeping of trade related documents, legislation establishing procedures to	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>PEFC ST 2002: 2020 - Appendix 1</p> <p>1.1 In order to help ensure that activities conducted by the organisation</p>	<p><b>Findings</b></p> <p>PEFC ST 2002: 2020, Appendix 1, indicator 1.1 describes that to ensure compliance with applicable timber legality legislation, including trade and customs laws, the certificate holder shall operate a due diligence system to minimise the risk that the procured material originates in controversial sources, in accordance with Appendix 1.</p> <p>The definition of controversial sources (3.7) includes forest and tree-based material sourced from activities not complying with applicable local, national or international legislation on forest management, including forest management practices and other areas of law. This definition is specific to forest</p>	Not Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		prevent trade in illegally harvested timber and products derived from such timber, etc.	under the scope of this standard conform to all applicable timber legality legislation, including trade and customs laws, and to minimise the risk that the procured material originates in controversial sources, the organisation shall operate a Due Diligence System (DDS), in accordance with the following elements of this standard. 6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.	management only. It does not appear to include compliance relevant to the supply chain legality, covering legislation relevant to legislation requiring due diligence / due care procedures that apply to products being traded along the supply chain.  <b>Justification</b>  This indicator is concluded as not covered for controlled sources. Legislation covering due diligence/due care procedures does not appear to be included by PEFC International within the definition of controversial sources in the Chain of Custody standard.	
<b>A.3 Requirements for material control</b>					
	<b>A.3.1 Material control</b>				
<b>A.3.1.1</b>	Material origin and identification	<b>A.3.1.1.1</b> The Scheme shall require systematic processes to enable the identification of the country of harvest of the material, and where applicable to a higher level of detail, such as the sub-national	PEFC ST 2002: 2020 5.1.1 For each delivery of material used as input for a PEFC product group the organisation shall obtain documentation with the following information from the supplier: a) supplier identification b) product identification c) quantity of products d) delivery identification based on date of delivery, delivery period, or accounting period For inputs with a PEFC claim the document shall also include: e) the organisation's name as the PEFC customer of the delivery f) the applicable PEFC claim specifically for each claimed product covered by the documentation	<b>Findings</b>  PEFC-certified products According to PEFC ST 2002: 2020, 5.1.1 the certificate holder shall identify the supplier relevant to inputs into PEFC-certified products. The identification of the country of the harvest is not specifically mentioned. However, the certificate holder has the option to implement a Due Diligence System based on requirement 7.1.2 of the main standard PEFC ST 2002: 2020. This is a reduced DDS focussing on	Partially Covered

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		region or concession level.	<p>g) the certificate number of the supplier's PEFC recognised certificate  Note 1: The certificate number is a numerical or alpha-numerical combination, which is a unique identifier of the certificate.  Note 2: An example of delivery documentation is an invoice or delivery note providing the information required.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is "negligible risk" that it originates from controversial sources and that it meets the definition of PEFC controlled sources material</p> <p>7.1.2 For PEFC product groups where only input material used was delivered with a PEFC claim by a supplier covered by a PEFC recognised certificate, an organisation may implement the PEFC DDS by meeting the following requirements:</p> <p>a) In order to enable PEFC certified and uncertified entities further down the supply chain to implement a DDS, the organisation shall, upon request, provide the information specified in Appendix 1, 2.1 for material passed on with a PEFC claim. If the organisation does not possess the requested information, the request shall be passed on to relevant supplier(s) of the organisation (Appendix 1, 2.2).</p> <p>b) Where internal or external substantiated concerns on the origin of input material from controversial sources are raised, the organisation shall follow up on these concerns following Appendix 1, 4.</p> <p>c) The organisation shall define, document and implement a commitment and a procedure, also covering forest and tree based material/products not covered by the organisation's PEFC chain of custody, ensuring that where it is known to the organisation, or where it has received substantiated concerns, that forest and tree based material/products originates in illegal sources (controversial sources, 3.7a), it shall not be placed on the market until the concern has been resolved in accordance with Appendix 1, 4.</p> <p>Appendix 1, 2.1 In order to enable the organisation to implement the PEFC</p>	<p>obtaining from suppliers – and passing downstream buyers - information relating to species and origin, as well as addressing internal or external substantiated concerns that may be raised in relation to the products sourced.</p> <p>PEFC Controlled Sources  As per 7.1.1 of PEFC ST 2002: 2020, the certificate holder shall implement a Due Diligence System (DDS) when input material is not PEFC-certified. The role of the DDS in Appendix 1 is to ensure input derived from non-certified suppliers does not contain controversial sources. According to PEFC ST 2002: 2020,</p> <p>Within the same standard, Appendix 1, 2.1 requires that certificate holder access information from its supplier(s) in relation to the country of harvest of the material and where the applicable sub-national region and/or concession of harvest. As per appendix 1, 2.2 suppliers should provide information related to the sources used in products in case customers are requesting this information.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered. The identification of the country of the harvest is not directly required for PEFC-certified products – only on a voluntary basis if the certificate holder implements a Due Diligence System based on requirement 7.1.2. However, origin information is</p>	

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			<p>DDS, the organisation shall have access to the following information from its supplier(s):</p> <p>a) Identification of tree species included, or list of tree species potentially included, in the material/ product by their common name and/or their scientific name where applicable.</p> <p>b) Country of harvest of the material and where applicable sub-national region and/or concession of harvest.</p> <p>Note 1: Access to the scientific name of species is required in cases where the usage of a common name could pose a risk of wrong identification of the species.</p> <p>Note 2: Usage of a trade name of species is considered as equivalent to the common name in cases where all species covered by the trade name have an equivalent risk of originating in controversial sources.</p> <p>Note 3: Access to the sub-national level of the material origin is required in cases where sub-national regions within one country do not represent an equivalent risk relating to the controversial sources.</p> <p>Note 4: The term "concession of harvest" refers to a contract for harvest in a geographically defined forest area.</p> <p>Note 5: The term "country/region" is further used throughout this clause to identify a country, a sub-national region or a concession of harvest of the material/product origin.</p> <p>Appendix 1, 2.2 In order to enable PEFC certified and uncertified entities further down the supply chain to implement a DDS, the organisation shall, upon request, provide the information specified in 2.1 of this appendix for material passed on with a PEFC claim. If the organisation does not possess the requested information, the request shall be passed on to relevant supplier(s) of the organisation.</p>	required in the case of Controlled Sources material.	
		<b>A.3.1.1.2</b> The Scheme shall require systematic processes to enable the identification of the species included in materials or	<p>PEFC ST 2002: 2020</p> <p>3.30 PEFC product group</p> <p>Product or set of products with equivalent input material, defined by product name/type and category, type(s) of species, chain of custody method, material category, PEFC claim(s), for which an organisation applies its chain of custody.</p> <p>4.1.2 The organisation shall define the scope of its PEFC chain of custody by specifying the PEFC product groups for which the requirements of the</p>	<p><b>Findings</b></p> <p>PEFC-certified products</p> <p>According to PEFC ST 2002: 2020, 4.1.2, the certificate holder shall define the product groups. According to PEFC ST 2002: 2020, 3.30 product groups are defined by 'type of species', among other things. Otherwise, the identification of</p>	Partially Covered

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		products included in the scope of certification.	<p>PEFC chain of custody are implemented.</p> <p>5.1.1 For each delivery of material used as input for a PEFC product group the organisation shall obtain documentation with the following information from the supplier:</p> <ul style="list-style-type: none"> <li>a) supplier identification</li> <li>b) product identification</li> <li>c) quantity of products</li> <li>d) delivery identification based on date of delivery, delivery period, or accounting period</li> </ul> <p>For inputs with a PEFC claim the document shall also include:</p> <ul style="list-style-type: none"> <li>e) the organisation's name as the PEFC customer of the delivery</li> <li>f) the applicable PEFC claim specifically for each claimed product covered by the documentation</li> <li>g) the certificate number of the supplier's PEFC recognised certificate</li> </ul> <p>Note 1: The certificate number is a numerical or alpha-numerical combination, which is a unique identifier of the certificate.</p> <p>Note 2: An example of delivery documentation is an invoice or delivery note providing the information required.</p> <p>6. Chain of custody methods</p> <p>6.1 General</p> <p>...</p> <p>6.1.3 PEFC product groups shall be established for products with equivalent input material, with the same measurement unit or units that can be converted into a single measurement unit.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is "negligible risk" that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p>	<p>species is not specifically mentioned in the chain of custody requirements. However, the certificate holder has the option to implement a Due Diligence System based on requirement 7.1.2 of the main standard PEFC ST 2002: 2020. This is a reduced DDS focussing on obtaining from suppliers – and passing downstream buyers - information relating to species and origin, as well as addressing internal or external substantiated concerns that may be raised in relation to the products sourced.</p> <p>PEFC Controlled Sources</p> <p>As per 7.1.1 of PEFC ST 2002: 2020, the certificate holder shall implement a Due Diligence System (DDS) when input material is not PEFC-certified. The role of the DDS in Appendix 1 is to ensure input derived from non-certified suppliers does not contain controversial sources.</p> <p>Within the same standard, Appendix 1, 2.1 requires that certificate holder access information from its supplier(s) in relation to species of the material – ore where applicable a list of tree species potentially included. As per appendix 1, 2.2 suppliers should provide information related to the sources used in products in case customers are requesting this information.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially</p>	

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>7.1.2 For PEFC product groups where only input material used was delivered with a PEFC claim by a supplier covered by a PEFC recognised certificate, an organisation may implement the PEFC DDS by meeting the following requirements:</p> <p>a) In order to enable PEFC certified and uncertified entities further down the supply chain to implement a DDS, the organisation shall, upon request, provide the information specified in Appendix 1, 2.1 for material passed on with a PEFC claim. If the organisation does not possess the requested information, the request shall be passed on to relevant supplier(s) of the organisation (Appendix 1, 2.2).</p> <p>b) Where internal or external substantiated concerns on the origin of input material from controversial sources are raised, the organisation shall follow up on these concerns following Appendix 1, 4.</p> <p>c) The organisation shall define, document and implement a commitment and a procedure, also covering forest and tree based material/products not covered by the organisation's PEFC chain of custody, ensuring that where it is known to the organisation, or where it has received substantiated concerns, that forest and tree based material/products originates in illegal sources (controversial sources, 3.7a), it shall not be placed on the market until the concern has been resolved in accordance with Appendix 1, 4.</p> <p>2.1 In order to enable the organisation to implement the PEFC DDS, the organisation shall have access to the following information from its supplier(s):</p> <p>a) Identification of tree species included, or list of tree species potentially included, in the material/ product by their common name and/or their scientific name where applicable.</p> <p>b) Country of harvest of the material and where applicable sub-national region and/or concession of harvest.</p> <p>Note 1: Access to the scientific name of species is required in cases where the usage of a common name could pose a risk of wrong identification of the species.</p> <p>Note 2: Usage of a trade name of species is considered as equivalent to the common name in cases where all species covered by the trade name have an equivalent risk of originating in controversial sources.</p>	<p>covered. The identification of species is not directly required for PEFC-certified products – only on a voluntary basis if the certificate holder implements a Due Diligence System based on requirement 7.1.2. However, Species information is required in the case of Controlled Sources material.</p>	

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			<p>Note 3: Access to the sub-national level of the material origin is required in cases where sub-national regions within one country do not represent an equivalent risk relating to the controversial sources.</p> <p>Note 4: The term "concession of harvest" refers to a contract for harvest in a geographically defined forest area.</p> <p>Note 5: The term "country/region" is further used throughout this clause to identify a country, a sub-national region or a concession of harvest of the material/product origin.</p> <p>2.2 In order to enable PEFC certified and uncertified entities further down the supply chain to implement a DDS, the organisation shall, upon request, provide the information specified in 2.1 of this appendix for material passed on with a PEFC claim. If the organisation does not possess the requested information, the request shall be passed on to relevant supplier(s) of the organisation.</p>		
		<p><b>A.3.1.1.3</b> The Scheme shall include clear and effective measures to prevent material from non-negligible risk, unverified or potentially illegal sources from entering the supply chain and mixed with conforming material.</p>	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources.</p> <p>6.1.1 There are three methods to implement the PEFC chain of custody, namely the physical separation method, the percentage method and the credit method. Depending on the nature of material flows and processes, the organisation shall choose the appropriate method.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>6.2.1 The organisation applying the physical separation method shall ensure that material with different material categories and different certified content are kept separate or clearly identifiable at all stages of the production or trading process.</p>	<p><b>Findings</b></p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>PEFC-certified products</p> <p>According to PEFC ST 2002: 2020 6.1.1 are three methods to implement segregation between PEFC products, comparing with non-certified.</p> <p>For the physical separation method, the standard requires (PEFC ST 2002: 2020 6.2.1) to separate between different</p>	Covered

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			<p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>6. No placement on the market</p> <p>6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p> <p>6.2 Where it is known to the organisation that forest and tree based materials/products not covered by the organisation’s PEFC chain of custody originate in illegal sources (controversial sources, 3.7a), it shall not be placed on the market.</p> <p>6.3 Where the organisation has received substantiated concerns that forest and tree based materials/products not covered by the organisation’s PEFC chain of custody originate in illegal sources (controversial sources, 3.7a), it shall not be placed on the market until the concern has been resolved in accordance with clause 4 of this appendix.</p>	<p>material categories and certified content. For the other two methods (percent and credit) PEFC 100% and PEFC Controlled Sources can be mixed.</p> <p><b>PEFC Controlled Sources</b> As per 7.1.1 of PEFC ST 2002: 2020, the certificate holder shall implement a Due Diligence System (DDS) when input material is not PEFC-certified. The role of the DDS in Appendix 1 is to ensure input derived from non-certified suppliers does not contain controversial sources.</p> <p>As per 7.1.1 of PEFC ST 2002: 2020, the certificate holder shall implement a Due Diligence System (DDS) when input material is not PEFC-certified. The role of the DDS in Appendix 1 is to ensure input derived from non-certified suppliers does not contain controversial sources. PEFC ST 2002: 2020, Appendix 1, 6.1 requires that material/products from unknown sources or from controversial sources shall not be included in a PEFC product group. 6.2 and 6.3 include additional provisions barring controversial material or material which is subject to a substantiated concern, from being placed on the market.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered. PEFC-certified and Controlled Sources material is identified as necessary. Only products/materials which are PEFC-certified</p>	



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				or which are not considered to be a controversial source (it has achieved the status of a Controlled Source), may be included as input for PEFC product groups.	
		<b>A.3.1.1.4</b> Where applicable, the Scheme shall require the segregation and tracking of certified (according to each individual claim type) or verified legal wood along the supply chain, using appropriate inventory methods and documented controls where necessary to ensure that risks of mixing are identified, managed and mitigated.	<p>PEFC ST 2002: 2020</p> <p>4.2 Documented procedures</p> <p>4.2.1 The organisation shall establish written documented procedures for its PEFC chain of custody.</p> <p>The documented procedures shall include at least the following elements:</p> <p>a) responsibilities and authorities relating to the PEFC chain of custody</p> <p>b) description of the raw material flow within the production/trading process(es), including definition of product groups</p> <p>c) procedures for PEFC chain of custody process(es) covering all requirements of this standard, including:</p> <p>i. identification of material categories</p> <p>ii. physical separation of PEFC certified material, PEFC controlled sources material and other material</p> <p>iii. definition of product groups, calculation of certified content, management of credit accounts, transfer to outputs (for organisations applying percentage or credit method)</p> <p>iv. sale/transfer of products and PEFC claims, including documentation in which PEFC claims are made, and other on- and off-product trademark use</p> <p>...</p> <p>4.4.1 To provide evidence of conformity with the requirements of this standard, the organisation shall establish and maintain at least the following records relating to the product groups covered by its PEFC chain of custody:</p> <p>a) Records of all suppliers of input material delivered with a PEFC claim,</p>	<p><b>Findings</b></p> <p>Standard PEFC ST 2002: 2020 maintains a full set of requirements for documented procedures for the segregation and tracking of certified material or other designations (material with significant risks, and controlled sources).</p> <p>According to PEFC ST 2002: 2020 6.1.1 there are three methods to implement segregation between PEFC products, comparing with non-certified. For the physical separation method, the standard requires (PEFC ST 2002: 2020 6.2.1) to separate between different material categories and certified content. For the other two methods (percent and credit) PEFC 100% and PEFC Controlled Sources could be mixed.</p> <p>However, the CoC system does not include any validation of volumes transferred from seller to purchaser (verification of volumes vertically up and down the supply chain), which is considered as a major gap in the system.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered. Segregation and tracking of</p>	Partially Covered

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			<p>including evidence of the suppliers' PEFC certified status.  Note: Evidence can be a print-out from the PEFC website.  b) Records of all input material, including PEFC claims and documents associated to the delivery of the input material, and for recycled input material, information demonstrating that the definition of recycled material is met.  c) Records of calculation of the certified content, transfer of the percentage to output products and management of the credit account, as applicable.  d) Records of all products sold/transferred, including PEFC claims and documents associated to the delivery of the output products.  e) Records of the Due Diligence System, including records of risk assessments and significant risk supplies management, as applicable.  f) Records of internal audits, periodic chain of custody review, non-conformities and corrective actions. g) Records on complaints and their resolution.</p> <p>4.9 Outsourcing  4.9.1 The organisation may outsource activities covered by its PEFC chain of custody to another entity.  4.9.2 Through all stages of outsourcing the organisation shall be responsible for ensuring that all outsourced activities meet the requirements of this standard, including management system requirements. The organisation shall have a written agreement with all entities to whom activities have been outsourced, ensuring that:  a) The material/products covered by the organisation's PEFC chain of custody are physically separated from other material or products.</p> <p>5. Identification of inputs and declaration of outputs  5.1 Identification of input material  5.1.1 For each delivery of material used as input for a PEFC product group the organisation shall obtain documentation with the following information from the supplier:  a) supplier identification  b) product identification</p>	<p>certified material are directly addressed within the normative requirements, via a COC system required of certificate holders. However, the CoC system does not include any validation of volumes transferred from sellers to purchasers (verification of volumes) vertically up and down supply chains, which is considered as a major gap in the system.</p>	

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			<p>c) quantity of products  d) delivery identification based on date of delivery, delivery period, or accounting period  For inputs with a PEFC claim the document shall also include:  e) the organisation's name as the PEFC customer of the delivery  f) the applicable PEFC claim specifically for each claimed product covered by the documentation  g) the certificate number of the supplier's PEFC recognised certificate</p> <p>5.1.2 Identification at supplier level  5.1.2.1 For all inputs delivered with a PEFC claim the organisation shall verify that the supplier is covered by a PEFC recognised certificate on the PEFC website.  5.1.2.2 For each delivery of material used as input for a PEFC product group the organisation shall classify the material category of the procured material.</p> <p>5.2 Declaration of outputs  5.2.1 For outputs from a PEFC product group for which the organisation makes a PEFC claim to a PEFC customer, it shall provide the customer with documentation providing the following information for each delivery:  a) PEFC customer identification  b) the organisation's name as the supplier of the material  c) product identification  d) quantity of product(s)  e) date of delivery / delivery period / accounting period  f) the applicable PEFC claim specifically for each claimed product covered by the documentation  g) the certificate number of the organisation's PEFC recognised certificate</p> <p>6.1.1 There are three methods to implement the PEFC chain of custody, namely the physical separation method, the percentage method and the credit method. Depending on the nature of material flows and processes, the organisation shall choose the appropriate method.  from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>		

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			6.2 Physical separation method ... 6.3 Percentage method ... 6.4 Credit method		
	<b>A.3.2 Recycled material</b>				
<b>A.3.2.1</b>	Waste material	<b>A.3.2.1.1</b> The Scheme shall have a definition of waste material which at least covers the definition of waste material as described by the EUTR Guidance document.	PEFC ST 2002: 2020 3.35 Recycled material Forest and tree based material that is: a) Recovered from waste during a manufacturing process. Excluded is reutilisation of materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process that generated it. Excluded are by-products resulting from primary production processes, such as sawmilling by-products (sawdust, chips, bark, etc.) or forestry residues (bark, chips from branches, roots, etc.) as they are not considered waste. b) Generated by households or by commercial, industrial and institutional facilities in their role as end users of the product that can no longer be used for its intended purpose. This includes returns of material from the distribution chain. Note 1: The term "capable of being reclaimed within the same process that generated it" means that the material generated in one process is continuously returned to the same process at the same site. An example is residue generated by a press line in a panel board production that continuously re-enters the same press line. This is not considered as recycled material. Note 2: The definition is based on definitions of ISO 14021. Note 3: Different examples of recycled material are provided in PEFC GD 2001.	<b>Findings</b>  The following resources are available from the European Commission in relation to reclaimed material: <ul style="list-style-type: none"> <li>• <a href="#">EU Timber Regulation (995/2010)</a></li> <li>• EUTR Guidance document on <a href="#">Recycled timber and timber products</a></li> </ul> The EUTR exempts material which has completed its lifecycle and would otherwise be disposed of as waste, fitting a definition close to post-consumer waste. This is demonstrated in the EUTR definition of timber and timber products, which excludes <i>"timber products or components of such products manufactured from timber or timber products that have completed their lifecycle and would otherwise be disposed of as waste"</i> <sup>[1]</sup> .	Partially Covered

<sup>[1]</sup> Directive 2008/98/EC Article 3(1) defines 'waste' as "any substance or object which the holder discards or intends or is required to discard"

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>The EUTR Guidance document on <a href="#">Recycled timber and timber products</a> reinforces the EUTR's exemption for material generated by end users of the product that can no longer be used for its intended purpose, by describing that this exemption:</p> <ul style="list-style-type: none"> <li>• <b>applies</b> to timber products of a kind covered by the Annex, produced from material that <b>has completed its lifecycle and would otherwise have been disposed of as waste</b> (e.g. recycled paper, timber retrieved from dismantled buildings, or products made from waste wood).</li> <li>• <b>does not apply</b> to <b>by-products of a manufacturing process</b> that involves material <b>which has not completed its lifecycle and would otherwise have been discarded</b><sup>[2]</sup>.</li> </ul> <p>Material deemed a by-product of a manufacturing process (PEFC ST 2002: 2020 3.35 a) is not exempt from the EUTR.</p> <p>The EUTR Guidance document on <a href="#">Recycled timber and timber products</a> describes that: "By-products" from another production are not waste but are to be regarded as a raw material in the production. Material in a regulated timber product is not recycled</p>	

<sup>[2]</sup> EUTR Guidance document on [Recycled timber and timber products](#): "By-products" from another production are not waste but are to be regarded as a raw material in the production. Material in a regulated timber product is not recycled material if the material is the by-product of a manufacturing process. Example: Sawdust or off-cuts from sawn timber used to make particle board or medium density fibreboard.

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>material if the material is the by-product of a manufacturing process. Example: Sawdust or off-cuts from sawn timber used to make particle board or medium density fibreboard<sup>2</sup>.</p> <p>The standard contains a definition of waste material under its recycled material definition:</p> <ul style="list-style-type: none"> <li>According to PEFC ST 2002: 2020, 3.35 a) describes material recovered from waste during a manufacturing process, excluding certain types of material that would not be considered as waste according to the definition of the EUTR. Examples of excluded material from the definition include material capable of being reclaimed within the same process that generated it, and by-products resulting from primary production processes.</li> <li>3.35 b) describes material that can no longer be used for its intended purpose would be considered as waste according to the definition of the EUTR. This includes material generated by households or by commercial, industrial and institutional facilities in their role as end users of the product that can no longer be used for its intended purpose.</li> </ul> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered only. Definition of waste material</p>	

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				from PEFC ST 2002: 2020, 3.35 a) may not entirely align with the definition of waste material as described by the EUTR and associated guidance document.	
		<b>A.3.2.1.2</b> The Scheme shall require systematic processes to enable the identification of waste material that has completed its life cycle and to differentiate this material from virgin or material that are by-products of a manufacturing process which has not completed its lifecycle as defined by the EUTR.	<p>PEFC ST 2002: 2020</p> <p>3.35 Forest and tree based material that is:</p> <p>a) Recovered from waste during a manufacturing process. Excluded is reutilisation of materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process that generated it. Excluded are by-products resulting from primary production processes, such as sawmilling by-products (sawdust, chips, bark, etc.) or forestry residues (bark, chips from branches, roots, etc.) as they are not considered waste.</p> <p>b) Generated by households or by commercial, industrial and institutional facilities in their role as end-users of the product that can no longer be used for its intended purpose. This includes returns of material from the distribution chain.</p> <p>Note 1: The term “capable of being reclaimed within the same process that generated it” means that the material generated in one process is continuously returned to the same process at the same site. An example is residue generated by a press line in a panel board production that continuously re-enters the same press line. This is not considered as recycled material.</p> <p>Note 2: The definition is based on definitions of ISO 14021.</p> <p>Note 3: Different examples of recycled material are provided in PEFC GD 2001.</p> <p>4.4 Record keeping</p> <p>4.4.1 To provide evidence of conformity with the requirements of this standard, the organisation shall establish and maintain at least the following records relating to the product groups covered by its PEFC chain of custody:</p> <p>...</p> <p>b) Records of all input material, including PEFC claims and documents</p>	<p><b>Findings</b></p> <p>The standard contains a definition of waste material under its recycled material definition, as in PEFC ST 2002: 2020, 3.35.b), as explained in A3.2.1.1.</p> <p>According to this definition, PEFC ST 2002: 2020 4.41, requires that the certificate holder shall establish and maintain records relating to the product groups covered by its PEFC chain of custody. This includes maintaining records of all input material, including PEFC claims and documents associated to the delivery of the input material, and for recycled input material, information demonstrating that the definition of recycled material is met.</p> <p>However, material that would not be considered as waste according to the definition of the EUTR (3.35 a) could be mixed with material that considered the definition of the EUTR (3.35 b).</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered. PEFC standard allows mixing of material that would not be considered as waste according to the definition of the EUTR</p>	Partially Covered

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			<p>associated to the delivery of the input material, and for recycled input material, information demonstrating that the definition of recycled material is met.</p> <p>5.4 Content of recycled material 5.4.1 For products covered by the organisation's PEFC chain of custody that include recycled material, the organisation shall calculate the content of recycled material based on ISO 14021 and inform about it upon request.</p>	(3.35 a) with material that considered the definition of the EUTR (3.35 b).	
		<p><b>A.3.2.1.3</b> The Scheme shall include clear and effective measures to prevent "timber products of a kind covered by the Annex of the EUTR", produced from i) reclaimed material that has NOT completed its lifecycle and would otherwise have been discarded as waste", ii) unverified or iii) virgin material (as defined by the EUTR) from, entering the supply chain.</p>	<p>PEFC ST 2002: 2020</p> <p>3.35 Forest and tree based material that is: a) Recovered from waste during a manufacturing process. Excluded is reutilisation of materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process that generated it. Excluded are by-products resulting from primary production processes, such as sawmilling by-products (sawdust, chips, bark, etc.) or forestry residues (bark, chips from branches, roots, etc.) as they are not considered waste. b) Generated by households or by commercial, industrial and institutional facilities in their role as end-users of the product that can no longer be used for its intended purpose. This includes returns of material from the distribution chain. Note 1: The term "capable of being reclaimed within the same process that generated it" means that the material generated in one process is continuously returned to the same process at the same site. An example is residue generated by a press line in a panel board production that continuously re-enters the same press line. This is not considered as recycled material. Note 2: The definition is based on definitions of ISO 14021. Note 3: Different examples of recycled material are provided in PEFC GD 2001.</p> <p>4.4 Record keeping 4.4.1 To provide evidence of conformity with the requirements of this</p>	<p><b>Findings</b></p> <p>The standard contains a definition of waste material under its recycled material definition, as in PEFC ST 2002: 2020, 3.35.</p> <p>According to this definition, PEFC ST 2002: 2020 4.41, requires that the certificate holder shall establish and maintain records relating to the product groups covered by its PEFC chain of custody. This includes maintaining records of all input material, including PEFC claims and documents associated to the delivery of the input material, and for recycled input material, information demonstrating that the definition of recycled material is met.</p> <p>However, material that would not be considered as waste according to the definition of the EUTR (3.35 a) could be mixed with material that considered the definition of the EUTR (3.35 b).</p>	Partially Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>standard, the organisation shall establish and maintain at least the following records relating to the product groups covered by its PEFC chain of custody:</p> <p>...</p> <p>b) Records of all input material, including PEFC claims and documents associated to the delivery of the input material, and for recycled input material, information demonstrating that the definition of recycled material is met.</p> <p>5.4 Content of recycled material</p> <p>5.4.1 For products covered by the organisation's PEFC chain of custody that include recycled material, the organisation shall calculate the content of recycled material based on ISO 14021 and inform about it upon request.</p>	<p><b>Justification</b></p> <p>This indicator is concluded as partially covered. PEFC standard allows mixing of material that would not be considered as waste according to the definition of the EUTR (3.35 a) with material that considered the definition of the EUTR (3.35 b).</p>	
<b>A.4 General requirements for Certificate Holders</b>					
<b>A.4.1</b>	Conflict resolution	<p><b>A.4.1.1</b> The Scheme shall include requirements that ensure that disputes are identified, recorded and managed, in a way that:</p> <p>i) ensures there is a transparent ongoing process to address the issue</p> <p>ii) requires for the exclusion from the</p>	<p>PEFC ST 1003: 2018</p> <p>6.3.2 Legal, customary and traditional rights related to the forest land</p> <p>...</p> <p>6.3.2.2 The standard requires that forest practices and operations shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO 169 and the UN Declaration on the Rights of Indigenous Peoples, which shall not be infringed upon without the free, prior and informed consent of the holders of the rights, including the provision of compensation where applicable. Where the extent of rights is not yet resolved, or is in dispute, there are processes for just and fair resolution. In such cases forest managers shall, in the interim, provide meaningful opportunities for parties to be engaged in forest management decisions whilst</p>	<p><b>Findings</b></p> <p>Forest Management</p> <p>According to PEFC ST 1003: 2018 7.4.1 forest management standards require the certificate holders should implement a mechanism for resolving complaints and disputes relating to forest management operations, land use rights and work conditions. Related to transparency, indicator 7.3.1. requires certificate holders to communicate and consult with stakeholders relating to sustainable forest management, which could be assimilated as transparent process to address issues.</p>	<p>Forest Management:</p> <p>Partially covered.</p> <p>Chain of custody:</p> <p>Covered.</p>

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		scope of the certificate situations or areas or forest where the legality of tenure or management/harvesting is not defined or is unclear and disputed. iii ensures respect for legally-enshrined customary tenure rights of local communities.	<p>respecting the processes and roles and responsibilities laid out in the policies and laws where the certification takes place.</p> <p>7.3.1 The standard requires that effective communication and consultation with local communities, indigenous peoples and other stakeholders relating to sustainable forest management shall be provided.</p> <p>7.4 Complaints 7.4.1 The standard requires that appropriate mechanisms are in place for resolving complaints and disputes relating to forest management operations, land use rights and work conditions.</p> <p>PEFC ST 2002: 2020</p> <p>3.7 Controversial sources Forest and tree based material sourced from: a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>3.37 Substantiated concern Information supported by proof or evidence, indicating that forest and tree based material originates in controversial sources. Note: Substantiated concerns can be concerns by third parties, as well as concerns of the organisation itself.</p> <p>4.4.1 To provide evidence of conformity with the requirements of this standard, the organisation shall establish and maintain at least the following records relating to the product groups covered by its PEFC chain of custody: ... g) Records on complaints and their resolution.</p>	<p>PEFC ST 1003: 2018 6.3.2.2 requires that where the extent of rights is not yet resolved or is in dispute, there are processes for a just and fair resolution. In such cases, forest managers are required to, in the interim, provide meaningful opportunities for parties to be engaged in forest management decisions whilst respecting the processes and roles and responsibilities laid out in the policies and laws where the certification takes place.</p> <p>In relation to point ii) of the indicator, standard requirements do not extend to requiring the exclusion from the scope of the certificate situations or areas or forest where the legality of tenure or management/harvesting is not defined or is unclear and disputed.</p> <p>In summary, requirements 7.4.1 and 6.3.2.2 require a process but do not specifically require exclusion. So it is true that "if the forest managers cannot demonstrate compliance with 7.4.1 and 6.3.2.2, they cannot be certified", but it is not true that the area requires exclusion.</p> <p>Chain of Custody</p> <p>According to PEFC ST 2002: 2020 4.4.1 g) records on complaints and their resolution should be kept by the certificate holder. PEFC ST 2002: 2020 4.7 explain the complaint procedure. PEFC ST 2002: 2020</p> <p>Certificate holders sourcing PEFC-certified</p>	

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			<p>4.7 Complaints</p> <p>4.7.1 The organisation shall establish procedures for dealing with complaints from suppliers, customers and other parties relating to its chain of custody, reflecting the requirements of 4.7.2.</p> <p>4.7.2 Upon receipt of a complaint in writing, the organisation shall:</p> <ul style="list-style-type: none"> <li>a) formally acknowledge the complaint to the complainant within ten workdays</li> <li>b) gather and verify all necessary information to evaluate and validate the complaint and make a decision on the complaint</li> <li>c) formally communicate the decision on the complaint and of the complaint handling process to the complainant</li> <li>d) ensure that appropriate corrective and preventive actions are taken, if necessary</li> </ul> <p>7.1.2 For PEFC product groups where only input material used was delivered with a PEFC claim by a supplier covered by a PEFC recognised certificate, an organisation may implement the PEFC DDS by meeting the following requirements:</p> <ul style="list-style-type: none"> <li>a) In order to enable PEFC certified and uncertified entities further down the supply chain to implement a DDS, the organisation shall, upon request, provide the information specified in Appendix 1, 2.1 for material passed on with a PEFC claim. If the organisation does not possess the requested information, the request shall be passed on to relevant supplier(s) of the organisation (Appendix 1, 2.2).</li> <li>b) Where internal or external substantiated concerns on the origin of input material from controversial sources are raised, the organisation shall follow up on these concerns following Appendix 1, 4.</li> <li>c) The organisation shall define, document and implement a commitment and a procedure, also covering forest and tree based material/products not covered by the organisation's PEFC chain of custody, ensuring that where it is known to the organisation, or where it has received substantiated concerns, that forest and tree based material/products originates in illegal sources (controversial sources, 3.7a), it shall not be placed on the market until the concern has been resolved in accordance with Appendix 1, 4.</li> </ul> <p>Appendix 1, 4.1 The organisation shall ensure that substantiated concerns about the potential origin of material covered by the organisation's DDS in</p>	<p>products have the option (i.e. it is voluntary) to implement a Due Diligence System based on requirement 7.1.2 of the main standard PEFC ST 2002: 2020. This is a reduced DDS focussing on obtaining from suppliers – and passing downstream buyers - information relating to species and origin, as well as addressing internal or external substantiated concerns that may be raised in relation to the products sourced. 7.1.2 b) requires that material with substantiated concerns, shall not be placed on the market until the concern is investigated and has been resolved.</p> <p>As per 7.1.1 of PEFC ST 2002: 2020, the certificate holder shall implement a Due Diligence System (DDS) when input material is not PEFC-certified. The role of the DDS in Appendix 1 is to ensure input derived from non-certified suppliers does not contain controversial sources. For entities applying this Due Diligence System, PEFC ST 2002: 2020 Appendix 1, requirements 4.1 and 4.2 apply in case of substantiated concerns, the certificate holder shall not place products on the market.</p> <p>Related to the transparency, PEFC requirements do include limited measures that the dispute or complaint is handled in a transparent way with the complainant, via section 4.7 of PEFC ST 2002: 2020.</p>	

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			<p>controversial sources are promptly investigated, starting no later than ten workdays as of identification of the substantiated concern.</p> <p>Appendix 1, 4.2 If the concern cannot be resolved by the organisation's investigation, the risk of the relevant material being from controversial sources shall be determined as "significant" and managed in accordance with clause 5 of this appendix.</p> <p>6. No placement on the market</p> <p>6.3 Where the organisation has received substantiated concerns that forest and tree based materials/products not covered by the organisation's PEFC chain of custody originate in illegal sources (controversial sources, 3.7a), it shall not be placed on the market until the concern has been resolved in accordance with clause 4 of this appendix.</p>	<p><b>Justification</b></p> <p>This indicator is concluded as partially covered for forest management certification and chain of custody certification. For forest management certification, standard requirements do not extend to requiring the exclusion from the scope of the certificate situations or areas or forest where the legality of tenure or management/harvesting is not defined or is unclear and disputed.</p> <p>In the case of chain of custody, standard requirements require exclusion from the scope of the certificate, material for which there are unresolved substantiated concerns. Basic requirements exist in relation to the transparency of dispute/complaint resolutions processes.</p>	
	Corruption	<b>A.4.1.2</b> The scheme shall include requirements to ensure that certificate holders do not engage in corrupt practices related to illegal harvesting.	<p>PEFC ST 1003: 2018</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>6.3.1.3 The standard requires that where no anti-corruption legislation exists, the organisation must take alternative anti-corruption measures appropriate to the risk of corruption.</p>	<p><b>Findings</b></p> <p>Forest Management</p> <p>According to PEFC ST 1003: 2018 - 6.3.1.3, anti-corruption measures should be taken if there is no legislation in the country. In countries where anti-corruption legislation is in place, this should be followed by the certificate holder (6.3.1.2).</p> <p>Chain of custody</p> <p>According to PEFC ST 2002: 2020 3.9,</p>	<p>Forest Management: covered.</p> <p>Chain of custody: Not Covered.</p>

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			<p>PEFC ST 2002: 2020</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>3.9 Due Diligence System (DDS)</p> <p>A framework of procedures and measures, namely information gathering, risk assessment and risk mitigation, implemented by an organisation to reduce the risk that forest and tree based material originates from controversial sources.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is "negligible risk" that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p>	<p>and 7.1.1 certificate holder should implement a mechanism to ensure that products are not originated from controversial sources (PEFC ST 2002: 2020 3.7). However, these indicators do not require the certificate holder itself to avoid engaging in corrupt practices.</p> <p><b>Justification</b></p> <p>At the level of PEFC International, this indicator is concluded as covered for forest management and not covered for chain of custody. For forest management, corrupt practices related to illegal harvesting is directly addressed in the normative requirement at the level of PEFC International. For chain of custody, there is no requirement that certificate holders do not engage in corrupt practices related to illegal harvesting.</p>	
<b>A.5 Quality and procedural requirements for Certificate Holders</b>					
<b>A.5.1</b>	Internal procedures for Certificate Holders	<b>A.5.1.1</b> The Scheme shall include requirements for the Certificate Holders to have in place - and implement - systems and	<p>PEFC ST 1003: 2018</p> <p>7.5 Documented Information</p> <p>7.5.1 The standard requires that the organisation's management system shall include documented information required by the standard and determined by the organisation as being necessary for the effectiveness of the sustainable forest management system.</p> <p>7.5.2 The standard requires that the documented information is relevant, and updated as appropriate, to the activities of the organisation.</p>	<p><b>Findings</b></p> <p>Forest management</p> <p>According to PEFC ST 1003: 2018 7.5.1, forest management standards require that the certificate holder shall have a documented management system, which is relevant, and updated as appropriate,</p>	Covered

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		procedures covering all requirements of the Scheme.	<p>PEFC ST 2002: 2020</p> <p>4.2 Documented procedures</p> <p>4.2.1 The organisation shall establish written documented procedures for its PEFC chain of custody.</p> <p>The documented procedures shall include at least the following elements:</p> <p>a) responsibilities and authorities relating to the PEFC chain of custody</p> <p>b) description of the raw material flow within the production/trading process(es), including definition of product groups</p> <p>c) procedures for PEFC chain of custody process(es) covering all requirements of this standard, including:</p> <p>i. identification of material categories</p> <p>ii. physical separation of PEFC certified material, PEFC controlled sources material and other material</p> <p>iii. definition of product groups, calculation of certified content, management of credit accounts, transfer to outputs (for organisations applying percentage or credit method)</p> <p>iv. sale/transfer of products and PEFC claims, including documentation in which PEFC claims are made, and other on- and off-product trademark use</p> <p>v. record keeping</p> <p>vi. internal audits and non-conformity control</p> <p>vii. the Due Diligence System</p> <p>viii. complaints resolution</p> <p>ix. outsourcing</p> <p>4.3.1.1 The organisation's management shall define and document its commitment to implement and maintain the chain of custody requirements in accordance with this standard. The organisation's commitment shall be made available to the organisation's personnel, suppliers, customers, and other interested parties.</p> <p>4.3.1.2 The organisation's management shall appoint a member of the management who, irrespective of other responsibilities, shall have overall responsibility and authority for the organisation's PEFC chain of custody.</p> <p>4.4.1 To provide evidence of conformity with the requirements of this standard, the organisation shall establish and maintain at least the following</p>	<p>to the activities of the organisation.</p> <p>Chain of custody</p> <p>According to PEFC ST 2002: 2020 the certificate holder shall have documented procedures for its PEFC chain of custody, including the definition of responsibilities and the maintenance of records.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for forest management and chain of custody. Documented systems and procedures covering all requirements of the relevant standards are required both for Forest Management and Chain of Custody certification.</p>	

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			<p>records relating to the product groups covered by its PEFC chain of custody:</p> <p>a) Records of all suppliers of input material delivered with a PEFC claim, including evidence of the suppliers' PEFC certified status. Note: Evidence can be a print-out from the PEFC website.</p> <p>b) Records of all input material, including PEFC claims and documents associated to the delivery of the input material, and for recycled input material, information demonstrating that the definition of recycled material is met.</p> <p>c) Records of calculation of the certified content, transfer of the percentage to output products and management of the credit account, as applicable.</p> <p>d) Records of all products sold/transferred, including PEFC claims and documents associated to the delivery of the output products.</p> <p>e) Records of the Due Diligence System, including records of risk assessments and significant risk supplies management, as applicable.</p> <p>f) Records of internal audits, periodic chain of custody review, non-conformities and corrective actions. g) Records on complaints and their resolution.</p>		
		<b>A.5.1.2</b> The Scheme shall include requirements for the Certificate Holders to regularly review the proper functioning of their own procedures.	<p>PEFC ST 1003: 2018</p> <p>1. Scope This document constitutes PEFC International's Sustainability Benchmark for PEFC endorsed regional, national or sub-national standards for the sustainable management of forests and Trees outside Forests, covering all their products and services. Through PEFC endorsed standards, which are developed in a balanced multi-stakeholder process following PEFC International's Sustainability Benchmark for standard setting, the requirements outlined in this document apply to owners and managers, as well as contractors and other operators operating in PEFC-certified areas. They cover all necessary processes of a management system that aims at sustainable forest management.</p> <p>7.5.2 The standard requires that the documented information is relevant, and updated as appropriate, to the activities of the organisation.</p> <p>9.2 Internal audit 9.2.1 Objectives The standard requires that an internal audit programme at planned intervals shall provide information on whether the management system</p>	<p><b>Findings</b></p> <p>Forest management</p> <p>PEFC ST 1003: 2018 7.5.2 requires documented information to be updated by the certificate holder and contractors (PEFC ST 1003: 2018, 1). Section 9 of the same standard outlines the requirements for a regular internal audit programme that shall provide information on whether the management system is effectively implemented and maintained, and conforms to the requirements of the national sustainable forest management standard.</p> <p>Chain of custody</p> <p>According to PEFC ST 2002: 2020 4.2.1</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>a) conforms to</p> <ul style="list-style-type: none"> <li>the organisation's requirements for its management system;</li> <li>the requirements of the national sustainable forest management standard</li> </ul> <p>b) is effectively implemented and maintained.</p> <p>9.2.2 Organisation</p> <p>The standard requires that the organisation shall:</p> <p>a) plan, establish, implement and maintain an audit programme(s) including the frequency, methods, responsibilities, planning requirements and reporting, which shall take into consideration the importance of the processes concerned and the results of previous audits;</p> <p>b) define the audit criteria and scope for each audit;</p> <p>c) select the auditors and conduct audits to ensure objectivity and the impartiality of the audit process;</p> <p>d) ensure that the results of the audits are reported to relevant management;</p> <p>e) retain documented information as evidence of the implementation of the audit programme and the audit results.</p> <p>9.3 Management review</p> <p>9.3.1 The standard requires that an annual management review shall at least include</p> <p>a) the status of actions from previous management reviews;</p> <p>b) changes in external and internal issues that are relevant to the management system;</p> <p>c) information on the organisation's performance, including trends in:</p> <ul style="list-style-type: none"> <li>nonconformities and corrective actions;</li> <li>monitoring and measurement results;</li> <li>audit results;</li> </ul> <p>d) opportunities for continual improvement.</p> <p>9.3.2 The standard requires that the outputs of the management review shall include decisions related to continual improvement opportunities and any need for changes to the management system.</p> <p>9.3.3 The standard requires that documented information as evidence of the results of management reviews shall be retained.</p> <p>PEFC ST 2002: 2020</p>	<p>and 4.4.1 f) the certificate holder should conduct internal audits and periodic review the chains of custody, non-conformities, and corrective actions. PEFC ST 2002: 2020 4.6 gives additional instruction related to the internal audits. At the same time, PEFC ST 2002: 2020 4.9 defines the procedures for the proper functioning of outsourcing activities.</p> <p><b>Justification</b></p> <p>At the level of PEFC International, this indicator is concluded as covered for forest management and chain of custody. Regularly review the proper functioning of own systems and procedures is directly addressed in the normative requirements.</p>	



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			<p>4.2.1 The organisation shall establish written documented procedures for its PEFC chain of custody. The documented procedures shall include at least the following elements:</p> <ul style="list-style-type: none"> <li>a) responsibilities and authorities relating to the PEFC chain of custody</li> <li>b) description of the raw material flow within the production/trading process(es), including definition of product groups</li> <li>c) procedures for PEFC chain of custody process(es) covering all requirements of this standard, including :</li> <li>...</li> <li>vi. internal audits and non-conformity control</li> </ul> <p>4.4.1 To provide evidence of conformity with the requirements of this standard, the organisation shall establish and maintain at least the following records relating to the product groups covered by its PEFC chain of custody:</p> <p>...</p> <ul style="list-style-type: none"> <li>f) Records of internal audits, periodic chain of custody review, non-conformities and corrective actions.</li> </ul> <p>4.6 Inspection and control</p> <p>4.6.1 The organisation shall conduct internal audits at least annually, and prior to the initial certification audit, covering its compliance with all requirements of this standard applicable to the organisation, including activities covered by outsourcing, and establish corrective and preventive measures if required.</p> <p>Note: Informative guidance for performing internal audits is given in ISO 19011.</p> <p>4.6.2 The organisation's management shall review the result of the internal audit and the organisation's PEFC chain of custody at least annually.</p> <p>4.9 Outsourcing</p> <p>4.9.1 The organisation may outsource activities covered by its PEFC chain of custody to another entity.</p> <p>4.9.2 Through all stages of outsourcing the organisation shall be responsible for ensuring that all</p>		

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			outsourced activities meet the requirements of this standard, including management system requirements. The organisation shall have a written agreement with all entities to whom activities have been outsourced, ensuring that: a) The material/products covered by the organisation's PEFC chain of custody are physically separated from other material or products. b) The organisation has access to the entity's site(s) for internal and external auditing of outsourced activities for conformity with the requirements of this standard. Note 1: A template for an outsourcing agreement can be obtained from the PEFC Council and PEFC authorised bodies. Note 2: Internal audits of outsourced activities should be conducted at least annually and before the outsourced activity starts.		
<b>A.5.2</b>	Qualification and competence	<b>A.5.2.1</b> The Scheme shall include requirements that ensure that certified organisations have personnel with sufficient qualifications and competencies to consistently and effectively implement Scheme requirements.	PEFC ST 1003: 2018 7.2.1 The standard requires that forest managers, contractors, employees and forest owners shall be provided with sufficient information and kept up-to-date through continuous training in relation to sustainable forest management, as a precondition for all management planning and practices described in this benchmark.  8.2.10 The standard requires that the use of pesticides shall follow the instructions given by the pesticide producer and be implemented with proper equipment by trained personnel.  PEFC ST 2002: 2020 4.5.1 Human resources/personnel The organisation shall ensure and demonstrate that all personnel performing activities affecting the implementation and maintenance of its PEFC chain of custody are competent on the basis of appropriate training, education, skills and experience.  Appendix 1, 5.3.2 The organisation shall demonstrate that personnel carrying out inspections has sufficient knowledge and competence in the	<b>Findings</b>  Forest management  According to PEFC ST 1003: 2018 7.2.1 staff shall be provided with sufficient information and kept up-to-date through continuous training in relation to sustainable forest management, as a precondition for all management planning and practices described in this benchmark. It is not explicit that this must be in relation to the management system and procedures, and to ensure their effective implementation. According to PEFC ST 1003: 2018 8.2.10 application of pesticides shall follow instructions given by the pesticide producer and personnel shall be trained.	Covered

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			local business, cultural and social customs, and applicable treaties, conventions legislation, governance and law enforcement, relevant to the origin of "significant risk" supplies and to the risk(s) identified.	<p>Chain of custody</p> <p>According to PEFC ST 2002: 2020 4.5.1 organisation shall ensure that staff working in implementation and maintenance is qualified (training, education, skills, experience). It is not clear if PEFC International consistently includes training of staff on Scheme requirements.</p> <p>For entities that is applying Due Diligence System, define in Appendix 1: According to PEFC ST 2002: 5.3.2 organisation shall ensure that staff conducting the inspections has sufficient knowledge and competence. It is not clear if PEFC International consistently includes training of staff on Scheme requirements.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for forest management and chain of custody. Requirements are included that certified organisations have personnel with sufficient competencies to implement Scheme requirements.</p>	
<b>A.5.3</b>	Risk based approaches to sourcing, trade or production	<b>A.5.3.1</b> If the Scheme includes an option to implement a risk based approach to sourcing non-certified material (Due Diligence System), it shall: i)	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is "negligible risk" that the material is from controversial sources.</p> <p>3.7 Controversial sources</p>	<p><b>Findings</b></p> <p>Forest management</p> <p>Forest management requirements do not include a risk based approach to sourcing non-certified material.</p>	Covered

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		contain clear requirements and ii) ensure consistent implementation of the Due Diligence System, for all activities, materials and suppliers included within the scope of the certification.	<p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>7.1.2 For PEFC product groups where only input material used was delivered with a PEFC claim by a supplier covered by a PEFC recognised certificate, an organisation may implement the PEFC DDS by meeting the following requirements:</p> <p>a) In order to enable PEFC certified and uncertified entities further down the supply chain to implement a DDS, the organisation shall, upon request, provide the information specified in Appendix 1, 2.1 for material passed on with a PEFC claim. If the organisation does not possess the requested information, the request shall be passed on to relevant supplier(s) of the organisation (Appendix 1, 2.2).</p> <p>b) Where internal or external substantiated concerns on the origin of input material from controversial sources are raised, the organisation shall follow up on these concerns following Appendix 1, 4.</p> <p>c) The organisation shall define, document and implement a commitment and a procedure, also covering forest and tree based material/products not covered by the organisation’s PEFC chain of custody, ensuring that where it</p>	<p>Chain of custody</p> <p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to ensure non-certified materials or products which are sourced by the Certificate Holder do not derive from controversial sources. The DDS in Appendix 1 is not expected to be applied to the Certificate holder itself or to PEFC-certified material.</p> <p>In the case that materials or products which are sourced by the Certificate Holder are PEFC certified, the certificate holder has the option to implement a Due Diligence System based on requirement 7.1.2 of the main standard PEFC ST 2002: 2020. This is a reduced DDS focussing on obtaining information in relation to species and origin, as well as addressing internal or external substantiated</p>	

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			<p>is known to the organisation, or where it has received substantiated concerns, that forest and tree based material/products originates in illegal sources (controversial sources, 3.7a), it shall not be placed on the market until the concern has been resolved in accordance with Appendix 1, 4</p> <p>PEFC ST 2002: 2020 - Appendix 1: PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources</p> <p>1.1 In order to help ensure that activities conducted by the organisation under the scope of this standard conform to all applicable timber legality legislation, including trade and customs laws, and to minimise the risk that the procured material originates in controversial sources, the organisation shall operate a Due Diligence System (DDS), in accordance with the following elements of this standard.</p> <p>Appendix 1, Table 1: List of indicators for negligible risk</p> <p>a) Supplies declared as certified against a forest certification system (other than PEFC endorsed), addressing the activities covered by the term controversial sources, supported by a forest management, chain of custody or fibre sourcing certificate issued by a third party certification body.</p> <p>b) Supplies verified by governmental or non-governmental verification or licensing mechanisms other than forest certification systems, addressing the activities covered by the term controversial sources.</p> <p>c) Supplies supported by verifiable documentation that clearly identifies:</p> <p>i. country of harvest and/or sub-national region where the timber was harvested, where the latest</p> <p>Transparency International (TI) Corruption Perception Index (CPI) score is higher than 50, or where the latest World Justice Project (WJP) Rule of Law Index is higher than 0,5, and</p> <p>ii. trade name and type of product as well as the common name of tree species and, where applicable, its full scientific name, and</p> <p>iii. all suppliers within the supply chain, and</p> <p>iv. the forest area of the supply origin, and</p> <p>v. documents, including contractual agreements and self-declarations, or other reliable information indicating that products do not originate from controversial sources.</p>	<p>concerns that may be raised in relation to the products sourced.</p> <p><b>Justification</b></p> <p>Not applicable to forest management.</p> <p>This indicator is concluded as covered for the chain of custody. Normative requirements are described for the consistent implementation of a DDS for sourcing non-certified material.</p>	

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			<p>Appendix 1, Table 2: List of indicators for significant risk at origin level</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>i. The latest Transparency International (TI) Corruption Perception Index (CPI) score of the country is lower than 50 or the latest World Justice Project (WJP) Rule of Law Index of the country is lower than 0,5.</p> <p>ii. The country/region is known as a country with low level of forest governance and law enforcement.</p> <p>iii. Tree species included in the material/product is known as species with prevalence of activities covered by the term controversial sources (a) or (b) in the country/region.</p> <p>iv. The country is covered by UN, EU or national government sanctions restricting the export/import of such forest and tree based products</p> <p>Appendix 1, Table 3: List of indicators for significant risk at supply chain level</p> <p>a) Countries/regions where the products have been traded are unknown.</p> <p>b) Species in the product are unknown.</p> <p>c) Evidence of illegal practices concerning controversial sources by any company in the supply chain.</p>		
		<b>A.5.3.2</b> The Scheme shall include requirements that ensure that whenever there is a change in the risk related to illegal harvest, trade or transport	<p>PEFC ST 2002: 2020</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties</p>	<p><b>Findings</b></p> <p>Forest management</p> <p>Forest management requirements do not include a risk based approach to sourcing non-certified material.</p> <p>Chain of custody</p>	Covered

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		in a supply chain – or a supply chain covered by a DDS – the risk shall be assessed and mitigated prior to shipping and sale.	<p>and taxes.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>PEFC ST 2002: 2020 - Appendix 1: PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources</p> <p>3. Risk assessment</p> <p>3.1 The organisation shall carry out a risk assessment, assessing the risk of procuring raw material from controversial sources for all input forest and tree based material covered by the organisation’s PEFC chain of custody, with the exception of material/products delivered with a PEFC claim by a supplier with a PEFC recognised certificate, as this material can be considered as having “negligible risk” of originating in controversial sources.</p> <p>3.2 The organisation’s risk assessment shall result in the classification of material into “negligible” or “significant” risk category.</p> <p>3.3 The organisation’s risk assessment shall be based on the indicators for risk at origin and supply chain level listed in tables 1 - 3 below.</p> <p>...</p> <p>3.7 The risk assessment shall be carried out for the first delivery of every</p>	<p>According to PEFC ST 2002: 2020 6.1.4, the certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to ensure non-certified materials or products which are sourced by the Certificate Holder do not derive from controversial sources. The DDS in Appendix 1 is not expected to be applied to the Certificate holder itself or to PEFC-certified material.</p> <p>According to PEFC ST 2002: 2020, Appendix 1, 3.9, the risk assessment shall be reviewed at least annually, and when changes of characteristics (of the supply chain) are made.</p> <p><b>Justification</b></p> <p>Not applicable to forest management.</p> <p>This indicator is concluded as covered for the chain of custody. Whenever there is a</p>	

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			individual supplier, or for several suppliers, with the same characteristics listed in 2.1 of this appendix, and the same applicability of indicators according to tables 1-3 above. ... 3.9 The risk assessment shall be reviewed and if necessary revised at least annually, and when changes regarding the characteristics listed in 2.1 of this appendix occur.	change in the risk related to illegal harvest, trade or transport in a supply chain – or a supply chain covered by a DDS – the risk shall be assessed and mitigated prior to shipping and sale.	
		<b>A.5.3.3</b> In cases where other 3rd party schemes permitted to be used by the due diligence system as meeting specific due diligence requirements, the scheme shall include requirements that ensure that it is clear: i) on what basis recognition is made and; ii) how it is verified that other Schemes ensure conformance with the specific due diligence requirements.	PEFC ST 2002: 2020 3.7 Controversial sources Forest and tree based material sourced from: a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.  6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.  7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is “negligible risk” that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.  PEFC ST 2002: 2020 - Appendix 1: PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources  3. Risk assessment	<b>Findings</b>  Forest management requirements do not include a risk based approach to sourcing non-certified material.  Chain of custody  Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to ensure non-certified materials or products which are sourced by the Certificate Holder do not derive from controversial sources.  The risk assessment procedures described in PEFC ST 2002: 2020, Appendix 1, include the use of indicators in tables. Table 1 recognizes that supplies certified to other forest certification schemes can result in a negligible risk conclusion. It is not clear (no requirements or guidance was found) on what basis – or how - the	Partially Covered



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			<p>...</p> <p>3.3 The organisation's risk assessment shall be based on the indicators for risk at origin and supply chain level listed in tables 1- 3 below.</p> <p>3.4 Where the organisation's risk assessment identifies indicators specified in table 1, the organisation may consider the material as having "negligible risk" to originate in controversial sources, and conclude the risk assessment without having to consider the indicators outlined in tables 2 and 3.</p> <p>Table 1: List of indicators for negligible risk</p> <p>Indicators</p> <p>a) Supplies declared as certified against a forest certification system (other than PEFC endorsed), addressing the activities covered by the term controversial sources, supported by a forest management, chain of custody or fibre sourcing certificate issued by a third party certification body.</p> <p>b) Supplies verified by governmental or non-governmental verification or licensing mechanisms other than forest certification systems, addressing the activities covered by the term controversial sources.</p>	<p>schemes shall be evaluated by the certificate holder other than that they cover the activities included in the term controversial sources and are covered by a supported by third-party certification. It is expected that this is covered in the audit process.</p> <p>Furthermore, Table 1 (b) determines that supplies verified by governmental or non-governmental verification or licensing mechanisms (other than forest certification systems) can be considered as low risk, as long as they address the activities covered by the term controversial sources. However, the definition of "governmental or non-governmental verification or licensing mechanisms" is not clear. Again, it is not clear (no requirements or guidance was found) on what basis – or how – the licensing mechanisms are to be evaluated.</p> <p><b>Justification</b></p> <p>Not applicable to forest management.</p> <p>This indicator is concluded as partially covered for the chain of custody. The DDS determines that supplies verified by governmental or non-governmental verification or licensing mechanisms (other than forest certification systems) can be considered as low risk, as long as they address the activities covered by the term controversial sources. However, there are no</p>	

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				requirements or guidance on what basis – or how - the schemes shall be evaluated by the certificate holder other than that they cover the activities included in the term controversial sources and are covered by a supported by third-party certification. It is expected that this is covered in the audit process.	
		<p><b>A.5.3.4</b> The Scheme shall include requirements to ensure that the DDS comprises, at a minimum, the following elements:</p> <p>i) a quality management system,</p> <p>ii) procedures for obtaining access to information pertinent to the identification of risk; iii) risk assessments, and</p> <p>iv) the implementation of mitigations measures when risks are identified.</p>	<p>PEFC ST 2002: 2020</p> <p>3.28 PEFC controlled sources</p> <p>Material category covering forest and tree based material for which an organisation has determined through its Due Diligence System that there is “negligible risk” that the material is from controversial sources.</p> <p>3.7 Controversial sources</p> <p>Forest and tree based material sourced from:</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes.</p> <p>b) Activities where the capability of forests to produce a range of wood and non-wood forest products and services on a sustainable basis is not maintained or harvesting levels exceed a rate that can be sustained in the long term.</p> <p>c) Activities where forest management does not contribute to the maintenance, conservation or enhancement of biodiversity on landscape, ecosystem, species or genetic levels.</p> <p>d) Activities where ecologically important forest areas are not identified, protected, conserved or set aside.</p> <p>e) Activities where forest conversions occur, in other than justified circumstances where the conversion:</p> <p>i. is in compliance with national and regional policy and legislation applicable for land use and forest management, and</p> <p>ii. does not have negative impacts on ecologically important forest areas,</p>	<p><b>Findings</b></p> <p><u>Chain of custody</u></p> <p>According to PEFC ST 2002: 2020 6.1.4, the chain of custody certificate holder may choose to use controlled sources in their products. Controlled sources are defined by PEFC ST 2002: 2020 3.28, as inputs into a due diligence system which are concluded with negligible risk in relation to the definition in the standard of Controversial sources (PEFC ST 2002: 2020 3.7).</p> <p>Where products which are sourced by the Certificate Holder are PEFC certified, the certificate holder has the option to implement a Due Diligence System based on requirement 7.1.2 of the main standard PEFC ST 2002: 2020. Requirement 7.1.2 is not mandatory and Annex 1 of the standard is not applicable in such cases. On this point it is important to note that the assessed standard is not used yet and during the discussion with PEFC, they explain that 7.1.2 should be read as a guidance, even if the indicator</p>	Partially Covered

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			<p>culturally and socially significant areas, or other protected areas, and</p> <p>iii. does not destroy areas of significantly high carbon stock, and</p> <p>iv. makes a contribution to long-term conservation, economic, and/or social benefits.</p> <p>f) Activities where the spirit of the ILO Declaration on Fundamental Principles and Rights at Work (1998) is not met.</p> <p>g) Activities where the spirit of the United Nations Declaration on the Rights of Indigenous Peoples (2007) is not met.</p> <p>h) Conflict timber.</p> <p>i) Genetically modified trees.</p> <p>6.1.4 The organisation shall only use PEFC certified material and PEFC controlled sources material as input for PEFC product groups.</p> <p>7.1.1 For all material used as input for a PEFC product group, except recycled material, the organisation shall exercise due diligence in line with the PEFC Due Diligence System (DDS) for the avoidance of material from controversial sources laid down in Appendix 1 of this standard. Thereby the organisation shall establish that for material used as input for PEFC product groups there is "negligible risk" that it originates from controversial sources and that it meets the definition of PEFC controlled sources material.</p> <p>7.1.2 For PEFC product groups where only input material used was delivered with a PEFC claim by a supplier covered by a PEFC recognised certificate, an organisation may implement the PEFC DDS by meeting the following requirements:</p> <p>a) In order to enable PEFC certified and uncertified entities further down the supply chain to implement a DDS, the organisation shall, upon request, provide the information specified in Appendix 1, 2.1 for material passed on with a PEFC claim. If the organisation does not possess the requested information, the request shall be passed on to relevant supplier(s) of the organisation (Appendix 1, 2.2).</p> <p>b) Where internal or external substantiated concerns on the origin of input material from controversial sources are raised, the organisation shall follow up on these concerns following Appendix 1, 4.</p> <p>c) The organisation shall define, document and implement a commitment and a procedure, also covering forest and tree based material/products not covered by the organisation's PEFC chain of custody, ensuring that where it is known to the organisation, or</p>	<p>does not specific this. At the same time, PEFC explained that PEFC CoC Working Group is observing the use of the chain of custody standards and continuously evaluating the feedback received from certificate holders, certification bodies and accreditation bodies. If necessary, a guidance document for the PEFC ST 2002:2020 version will be developed. This guidance would not add additional requirements but adds explanation, clarification, and interpretation where necessary.</p> <p><u>Controlled Sources for non-PEFC-certified material</u></p> <p>Requirement 7.1.1 of PEFC ST 2002: 2020, describes that the certificate holder shall implement a Due Diligence System (DDS) when sourcing input material which is not PEFC-certified. The requirements for due diligence are contained within Appendix 1 of standard (PEFC ST 2002: 2020), the objective of which is to ensure non-certified materials or products which are sourced by the Certificate Holder do not derive from controversial sources. For entities applying this Due Diligence System, PEFC ST 2002: 2020 Appendix 1, requirements 4.1, 4.2 and section 6 apply in case of substantiated concerns. The certificate holder shall not place products on the market for which substantiated concerns have not been resolved.</p> <p>Requirement 6.2 also requires that wood</p>	

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			<p>where it has received substantiated concerns, that forest and tree based material/products originates in illegal sources (controversial sources, 3.7a), it shall not be placed on the market until the concern has been resolved in accordance with Appendix 1, 4.</p> <p>PEFC ST 2002: 2020 - Appendix 1</p> <p>1.1 In order to help ensure that activities conducted by the organisation under the scope of this standard conform to all applicable timber legality legislation, including trade and customs laws, and to minimise the risk that the procured material originates in controversial sources, the organisation shall operate a Due Diligence System (DDS), in accordance with the following elements of this standard.</p> <p>3.4 Where the organisation's risk assessment identifies indicators specified in table 1, the organisation may consider the material as having "negligible risk" to originate in controversial sources, and conclude the risk assessment without having to consider the indicators outlined in tables 2 and 3.</p> <p>3.5 Where the organisation's risk assessment does not identify indicators specified in table 1, the risk assessment shall be continued as</p> <p>3.6 Where none of the indicators outlined in tables 2 and 3 are identified, the organisation may consider the supplies as having "negligible risk" to originate in controversial sources, and conclude the risk assessment.</p> <p>Appendix 1, Table 1: List of indicators for negligible risk</p> <p>a) Supplies declared as certified against a forest certification system (other than PEFC endorsed), addressing the activities covered by the term controversial sources, supported by a forest management, chain of custody or fibre sourcing certificate issued by a third party certification body.</p> <p>b) Supplies verified by governmental or non-governmental verification or licensing mechanisms other than forest certification systems, addressing the activities covered by the term controversial sources.</p> <p>c) Supplies supported by verifiable documentation that clearly identifies:</p> <p>i. country of harvest and/or sub-national region where the timber was harvested, where the latest Transparency International (TI) Corruption Perception Index (CPI) score is higher than 50, or where</p>	<p>originated from illegal sources should not be placed on the market.</p> <p><u>Controlled Sources due diligence mechanism</u></p> <p>The due diligence requirements outlined in Appendix 1 of PEFC ST 2002: 2020 are intended to ensure non-certified materials or products which are sourced by the Certificate Holder do not derive from controversial sources</p> <p>According to Appendix 1 (3.4) sources can be considered having "negligible risk" where the organisation can meet the requirements of Table 1. In such cases, it is not required to proceed to Tables 2 and 3 in the risk assessment. According to Appendix 1, 3.6, sources can be considered having "negligible risk" where none of the indicators outlined in tables 2 and 3 is identified.</p> <p>It is not clear that the DDS would be able to detect all risks within supply chains in line with the definition of negligible and non-negligible risk as outlined in the EUTR and prohibition of illegal material or material with a non-negligible risk category. As examples, the following issues are observed:</p> <ol style="list-style-type: none"> <li>1. There is no clear definition of the term 'significant risk'.</li> <li>2. Table 1, point c) of the table</li> </ol>	

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			<p>the latest World Justice Project (WJP) Rule of Law Index is higher than 0,5, and</p> <p>ii. trade name and type of product as well as the common name of tree species and, where applicable, its full scientific name, and</p> <p>iii. all suppliers within the supply chain, and</p> <p>iv. the forest area of the supply origin, and</p> <p>v. documents, including contractual agreements and self-declarations, or other reliable information indicating that products do not originate from controversial sources.</p> <p>Appendix 1, Table 2: List of indicators for significant risk at origin level</p> <p>a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>i. The latest Transparency International (TI) Corruption Perception Index (CPI) score of the country is lower than 50 or the latest World Justice Project (WJP) Rule of Law Index of the country is lower than 0,5.</p> <p>ii. The country/region is known as a country with low level of forest governance and law enforcement.</p> <p>iii. Tree species included in the material/product is known as species with prevalence of activities covered by the term controversial sources (a) or (b) in the country/region.</p> <p>iv. The country is covered by UN, EU or national government sanctions restricting the export/import of such forest and tree based products</p> <p>6.1 Forest and tree based material/products from unknown sources or from controversial sources shall not be included in a PEFC product group.</p>	<p>considers as negligible risk wood coming from sources with "documents, including contractual agreements and self-declarations, or other reliable information indicating that products do not originate from controversial sources". Scenarios may exist that allow for wood sources to be considered as negligible risk even though risks exist. E.g. in relation to tenure rights. It is not always possible to ascertain a risk conclusion from such documents, or even from documents alone.</p> <p>3. A low risk conclusion may be possible in some cases where this may not be warranted. For example:</p> <ul style="list-style-type: none"> <li>Table 2 a) I-IV, could help conclude as negligible risk wood supply coming from countries where the CPI is higher than 50. Other timber legality databases and indices have observed clear illegality risks arising in countries with a CPI above 50. An alternative database that is cited includes the World Justice Project (WJP) Rule of Law Index. Again, countries with a score lower than 0,5 may also contain illegality risks. Examples include India and</li> </ul>	

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				<p>Thailand, both with a score of 0.51. PEFC includes a note that "These indices might not always be appropriate for forestry. Where more appropriate indicators exist, these can be used with a prior agreement with the PEFC Council. These alternative indicators will be listed in the chain of custody guidance document".</p> <ul style="list-style-type: none"> <li>Table 3 (List of indicators for significant risk at supply chain level) includes in c) as a significant risk indicator, evidence of illegal practices concerning controversial sources by any company in the supply chain. However, again, the definition of controversial sources only applies to applicable local, national or international legislation on forest management and does not make reference to the trade and transport laws. So there is no requirement to consider a supply-chain entity that had been sanctioned for illegal trading of wood-products, for example.</li> </ul>	

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				<b>Justification</b>  This indicator is concluded as partially covered. Cases in relation to the risk assessment tables in Appendix 1 mean that risks may not always be captured.	
<b>B. Requirements for Certification Bodies</b>  Scheme requirements for Certification Bodies shall be clear and unambiguous and allow the Scheme owner to verify the level of conformance of each Certification Body to these requirements.					
<b>B.1 General Certification Body requirements</b>					
B.1.1	Competence and qualifications	<b>B.1.1.1</b> The Scheme shall have mechanisms to ensure that auditors, and other relevant personnel of the Certification Body, are qualified and competent to evaluate organisations' compliance with specific Scheme requirements.	Certification and Accreditation procedures, 2007 – Annex 6 Chapter 4 CERTIFICATION PROCEDURES The certification body shall have established internal procedures for forest management certification against a national forest certification scheme and for chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) or against a scheme specific chain of custody standard. The applied certification procedures for forest management certification or chain of custody certification against a scheme specific chain of custody standard shall fulfil or be compatible with the requirements defined in any of the following documents: a) ISO 17021(1) if the certification is carried out as management system certification, b) ISO Guide 65 (EN 45 011)(2) if the certification is carried out as product certification (the term “product” is used in its widest sense and includes also processes and services )(2), The applied certification procedures for chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) shall fulfill requirements defined in ISO Guide 65 (EN 45 011)(2). The applied auditing procedures shall fulfill or be compatible with the requirements of ISO 19011(3). In addition to above requirements the certification body:	<b>Findings</b>  Forest management According to Certification and Accreditation procedures, Annex 6 2007 – Chapter 3.2, auditors should fulfil ISO 19011 (defines qualification and competence for auditors). In addition, according to Annex 6 – Certification and Accreditation procedures, 2007 – Chapter 4, ISO 17021 is requested to be implemented by the Certified Body.  Chain of Custody For Certification Bodies operating chain of custody (PEFC ST 2003:2020, 6.1.1.2), auditors should have specific education (PEFC ST 2003:2020, 6.1.1.2.1), competence (PEFC ST 2003:2020, 6.1.1.2.6) and work experience (PEFC ST 2003:2020, 6.1.1.2.2) for conducting audits. Indicator 6.1.1.2.4 requests	Covered

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			<p>a) informs the relevant PEFC National Governing Bodies about all issued forest management and chain of custody certificates and changes concerning validity and scope of these certificates,</p> <p>...</p> <p>Compliance of the certification body's procedures with the above requirements shall be verified by accreditation according to chapter 5.</p> <p>– Chapter 3.2 Certification bodies have the responsibility to use competent auditors that have adequate technical know-how on the certification process and issues related to forest management or chain of custody certification, respectively.</p> <p>The auditors shall fulfil general criteria for quality and environmental management systems auditors as defined in ISO 19011(3). Additional qualification requirements for auditors carrying out forest management or chain of custody audits against a scheme specific standard should be defined by the respective national forest certification scheme. The certification body can fulfil the technical competence defined for auditors by the presence of a technical expert(s) in a group of auditors carrying out forest management or chain of custody audits. The compliance of auditors with the above requirements is verified by an accreditation as described in chapter 5.</p> <p>PEFC ST 2003: 2020</p> <p>6.1.1.1 Personnel involved in the certification activities</p> <p>6.1.1.1.1 The certification body shall ensure that all personnel carrying out the key activities, such as contract review, auditing, granting of certification, monitoring of auditors, etc. have the relevant and appropriate knowledge and competencies corresponding to these activities.</p> <p>6.1.1.2 Auditors</p> <p>The certification body shall have a documented process to ensure that auditors have personal attributes, knowledge and skills in accordance with clauses 7.1, 7.2.1, 7.2.2, 7.2.3.1, 7.2.3.2 and 7.2.3.4 of ISO 19011:2018.</p> <p>6.1.1.2.1 Education</p> <p>6.1.1.2.1.1 The certification body shall ensure that auditors have the</p>	<p>auditors to have successfully completed training in audit techniques based on ISO 19011.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for forest management and chain of custody. For forest management, auditors and other relevant personnel of the Certification Body, are qualified and competent to evaluate organisations' compliance with specific Scheme requirements is indirectly (through ISO standards) addressed in the normative requirement. For Chain of custody, auditors and other relevant personnel of the Certification Body, are qualified and competent to evaluate organisations' compliance with specific Scheme requirements is directly addressed in the normative requirement.</p>	



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			<p>knowledge corresponding to at least a secondary education that includes or is supplemented with courses related to forest and/or tree based and related industries where the auditor(s) conducts chain of custody audits.</p> <p>Note: Secondary education is the part of the national education system that comes after the primary or elementary stage, but that is completed prior to entrance to tertiary education, e.g. university or similar educational institution.</p> <p>6.1.1.2.1.2 The specific education relating to forest and/or tree based and related industries can be substituted by working experience in these sectors if the certification body can demonstrate it is equivalent to the required education.</p> <p>Note: Forest and/or tree based and related industries include, for example, activities relating to manufacturing, research, education, standards development, forest industry/product associations, forest law and regulation, transport, distribution and recycling or transport and storage of forest and/or tree based products.</p> <p>6.1.1.2.2 Working experience</p> <p>6.1.1.2.2.1 For a first qualification of an auditor, the certification body shall ensure that the auditor has a minimum of three years of full-time related working experience in the forest and/or tree based and related industries.</p> <p>Note: Forest and/or tree based and related industries include, for example, activities relating to manufacturing, research, education, standards development, forest industry/product associations, forest law and regulation, transport, distribution and recycling or transport and storage of forest and tree based products.</p> <p>6.1.1.2.2.2 The number of years of total work experience may be reduced by one year, if the auditor has completed a tertiary education appropriate and relevant to forest and/or tree based and related industries.</p> <p>Note: Tertiary education, also referred to as third stage, third level, and post-secondary education, is the educational level following the completion of a school providing a secondary education.</p> <p>6.1.1.2.2.3 The number of years of total work experience may be reduced by one year if the auditor has performed, as auditor-in-training, four chain of custody audits under the leadership of a qualified auditor, in addition to the chain of custody audits required as audit experience under 6.1.1.2.5.1.</p> <p>6.1.1.2.3 PEFC chain of custody training</p>		

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			<p>The certification body shall ensure that new auditors have received initial training on the PEFC system and the Chain of Custody standard, that is recognised by the PEFC Council.</p> <p>Note: The PEFC website <a href="http://www.pefc.org">www.pefc.org</a> provides further information on training options.</p> <p>6.1.1.2.4 Audit training</p> <p>The certification body shall ensure that auditors have successfully completed training in audit techniques based on ISO 19011.</p> <p>6.1.1.2.5 Audit experience</p> <p>6.1.1.2.5.1 For a first qualification of an auditor, the certification body shall ensure that the auditor within the last three years has performed, as auditor-in-training, chain of custody audits for at least four organisations under the leadership of a qualified auditor, including at least two PEFC chain of custody audits. The number of chain of custody audits-in-training can be reduced to two PEFC chain of custody audits for auditors that are qualified for chain of custody standards, ISO 9001 or ISO 14001 in forest and/or tree related sectors.</p> <p>6.1.1.2.6 Competencies</p> <p>6.1.1.2.6.1 The certification body shall ensure that auditors demonstrate ability to apply knowledge and skills in the following areas:</p> <p>a) The objectives and core processes of the PEFC system including the requirements from the PEFC Sustainable Forest Management standard (PEFC ST 1003) covered in the PEFC chain of custody definition of controversial sources, (PEFC ST 2002, clause 3.6 paragraphs b, c, d and e).</p> <p>b) Audit principles, procedures and techniques (see 7.2.3.2.a of ISO 19011:2018): to enable the auditor to apply those appropriate to different audits and ensure that audits are conducted in a consistent and systematic manner.</p> <p>c) Organisation situations (see 7.2.3.2.c of ISO 19011:2018), including organisational size, structure, functions and relationships, general business processes and related terminology, and cultural and social customs such as knowledge of the client organisation working language, or language that the certification body and client can agree on: to enable the auditor to comprehend the organisation's operational context.</p> <p>d) Applicable international legislation and country specific forest governance and law enforcement system relevant to forest and tree based raw material</p>		

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			<p>procurement and avoidance of raw material from controversial sources: to enable the auditor to comprehend the client organisation's contractual relationships with suppliers and evaluate the client organisation's procedures for avoidance of raw material from controversial sources. Knowledge and understanding of this area shall cover:</p> <ul style="list-style-type: none"> <li>i. contracts and agreements, including labour contracts and or collective bargaining agreements</li> <li>ii. forest governance and law enforcement system of countries of the uncertified raw material origin, including those covering social, health and safety issues of workers</li> <li>iii. international conventions relating to worker rights (ILO core conventions)</li> <li>iv. international treaties and conventions relating to the trade of forest and tree based products PEFC</li> </ul> <p>6.1.1.2.6.2 The certification body shall ensure that auditors demonstrate ability to apply terminology, knowledge, understanding and skills in the following areas of the PEFC chain of custody:</p> <ul style="list-style-type: none"> <li>a) principles and requirements of the Chain of Custody standard (PEFC ST 2002)</li> <li>b) products (including non-wood forest products and products from recycled material), processes and practices in the specific sector, applied raw material flow, measurements and control measures</li> <li>c) the application of management systems to forest and tree based and related industries and interaction between their components</li> <li>d) information systems and technology for authorisation, security, distribution and control of documents, data and records</li> <li>e) application of PEFC trademarks and other product labels and claims</li> <li>f) application of the measures to avoid procurement of raw material from controversial sources, including the relevant risk assessment methodology and indicators</li> <li>g) social, health and safety requirements</li> </ul> <p>6.1.1.2.6.3 The certification body shall maintain evidence of annual monitoring of chain of custody auditors, applying methods such as reviewing audit reports or client organisations' feedback, etc. based on the frequency of their usage and the level of risk linked to their activities, and periodic witness audits. In particular, the certification body shall review the competence of its personnel in the light of their performance in order to</p>		

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			identify training needs.		
		<b>B.1.1.2</b> If the Scheme includes an option for the Certificate Holder to implement a Due Diligence System, the scheme shall ensure that the auditors and other relevant personnel of the Certification Body are qualified and competent to evaluate organisations' compliance with related Scheme requirements.	<p>PEFC ST 2003: 2020</p> <p>Chapter 4 CERTIFICATION PROCEDURES</p> <p>The certification body shall have established internal procedures for forest management certification against a national forest certification scheme and for chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) or against a scheme specific chain of custody standard.</p> <p>The applied certification procedures for forest management certification or chain of custody certification against a scheme specific chain of custody standard shall fulfil or be compatible with the requirements defined in any of the following documents:</p> <p>a) ISO 17021(1) if the certification is carried out as management system certification,</p> <p>b) ISO Guide 65 (EN 45 011)(2) if the certification is carried out as product certification (the term "product" is used in its widest sense and includes also processes and services )(2),</p> <p>The applied certification procedures for chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) shall fulfill requirements defined in ISO Guide 65 (EN 45 011)(2). The applied auditing procedures shall fulfill or be compatible with the requirements of ISO 19011(3).</p> <p>PEFC ST 2003: 2020</p> <p>6.1.1.2.4 Audit training</p> <p>The certification body shall ensure that auditors have successfully completed training in audit techniques based on ISO 19011.</p> <p>6.1.1.2.6 Competencies</p> <p>6.1.1.2.6.1 The certification body shall ensure that auditors demonstrate ability to apply knowledge and skills in the following areas:</p> <p>a) The objectives and core processes of the PEFC system including the requirements from the PEFC Sustainable Forest Management standard (PEFC ST 1003) covered in the PEFC chain of custody definition of controversial</p>	<p><b>Findings</b></p> <p>Forest management</p> <p>PEFC Forest management requirements do not include a risk based approach to sourcing non-certified material.</p> <p>Chain of custody</p> <p>According to PEFC ST 2003: 2020, 6.1.1.2.6.1 d) auditors shall demonstrate knowledge related to international legislation and country specific forest governance and law enforcement. At the same time, indicator 6.1.1.2.4 requests auditors to have successfully completed training in audit techniques based on ISO 19011. Although a 'due diligence' qualification is not specifically described, it is considered this would be covered because auditors are required to evaluate the client organisation's procedures for avoidance of raw material from controversial sources, including risk assessment, forest governance and law enforcement systems.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered. Auditors qualifications related to the Due diligence are addressed directly and indirectly in the normative requirement.</p>	Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>sources, (PEFC ST 2002, clause 3.6 paragraphs b, c, d and e).</p> <p>...</p> <p>d) Applicable international legislation and country specific forest governance and law enforcement system relevant to forest and tree based raw material procurement and avoidance of raw material from controversial sources: to enable the auditor to comprehend the client organisation's contractual relationships with suppliers and evaluate the client organisation's procedures for avoidance of raw material from controversial sources. Knowledge and understanding of this area shall cover:</p> <p>i. contracts and agreements, including labour contracts and or collective bargaining agreements</p> <p>ii. forest governance and law enforcement system of countries of the uncertified raw material origin, including those covering social, health and safety issues of workers</p> <p>iii. international conventions relating to worker rights (ILO core conventions)</p> <p>iv. international treaties and conventions relating to the trade of forest and tree based products PEFC</p> <p>6.1.1.2.6.2 The certification body shall ensure that auditors demonstrate ability to apply terminology, knowledge, understanding and skills in the following areas of the PEFC chain of custody:</p> <p>...</p> <p>f) application of the measures to avoid procurement of raw material from controversial sources, including the relevant risk assessment methodology and indicators</p> <p>g) social, health and safety requirements</p>		
B.1.2	Impartiality	<b>B.1.2.1</b> The scheme shall include requirements to ensure that auditors, and other personnel relevant to the conformance evaluation of an organisation shall	<p>Certification and Accreditation procedures, 2007 – Annex 6, Chapter 3.2 Certification bodies have the responsibility to use competent auditors that have adequate technical know-how on the certification process and issues related to forest management or chain of custody certification, respectively.</p> <p>The auditors shall fulfil general criteria for quality and environmental management systems auditors as defined in ISO 19 011(3).</p> <p>Additional qualification requirements for auditors carrying out forest management or chain of custody audits against a scheme specific standard should be defined by the respective national forest certification scheme.</p> <p>The certification body can fulfil the technical competence defined for</p>	<p><b>Findings</b></p> <p>Forest management</p> <p>According to Certification and Accreditation procedures, Annex 6 2007 – Chapter 3.2 auditors should fulfil ISO 19011 (defines qualification and competence for auditors). In addition, according to Annex 6 – Certification and Accreditation procedures, 2007 – Chapter 4, ISO 17021 is requested to be</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		be impartial to the entity(-ies) under evaluation.	<p>auditors by the presence of a technical expert(s) in a group of auditors carrying out forest management or chain of custody audits. The compliance of auditors with the above requirements is verified by an accreditation as described in chapter 5.</p> <p>Chapter 4 CERTIFICATION PROCEDURES The certification body shall have established internal procedures for forest management certification against a national forest certification scheme and for chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) or against a scheme specific chain of custody standard. The applied certification procedures for forest management certification or chain of custody certification against a scheme specific chain of custody standard shall fulfil or be compatible with the requirements defined in any of the following documents: a) ISO 17021(1) if the certification is carried out as management system certification, b) ISO Guide 65 (EN 45 011)(2) if the certification is carried out as product certification (the term "product" is used in its widest sense and includes also processes and services )(2), The applied certification procedures for chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) shall fulfill requirements defined in ISO Guide 65 (EN 45 011)(2). The applied auditing procedures shall fulfill or be compatible with the requirements of ISO 19011(3).</p> <p>PEFC ST 2003: 2020, 6.1.1.2.4 Audit training The certification body shall ensure that auditors have successfully completed training in audit techniques based on ISO 19011.</p>	<p>implemented by the Certified Body. ISO 19011 includes requirements to ensure that auditors, and other personnel relevant to the conformance evaluation of an organisation shall be impartial to the entity(-ies) under evaluation.</p> <p>Chain of custody For Certification Bodies operating chain of custody, auditors should have successfully completed training in audit techniques based on ISO 19011 (PEFC ST 2003: 2020, 6,1,1,2,4). ISO 19011 includes requirements to ensure that auditors, and other personnel relevant to the conformance evaluation of an organisation shall be impartial to the entity(-ies) under evaluation.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for forest management and chain of custody. The impartiality of auditors is directly (in chain of custody) and indirectly (in forest management through ISO 19011 and ISO 17021) addressed in the normative requirement.</p>	
		<b>B.1.2.2</b> The Scheme shall include requirements that ensure that the certification decision process	<p>Annex 6 – Certification and Accreditation procedures, 2007 – Chapter 4 CERTIFICATION PROCEDURES The certification body shall have established internal procedures for forest management certification against a national forest certification scheme and for chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) or against a scheme specific chain of custody standard. The applied certification procedures for forest</p>	<p><b>Findings</b></p> <p>Forest management</p> <p>According to Certification and Accreditation procedures, Annex 6 2007 – Chapter 3.2, auditors should fulfil ISO</p>	Covered

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		is; i) well defined and; ii) ensures that the decision on certification is conducted by positions/bodies that are impartial to the auditee.	<p>management certification or chain of custody certification against a scheme specific chain of custody standard shall fulfil or be compatible with the requirements defined in any of the following documents:</p> <p>a) ISO 17021(1) if the certification is carried out as management system certification,</p> <p>b) ISO Guide 65 (EN 45 011)(2) if the certification is carried out as product certification (the term "product" is used in its widest sense and includes also processes and services )(2), The applied certification procedures for chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) shall fulfill requirements defined in ISO Guide 65 (EN 45 011)(2). The applied auditing procedures shall fulfill or be compatible with the requirements of ISO 19011(3).</p> <p>...</p> <p>PEFC ST 2003:2020, Chapter 7.6 All the requirements given in clause 7.6 of ISO/IEC 17065:2012(E) apply.</p> <p>7.6.1 Audit findings shall be classified as major nonconformities, minor nonconformities and observations.</p> <p>7.6.2 Before granting initial certification, as a minimum, major and minor nonconformities shall be corrected and the corrective action(s) verified by the certification body.</p> <p>7.6.3 Before granting recertification, as a minimum, major nonconformities shall be corrected and the corrective action(s) verified by the certification body.</p> <p>7.6.4 Major and minor nonconformities identified in the audits shall result in corrective action(s) by the client organisation resolving the nonconformities. The corrective action plan, including a timeframe, shall be reviewed and accepted by the certification body. The time period for completion of the corrective action(s) for major nonconformities identified in surveillance audits and their verification by the certification body shall follow the rules of the certification body but not exceed three months. Corrective action(s) for minor nonconformities identified during recertification and surveillance audits shall be verified no later than during the next audit.</p>	<p>19011 (defines qualification and competence for auditors). In addition, according to Annex 6 – Certification and Accreditation procedures, 2007 – Chapter 4, ISO 17021 is requested to be implemented by the Certified Body. ISO 19011 and ISO 17021 includes requirements to ensure the certification decision process is well defined and ensures that the decision on certification is conducted by positions/bodies that are impartial to the auditee.</p> <p><b>Chain of custody</b></p> <p>For Certification Bodies operating chain of custody, auditors should have successfully completed training in audit techniques based on ISO 19011 (PEFC ST 2003: 2020, 6,1,1,2,4). ISO 19011 includes requirements to ensure the certification decision process is well defined and ensures that the decision on certification is conducted by positions/bodies that are impartial to the auditee. In addition, according to Chapter 7.6, certification decision should be based on audit findings, and in case of initial certification and recertification, all non-conformities should be closed by the certificate holder, prior to the issue of the certificate.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for forest management and chain of custody. The impartiality of auditors is directly (in chain of custody) and indirectly (in forest</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				management through ISO 19011 and ISO 17021) addressed in the normative requirement.	
<b>B.2 Certification Body requirements for auditing and certification</b>					
B.2.1	Auditing process	<b>B.2.1.1</b> The Scheme shall include requirements that ensure that Certification Bodies apply a documented methodology for the evaluation (assessments and audits) of clients.	<p>Certification and Accreditation procedures, Annex 6 2007 Chapter 4 CERTIFICATION PROCEDURES</p> <p>The certification body shall have established internal procedures for forest management certification against a national forest certification scheme and for chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) or against a scheme specific chain of custody standard.</p> <p>The applied certification procedures for forest management certification or chain of custody certification against a scheme specific chain of custody standard shall fulfil or be compatible with the requirements defined in any of the following documents:</p> <p>a) ISO 17021(1) if the certification is carried out as management system certification, b) ISO Guide 65 (EN 45 011)(2) if the certification is carried out as product certification (the term “product” is used in its widest sense and includes also processes and services )(2),</p> <p>The applied certification procedures for chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) shall fulfill requirements defined in ISO Guide 65 (EN 45 011)(2).</p> <p>...</p> <p>PEFC ST 2003:2020 Chapter 7.4 Audit</p> <p>All the requirements given in clause 7.4 of ISO/IEC 17065:2012(E) apply.</p> <p>7.4.1 The certification body shall have documented procedures to ensure that an audit plan is established for each audit, to provide a basis for agreement regarding the conduct and scheduling of the audit activities. The audit plan shall be communicated and the dates of the audit shall be agreed upon in advance with the client organisation.</p> <p>Note: Guidance for preparing the audit plan is provided by ISO 19011:2018,</p>	<p><b>Findings</b></p> <p>Forest management According to Certification and Accreditation procedures, Annex 6 2007 – Chapter 4, it is required Certification Bodies to apply a documented methodology for the evaluation (assessments and audits) of clients. In additional, Certification Bodies fulfil or be compatible with ISO 17021. ISO 17021 request to apply a documented methodology for the evaluation (assessments and audits) of clients.</p> <p>Chain of custody According to PEFC ST 2003:2020, 7.4.1; 7.4.3; 7.4.7 and 7.4.8 it is required for Certification Bodies to apply a documented methodology for the evaluation (assessments and audits) of clients.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for forest management and chain of custody. The documented methodology for the evaluation (assessments and audits) of clients is directly addressed in the normative</p>	Covered



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			<p>clause 6.3.2.</p> <p>7.4.3 The certification body shall have documented procedures for selecting and appointing the audit team, including the audit team leader. Note: Guidance for selecting the audit team and audit team leader is provided by ISO 19011:2018, clauses 5.5.4.</p> <p>7.4.7 The certification body shall have documented procedures for determining audit time, and for each client organisation the certification body shall determine, with input from the audit team, the time needed to plan and accomplish a complete and effective audit of the client organisation's PEFC chain of custody. The audit time determined by the certification body, and the justification for the determination, shall be recorded. The minimum time for the on-site audit is four hours, this shall not include reporting activities, unless under specific conditions where it can be justified and documented.</p> <p>7.4.8 The certification body shall have documented procedures for sampling within the audit in accordance with the guidance provided in ISO 19011:2018, A.6.</p> <p>7.4.10 In the case of transfer of certification, the certification body shall operate according to ISO/IEC 17065 clause 7.4.5 and IAF MD2:2017.</p>	requirement.	
		<b>B.2.1.2</b> As a minimum, this methodology shall include procedures for the following activities: i) Evaluation of conformity of organisations to the Schemes (e.g. audit of sites, or inspection of records or of self-	<p>Certification and Accreditation procedures, Annex 6 2007 Chapter 4 CERTIFICATION PROCEDURES</p> <p>The certification body shall have established internal procedures for forest management certification against a national forest certification scheme and for chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) or against a scheme specific chain of custody standard.</p> <p>The applied certification procedures for forest management certification or chain of custody certification against a scheme specific chain of custody standard shall fulfil or be compatible with the requirements defined in any of the following documents: a) ISO 17021(1) if the certification is carried out as management system certification,</p>	<p><b>Findings</b></p> <p>Forest management According to Certification and Accreditation procedures, Annex 6 2007 – Chapter 4, it is required for Certification Bodies to have an internal procedure. Although evaluation of conformity of organisations to the Schemes; review and certification decision; issuance of a certificate; and periodic re-assessment are not specifically mentioned, it is considered these would be covered.</p>	Covered

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		assessment declarations); ii) Review and certification decision; iii) Issuance of a certificate; and iv) Periodic re-assessment.	<p>b) ISO Guide 65 (EN 45 011)(2) if the certification is carried out as product certification (the term “product” is used in its widest sense and includes also processes and services )(2), The applied certification procedures for chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) shall fulfill requirements defined in ISO Guide 65 (EN 45 011)(2). ...</p> <p>Additional specific requirements for certification procedures over and above the ones listed above might be defined by the respective forest certification scheme (i.e. forest management certification and chain of custody certification). Compliance of the certification body’s procedures with the above requirements shall be verified by accreditation according to chapter 5.</p> <p>PEFC ST 2003:2020 3.5 Certificates 3.5.1 One single certificate shall be issued with the name and address of the central office of the client organisation. A list of all the sites that the certificate relates to shall be issued, either on the certificate itself or in an appendix or as otherwise referred to in the certificate. The scope or other reference on the certificate shall make clear that the certified activities are performed by the network of sites in the list. The appendix or other reference is an integral part of the certificate and shall not be separated from the certificate.</p> <p>6.1.1.4 Reviewer and certification decision maker The certification body shall ensure that the reviewer and the certification decision maker meet the following requirements. If the reviewer and/or the certification decision maker are composed by a group of people, at least one of the members meets the following requirements.</p> <p>6.1.1.4.1 Education</p> <p>6.1.1.4.2 Working experience</p> <p>6.1.1.4.3 PEFC chain of custody training</p>	<p>According to Certification and Accreditation procedures, Annex 6 2007 – Chapter 4 requires the Certification Body to fulfil or be compatible with ISO 17021. ISO 17021 includes requirements related to all points i) – iv) of this indicator.</p> <p>Chain of custody In reference to part i), according to PEFC ST 2003:2020, 7.4.5 audits shall be on-site evaluation except in the case of organisations without physical possession and in the case of multi-site certificates, where the CB could decide to conduct the audit in other ways. For an organisation without physical possession, remote audits could replace on-site evaluation.</p> <p>In reference to part ii) according to PEFC ST 2003:2020 6.1.1.4, 6.1.2.1, PEFC international states the procedure that should be followed by the person involved in the review and certification decision. In addition, details related to the education (PEFC ST 2003:2020 6.1.1.4.1), working experience (PEFC ST 2003:2020 6.1.1.4.2), PEFC chain of custody training (PEFC ST 2003:2020 6.1.1.4.3), auditing training (PEFC ST 2003:2020 6.1.1.4.4), auditing experience (PEFC ST 2003:2020 6.1.1.4.5) and competencies (PEFC ST 2003:2020 6.1.1.4.6) of staff involved in this process is explained.</p> <p>In reference to part iii) according to PEFC ST 2003:2020 3.5 PEFC international stating the details of issuance of the</p>	

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			<p>6.1.1.4.4 Audit training</p> <p>6.1.1.4.5 Audit experience</p> <p>6.1.1.4.6 Competencies</p> <p>6.1.2.1 The certification body shall ensure that qualified reviewers, certification decision makers and auditors, every two calendar years, have participated in a refresher training in chain of custody of forest and tree based products that is recognised by the PEFC Council.</p> <p>7.4.5 The certification body shall conduct the audit following the relevant guidance provided in ISO 19011:2018, clause 6.4. In general, audits (initial, surveillance and recertification) shall be conducted on-site, except in those cases where requirements 7.4.6 or 7.9.2 of this standard apply, where certification bodies may decide to conduct remote audits.</p> <p>7.4.9 In determining the audit time and sampling within the audit, the certification body shall as a minimum, consider the following aspects:</p> <p>a) the requirements of the Chain of Custody standard</p> <p>b) size and complexity of the client organisation's operations within the scope of the PEFC chain of custody</p> <p>c) extent of supplies that could create a significant risk of procuring raw material from controversial sources</p> <p>d) extent of PEFC trademarks usage activities</p> <p>e) any outsourcing of any activities included in the scope of the organisation's chain of custody</p> <p>f) the results of any prior audits, including those of client organisation's management systems</p> <p>g) number of sites and multi-site considerations</p> <p>7.9 Surveillance</p> <p>7.9.1 The surveillance audits shall be carried out annually. The certification body shall carry out at least four surveillance audits before the expiry date of the certificate.</p>	<p>certificate. According to PEFC ST 2003:2020 3.5.1 one single certificate shall be issued with the name of the central office of the client organisation.</p> <p>In reference to part iv) according to PEFC ST 2003:2020 7.9 PEFC international stating the details of surveillance audits. According to PEFC ST 2003:2020 7.9.1 an audit shall be carried out annually.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered for forest management and chain of custody. At the international level, procedures for evaluation of conformity of organisations to the Schemes; review and certification decision; issuance of a certificate and Periodic re-assessment are addressed for Forest management, through ISO 17021, and directly addressed in PEFC ST 2003:2020 the normative requirement Chain of custody certification.</p>	

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		<p><b>B.2.1.3</b> The Scheme shall include requirements that ensure that Certification Bodies have in place - and implement - specific procedures for audits that include at least the following:</p> <ul style="list-style-type: none"> <li>i) frequency of audits; (no longer than every 12 months);</li> <li>ii) requirements for on-site (field) visits where applicable;</li> <li>iii) sampling protocol for audits (if applicable);</li> <li>iv) structure and competencies of the audit team;</li> <li>v) the minimum set of aspects that need to be checked in every audit;</li> <li>vi) minimum content of audit reports, including non-conformances,</li> </ul>	<p>Certification and Accreditation procedures, Annex 6 2007</p> <p>4. CERTIFICATION PROCEDURES</p> <p>The certification body shall have established internal procedures for forest management certification against a national forest certification scheme and for chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) or against a scheme specific chain of custody standard.</p> <p>The applied certification procedures for forest management certification or chain of custody certification against a scheme specific chain of custody standard shall fulfil or be compatible with the requirements defined in any of the following documents:</p> <ul style="list-style-type: none"> <li>a) ISO 17021(1) if the certification is carried out as management system certification,</li> <li>b) ISO Guide 65 (EN 45 011)(2) if the certification is carried out as product certification (the term “product” is used in its widest sense and includes also processes and services )(2),</li> </ul> <p>The applied certification procedures for chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) shall fulfill requirements defined in ISO Guide 65 (EN 45 011)(2).</p> <p>The applied auditing procedures shall fulfill or be compatible with the requirements of ISO 19011.</p> <p>...</p> <p>The maximum period for surveillance audits is one year and maximum period for reassessment audit is five years for both forest management and chain of custody certifications.</p> <p>The audit evidence to determine the conformity with the forest management standard shall include relevant information from external parties (e.g. government agencies,</p>	<p><b>Findings</b></p> <p>Forest management</p> <p>In reference to part i) According to Certification and Accreditation procedures, Annex 6 2007, chapter 4, the maximum period for surveillance audits is one year and maximum period for reassessment audit is five years. For ii) Chapter 4 of Annex 6 2007 requires that Certification Bodies fulfil ISO 17021. ISO 17021 contains requirements for on-site (field) visits. In the context of Covid19, as explained in the guidance from 05/11/2020, on-site audits could be replaced by desk audits for forest management certificates.</p> <p>In reference to part iii) according to Annex 6 2007, chapter 4, Certification Bodies shall fulfil ISO 17021 and ISO 19011. ISO 19011 explained the procedure for sampling protocol for audits.</p> <p>Regarding iv) according to Annex 6 2007, chapter 4, Certification Bodies shall fulfil ISO 17021 and ISO 19011. ISO 17021 explained the competence of personnel involved in management and certification activities. ISO 19011 explained the procedure for selecting audit team members.</p> <p>In reference to part v) according to Annex 6 2007, chapter 4, Certification Bodies shall fulfil ISO 17021. ISO 17021 contains</p>	Partially Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		clarification of scope, audit process and evaluation findings. vii) ability for unannounced or short-notice audits in case of substantiated claims or for other reasons.	<p>community groups, conservations organizations, etc.) as appropriate.</p> <p>Sustainable Forest Management auditing of PEFC certified entities affected by restrictions due to COVID-19 – guidance Version 2 (05/11/2020)</p> <p>PEFC ST 2003:2020 Introduction The PEFC Council requires the certification bodies operating chain of custody certification meet the requirements of ISO/IEC 17065, PEFC documentation and the relevant provisions of ISO 19011 specified in this document.</p> <p>4. Sampling for on-site audits 4.1 Methodology 4.1.1 The certification body can apply sampling of sites for on-site audits where the site sampling is appropriate to gain sufficient confidence in the compliance of the multi-site client organisation with the chain of custody requirements. The certification body shall be able to demonstrate its justification for the selection of sites for the on-site audits to ensure that all differences across the sites and implementation of chain of custody have been assessed.</p> <p>7.9.1 The surveillance audits shall be carried out annually. The certification body shall carry out at least four surveillance audits before the expiry date of the certificate. Note 1: Annually means once every twelve months, plus or minus three months. Note 2: If the certificate is valid for less than five years, the number of surveillance audits can be reduced accordingly.</p> <p>7.9.2 The on-site surveillance audit may be replaced by other audit techniques, such as documentation and records review, and the period between on-site surveillance audits shall not exceed two years (plus three months) where: a) the certification body can justify that the audit techniques used deliver</p>	<p>the minimum set of aspects that need to be checked in every audit. Regarding part vi) according to Annex 6 2007, chapter 4, Certification Bodies shall fulfil ISO 17021 and ISO 19011. ISO 19011 explained the minimum content of audit reports.</p> <p>In reference to part vii) according to Certification and Accreditation procedures, Annex 6 2007, chapter 4, certification procedures for Certification Bodies is explained. It is not clear if PEFC International consistently includes the ability for unannounced or short-notice audits in case of substantiated claims or for other reasons.</p> <p>Chain of custody In reference to parts:</p> <p>i) according to PEFC ST 2003:2020, 7.9.1 audits shall be made annually. Based on note 1 of this indicator: "Annually means once every twelve months, plus or minus three months". This means that the frequency of audits could be between 9 months and 15 months.</p> <p>ii) according to PEFC ST 2003:2020, 7.9.2 on-site audit could be replaced by desk audit. Conditions for doing this are detailed under 7.9.2. In the context of Covid19, as explained in the guidance from 25/05/2020, on-site audits could be replaced by desk audits for chain of custody certificates.</p>	

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			<p>sufficient confidence in the certified entity's compliance with the certification criteria; and</p> <p>b) no nonconformity was raised during the previous initial, surveillance or recertification audit; and</p> <p>c) the client organisation procurement does not include significant risk supplies; and</p> <p>d) the client organisation provides the certification body with all the records required to be kept by the Chain of Custody standard or a list of all the records that allow the certification body to establish an independent sampling; or</p> <p>e) the submitted records provide sufficient evidence that the client organisation or client organisation's site has not procured raw material and has not sold any product with a PEFC claim since the last audit.</p> <p>Appendix 4 (normative): Minimum content of audit reports Audit reports shall include, as a minimum, the following content: ...</p> <p>Chain of custody auditing of PEFC certified companies affected by restrictions due to COVID-19 – guidance Version 5 (25/05/2020)</p> <p>i) <a href="https://pefc.org/covid-19">https://pefc.org/covid-19</a></p>	<p>iii) PEFC ST 2003:2020, 4. stating the sampling protocol for audits.</p> <p>iv) according to PEFC ST 2003:2020, Introduction, shall fulfil ISO 17021. ISO 17021 contains the minimum set of aspects that need to be checked in every audit.</p> <p>v) according to PEFC ST 2003:2020, Introduction, shall fulfil ISO 19011. ISO 19011 explained the procedure for selecting audit team members.</p> <p>vi): to PEFC ST 2003:2020, Appendix 4 stating the minimum content of audit reports, including non-conformances, clarification of scope, audit process and evaluation findings.</p> <p>vii) It is not clear if PEFC International consistently includes ability for unannounced or short-notice audits in case of substantiated claims or for other reasons.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered for forest management and chain of custody. In case of forest management, it is not clear if standards consistently includes the ability for unannounced or short-notice audits in case of substantiated claims or for other reasons.</p>	

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				In case of Chain of custody, frequency of audits may exceed 12 months. At the same time, in the context of Covid19 on-site audits could be replaced by desk audits.	
B.2.2	Stakeholder consultation	<p><b>B.2.2.1</b> The Scheme shall include mechanisms to ensure that Certification Bodies conduct consultation with stakeholder (including rights holders) as appropriate in relation to audits (only applicable where necessary** for evaluating compliance of certificate holders).</p> <p>The scheme shall ensure that the certification holder has a proper stakeholder consultation process in place.</p>	<p>The PEFC Board of Directors, in its meeting on 17 November 2014 in Paris, France, has provided the following interpretations:</p> <p>The requirement "<i>the audit evidence to determine the conformity with the forest management standard shall include relevant information from external parties (e.g. government agencies, community groups, conservations organisations etc.) as appropriate</i>" (PEFC TD Annex 6, section 4) shall be understood as "<i>the audit must, amongst other relevant information, include sufficient consultation with external stakeholders to ensure that all relevant issues are identified relating to compliance with the requirements of the standard</i>".</p>	<p><b>Findings</b></p> <p>Forest Management</p> <p>During the consultation with scheme owners, PEFC explained that the Board of Directors had a meeting in 2014 and explained that stakeholder consultation shall be included in forest management certification. This document is not publicly available, but was shared with Preferred by Nature for the purposes of this study.</p> <p>Findings at the national level for Forest management</p> <p>Brazil, China and Russia assessment conclude this indicator as covered, as specific indicator related to the stakeholder consultation is added in the national standards. In case of Romania, the scheme defines in Annex 12 the "Requirements for Certification Bodies and Auditors for assessing forest certification in Romania" (PEFC-RO DST 8012:2017). There are no references to the need that Certification Bodies conduct consultation with stakeholders.</p> <p>Chain of custody</p> <p>Stakeholder consultation is not required</p>	Partially Covered

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				<p>to be conducted as part of the chain of custody certification.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered. There are requirements for stakeholder consultation in case of forest management certification. However, although the requirement applies to all countries it appears that is not followed by all assessed national standards. For the chain of custody, there is no requirement to conduct stakeholder consultation.</p>	
B.2.2	Corruption	<b>B.2.2.2</b> The Scheme shall include mechanisms to identify (or for the Certification Body to do so) companies sanctioned for engagement in corrupt practices relevant to the forest sector.	<p>PEFC ST 1003: 2018</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>6.3.1.3 The standard requires that where no anti-corruption legislation exists, the organisation must take alternative anti-corruption measures appropriate to the risk of corruption.</p>	<p><b>Findings</b></p> <p>According to standards and procedures developed at the international level, there are no mechanism in place within the PEFC Scheme to identify (or for the Certification Body to do so) companies sanctioned for corrupt practices. However, Forest Management standard includes an indicator requesting certificate holder to comply with the anti-corruption policy.</p> <p>Findings at the national level for Forest management</p> <p>This indicator is assessed as not covered for all 4 countries. Although, according to the findings from C.2.1.1, national standards assessed on this project has been developed based on the previous version of Forest Management standard.</p>	Not Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<b>Justification</b>  This indicator is concluded as not covered for forest management and chain of custody. There are no mechanisms for the scheme - or for the Certification Body - to identify companies sanctioned for engagement in corrupt practices relevant to the forest sector at the level of PEFC International.	
<b>C. Requirements for Certification Schemes</b>					
<b>C.1 Transparency</b>					
C.1.1	Transparency	<b>C.1.1.1</b> Scheme requirements for both Certificate Holders and Certification Bodies shall be publicly available online.	i) <a href="https://www.pefc.org/standards-implementation/standards-and-guides">https://www.pefc.org/standards-implementation/standards-and-guides</a> ii) <a href="https://www.pefc.org/discover-pefc/our-pefc-members/national-members">https://www.pefc.org/discover-pefc/our-pefc-members/national-members</a>  iii) <a href="https://www.pefc.org/for-business/certification-and-accreditation-bodies/become-a-pefc-notified-certification-body">https://www.pefc.org/for-business/certification-and-accreditation-bodies/become-a-pefc-notified-certification-body</a> iv) <a href="https://www.iaf.nu/articles/MLA_Documents/39">https://www.iaf.nu/articles/MLA_Documents/39</a>  ISO/IEC 17011:2017 8.2	<b>Findings</b>  Management of the scheme is undertaken by PEFC International with support from IAF, an organisation allowing the organisation to become accreditation bodies. Accreditation bodies, in its turn, allowing the organisation to become certification bodies.  PEFC International has developed a website to access benchmark and normative standards (i) and the forest certification systems for all countries (ii). In addition, there are details for organisations that would like to become a Certification body (iii). However, some important documents, like the note from the PEFC Board of Directors meeting from 17 November 2014 is not publicly available. This note explains that forest management certification shall include	Partially Covered

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				<p>stakeholder consultation. At the same time, PEFC explains that some national schemes whose endorsement expired on or after 1 January 2017 were offered an extraordinary endorsement extension to facilitate a smooth transition to the 2018 standard. This procedure is not publicly available.</p> <p>IAF allow the organisation to become accreditation bodies, based on Multilateral Recognition Arrangement (MLA). MLA allow accreditation bodies to be recognised by other members of the MLA, and this process is done based on ISO/IEC Guides. The procedures related to MLA are publicly available on the website (iv). However, the standards used in the assessment of an applicant is not publicly available (ISO/EC 17011).</p> <p>There are multiple accreditation bodies allowed to accredit certification bodies. According to ISO/IEC 17011:2017 8.2.1, accreditation body shall make publicly available information related to the accreditation body and information about the process. Information like, complaints and appeals are part of publicly available information. According to ISO/IEC 17011:2017 8.2.2 shall make publicly available information on conformity assessment bodies. However, at a quick look, some CBs may not share all information on their website. For example, Belarusian State Centre for Accreditation (BSCA); Lithuanian National</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>Accreditation Bureau (LA); Romanian Accreditation Association (RENAR) do not have a list of certification bodies approved by them.</p> <p>For organisation providing Forest Management, PEFC international define requirements for Certification Bodies (Certification and Accreditation procedures, 2007 – Annex 6), that apply in addition to Accreditation requirements. These requirements are publicly available.</p> <p>For organisation providing Chain of Custody, PEFC International define requirements for Certification Bodies (PEFC ST 2003: 2020), that apply in addition to Accreditation requirements. These requirements are publicly available.</p> <p>For both types of certification (FM and CoC) notification procedures requested in order to allow CBs to assess and issue CHs are publicly available.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered. The main procedures related to how the scheme is operating are available on the PEFC website. However, some procedures related to the accreditation process are not publicly available.</p>	
		C.1.1.2 Schemes shall include requirements that	i) <a href="https://www.pefc.org/">https://www.pefc.org/</a> ii) <a href="https://www.pefc.org/discover-pefc">https://www.pefc.org/discover-pefc</a> iii) <a href="https://www.pefc.org/standards-implementation">https://www.pefc.org/standards-implementation</a>	<p><b>Findings</b></p> <p>PEFC International developed a website (<a href="#">i</a>) to give information to all parties</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		ensure that relevant information about the following is freely available: i) development and content of the Scheme; ii) how the system is governed; ii) who is evaluated and under what process; iv) impact information and the various ways in which stakeholders can engage.	iv) <a href="https://www.pefc.org/discover-pefc/governance">https://www.pefc.org/discover-pefc/governance</a> v) <a href="https://www.pefc.org/what-you-can-do/become-a-member">https://www.pefc.org/what-you-can-do/become-a-member</a> vi) <a href="https://www.pefc.org/contact-us">https://www.pefc.org/contact-us</a> .	interested to know more about their certification (ii). On the website, there is information related to the development and content of schemes (iii), related to the governance (iv), and also various ways for stakeholders to engage in this process: Become a member of the international stakeholder group (v); Add questions or complaints (vi). However, impact information are not available on the website.  <b>Justification</b>  This indicator is concluded as partially covered. Scheme requirements ensure that relevant information related to development of the Scheme; how the system are governed; who is evaluated and process; and the various ways in which stakeholders can engage is freely available. However, impact information are not available on the website.	
		<b>C.1.1.3</b> The Scheme shall include requirements that ensure that an up-to-date register of certified/verified organisations is publicly available.	<a href="https://www.pefc.org/find-certified">https://www.pefc.org/find-certified</a>  PEFC ST 2002: 2020 5.1.2 Identification at supplier level 5.1.2.1 For all inputs delivered with a PEFC claim the organisation shall verify that the supplier is covered by a PEFC recognised certificate on the PEFC website.  <b>PEFC GD 1008: 2019, Chapter 5, table 1 (a)</b>	<b>Findings</b>  PEFC International has developed an online platform to check the status of forest management and chain of custody certificates issued by the Certificate Bodies. Chain of custody requirements includes that certificate holders verify that the supplier is covered by a PEFC recognised certificate using the PEFC website. Thus, the certification information on the website forms a fundamental part of the scheme	Partially Covered

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			<p><b>Table 1 (a): Mandatory features</b></p> <p>I: Individual, MS: Multi-site, P: Participant, G: Group</p> <p>✓: always, ✓*: only when applicable</p> <table><tr><th></th><th colspan="3">Chain of Custody</th><th colspan="3">Forest Management</th><th rowspan="2">Non-Certified Entity</th></tr><tr><th></th><th>I</th><th>MS</th><th>P</th><th>I</th><th>G</th><th>P</th></tr><tr><td>Entity type (previously type of certification)</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Certificate type</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Area of certified forest land</td><td></td><td></td><td></td><td>✓</td><td>✓</td><td>✓</td><td></td></tr><tr><td>PEFC authorised body</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Certificate initial issuance date</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td></td></tr><tr><td>Certificate latest renewal date</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td></td></tr><tr><td>Certificate expiration date</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td></td></tr><tr><td>Date of withdrawal, suspension, termination</td><td>✓*</td><td>✓*</td><td>✓*</td><td>✓*</td><td>✓*</td><td>✓*</td><td>✓*</td></tr><tr><td>Certificate number</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td></td></tr><tr><td>Sub-certificate number</td><td></td><td></td><td>✓*</td><td></td><td></td><td>✓*</td><td></td></tr><tr><td>My local CB</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td></td></tr><tr><td>Certification body name</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td></td></tr><tr><td>Certification status</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td></td></tr><tr><td>Chain of custody method</td><td>✓</td><td>✓</td><td>✓</td><td></td><td></td><td></td><td></td></tr><tr><td>Chain of Custody standard</td><td>✓</td><td>✓</td><td>✓</td><td></td><td></td><td></td><td></td></tr></table> <p><b>PEFC GD 1008: 2019, Chapter 5, table 1 (b)</b></p>		Chain of Custody			Forest Management			Non-Certified Entity		I	MS	P	I	G	P	Entity type (previously type of certification)	✓	✓	✓	✓	✓	✓	✓	Certificate type	✓	✓	✓	✓	✓	✓	✓	Area of certified forest land				✓	✓	✓		PEFC authorised body	✓	✓	✓	✓	✓	✓	✓	Certificate initial issuance date	✓	✓	✓	✓	✓	✓		Certificate latest renewal date	✓	✓	✓	✓	✓	✓		Certificate expiration date	✓	✓	✓	✓	✓	✓		Date of withdrawal, suspension, termination	✓*	✓*	✓*	✓*	✓*	✓*	✓*	Certificate number	✓	✓	✓	✓	✓	✓		Sub-certificate number			✓*			✓*		My local CB	✓	✓	✓	✓	✓	✓		Certification body name	✓	✓	✓	✓	✓	✓		Certification status	✓	✓	✓	✓	✓	✓		Chain of custody method	✓	✓	✓					Chain of Custody standard	✓	✓	✓					<p>requirements.</p> <p>As discussed with PEFC, information from the online platform is updated based on information communicated by certification bodies. Data collected for the online platform is available in PEFC GD 1008: 2019, Chapter 5, Table 1. The access to the database is guaranteed for national governing bodies and the PEFC Council, and they are responsible for registering and updating data in the platform. As discussed with PEFC, the typical delay is a week and depends on how fast information is sent from the certification body to responsible for entering data in the platform. At the same time, PEFC will use a new platform during next months.</p> <p>Forest Management Certificates</p> <ul style="list-style-type: none"><li>The public information for forest management includes organisation name, address, contact details, type of certificate, status, expiry date, certificate number and certification body.</li><li>There is a field within the database Company Products to describe the product types within scope, but this does not appear to be used. Also missing is information on species within the scope of the certificate.</li><li>The database does not include information about forest area or location within the scope of the certificate. The address of Forest</li></ul>	
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			<p><b>Table 1 (b): Mandatory features (continued)</b></p> <p>I: Individual, MS: Multi-site, P: Participant, G: Group</p> <p>✓: always, ✓*: only when applicable</p> <table><tr><th rowspan="2"></th><th colspan="3">Chain of Custody</th><th colspan="3">Forest Management</th><th rowspan="2">Non-Certified Entity</th></tr><tr><th>I</th><th>MS</th><th>P</th><th>I</th><th>G</th><th>P</th></tr><tr><td>Company name (PEFC)</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Company street (PEFC)</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Company postal code (PEFC)</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Company city (PEFC)</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Company country (PEFC)</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Company telephone (PEFC)</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Company website (PEFC)</td><td>✓*</td><td>✓*</td><td>✓*</td><td>✓*</td><td>✓*</td><td>✓*</td><td>✓*</td></tr><tr><td>Contact person email (PEFC)</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Contact person first name (PEFC)</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Contact person last name (PEFC)</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Logo user group</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Logo licence expiry date</td><td>✓*</td><td>✓*</td><td>✓*</td><td>✓*</td><td>✓*</td><td>✓*</td><td>✓*</td></tr><tr><td>Logo licence number</td><td>✓*</td><td>✓*</td><td>✓*</td><td>✓*</td><td>✓*</td><td>✓*</td><td>✓</td></tr><tr><td>Logo licence status</td><td>✓*</td><td>✓*</td><td>✓*</td><td>✓*</td><td>✓*</td><td>✓*</td><td>✓</td></tr><tr><td>New industry sector</td><td>✓</td><td>✓</td><td>✓</td><td></td><td></td><td></td><td></td></tr><tr><td>Number of sites/participants</td><td></td><td>✓</td><td></td><td></td><td>✓</td><td></td><td></td></tr><tr><td>Product categories level 1</td><td>✓</td><td>✓</td><td>✓</td><td></td><td></td><td></td><td></td></tr><tr><td>Product categories level 2</td><td>✓</td><td>✓</td><td>✓</td><td></td><td></td><td></td><td></td></tr><tr><td>Product categories level 3</td><td>✓</td><td>✓</td><td>✓</td><td></td><td></td><td></td><td></td></tr><tr><td>Product description</td><td>✓*</td><td>✓*</td><td>✓*</td><td></td><td></td><td></td><td></td></tr><tr><td>Sum of the total turnover of all of the participants in the certificate</td><td>✓</td><td>✓</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Currency</td><td>✓</td><td>✓</td><td></td><td></td><td></td><td></td><td></td></tr></table> <p>* These features shall be filled when applicable.</p> <p><b>Note 1:</b> The producer group requirements are identical to chain of custody multi-sites and participants. However, be careful that you enter the proper feature values regarding "Entity type". When entering a producer group certificate holder, please select "Producer group certificate holder CoC" and when entering a participant in a producer group, please select "Participants in producer group certificate CoC".</p>		Chain of Custody			Forest Management			Non-Certified Entity	I	MS	P	I	G	P	Company name (PEFC)	✓	✓	✓	✓	✓	✓	✓	Company street (PEFC)	✓	✓	✓	✓	✓	✓	✓	Company postal code (PEFC)	✓	✓	✓	✓	✓	✓	✓	Company city (PEFC)	✓	✓	✓	✓	✓	✓	✓	Company country (PEFC)	✓	✓	✓	✓	✓	✓	✓	Company telephone (PEFC)	✓	✓	✓	✓	✓	✓	✓	Company website (PEFC)	✓*	✓*	✓*	✓*	✓*	✓*	✓*	Contact person email (PEFC)	✓	✓	✓	✓	✓	✓	✓	Contact person first name (PEFC)	✓	✓	✓	✓	✓	✓	✓	Contact person last name (PEFC)	✓	✓	✓	✓	✓	✓	✓	Logo user group	✓	✓	✓	✓	✓	✓	✓	Logo licence expiry date	✓*	✓*	✓*	✓*	✓*	✓*	✓*	Logo licence number	✓*	✓*	✓*	✓*	✓*	✓*	✓	Logo licence status	✓*	✓*	✓*	✓*	✓*	✓*	✓	New industry sector	✓	✓	✓					Number of sites/participants		✓			✓			Product categories level 1	✓	✓	✓					Product categories level 2	✓	✓	✓					Product categories level 3	✓	✓	✓					Product description	✓*	✓*	✓*					Sum of the total turnover of all of the participants in the certificate	✓	✓						Currency	✓	✓						<p>Management Enterprise Office is included in the database.</p> <ul style="list-style-type: none"><li>In the case of group FM certificates, it is possible to search all of the group members covered by one group certificate. However for address of group members or information about forest area or location within the scope of the certificate are not disclosed. The address of Group Manager Office is included in the database.</li></ul> <p>Chain of Custody Certificates</p> <ul style="list-style-type: none"><li>The public information for Chain of Custody includes organisation name, address, contact details, type of certificate, status, expiry date, certificate number and certification body.</li><li>There is a field within the database Company Products to describe the product types within scope, but this does not appear to be used consistently for all certificates. Also missing is information on species within the scope of the certificate.</li><li>It is not possible via the platform, to determine if products are made of/contain recycled material.</li></ul> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered. A register of certified/verified organisations is publicly available. The database allows to identify the certification status of named companies from their name or certification code. However, the database does not include information about forest area or location within the scope of the certificate</p>	
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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		<b>C.1.1.4</b> The Scheme shall make summaries (or full reports) with relevant findings from audits available on the internet.	<p>i) <a href="https://www.pefc.org/find-certified">https://www.pefc.org/find-certified</a></p> <p>PEFC ST 2003: 2020 3.5 Certificates 3.5.1 One single certificate shall be issued with the name and address of the central office of the client organisation. A list of all the sites that the certificate relates to shall be issued, either on the certificate itself or in an appendix or as otherwise referred to in the certificate. The scope or other reference on the certificate shall make clear that the certified activities are performed by the network of sites in the list. The appendix or other reference is an integral part of the certificate and shall not be separated from the certificate.</p> <p>Annex 6 – Certification and Accreditation procedures, 2007 – Chapter 4 CERTIFICATION PROCEDURES The certification body shall have established internal procedures for forest management certification against a national forest certification scheme and for chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) or against a scheme specific chain of custody standard. The applied certification procedures for forest management certification or chain of custody certification against a scheme specific chain of custody standard shall fulfil or be compatible with the requirements defined in any of the following documents: a) ISO 17021(1) if the certification is carried out as management system certification, b) ISO Guide 65 (EN 45 011)(2) if the certification is carried out as product certification (the term “product” is used in its widest sense and includes also processes and services )(2), The applied certification procedures for chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) shall fulfill requirements defined in ISO Guide 65 (EN 45 011)(2). The applied auditing procedures shall fulfill or be compatible with the requirements of ISO 19011(3). In addition to above requirements the certification body: a) informs the relevant PEFC National Governing Bodies about all issued forest management and chain of custody certificates and changes</p>	<p><b>Findings</b></p> <p>According to Annex 6 – Certification and Accreditation procedures, 2007 – Chapter 4, “A summary of the certification report, including a summary of findings on the auditee’s conformity with the forest management standard, written by the certification body, shall be made available to the public by the auditee or in accordance with any applicable requirements defined by the respective forest certification scheme.”.</p> <p>However, reports are not available in the online platform developed by the PEFC International (<a href="https://www.pefc.org/find-certified">https://www.pefc.org/find-certified</a>). However, it has been observed that:</p> <ul style="list-style-type: none"> <li>• PEFC Germany uploads these reports on their national website: <a href="https://pefc.de/fur-waldbesitzer/pefc-meiner-region/">https://pefc.de/fur-waldbesitzer/pefc-meiner-region/</a>. This is a good way to give access to the public to reports;</li> <li>• According to PEFC Annex 6, each auditee is responsible for making the report publicly available.</li> </ul> <p>In this case, the Scheme is not responsible for making reports publicly for Forest Management Certificates, and as can be seen from practice, auditing reports are not available on the internet.</p> <p>There are no requirements for public</p>	Not Covered

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			<p>concerning validity and scope of these certificates,</p> <p>In the case of a multi-site chain of custody certification the certification body shall provide the relevant PEFC National Governing Body with a list of all sites covered by the multi-site organisation.</p> <p>In the case of a multi-site chain of custody certification covering sites located in more than one country, the relevant PEFC National Governing Body is the PEFC National Governing Body in the country where the head-office of the multi-site organisation is registered. Information about the sites located in countries other than where the head office is registered shall also be provided to the PEFC National Governing Body of that country.</p> <p>If the chain of custody certification has been carried out in a country without a PEFC National Governing Body, the information shall be provided directly to the PEFC Council.</p> <p>b) carries out control of PEFC logo usage if the certified entity is a PEFC logo user.</p> <p>The maximum period for surveillance audits is one year and maximum period for reassessment audit is five years for both forest management and chain of custody certifications.</p> <p>The audit evidence to determine the conformity with the forest management standard shall include relevant information from external parties (e.g. government agencies, community groups, conservations organizations, etc.) as appropriate.</p> <p>A summary of the certification report, including a summary of findings on the auditee's conformity with the forest management standard, written by the certification body, shall be made available to the public by the auditee or in accordance with any applicable requirements defined by the respective forest certification scheme.</p> <p>Additional specific requirements for certification procedures over and above the ones listed above might be defined by the respective forest certification scheme (i.e. forest management certification and chain of custody certification).</p> <p>Compliance of the certification body's procedures with the above requirements shall be verified by accreditation according to chapter 5.</p>	<p>summaries of audits in relation to Chain of Custody or controlled sources.</p> <p>PEFC International that Annex 6 was developed a long time ago when the internet was not used so often, and they have in plan to revise the procedure.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered. The Scheme is not requesting to make reports publicly available on the internet. However, some NGBs may request this in addition to standard requirements from PEFC International.</p>	
C.1.2	Impartiality	C.1.2.1 Procedures for handling complaints and grievances shall be	<p>i) <a href="https://www.pefc.org/standards-implementation/assuring-compliance/complaints-and-appeals">https://www.pefc.org/standards-implementation/assuring-compliance/complaints-and-appeals</a></p> <p>1001:2017</p>	<p><b>Findings</b></p> <p>Complaints against certified entities are dealt with by the respective complaints</p>	Covered



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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		in place, made publicly available and implemented. The procedures shall be clearly publicized, making it easy for stakeholders to submit comments or complaints where applicable.	<p>5.3 Handling of complaints and appeals</p> <p>5.3.1 The standardizing body shall establish procedure(s) for dealing with any substantial and process complaints and appeals relating to its standard-setting activities. It must make procedure(s) accessible to stakeholders. Upon receipt of a complaint or appeal, the standardizing body shall:</p> <p>a) acknowledge receipt of the complaint or appeal to the complainant, b) gather and verify all necessary information to validate the complaint or appeal, evaluate the subject matter of the complaint or appeal impartially and objectively, and make a decision regarding the complaint or appeal, and c) formally communicate the decision on the complaint or appeal to the complainant and describe the handling process.</p> <p>5.3.2 The standardizing body shall establish at least one contact point for enquiries, complaints and appeals relating to its standard-setting activities. The contact point shall be easy to access and readily available.</p> <p>GL 7/2007 PEFC Council procedures for the investigation and resolution of complaints and Appeals</p> <p>1. OBJECTIVE</p> <p>The objective of this guideline is to describe the responsibilities and actions of the PEFC Council and the PEFC National Governing Bodies in relation to the investigation and resolution of complaints and appeals.</p> <p>The PEFC Council regards all complaints and appeals as opportunities to improve its services and implement corrective and preventive measures. The PEFC Council is committed to monitoring and achieving continual improvement in all areas of its activities and those of its members.</p> <p>2. SCOPE</p> <p>This guideline details procedures for complaints and appeals to the PEFC Council which concern decisions and/or activities of the PEFC Council or its members</p> <p>Complaints and appeals relating to the decisions and activities of a certified entity; an accredited certification body or an accreditation body shall be dealt with by the complaints and appeals procedures of the relevant accredited certification body; accreditation body; or by the International Accreditation Forum.</p> <p>This guideline was approved by the Board on 28th June 2007.</p> <p>...</p> <p>4.5 Complaints submitted regarding a specific certified entity shall be</p>	<p>and appeals procedures put in place by certification bodies. Issues that remain unresolved at this level should be raised with the respective complaints and appeals mechanisms of national accreditation bodies and thereafter - as the third level of appeal - with the PEFC International or International Accreditation Forum (GL7/2007, 4.5, 4.6, 4.7). The process of the complaint is described in detail in GL 7/2007 and define a clear period to resolve the issue in direct communication (6 months).</p> <p>If the certification body, or indeed an accreditation body is judged not to have dealt with the complaint appropriately, it risks losing its license to operate. (i).</p> <p>In addition, on the process of developing national standards, complains and appeals are included in the process.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered. Procedures for complaints and appeals are publicly available and steps for submitting a comment or complain are clear.</p>	

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			referred to the relevant certification body's own complaints / appeals resolution procedure. 4.6 Complaints submitted regarding a specific accredited certification body shall be referred to the relevant accreditation body's (or bodies') own complaints / appeals resolution procedure. 4.7 Complaints submitted regarding a specific accreditation body shall be referred to the International Accreditation Forum's complaints / appeals resolution procedure ( <a href="http://www.iaf.nu">www.iaf.nu</a> ).		
C1.3	Conflict of interest and corruption	<b>C.1.3.1</b> The Certification Scheme shall have in place requirements at all levels of the scheme (normative requirements for CHs, requirements for CBs, and for the scheme functioning) to manage risks of corruption and conflict of interest.	Certification and Accreditation procedures, 2007 – Annex 6, 4. CERTIFICATION PROCEDURES The certification body shall have established internal procedures for forest management certification against a national forest certification scheme and for chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) or against a scheme specific chain of custody standard. The applied certification procedures for forest management certification or chain of custody certification against a scheme specific chain of custody standard shall fulfil or be compatible with the requirements defined in any of the following documents: a) ISO 17021(1) if the certification is carried out as management system certification, b) ISO Guide 65 (EN 45 011)(2) if the certification is carried out as product certification (the term "product" is used in its widest sense and includes also processes and services )(2), The applied certification procedures for chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) shall fulfill requirements defined in ISO Guide 65 (EN 45 011)(2). The applied auditing procedures shall fulfill or be compatible with the requirements of ISO 19011.	<b>Findings</b>  The Scheme does not have public policy related to the absence of corruption from scheme functioning. In the endorsement of National Systems, an independent assessor is appointed by PEFC International to check the National System. In the selection of assessor, impartiality, and absence of conflicts of interest are part of the selection process.  According to PEFC "The PEFC Board Charter requires board members to diligently and honestly in accordance with applicable laws, have a duty to act with care and diligence, in good faith, and maintaining the highest ethical standards, must disclose conflicts of interest and absent themselves from voting on such matters; and never act dishonestly or recklessly, break the law, take bribes or personal gains. Board members are not remunerated and the Board, as well as the staff, are subject to regular appraisal and performance reviews.". However, a specific requirement to exclude corruption from all levels (not just PEFC Board) is	Partially Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>PEFC ST 2003:2020</p> <p>Introduction</p> <p>The PEFC Council requires the certification bodies operating chain of custody certification meet the requirements of ISO/IEC 17065, PEFC documentation and the relevant provisions of ISO 19011 specified in this document.</p>	<p>not made.</p> <p>IAF, organisation that allow organisation to become accreditation bodies, does not have any public policy related to corruption or conflict of interest.</p> <p>For Certification Bodies, according to Certification and Accreditation procedures, 2007 – Annex 6 (for forest management) and PEFC ST 2003:2020 (for chain of custody) shall fulfil ISO 17021. ISO 7021 includes clear requirements related to the impartiality and self-interest threats. However, there is no explicit requirement in relation to corruption..</p> <p>For Certificate Holders, Forest Management Standards include under the standard requirements that CH shall comply with anti-corruption laws and in countries where legislation is not mentioned, clear steps are defined. Conflict of interest is not applicable at this level. For Chain of Custody certification, there is no requirement related to the corruption.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered. The Scheme does not manage risks of corruption and conflict of interest at all levels of the scheme.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
<b>C.2 Scheme &amp; standard scope</b>					
Note: section C2 is not specifically referring to EUTR issues but has been included as part of the evaluation of schemes to understand scheme structures.					
C.2.1	Standard adaptation to the national or subnational context	<b>C.2.1.1</b> International standards shall be adapted to the national or subnational context in which they are being implemented and contain a list of applicable legislation, or the Scheme shall enable/require detailed evaluation of applicable legislation in a national context.	<p>PEFC ST 1001: 2017 6.3.1 The standardizing body shall make a public announcement of the start of the standard-setting process and include an invitation to stakeholders to participate in the process. The announcement shall be made in a timely manner through suitable media, as appropriate, to give stakeholders an opportunity for meaningful contributions. The announcement and invitation shall include:</p> <ul style="list-style-type: none"> <li>a) overview of the standard-setting process,</li> <li>b) access to the proposal for the standard (refer to 6.1),</li> <li>c) information about opportunities for stakeholders to participate in the process,</li> <li>d) requests to stakeholders to nominate their representative(s) or themselves to the working group (refer to 6.4). The request to disadvantaged stakeholders and key stakeholders shall be made in a manner that ensures that the information reaches intended recipients and in a format that is easy to understand,</li> <li>e) explicit invitation and clear instruction on how to submit feedback on the scope and standardsetting process, and</li> <li>f) access to the standard-setting procedures.</li> </ul> <p>Note 1: In a timely manner means (at the latest) four weeks before the first standard-setting activity is scheduled to occur.</p> <p>Note 2: Through suitable media means at least through the standardizing body's website and by email and/or letter to identified stakeholders. Other media includes press releases, news articles, features in trade-press, information sent to branch organizations, social media, digital media, etc.</p> <p>PEFC GD 1007: 2017, 6.1.2 The assessment may consist of the following elements:</p> <ul style="list-style-type: none"> <li>a) A general analysis of the structure of the applicant system</li> <li>b) An assessment of the standard setting procedures against PEFC ST 1001, Standard Setting – Requirements</li> <li>c) An assessment of the standard setting process, including a stakeholder survey, against PEFC ST 1001, Standard Setting – Requirements</li> </ul>	<p><b>Findings</b></p> <p>PEFC system is an umbrella of national standards. This means that the international level defines the rules that should be followed by national bodies in setting up the standards.</p> <p>Forest management</p> <p>The national body has the power to tailor the standard according to the national context (PEFC ST 1001: 2017). In this process, new indicators could be added reflecting the issues that are relevant at the local level. According to PEFC GD 1007: 2017, 6.1.2 d), e), f) national standards are assessed by the PEFC International in the endorsement process.</p> <p>A list of applicable legislation is not requested to be developed by national member/ standard, according to PEFC ST 1001: 2017.</p> <p>In practice, some indicators of PEFC ST 1003: 2018 may not be included at the national level. For example, point 6.3.1 of PEFC ST 1003: 2018 - Legal Compliance is not explicitly requested in the Forest Management Standards from France, Netherlands, and Romania. However, other countries like Austria, Bulgaria, China, Estonia, Korea, and Japan do</p>	Partially Covered

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			<p>d) An assessment of the forest certification standard(s) against PEFC ST 1003: 2018, Sustainable Forest Management – Requirements</p> <p>e) An assessment of the group certification model against PEFC ST 1002, Group Forest Management Certification – Requirements</p> <p>f) An assessment of any system specific chain of custody standard(s) against PEFC ST 2002: 2020, Chain of Custody of Forest Based Products – Requirements</p> <p>g) An assessment of the procedures for notification of certification bodies against PEFC GD 1004, Administration of the PEFC scheme, chapter 5</p> <p>h) An assessment of the procedures for logo licensing against PEFC GD 1004, Administration of PEFC scheme, chapter 6</p> <p>i) An assessment of the complaints and dispute resolution procedures against PEFC GD1004, Administration of PEFC scheme, chapter 8</p> <p>j) An assessment of the forest management certification and accreditation procedures against TD Annex 6 (Certification and Accreditation Procedures)</p> <p>k) An assessment of the chain of custody certification and accreditation procedures against PEFC ST 2003, Requirements for Certification Bodies operating Certification against the PEFC International Chain of Custody Standard</p> <p>l) Any other aspects affecting the applicant system’s compliance with the PEFC Sustainability Benchmark.</p> <p>The assessment does not cover any other documents from the applicant system for which no PEFC benchmark exists.</p> <p>PEFC ST 1001: 2017 8.1 General</p> <p>The standard(s)/normative document(s) shall be reviewed at intervals that do not exceed a five-year period. The review shall be based on consideration of feedback received during the standard’s implementation and a gap analysis. If necessary, a stakeholder consultation shall be organized to obtain further feedback and input.</p>	<p>include this requirement. The reason for this difference is that national schemes have yet to update their standards to meet the newest version of PEFC normative requirements for FM standards. Future more, on a check of all national standards it was found that no national standard has yet been updated to the 2018 version of Benchmark Standard.</p> <p>According to PEFC ST 1001: 2017 8.1, the national standards should be periodically reviewed. The period is defined as five years. This means that indicators from the current forest management standard (PEFC ST 1003: 2018), in theory will be implemented for all countries at the end of 2023. Despite the standard requirements, this is not being followed by all National Governing Bodies. There are countries with forest management standards developed or last revised in 2014 (e.g. Spain, Poland, Belgium). Moreover, there are countries with standards developed based on the “Pan European Operational Level Guidelines” - developed at the beginning of PEFC (1998). The standard for Ireland was developed in 2010, but PEFC ST 1003: 2010 was not used as the basis for development. The last conformity assessment of this standard is from 2011. In the case of Brazil, the standard for native forests was developed in 2004. A process to update the standard is in place as of the completion of this report, which</p>	

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				<p>may be completed by the end of 2021.</p> <p>For Ireland and Brazil, PEFC explains that the development and endorsement of the Brazilian and Irish systems coincided with the revision of the Technical Document and the approval of PEFC 1003:2010. To ensure compliance with the revised PEFC ST 1003, the schemes were subject to an extraordinary assessment in 2013. Both schemes are currently being reviewed for compliance with PEFC ST 1003:2018. However, as of the date of this report, this process has not been completed. The available standard in these countries remains the standard developed in 2011, based on "Pan European Operational Level Guidelines.</p> <p>For standards not revised in the last year PEFC explains that the revision of PEFC's benchmark requirements is directly linked to the revision of PEFC endorsed schemes. In view of the revision of the PEFC 1003, which was approved in 2018, national schemes whose endorsement expired on or after 1 January 2017 were offered an extraordinary endorsement extension to facilitate a smooth transition to the 2018 standard. All national standards are under review, though there have been delays because of the challenging conditions due to COVID. A number of systems are currently already being assessed, with the consultation process ongoing.</p>	

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				<p>In addition, the standard for the Republic of Ireland explicitly states on the guidance for the first indicator that "Certification is not a legal compliance audit."</p> <p>Chain of Custody</p> <p>PEFC has two versions of the standard that are applicable to the supply chain entities: PEFC GD 2001: 2014 and PEFC ST 2002:2020. The latest version of the Chain of Custody Standard (PEFC ST 2002:2020), was approved on 14th of February of 2020, with a transition period of 18 months + 6 months due to the Covid-19 outbreak.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered. While there is a system in place for national certification standards to be updated to the latest version of the international Benchmark Standard PEFC ST 1003: 2018, there are currently no national standards developed in conformance with this standard. As of the finalisation of this report, five national standards were still not updated to the previous versions of the standard (although processes to update all of these standards are currently in process). PEFC explains that national adaptation is an ongoing process and a number of standards will be updated to the newest version of the international Benchmark</p>	

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				Standard in the near future.	
C.2.2	International conventions and treaties	<b>C.2.2.1</b> The Scheme shall include a list of the relevant international conventions to which the country has ratified, and which hold legal force in the country.	<p>PEFC ST 1003: 2018</p> <p>6. Planning</p> <p>6.2 Management plan</p> <p>6.2.1 The standard requires that management plans shall be:</p> <p>...</p> <p>c) based on applicable local, national and international legislation as well as existing land-use or other official plans; and...</p> <p>6.3 Compliance requirements</p> <p>6.3.1 Legal compliance</p> <p>...</p> <p>6.3.1.1 The standard requires that the organisation shall identify and have access to the legislation applicable to its forest management and determine how these compliance obligations apply to the organisation.</p> <p>6.3.1.2 The standard requires that the organisation shall comply with applicable local, national and international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.</p> <p>8.2 Criterion 2: Maintenance of forest ecosystem health and vitality</p> <p>8.2.9 The standard requires that pesticides, such as chlorinated hydrocarbons whose derivatives remain biologically active and accumulate in the food chain beyond their intended use, and any pesticides banned by international agreement, shall be prohibited.</p> <p>Note: "Pesticides banned by international agreements" are defined in the Stockholm Convention on Persistent Organic Pollutants.</p> <p>PEFC ST 2002: 2020</p> <p>3.7 Controversial sources</p>	<p><b>Findings</b></p> <p>Both the forest management standard PEFC ST 1003: 2018 and the COC standard PEFC ST 1003: 2018 request national standards (forest management) and Certificate holders (chain of custody) to cover applicable international legislation.</p> <p>However, there is no list developed by PEFC International and there is no requirement for a list of applicable international conventions to which the country has ratified to be developed by the national member/ standard, according to PEFC ST 1001: 2017.</p> <p>In both forest management and COC certification, the onus on the identification of relevant international conventions and legislation is placed on the certificate holder.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not covered. There is no requirement to develop a list of the relevant international conventions to which the country has ratified, and which hold legal force in the country for forest management or chain of custody certification.</p>	Not Covered



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			Forest and tree based material sourced from: a) Activities not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anti-corruption and the payment of applicable royalties and taxes.		
C.2.3	Use of contractors	<b>C.2.3.1</b> The requirements for forest managers and supply chain entities shall be applicable to the organisation's contractors and outsourcing facilities.	<p>PEFC ST 1003: 2018 1. Scope This document constitutes PEFC International's Sustainability Benchmark for PEFC endorsed regional, national or sub-national standards for the sustainable management of forests and Trees outside Forests, covering all their products and services. Through PEFC endorsed standards, which are developed in a balanced multi-stakeholder process following PEFC International's Sustainability Benchmark for standard setting, the requirements outlined in this document apply to owners and managers, as well as contractors and other operators operating in PEFC-certified areas. They cover all necessary processes of a management system that aims at sustainable forest management.</p> <p>PEFC ST 2002: 2020, Chapter 4.9 Outsourcing 4.9.1 The organisation may outsource activities covered by its PEFC chain of custody to another entity. 4.9.2 Through all stages of outsourcing the organisation shall be responsible for ensuring that all outsourced activities meet the requirements of this standard, including management system requirements. The organisation shall have a written agreement with all entities to whom activities have been outsourced, ensuring that: a) The material/products covered by the organisation's PEFC chain of custody are physically separated from other material or products. b) The organisation has access to the entity's site(s) for internal and external auditing of outsourced activities for conformity with the requirements of this standard. Note 1: A template for an outsourcing agreement can be obtained from the PEFC Council and PEFC authorised bodies. Note 2: Internal audits of outsourced activities should be conducted at least</p>	<p><b>Findings</b></p> <p>Forest Management</p> <p>According to PEFC ST 20013: 2018, 1, the standard should be applicable also to contractors and other operators operating in PEFC-certified areas.</p> <p>Chain of custody For COC, According to PEFC ST 2002: 2020, Chapter 4.9, in case of outsourcing, the certificate holder should ensure that all activities by the contractor meet the standard requirements.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered. PEFC International requirements include a reference to normative requirements for certificate holders also being applicable to the organisation's contractors and outsourcing facilities.</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			annually and before the outsourced activity starts.		
C.2.4	Endorsing and recognising of other Schemes and systems	<b>C.2.4.1</b> If the Scheme includes the recognition or endorsement of other schemes or systems, it shall ensure coverage and consistent implementation of EUTR requirements at all levels.		<p><b>Findings</b></p> <p>PEFC International does not endorse 3<sup>rd</sup> party schemes.</p> <p><b>Justification</b></p> <p>This indicator is concluded as not applicable. PEFC does not endorse 3<sup>rd</sup> party private voluntary certification schemes.</p>	Not Applicable
<b>C.3 Accreditation and oversight</b>					
C.3.1	Accreditation	<b>C.3.1.1</b> The Scheme shall include a system for accreditation or oversight of Certification Bodies to ensure that CBs have in place the required procedures, capacity and competencies.	<p>Certification and Accreditation procedures, 2007 – Annex 6 Chapter 5 Accreditation</p> <p>Certification bodies carrying out forest management or chain of custody certification, shall be accredited by a national accreditation body so as to ensure the credibility of the certification work and to facilitate mutual recognition. An accredited certificate shall bear an accreditation symbol of the relevant accreditation body.</p> <p>Accreditation bodies shall be a member of the International Accreditation Forum (IAF) or a member of IAF's special recognition regional groups and implement procedures described in ISO/IEC 17011:2004(4) and other documents recognised by the above organisations.</p> <p>The certification body shall undertake forest management or/and chain of custody certification as "accredited certifications".</p> <p>The certification body carrying out forest management certification or chain of</p>	<p><b>Findings</b></p> <p>Certification bodies performing audits to the PEFC Forest Management must be independent, objective, and qualified. Accreditation bodies shall be a member of the International Accreditation Forum (IAF) or a member of IAF's special recognition regional groups (Annex 6 – Certification and Accreditation procedures, 2007 – Chapter 5).</p> <p>The accreditation is done based on ISO/IEC 17021 for Audits of Integrated Management Systems; ISO Guide 65; ISO 19011; ISO/IEC 17065 and PEFC standard requirements. Once a</p>	Covered

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			<p>custody certification against a scheme specific chain of custody standard shall be accredited based on 17021(1) or ISO Guide 65(2) and the relevant forest management or chain of custody standard(s) / scheme shall be covered by the accreditation scope.</p> <p>The certification body carrying out chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) shall be accredited based on ISO Guide 65 (EN 45 011)(2).</p> <p>Non-conformance with the accreditation requirements, results in the certification bodies not being regarded as having met PEFC Council requirements and their certifications not be considered as certified for PEFC purposes.</p> <p>In exceptional circumstances, the PEFC Council General Assembly can approve a time limited exemption from the above requirements based on a written application from the PEFC National Governing Body. The application shall state (i) reasons for requesting the exemption, (ii) description of how the credibility of the certification process will be assured including a list of measures currently undertaken to ensure the credibility.</p> <p>PEFC ST 2003: 2020 Foreword ...The PEFC Council requires that chain of custody certification shall be carried out by certification bodies who are accredited by accreditation bodies that are signatories of the Multilateral Recognition Arrangement (MLA) for product certification of IAF. ...</p> <p>Introduction The PEFC Council requires the certification bodies operating chain of custody certification meet the requirements of ISO/IEC 17065, PEFC documentation and the relevant provisions of ISO 19011 specified in this document.</p> <p>6.1.1.2.6 Competencies 6.1.1.2.6.1 The certification body shall ensure that auditors demonstrate ability to apply knowledge and skills in the following areas: ... 6.1.1.2.6.2 The certification body shall ensure that auditors demonstrate ability</p>	<p>certification body successfully completes the accreditation application program, which includes an on-site audit and witness assessment process, it is granted accreditation by accreditation bodies.</p> <p>Chain of custody</p> <p>According to Foreword and Introduction chapters (PEFC ST 2003: 2020) Certification bodies that wants provide Chain of custody certification should be accredited by a national accredited body and to follow ISO/IEC 17065 and ISO 19011 standard together with PEFC ST 2003: 2020. At the same time indicators from Chapter 6 and 7 (PEFC ST 2003: 2020) explains the requirements related to the procedures, capacity and competencies.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered. PEFC International includes a system for accreditation of Certification Bodies. This system includes requirements to develop procedures, capacity and competencies.</p>	

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			<p>to apply terminology, knowledge, understanding and skills in the following areas of the PEFC chain of custody:</p> <p>6.1.1.2.6.3 The certification body shall maintain evidence of annual monitoring of chain of custody auditors, applying methods such as reviewing audit reports or client organisations' feedback, etc. based on the frequency of their usage and the level of risk linked to their activities, and periodic witness audits. In particular, the certification body shall review the competence of its personnel in the light of their performance in order to identify training needs.</p> <p>7.4.1 The certification body shall have documented procedures to ensure that an audit plan is established for each audit, to provide a basis for agreement regarding the conduct and scheduling of the audit activities. The audit plan shall be communicated and the dates of the audit shall be agreed upon in advance with the client organisation.</p> <p>7.4.3 The certification body shall have documented procedures for selecting and appointing the audit team, including the audit team leader.</p> <p>7.4.7 The certification body shall have documented procedures for determining audit time, and for each client organisation the certification body shall determine, with input from the audit team, the time needed to plan and accomplish a complete and effective audit of the client organisation's PEFC chain of custody. The audit time determined by the certification body, and the justification for the determination, shall be recorded. The minimum time for the on-site audit is four hours, this shall not include reporting activities, unless under specific conditions where it can be justified and documented.</p> <p>7.4.8 The certification body shall have documented procedures for sampling within the audit in accordance with the guidance provided in ISO 19011:2018, A.6.</p> <p>PEFC GD 1006</p> <p>4 Conditions for PEFC notification</p> <p>The certification body applying for PEFC notification from the PEFC Council shall:</p> <ul style="list-style-type: none"> <li>- be a legal entity;</li> <li>- agree to be listed on the publicly available PEFC Council Internet database</li> </ul>		

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			<p>including the certification body's identification data and / or other data as specified by the PEFC Council;</p> <ul style="list-style-type: none"> <li>- have valid accreditation, issued by an accreditation body that is signatory of the Multilateral Recognition Arrangement (MLA) for product certification of the International Accreditation Forum (IAF). The accreditation shall be issued against ISO/IEC 17065:2012 and the scope of the accreditation shall explicitly include PEFC 2002:2010;</li> <li>- sign a PEFC notification contract with the PEFC Council (Appendix 1).</li> </ul>		
		<p><b>C.3.1.2</b> The Scheme shall ensure that the requirements and process for accreditation is publicly available.</p>	<p>i) <a href="https://www.pefc.org/for-business/certification-and-accreditation-bodies/become-a-pefc-notified-certification-body">https://www.pefc.org/for-business/certification-and-accreditation-bodies/become-a-pefc-notified-certification-body</a></p> <p>Certification and Accreditation procedures, 2007 – Annex 6 – Chapter 5 Accreditation</p> <p>Certification bodies carrying out forest management or chain of custody certification, shall be accredited by a national accreditation body so as to ensure the credibility of the certification work and to facilitate mutual recognition. An accredited certificate shall bear an accreditation symbol of the relevant accreditation body.</p> <p>Accreditation bodies shall be a member of the International Accreditation Forum (IAF) or a member of IAF's special recognition regional groups and implement procedures described in ISO/IEC 17011:2004(4) and other documents recognised by the above organisations.</p> <p>Chapter 6. PEFC NOTIFICATION OF CERTIFICATION BODIES</p> <p>Certification bodies operating forest management and / or chain of custody certification against the PEFC endorsed national schemes / standards or the PEFC international chain of custody standard (Annex 4 Chain of Custody of Forest Based Products – Requirements) shall be notified by the PEFC National Governing Body of the relevant country.</p> <p>PEFC ST 2003: 2020</p> <p>Foreword</p> <p>...The PEFC Council requires that chain of custody certification shall be carried out by</p> <p>certification bodies who are accredited by accreditation bodies that are signatories of the Multilateral Recognition Arrangement (MLA) for product certification of IAF. ...</p>	<p><b>Findings</b></p> <p>The management of the scheme is done by PEFC International with support from IAF, an organisation allowing the organisation to become accreditation bodies. Accreditation bodies, in its turn, allowing the organisation to become certification bodies.</p> <p>IAF allow the organisation to become accreditation bodies, based on Multilateral Recognition Arrangement (MLA). MLA allow to accreditation bodies to be recognised by other members of the MLA, and this process is done based on ISO/IEC Guides. The procedures related to MLA are publicly available on the website (iv). However, the standards used in the assessment of an applicant is not publicly available.</p> <p>There are multiple accreditation bodies allowed to accredit certification bodies. According to ISO/IEC 17011:2017 8.2.1, accreditation body shall make publicly available information related to the accreditation body and information about</p>	<p>Partially Covered</p>

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			<p>Introduction</p> <p>The PEFC Council requires the certification bodies operating chain of custody certification meet the requirements of ISO/IEC 17065, PEFC documentation and the relevant provisions of ISO 19011 specified in this document.</p>	<p>the process. Information like, complaints and appeals are part of publicly available information. According to ISO/IEC 17011:2017 8.2.2 shall make publicly available information on conformity assessment bodies. However, at a quick look, some CBs may not share all information on their website. For example, Belarusian State Centre for Accreditation (BSCA); Lithuanian National Accreditation Bureau (LA); Romanian Accreditation Association (RENAR) do not have a list of certification bodies approved by them.</p> <p>For organisation providing Forest Management, PEFC international define requirements for Certification Bodies (Certification and Accreditation procedures, 2007 – Annex 6), that apply in addition to Accreditation requirements. These requirements are publicly available.</p> <p>For organisation providing Chain of Custody, PEFC International define requirements for Certification Bodies (PEFC ST 2003: 2020), that apply in addition to Accreditation requirements. These requirements are publicly available.</p> <p>For both types of certification (FM and CoC) notification procedures requested in order to allow CBs to assess and issue CHs are publicly available.</p> <p><b>Justification</b></p>	

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				This indicator is concluded as partially covered. Some of the procedures used for accreditation are publicly available, however not all of them. For example, ISO/IEC 17011 used by IAF to allow an organisation to become an accreditation body is not public.	
		<b>C.3.1.3</b> The Scheme shall make publicly available, an up-to-date list and details of all accredited Certification Bodies	i) <a href="https://www.pefc.org/find-certification-bodies">https://www.pefc.org/find-certification-bodies</a>	<p><b>Findings</b></p> <p>A list with all certification bodies is available on the PEFC Website (i). Currently, PEFC Scheme has 145 Certification Bodies.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered. The list and details of all accredited Certification Bodies are up to date and publicly available.</p>	Covered
		<b>C.3.1.4</b> The Accreditation Body shall have mechanisms to ensure that relevant personnel are qualified and competent to evaluate Certification Body's performance in relation to Scheme requirements.	<p>PEFC GD 2001: 2009</p> <p>Introduction</p> <p>The governance of the PEFC scheme is based on the principle of subsidiarity and decentralised organisational structure. The administration of the PEFC scheme is therefore executed by the PEFC National Governing Bodies where they exist or directly by the PEFC Council or other authorised bodies in countries without PEFC National Governing Bodies.</p> <p>3.1 Authorised body</p> <p>An entity authorised by the PEFC Council to perform the administration of the PEFC scheme on behalf of the PEFC Council</p> <p>Certification and Accreditation Procedures – Annex 6</p>	<p><b>Findings</b></p> <p>According to the public documents, ISO/IEC 17011:2004 and IAF procedures should be followed. ISO/IEC 17011:2004 include requirements related to the qualification and competence of personnel. Still, the procedure used by IAF to accredit national bodies is not publicly available. However, ISO requirements covered the requirements of this indicator.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered. PEFC International includes a system to ensure qualification and competence of National</p>	Covered

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			<p>5 Accreditation</p> <p>Accreditation bodies shall be a member of the International Accreditation Forum (IAF) or a member of IAF's special recognition regional groups and implement procedures described in ISO/IEC 17011:2004(4) and other documents recognised by the above organisations.</p>	Accreditation Bodies.	
C.3.2	Oversight mechanism	<p><b>C.3.2.1</b> The Scheme shall ensure that the competence and consistent performance of Certification Bodies is regularly evaluated.</p> <p>Performance shall employ both desk-based AND field approaches, including:</p> <ul style="list-style-type: none"> <li>i) Stakeholder consultation</li> <li>ii) In-field evaluation of the performance of the Certification Body, whether via on-site inspections of certified forests/ supply chain entities or witness audits of audit personnel.</li> </ul>	<p>Annex 6 – Certification and Accreditation procedures, 2007 – Chapter 5 Accreditation</p> <p>Certification bodies carrying out forest management or chain of custody certification, shall be accredited by a national accreditation body so as to ensure the credibility of the certification work and to facilitate mutual recognition. An accredited certificate shall bear an accreditation symbol of the relevant accreditation body.</p> <p>Accreditation bodies shall be a member of the International Accreditation Forum (IAF) or a member of IAF's special recognition regional groups and implement procedures described in ISO/IEC 17011:2004(4) and other documents recognised by the above organisations.</p> <p>The certification body shall undertake forest management or/and chain of custody certification as "accredited certifications".</p> <p>The certification body carrying out forest management certification or chain of custody certification against a scheme specific chain of custody standard shall be accredited based on 17021(1) or ISO Guide 65(2) and the relevant forest management or chain of custody standard(s) / scheme shall be covered by the accreditation scope.</p> <p>The certification body carrying out chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) shall be accredited based on ISO Guide 65 (EN 45 011)(2).</p> <p>Non-conformance with the accreditation requirements, results in the certification bodies not being regarded as having met PEFC Council requirements and their certifications not be considered as certified for PEFC purposes.</p> <p>In exceptional circumstances, the PEFC Council General Assembly can approve a time limited exemption from the above requirements based on a written application from the PEFC National Governing Body. The application shall state (i) reasons for requesting the exemption, (ii) description of how the credibility of the certification process will be assured including a list of</p>	<p><b>Findings</b></p> <p>PEFC International is not directly involved in the oversight mechanism. National member are directly involved in the oversight mechanism and together with ISO standards the oversight mechanism are ensured at this level.</p> <p>At the same time, PEFC International may provide support to certification bodies and run training sessions. Example the draft guidance for training certification bodies to the newest version of PEFC CoC standard.</p> <p>According to Annex 6 – Certification and Accreditation procedures, 2007 – Chapter 5 Certification Bodies should be accredited by a National Body, member of IAF. IAF conducts accreditation of National Bodies. National Bodies, based on multiple ISO standards. One standard is ISO 17011, which includes requirements related to the performance of Certification Bodies.</p> <p>ISO 17011 includes on-site assessment and document review for the accreditation process. Stakeholder consultation is not part of ISO 17011 standard, and it is also</p>	Partially Covered



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			<p>measures currently undertaken to ensure the credibility.</p> <p>PEFC ST 2003: 2020</p> <p>8.1 Internal audits of the certification body</p> <p>8.1.1 On request, the results of annual internal audits, limited to the performance of PEFC chain of custody certification activities, shall be provided to the PEFC Council or PEFC National Governing Body.</p>	<p>not covered by Annex 6 – Certification and Accreditation procedures, 2007.</p> <p><b>Justification</b></p> <p>This indicator is concluded as partially covered. PEFC International includes in field evaluation, but stakeholder consultation is not done for the accreditation process.</p>	
		<p><b>C.3.2.2</b> The Scheme shall include requirements that ensure that the oversight mechanism applies a clear basis for:</p> <p>i) establishing conformance;</p> <p>ii) raising corrective actions for non-conformance, and ensuring closure within timeframes to avoid legal non-compliance, and;</p> <p>iii) certification issue (or maintenance) decision making.</p>	<p>Annex 6 – Certification and Accreditation procedures, 2007 –</p> <p>4. CERTIFICATION PROCEDURES</p> <p>... The applied auditing procedures shall fulfill or be compatible with the requirements of ISO 19011(3)....</p> <p>Chapter 5 Accreditation</p> <p>Certification bodies carrying out forest management or chain of custody certification, shall be accredited by a national accreditation body so as to ensure the credibility of the certification work and to facilitate mutual recognition. An accredited certificate shall bear an accreditation symbol of the relevant accreditation body.</p> <p>Accreditation bodies shall be a member of the International Accreditation Forum (IAF) or a member of IAF's special recognition regional groups and implement procedures described in ISO/IEC 17011:2004(4) and other documents recognised by the above organisations.</p> <p>The certification body shall undertake forest management or/and chain of custody certification as "accredited certifications".</p> <p>The certification body carrying out forest management certification or chain of custody certification against a scheme specific chain of custody standard shall be accredited based on 17021(1) or ISO Guide 65(2) and the relevant forest management or chain of custody standard(s) / scheme shall be covered by the accreditation scope.</p> <p>The certification body carrying out chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) shall be accredited based on ISO Guide 65 (EN 45 011)(2).</p> <p>Non-conformance with the accreditation requirements, results in the certification bodies not being regarded as having met PEFC Council requirements and their certifications not be considered as certified for PEFC</p>	<p><b>Findings</b></p> <p>According to Annex 6 – Certification and Accreditation procedures, 2007 – Chapter 5 Certification Bodies should be accredited by a National Body, member of IAF. IAF allows organisation to become Accreditation bodies, based on multiple ISO standards. One standard is ISO 17011, which includes requirements related to the performance of Certification Bodies. At the same time, it is a requirement that ISO 19011 to be followed by Certification bodies. According to ISO 19011, establishing conformance; raising corrective actions for non-conformance, and ensuring closure within timeframes to avoid legal non-compliance, and; certification issue (or maintenance) decision making are covered.</p> <p>Forest management</p> <p>At forest management, there are clear rules for the certificate holders and bodies on what a non-conformity means and how</p>	Partially Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>purposes.</p> <p>In exceptional circumstances, the PEFC Council General Assembly can approve a time limited exemption from the above requirements based on a written application from the PEFC National Governing Body. The application shall state (i) reasons for requesting the exemption, (ii) description of how the credibility of the certification process will be assured including a list of measures currently undertaken to ensure the credibility.</p> <p>PEFC ST 1003: 2018</p> <p>10. Improvement</p> <p>10.1 Nonconformity and corrective action</p> <p>10.1.1 The standard requires that when a nonconformity occurs, the organisation shall:</p> <p>a) react to the nonconformity and, as applicable: i. take action to control and correct it;</p> <p>ii. deal with the consequences;</p> <p>b) evaluate the need for action to eliminate the causes of the nonconformity, in order that it does not recur or occur elsewhere, by:</p> <p>i. reviewing the nonconformity;</p> <p>ii. determining the causes of the nonconformity;</p> <p>iii. determining if similar nonconformities exist, or could potentially occur;</p> <p>c) implement any action needed;</p> <p>d) review the effectiveness of any corrective action taken;</p> <p>e) make changes to the management system, if necessary.</p> <p>10.1.2 The standard requires that corrective actions shall be appropriate to the effects of the nonconformities encountered.</p> <p>10.1.3 The standard requires that the organisation shall retain documented information as evidence of: a) the nature of the nonconformities and any subsequent actions taken;</p> <p>b) the results of any corrective action.</p> <p>10.2 Continual improvement</p> <p>The standard requires that the suitability, adequacy and effectiveness of the sustainable forest management system and the sustainable management of the forest shall be continuously improved.</p>	<p>it should be addressed (PEFC ST 1003: 2018, 10)</p> <p>Chain of custody</p> <p>For chain of custody, there are clear rules for the certificate holders and bodies on what a non-conformity means and how it should be addressed (PEFC ST 2003: 2020, 7.6)</p> <p>General consideration</p> <p>For initial audits, all non-conformities shall be closed prior the issue of certificate (PEFC ST 2003: 2018, 7.6.2). This is in line with EUTR requirements, as all wood shall be effectively “negligible risk” when is imported in EU.</p> <p>For recertification audits, only major non-conformities shall be closed prior the issue of certificate. In the case of surveillance audits, certification bodies shall define a timeframe (up to 3 months for major non-conformities and up to the next audit for minor non-conformities). As some of these non-conformities may represent an infringement of legislation, and therefore not in line with Article 4 of Regulation 995/2010, there is a risk that illegal wood may be placed on the EU market without additional measures for a period of 3 or 12 months.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>PEFC ST 2003: 2020</p> <p><b>7.6.1</b> Audit findings shall be classified as major nonconformities, minor nonconformities and observations.</p> <p><b>7.6.2</b> Before granting initial certification, as a minimum, major and minor nonconformities shall be corrected and the corrective action(s) verified by the certification body.</p> <p><b>7.6.3</b> Before granting recertification, as a minimum, major nonconformities shall be corrected and the corrective action(s) verified by the certification body.</p> <p><b>7.6.4</b> Major and minor nonconformities identified in the audits shall result in corrective action(s) by the client organisation resolving the nonconformities. The corrective action plan, including a timeframe, shall be reviewed and accepted by the certification body. The time period for completion of the corrective action(s) for major nonconformities identified in surveillance audits and their verification by the certification body shall follow the rules of the certification body but not exceed three months. Corrective action(s) for minor nonconformities identified during recertification and surveillance audits shall be verified no later than during the next audit.</p> <p><b>3.4.3</b> For initial and recertification audits, at the time of the decision making process, if any site has a nonconformity, certification shall be denied to the whole multi-site client organisation pending satisfactory corrective action.</p>	<p><b>Justification</b></p> <p>This indicator is concluded as partially covered. PEFC International includes a system to ensure the oversight mechanism applies to points i) – iii) of this indicator. However in the case of surveillance and re-certification audits, the definition of non-conformities is such that there is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months.</p>	
		<b>C.3.2.3</b> The Scheme shall specify the approach to be used in oversight, ensuring that the	<p>Annex 6 – Certification and Accreditation procedures, 2007 – Chapter 6</p> <p>PEFC NOTIFICATION OF CERTIFICATION BODIES</p> <p>Certification bodies operating forest management and / or chain of custody certification against the PEFC endorsed national schemes / standards or the PEFC international chain of custody standard (Annex 4 Chain of Custody of Forest Based Products – Requirements) shall be notified by the PEFC</p>	<p><b>Findings</b></p> <p>According to Annex 6 – Certification and Accreditation procedures, 2007 – Chapter 6, PEFC considers the independence of Certification Bodies. At the same time, Annex 6 – Certification and Accreditation</p>	Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		oversight mechanism is independent of the Certification Bodies being assessed.	<p>National Governing Body of the relevant country.</p> <p>Certification bodies operating chain of custody certification against the PEFC international chain of custody standard (Annex 4 Chain of Custody of Forest Based Products – Requirements) in countries without a PEFC National Governing Body shall be notified by the PEFC Council. The PEFC Council can also decide to notify certification body operating chain of custody certification against the PEFC international chain of custody standard (Annex 4 Chain of Custody of Forest Based Products – Requirements) in countries with a PEFC National Governing Body if the notification cannot be issued by the relevant PEFC National Governing Body.</p> <p>In order to ensure the independence of certification bodies the PEFC notification conditions decided by the PEFC National Governing Bodies or by the PEFC Council shall only cover:</p> <p>(a) administrative conditions (e.g. communication of the certification body with the PEFC National Governing Bodies or the PEFC Council, transfer of information, etc.),</p> <p>(b) financial conditions (fees imposed on certified entities),</p> <p>(c) compliance with requirements for certification bodies verified through accreditation as described in chapter 5.</p> <p>The PEFC notification conditions shall not discriminate against certification bodies or create trade obstacles.</p> <p>PEFC ST 2003:2020</p> <p>7.6 Certification decision</p> <p>All the requirements given in clause 7.6 of ISO/IEC 17065:2012(E) apply.</p>	<p>procedures, 2007 and PEFC ST 2003:2020 request compliance with ISO/IEC 17011:2004 and ISO/IEC 17065:2012. Both ISO standard contains requirement related to impartiality and as defined by ISO impartiality is similar to independence or free of conflict of interest. TBC</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered. PEFC International includes a system, ensuring that the oversight mechanism is independent of the Certification Bodies.</p>	
		<b>C.3.2.4</b> The Scheme shall define the frequency of oversight or the procedure for determining the frequency, applicable in the case of risk-based oversight.	<p>Annex 6 – Certification and Accreditation procedures, 2007 – Chapter 5 Accreditation</p> <p>Certification bodies carrying out forest management or chain of custody certification, shall be accredited by a national accreditation body so as to ensure the credibility of the certification work and to facilitate mutual recognition. An accredited certificate shall bear an accreditation symbol of the relevant accreditation body.</p> <p>Accreditation bodies shall be a member of the International Accreditation Forum (IAF) or a member of IAF's special recognition regional groups and implement procedures described in ISO/IEC 17011:2004(4) and other documents recognised by the above organisations.</p> <p>The certification body shall undertake forest management or/and chain of custody certification as "accredited certifications".</p>	<p><b>Findings</b></p> <p>According to Annex 6 – Certification and Accreditation procedures, 2007 – Chapter 5 Certification Bodies should be accredited by a National Body, member of IAF. IAF conducts accreditation of National Bodies. National Bodies, based on multiple ISO standards. One standard is ISO 17011, which includes requirements related to the frequency of oversight or the procedure for determining the frequency, applicable in the case of risk-based</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>The certification body carrying out forest management certification or chain of custody certification against a scheme specific chain of custody standard shall be accredited based on 17021(1) or ISO Guide 65(2) and the relevant forest management or chain of custody standard(s) / scheme shall be covered by the accreditation scope.</p> <p>The certification body carrying out chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) shall be accredited based on ISO Guide 65 (EN 45 011)(2).</p> <p>Non-conformance with the accreditation requirements, results in the certification bodies not being regarded as having met PEFC Council requirements and their certifications not be considered as certified for PEFC purposes.</p> <p>In exceptional circumstances, the PEFC Council General Assembly can approve a time limited exemption from the above requirements based on a written application from the PEFC National Governing Body. The application shall state (i) reasons for requesting the exemption, (ii) description of how the credibility of the certification process will be assured including a list of measures currently undertaken to ensure the credibility.</p>	<p>oversight.</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered. PEFC International includes requirements to ensure the frequency of oversight or the procedure for determining the frequency.</p>	
<b>C.4 Certification process</b>					
C.4.1	Compliance evaluation	<b>C.4.1.1</b> The Scheme shall include requirements that ensure that the Certification Bodies applies a clear basis for: i) establishing conformance; ii) raising corrective actions for non-compliance, and; iii) certification	<p>Annex 6 – Certification and Accreditation procedures, 2007 – Chapter 5 Accreditation</p> <p>Certification bodies carrying out forest management or chain of custody certification, shall be accredited by a national accreditation body so as to ensure the credibility of the certification work and to facilitate mutual recognition. An accredited certificate shall bear an accreditation symbol of the relevant accreditation body.</p> <p>Accreditation bodies shall be a member of the International Accreditation Forum (IAF) or a member of IAF's special recognition regional groups and implement procedures described in ISO/IEC 17011:2004(4) and other documents recognised by the above organisations.</p> <p>The certification body shall undertake forest management or/and chain of custody certification as "accredited certifications".</p> <p>The certification body carrying out forest management certification or chain of custody certification against a scheme specific chain of custody standard shall</p>	<p><b>Findings</b></p> <p>According to Annex 6 – Certification and Accreditation procedures, 2007 – Chapter 5 Certification Bodies should be accredited by a National Body, member of IAF. IAF allows organisation to become Accreditation bodies, based on multiple ISO standards. One standard is ISO 17011, which includes requirements that ensure that the Certification Bodies applies a clear basis for i) – iii).</p> <p><b>Justification</b></p>	Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		decision making.	<p>be accredited based on 17021(1) or ISO Guide 65(2) and the relevant forest management or chain of custody standard(s) / scheme shall be covered by the accreditation scope.</p> <p>The certification body carrying out chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) shall be accredited based on ISO Guide 65 (EN 45 011)(2).</p> <p>Non-conformance with the accreditation requirements, results in the certification bodies not being regarded as having met PEFC Council requirements and their certifications not be considered as certified for PEFC purposes.</p> <p>In exceptional circumstances, the PEFC Council General Assembly can approve a time limited exemption from the above requirements based on a written application from the PEFC National Governing Body. The application shall state (i) reasons for requesting the exemption, (ii) description of how the credibility of the certification process will be assured including a list of measures currently undertaken to ensure the credibility.</p>	<p>This indicator is concluded as covered. PEFC International includes requirements that ensure that the Certification Bodies applies a clear basis for establishing conformance; raising corrective actions; certification decision making.</p>	
		<b>C.4.1.2</b> The Scheme requirements for establishing conformance should enable comparison with the definition of negligible and non-negligible risk as outlined in the EUTR and associated guides.	<p>Annex 6 – Certification and Accreditation procedures, 2007 – 4. CERTIFICATION PROCEDURES</p> <p>... The applied auditing procedures shall fulfill or be compatible with the requirements of ISO 19011(3)....</p> <p>Chapter 5 Accreditation</p> <p>Certification bodies carrying out forest management or chain of custody certification, shall be accredited by a national accreditation body so as to ensure the credibility of the certification work and to facilitate mutual recognition. An accredited certificate shall bear an accreditation symbol of the relevant accreditation body.</p> <p>Accreditation bodies shall be a member of the International Accreditation Forum (IAF) or a member of IAF's special recognition regional groups and implement procedures described in ISO/IEC 17011:2004(4) and other documents recognised by the above organisations.</p> <p>The certification body shall undertake forest management or/and chain of custody certification as "accredited certifications".</p> <p>The certification body carrying out forest management certification or chain of custody certification against a scheme specific chain of custody standard shall be accredited based on 17021(1) or ISO Guide 65(2) and the relevant forest management or chain of custody standard(s) / scheme shall be covered by the accreditation scope.</p>	<p><b>Findings</b></p> <p>According to Annex 6 – Certification and Accreditation procedures, 2007 – Chapter 5 Certification Bodies should be accredited by a National Body, member of IAF. IAF allows organisation to become Accreditation bodies, based on multiple ISO standards. One standard is ISO 17011, which includes requirements related to the performance of Certification Bodies. At the same time, it is a requirement that ISO 19011 to be followed by Certification bodies. According to ISO 19011, establishing conformance; raising corrective actions for non-conformance, and ensuring closure within timeframes to avoid legal non-compliance, and; certification issue (or maintenance) decision making are</p>	Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>The certification body carrying out chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) shall be accredited based on ISO Guide 65 (EN 45 011)(2).</p> <p>Non-conformance with the accreditation requirements, results in the certification bodies not being regarded as having met PEFC Council requirements and their certifications not be considered as certified for PEFC purposes.</p> <p>In exceptional circumstances, the PEFC Council General Assembly can approve a time limited exemption from the above requirements based on a written application from the PEFC National Governing Body. The application shall state (i) reasons for requesting the exemption, (ii) description of how the credibility of the certification process will be assured including a list of measures currently undertaken to ensure the credibility.</p> <p>PEFC ST 1003: 2018  10. Improvement  10.1 Nonconformity and corrective action  10.1.1 The standard requires that when a nonconformity occurs, the organisation shall:  a) react to the nonconformity and, as applicable: i. take action to control and correct it;  ii. deal with the consequences;  b) evaluate the need for action to eliminate the causes of the nonconformity, in order that it does not recur or occur elsewhere, by:  i. reviewing the nonconformity;  ii. determining the causes of the nonconformity;  iii. determining if similar nonconformities exist, or could potentially occur;  c) implement any action needed;  d) review the effectiveness of any corrective action taken;  e) make changes to the management system, if necessary.  10.1.2 The standard requires that corrective actions shall be appropriate to the effects of the nonconformities encountered.  10.1.3 The standard requires that the organisation shall retain documented information as evidence of: a) the nature of the nonconformities and any subsequent actions taken;</p>	<p>covered.</p> <p>Forest management</p> <p>At forest management, there are clear rules for the certificate holders and bodies on what a non-conformity means and how it should be addressed (PEFC ST 1003: 2018, 10)</p> <p>Chain of custody</p> <p>For chain of custody, there are clear rules for the certificate holders and bodies on what a non-conformity means and how it should be addressed (PEFC ST 2003: 2020, 7.6)</p> <p><b>Justification</b></p> <p>This indicator is concluded as covered. PEFC International includes a system to assess conformity with the standard.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>b) the results of any corrective action.</p> <p>10.2 Continual improvement The standard requires that the suitability, adequacy and effectiveness of the sustainable forest management system and the sustainable management of the forest shall be continuously improved.</p> <p>PEFC ST 2003: 2020</p> <p><b>7.6.1</b> Audit findings shall be classified as major nonconformities, minor nonconformities and observations.</p> <p><b>7.6.2</b> Before granting initial certification, as a minimum, major and minor nonconformities shall be corrected and the corrective action(s) verified by the certification body.</p> <p><b>7.6.3</b> Before granting recertification, as a minimum, major nonconformities shall be corrected and the corrective action(s) verified by the certification body.</p> <p><b>7.6.4</b> Major and minor nonconformities identified in the audits shall result in corrective action(s) by the client organisation resolving the nonconformities. The corrective action plan, including a timeframe, shall be reviewed and accepted by the certification body. The time period for completion of the corrective action(s) for major nonconformities identified in surveillance audits and their verification by the certification body shall follow the rules of the certification body but not exceed three months. Corrective action(s) for minor nonconformities identified during recertification and surveillance audits shall be verified no later than during the next audit.</p> <p><b>3.4.3</b> For initial and recertification audits, at the time of the decision making process, if any site has a nonconformity, certification shall be denied to the whole multi-site client organisation pending satisfactory corrective action.</p> <p>PEFC ST 2003: 2020</p> <p>3.5 Major nonconformity The absence of, or failure to implement and maintain, one or more requirements of the Chain of Custody standard, that may result in a systemic risk to the function and effectiveness of the chain of custody and/or affect confidence in the client organisation's claims on certified raw</p>		



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>material.</p> <p>Note: A major nonconformity may be an individual nonconformity, or a number of minor but related nonconformities that when considered in total are judged to constitute a major nonconformity.</p> <p>3.6 Minor nonconformity</p> <p>A single failure to fulfil the requirements of the Chain of Custody standard that may result in no systemic risk to the function and effectiveness of the chain of custody and/or affect confidence in the supplier's claims on certified raw material.</p>		
		<p><b>C.4.1.3</b> The Scheme shall include requirements that ensure that the above requirements are in line with the requirements of the EUTR to prohibit illegal material or material with a non-negligible risk category being placed on the EU market.</p>	<p>Annex 6 – Certification and Accreditation procedures, 2007 –</p> <p>4. CERTIFICATION PROCEDURES</p> <p>... The applied auditing procedures shall fulfill or be compatible with the requirements of ISO 19011(3)....</p> <p>Chapter 5 Accreditation</p> <p>Certification bodies carrying out forest management or chain of custody certification, shall be accredited by a national accreditation body so as to ensure the credibility of the certification work and to facilitate mutual recognition. An accredited certificate shall bear an accreditation symbol of the relevant accreditation body.</p> <p>Accreditation bodies shall be a member of the International Accreditation Forum (IAF) or a member of IAF's special recognition regional groups and implement procedures described in ISO/IEC 17011:2004(4) and other documents recognised by the above organisations.</p> <p>The certification body shall undertake forest management or/and chain of custody certification as "accredited certifications".</p> <p>The certification body carrying out forest management certification or chain of custody certification against a scheme specific chain of custody standard shall be accredited based on 17021(1) or ISO Guide 65(2) and the relevant forest management or chain of custody standard(s) / scheme shall be covered by the accreditation scope.</p> <p>The certification body carrying out chain of custody certification against Annex 4 (Chain of Custody of Forest Based Products – Requirements) shall be accredited based on ISO Guide 65 (EN 45 011)(2).</p> <p>Non-conformance with the accreditation requirements, results in the certification bodies not being regarded as having met PEFC Council</p>	<p><b>Findings</b></p> <p>According to Annex 6 – Certification and Accreditation procedures, 2007 – Chapter 5 Certification Bodies should be accredited by a National Body, member of IAF. IAF allows organisation to become Accreditation bodies, based on multiple ISO standards. One standard is ISO 17011, which includes requirements related to the performance of Certification Bodies. At the same time, it is a requirement that ISO 19011 to be followed by Certification bodies. According to ISO 19011, establishing conformance; raising corrective actions for non-conformance, and ensuring closure within timeframes to avoid legal non-compliance, and; certification issue (or maintenance) decision making are covered.</p> <p>Forest management</p> <p>At forest management, there are clear rules for the certificate holders and bodies</p>	Partially Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>requirements and their certifications not be considered as certified for PEFC purposes.</p> <p>In exceptional circumstances, the PEFC Council General Assembly can approve a time limited exemption from the above requirements based on a written application from the PEFC National Governing Body. The application shall state (i) reasons for requesting the exemption, (ii) description of how the credibility of the certification process will be assured including a list of measures currently undertaken to ensure the credibility.</p> <p>PEFC ST 1003: 2018  10. Improvement  10.1 Nonconformity and corrective action  10.1.1 The standard requires that when a nonconformity occurs, the organisation shall:  a) react to the nonconformity and, as applicable: i. take action to control and correct it;  ii. deal with the consequences;  b) evaluate the need for action to eliminate the causes of the nonconformity, in order that it does not recur or occur elsewhere, by:  i. reviewing the nonconformity;  ii. determining the causes of the nonconformity;  iii. determining if similar nonconformities exist, or could potentially occur;  c) implement any action needed;  d) review the effectiveness of any corrective action taken;  e) make changes to the management system, if necessary.  10.1.2 The standard requires that corrective actions shall be appropriate to the effects of the nonconformities encountered.  10.1.3 The standard requires that the organisation shall retain documented information as evidence of: a) the nature of the nonconformities and any subsequent actions taken;  b) the results of any corrective action.  10.2 Continual improvement  The standard requires that the suitability, adequacy and effectiveness of the sustainable forest management system and the sustainable management of the forest shall be</p>	<p>on what a non-conformity means and how it should be addressed (PEFC ST 1003: 2018, 10)</p> <p>Chain of custody</p> <p>For chain of custody, there are clear rules for the certificate holders and bodies on what a non-conformity means and how it should be addressed (PEFC ST 2003: 2020, 7.6)</p> <p>General consideration</p> <p>For initial audits, all non-conformities shall be closed prior the issue of certificate (PEFC ST 2003: 2018, 7.6.2). This is in line with EUTR requirements, as all wood shall be effectively “negligible risk” when is imported in EU.</p> <p>For recertification audits, only major non-conformities shall be closed prior the issue of certificate. In case of surveillance audits, certification bodies shall define a timeframe (up to 3 months for major non-conformities and up to the next audit for minor non-conformities. As some of these non-conformities may represent an infringement of legislation, and therefore not in line with Article 4 of Regulation 995/2010, illegal wood may enter without additional measures for a period of 3 or 12 months.</p> <p><b>Justification</b></p>	

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>continuously improved.</p> <p>PEFC ST 2003: 2020</p> <p>7.6.1 Audit findings shall be classified as major nonconformities, minor nonconformities and observations.</p> <p>7.6.2 Before granting initial certification, as a minimum, major and minor nonconformities shall be corrected and the corrective action(s) verified by the certification body.</p> <p>7.6.3 Before granting recertification, as a minimum, major nonconformities shall be corrected and the corrective action(s) verified by the certification body.</p> <p>7.6.4 Major and minor nonconformities identified in the audits shall result in corrective action(s) by the client organisation resolving the nonconformities. The corrective action plan, including a timeframe, shall be reviewed and accepted by the certification body. The time period for completion of the corrective action(s) for major nonconformities identified in surveillance audits and their verification by the certification body shall follow the rules of the certification body but not exceed three months. Corrective action(s) for minor nonconformities identified during recertification and surveillance audits shall be verified no later than during the next audit.</p> <p><b>3.4.3</b> For initial and recertification audits, at the time of the decision making process, if any site has a nonconformity, certification shall be denied to the whole multi-site client organisation pending satisfactory corrective action.</p>	<p>This indicator is concluded as partially covered. PEFC International includes a system to assess conformity with the standard. However, in case of surveillance audits and re-certification the definition of non-conformities is such that there is a potential risk that a non-conformity may represent an infringement of legislation. In this case, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months.</p>	
		<b>C.4.1.4</b> the Scheme shall include requirements that ensure that the decision process to certify organisations, or maintain certification of CHs, is free from conflict of interest	<p>Certification and Accreditation procedures, 2007 – Annex 6 – Chapter 5</p> <p>Accreditation</p> <p>Certification bodies carrying out forest management or chain of custody certification, shall be accredited by a national accreditation body so as to ensure the credibility of the certification work and to facilitate mutual recognition. An accredited certificate shall bear an accreditation symbol of the relevant accreditation body.</p> <p>Accreditation bodies shall be a member of the International Accreditation Forum (IAF) or a member of IAF's special recognition regional groups and implement procedures described in ISO/IEC 17011:2004(4) and other documents recognised by the above organisations.</p>	<p><b>Findings</b></p> <p>According to the Certification and Accreditation procedures (Chapter 5) accreditation of Certification Bodies is based ISO17011. ISO requirements has a special chapter speaking about the impartiality of activities conducted by Certification Body.</p> <p><b>Justification</b></p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		and includes checks and balances.	ISO requirements (standard is not public)	This indicator is concluded as covered. The decision process to certify organisations or maintain of certification is free from conflict of interest and includes checks and balances.	

## **Annex 5: Scheme Assessment Report Forest Stewardship Council (FSC)**

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## Summary

### The scheme

The Forest Stewardship Council (FSC) is one of the world's largest voluntary forest certification schemes with over 220 million certified hectares and 45,000 certified supply chain entities. It is also one of the oldest, having been legally established in 1994.

FSC operates a third-party system, whereby its main functions are to set the normative requirements and guidance, and to manage the strategic direction and day to day running of the scheme. Assurance Services International (ASI) conducts assessments and issues accreditations to independent Certification Bodies which, in turn, conduct assessments and issue certificates. Organisations can apply for certification at the forest and supply chain levels, from smallholders and community groups to large forestry companies, from sawmills, to traders, manufacturers and printers. Evaluations of both Certificate Bodies and Certificate Holders are performance-based and, thus, include field and witness audits.

FSC operates two approaches to certification: i) certification at the forest management level and the supply chain level; and ii) a risk-based approach to managing non-certified materials to FSC claim, through the Controlled Wood programme.

FSC's *Principles and Criteria for Forest Stewardship* standard (FSC-STD-01-001), is the principal forest management (FM) standard for the scheme. It is an international standard based on 10 principles and 70 criteria. The current version of this standard is version 5-2, published in July 2015.

The international standard of Principles and Criteria is adapted to regional or national certification standards by local balanced working groups following detailed processes mandated by FSC, including consultation with a full range of stakeholders.

FSC's *Chain of Custody Certification* (CoC) standard, FSC-STD-40-004 V3.0, is also a global standard, applied as is, to all supply chain entities wishing to sell FSC certified products with an FSC claim.

The FSC scheme includes the FSC Controlled Wood (CW) system, of which the principal standard is *Requirements for Sourcing FSC Controlled Wood* (FSC-STD-40-005 V3-1). This system allows for the use of non-certified, yet 'controlled', wood material to be mixed with FSC-certified material, in the manufacture of FSC-certified products. FSC Controlled Wood basically comprises a due diligence system which is put in place by FSC CoC certified supply-chain companies, in order to avoid that any non-certified material entering into production derives from five different categories of 'unacceptable sources'. The first category of unacceptable sources is illegally harvested wood.

Once the sources of non-certified material have been assessed for risks of deriving from the unacceptable sources, and any identified risks have been mitigated, the raw material is considered to be 'controlled'. The FSC Controlled Wood standard is a global standard that mandates the use of National Risk Assessments which have been developed according to FSC's detailed procedure and which also often contain defined mandatory risk mitigation actions.

Besides via the use of a due diligence process at the supply chain level, 'Controlled Wood' material can also enter into the FSC system via certification at the forest management (FM) level. In this case, the FM Controlled Wood standard (*FSC-STD-30-010 V2-0 FSC Controlled Wood Standard for Forest Management Enterprises*) is applied to a forest area, using a similar approach to the FM standard with field audits. The FM CW standard is not adapted to the national context in the same way.

Whether in relation to FM certification or FM CW certification, reduced requirements exist for Small and Low Intensity Managed Forests (SLIMFs). SLIMFs are also subject to reduced requirements for external auditing. Within the FSC system, groups of small organisations (both at the forest and supply chain levels) may seek group (FM or COC) certification, which carries with it the advantage of reducing the intensity of external audits by the Certification Body (and therefore external costs of certification).

Finally, the FSC system provides for the inclusion of recycled timber via a dedicated Reclaimed Wood standard (*Sourcing reclaimed material for use in FSC Product Groups or FSC Certified Projects, FSC-STD-40-007 V2-0*) which is applied at the supply chain level.

## Overall findings

Out of the 120 indicators of the scheme assessment framework evaluated within the study, 85 were concluded as Covered, 21 as Partially Covered and 12 as Not Covered. 2 indicators were concluded as Not Applicable. FSC is a fully developed scheme with systems for transparency and oversight built in. There are mostly robust processes and systems in place, covering all the key components of the certification scheme.

It should be noted that this report reflects an evaluation that has only considered the normative and guidance documents relevant to the scheme, along with the websites of FSC and ASI. Consideration of impact studies and other information relating to the performance of certification schemes in general, are included in a Meta-report which brings together findings in relation to all five schemes.

## Coverage by the scheme of legal requirements at the forest level

The first part of this study addressed legal requirements at the forest level for forest management certification, evaluating how FSC ensures that Certificate Holders comply with all applicable legislation. Importantly, the study concluded that legal requirements at the forest level are largely Covered by both FSC FM and FM CW certification. Of the 27 indicators assessed, 24 were concluded as Covered, while 3 were concluded as Partially Covered.

The partially covered indicators related to aspects of legal requirements concerning concession licenses, land area taxes/fees and requirements to control potential illegal activities by third parties within the area managed by the operation. Some of the identified gaps related to small ambiguities or omissions in requirements, where a concern included within the Scheme Assessment Framework was not explicitly specified in FSC standard requirements.

The principal international forest management (FM) standard for the scheme, *Principles and Criteria for Forest Stewardship* (FSC-STD-01-001 v5.2), is effectively an international standard. FSC requires that this standard be adapted to the national or subnational context in which it is being implemented by forest organisations. For most indicators in this study, the findings of the evaluation of the four national forest management standards corroborated the findings of the international level for forest management certification. This was particularly the case in the evaluation of the China, Romania and Russia national standards (with one exception in the Romanian standard), as these have been adapted to reflect the requirements of the latest version of the international FM standard. In the case of Brazil, three national standards (for different forest types) were evaluated, although they have yet to be adapted to meet the latest version of the international Principles and Criteria. As a result, there was less alignment with international FM standard requirements.

Information provided by FSC shows that, to date, 40 countries have an approved national standard which has been updated from the previous version (*version 4-0*) to the current version of the international Principles and Criteria. For another 38 countries the process is



ongoing, to be completed in 2021 according to FSC International. However, the delays in updating all National Forest Stewardship Standards (NFSS) to meet the updated international Principles and Criteria represents a gap in the FSC system.

There are streamlined certification procedures for Small and Low Intensity Managed Forests (*SLIMFs*) that meet FSC eligibility criteria. The specialised SLIMFs approach to certification was also evaluated within the scope of this study, along with group certification models. They were generally deemed not to impact the integrity of the system.

The first part of this study also addressed legal requirements at the forest level for non-certified material entering the FSC system via Controlled Wood due diligence systems. These due diligence systems are implemented by CoC certificate holders. Fully, all 26 indicators concerning legal requirements at the forest level were evaluated as Covered. This indicates that FSC ensures that forest organisations within the Country of Harvest which are included within a Controlled Wood due diligence system, are comprehensively evaluated for legal requirements at the forest level.

### **Coverage by the scheme of legal requirements at the supply chain level**

Two gaps in the FSC system were found at the supply chain level, where several legal requirements covering trade and transport in so far as the forest sector is concerned (applicable to the country of harvest, in the context of this study) were not covered or only partially covered.

Firstly, the study addressed requirements for legal compliance by Certificate holders which are supply chain entities, focussing on the FSC CoC standard. This standard is applicable to all certified supply chain entities within the FSC system. Of the 10 indicators evaluated, only 1 was concluded as Covered, 7 as Partially Covered, while 2 as Not Covered. This is considered a significant gap within the FSC system.

The normative requirements of the CoC standard do require Certificate holders to ensure the import/export of FSC certified products conforms to all applicable trade and customs laws. However, broadly, the language of the requirements is such that they either did not fully cover the indicators in this framework, or there were some omissions in relation to specific areas of trade law. For example, Certificate holders are not required to comply with legislation concerning business registration, nor value-added taxes and other sales taxes. Other areas which were only partially covered, include compliance with laws pertaining to transport of wood-products, offshore trading or transfer pricing. Full coverage was concluded in relation to compliance with customs regulations.

The second significant gap is within the due diligence requirements for non-certified material entering the FSC system, that form part of the FSC Controlled Wood requirements for supply-chain entities. Here, the risk of illegal trade and transport within the country of origin is not considered at all. The FSC Controlled Wood system limits the due diligence process to the evaluation of risks of legal non-compliance at the forest level and to the evaluation of risks pertaining to the mixing of controlled wood with wood of illegal or unknown origin. As a result, of the 10 indicators within this principle, all were evaluated as Not Covered.

### **Material control**

Of the 7 indicators evaluated in relation to material control, 5 were concluded as Covered and 2 as Partially Covered,

Via the FSC CoC standard and other normative requirements, the FSC system maintains a system of material control, tracking and traceability, similar to other fully developed certification schemes. This system includes systematic processes to enable the

identification of the country of harvest of the material as well as the species included in certified materials or products. Clear systems and measures are required to prevent material from non-negligible risk, unverified or potentially illegal sources from entering the supply chain and mixing with conforming material.

Where there is suspicion or concerns regarding inaccuracy in relation to volumes of products or materials sold with FSC claims, FSC conducts mechanisms such as transaction verification investigations, in which the traded volumes along supply-chains are analysed. Transaction verifications – led by Accreditation Services International – comprise a number of investigative activities, including volume data analysis and fibre testing.<sup>95</sup> These programs provide important and valuable support to ensuring the integrity of the FSC system in relation to material control.

However, the validation of volumes transferred from seller to purchaser is not conducted systematically by FSC on an ongoing basis across all supply chains, which means that risks exist of errors - or even fraudulent activity – in relation to the volumes of FSC-certified products sold along supply chains. This is considered as a major gap in the FSC system. However, it is not a concern specific to FSC, but many of the schemes evaluated within this study. It is also one which FSC is aware of, and the scheme is exploring ways of improving supply chain integrity, such as via the use of Blockchain technology, although these improvements are still under development.

A further gap to be noted regards reclaimed timber. FSC descriptions of pre-consumer material described in Annexes I and II of the FSC reclaimed materials standard FSC-STD-40-007, do not entirely align with the definition of waste material as defined in – and excluded from the requirements of – the EU Timber Regulation and associated guidance documents. This discrepancy between FSC and EU definitions means material might enter the FSC system without the required due diligence.

### **Other requirements for certificate holders**

FSC was evaluated according to 9 indicators concerning conflict resolution, corruption and other quality and procedural requirements for Certificate Holders. Of these, 6 were concluded as Covered, 2 as Partially Covered and one as Not Applicable.

Importantly, covered indicators included general requirements for certificate holders relating to conflict resolution and the control of corruption are addressed within the FSC system. FSC has requirements to ensure that disputes – including those relating to customary tenure rights - are identified, recorded, and managed in a robust and transparent way. This includes the cessation of operations whilst disputes of a significant magnitude or duration are being resolved.

Other quality and procedural requirements for Certificate Holders were assessed as mostly covered by the system, including requirements for Certificate Holders to have in place - and implement - systems and procedures covering all requirements of the Scheme. However, some gaps were identified: a minor issue in relation to qualifications and competencies, as well as the fact that FSC only includes requirements for Certificate Holders to regularly review (internally) the proper functioning of their own procedures, in the case of certification at the forest level and in relation to the controlled wood DDS implemented according to standard FSC-STD-40-005. The scheme does not require the same of CoC-certified companies, certified to FSC-STD-40-004 only.

In relation to requirements for risk-based approaches to sourcing (Due Diligence Systems) for non-certified material, FSC was concluded as covering all the quality indicators. The scheme includes clear requirements to ensure consistent implementation of the Due

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<sup>95</sup> see <https://fsc.org/en/innovation/blockchain>; <https://fsc.org/en/supply-chains> and <https://fsc.org/en/unacceptable-activities>

Diligence System and ensures that risks are assessed and mitigated prior to shipping and sale.

The DDS comprises a quality management system; procedures for obtaining access to information pertinent to the identification of risk; risk assessments, and the implementation of mitigations measures when risks are identified. In relation to risk assessments, one important factor is the requirement that certificate holders are obliged to use a risk assessment that has been developed by FSC according to their own procedures which determine the methodology for developing, maintaining and approving risk assessments.

### **Requirements for Certification Bodies**

Of the 9 indicators covering quality requirements for Certification Bodies were generally evaluated as Covered (7 indicators), based on the normative requirements, with just a couple of exceptions (resulting in 2 Partially Covered indicators).

Covered indicators concerned Certification Bodies having mechanisms to ensure that auditor (and other relevant personnel of the Certification Body) qualifications and competence, as well as to ensure impartiality in the conformance evaluation process. FSC ensures that Certification Bodies have and apply a documented methodology and procedures for the evaluation of conformity of organisations and issuance of a certificates. The procedures address topics such as: audit frequency; the requirement for on-site (field) visits where applicable; sampling protocols; unannounced or short-notice audits, and other aspects of auditing.

Importantly, FSC also ensures that Certification Bodies conduct consultation with stakeholders, as appropriate, for evaluating compliance of certificate holders in relation to Forest management audits, as well as some audits for Controlled Wood.

One important gap was identified: there are no normative requirements nor formal processes (to be conducted by FSC or Certification Bodies) for identifying Organisations sanctioned for engagement in corrupt practices proactively and prior to association with FSC.

### **Other requirements of the Certification scheme**

Of the 22 indicators evaluated in relation to general quality requirements for the FSC scheme, 16 were concluded as Covered, 5 as Partially Covered and 1 as Not Applicable. These indicators covered topics such as scheme transparency, accreditation and the certification process.

In relation to scheme transparency, FSC scored highly, with five of the six indicators evaluated as Covered, based on its normative requirements. This concern issues such as ensuring scheme requirements for Certificate Holders and Certification Bodies are publicly and freely available online, as well as providing a publicly availability of an up-to-date register of certified/verified organisations. Critically, summaries of Forest Management and Controlled Wood audit reports, with relevant findings from the audits, are available on the same online register.

Procedures for handling complaints and grievances are in place, publicly available and implemented.

To ensure consistency of implementation of requirements, the FSC scheme includes a list of the relevant national laws and international conventions to which the country has ratified, and which hold legal force in the country. Requirements for forest managers and supply chain entities are also applicable to the organisation's contractors and outsourcing facilities.

In relation to issues of accreditation and oversight, most indicators were evaluated as covered, based on the normative requirements. FSC has in place a system for the

accreditation and oversight of Certification Bodies to ensure that CBs have in place the required procedures, capacity and competencies. The requirements and the process for accreditation are publicly available, as is an up-to-date list and details of all accredited Certification Bodies. Mechanisms are in place to ensure that relevant personnel are qualified and competent to evaluate the performance of Certification Bodies.

Furthermore, the competence and consistent performance of Certification Bodies is regularly evaluated, employing both stakeholder consultation and in-field evaluation of performance.

FSC ensures that the oversight mechanism for Certificate Holders applies a clear basis for establishing conformance, raising corrective actions for non-conformance, ensuring closure within defined timeframes, and certification issue/maintenance decision making. Certification bodies are required to define a timeframe (up to 3 months for major non-conformities and up to the next audit for minor non-conformities) in the case of annual surveillance audits. This approach ensures that non-conformances in relation to FSC requirements are addressed systematically and within a specific timeframe. It is also an approach employed by almost all forest certification schemes.

However, the same approach also raises a potential risk that a non-conformities which relate to – or imply - a legal infringement of legislation, may result in products or materials being traded from the Certificate Holder for a period of time, of which the identified non-conformance was not addressed and verified as closed. These products or materials may potentially be interpreted as illegally harvested or non-negligible risk. This itself carries a risk that wood products might be placed on the EU market, without mitigation measures to reduce the risks having been implemented.

## Introduction

The objective of the Study is to create a resource of knowledge and reference for all interested and concerned parties in the forest- and wood-based products sector. It should help Competent Authorities, Operators and Monitoring Organisations covered by the EUTR in their understanding of potential benefits and shortcomings of certification, in particular in the context of the implementation of the EUTR. As such, one part of the overall objectives is to create an overview of existing certificates, third-party verified schemes and certifying bodies issuing certificates with regard to forests and wood-based products and to evaluate their respective strengths and weaknesses in respect to the EUTR obligations. This should, in turn, encourage stronger standards and transparency of certification and third party verification schemes.

It should be underlined that it is NOT the intention of the study to create a compliance checklist of certification schemes. The EUTR continues to recognise third party certification as an important potential tool for risk assessment and risk mitigation but does not recognise certification as proof of compliance. This will not change based on this study.

As part of the above objective, this framework has been developed to allow evaluation of the differences and uniformities between certificates and certifying bodies. It includes requirements to assess to which degree different forest certification schemes provide assurance of low (negligible) risk of 'legal non-compliance' of certified material.

The Framework aligns with the definitions and approach to certification schemes as described within the [EU Timber Regulation \(No. 995/2010\)](#) and the associated [Guidance Document](#), along with additional requirements for the use of third party certification schemes as outlined in the Commission implementing Regulation (EU) No 607/2012 and specifically Article 4 in the [Commission Implementing Regulation \(EU\) No 607/2012](#).

The Framework takes into account verifiers for Article 6 in the EUTR, and documentation for Article 4 of the Implementing Regulation, as well as a wide array of sustainability standards and benchmarks used in the areas of forest and wood-based products, among other resources identified under References.

The current report includes an assessment of FSC.

## Acronyms

CB	Certification Body
CH	Certificate Holder
CITES	The Convention on International Trade in Endangered Species of Wild Fauna and Flora
CNRA	Centralised National Risk Assessment
CoC	Chain of Custody
CW	Controlled Wood
DDS	Due Diligence System
EUTR	European Union Timber Regulation
FM	Forest Management
FMU	Forest Management Unit
FSC	Forest Stewardship Council
NFSS	National Forest Stewardship Standard
NRA	National Risk Assessment
NS	National Standard
RA	Risk Assessment
STD	Standard

## 34. Overview of Certification Scheme

### Background

The Forest Stewardship Council (FSC) is a global, not-for-profit organisation dedicated to the promotion of responsible forest management worldwide. Its founding general assembly was in 1993 and it was established as a legal entity in 1994. It was founded because of the need for a system that could credibly identify well-managed forests as the sources of responsibly produced wood products and build support for the idea of a non-governmental, independent, and international forest certification system. FSC is a membership-based association with diverse members that include representatives of environmental and social non-governmental organisations, the timber trade, forestry organisations, indigenous peoples' organisations, community forestry groups, workers' trade unions, retailers and manufacturers, forest certification organisations, individual forest owners, and other interested parties.

### Global Governance

FSC comprises several legal entities. FSC Asociación Civil (FSC AC) is the membership organisation, and is registered in Oaxaca, Mexico, it owns FSC Global Development GmbH (FSC GD), FSC International Center GmbH (FSC IC) and Assurance Services International GmbH (ASI). FSC GD is a company in Bonn, Germany, which manages the FSC brand and trademark, and provides services to partners and constituents around the world. FSC IC is the entity responsible for developing and maintaining the normative framework. ASI, also based in Bonn, Germany, works as an independent third-party accreditation body. ASI is the sole accreditation provider for the FSC system, as well as for several other systems, including the Marine Stewardship Council, the Roundtable on Sustainable Palm Oil, and the Sustainable Biomass Program.

The FSC certification system operates as a third-party system with three key actors: FSC IC (under the responsibility of the FSC AC Board, representing FSC's membership) is responsible for the development, maintenance and interpretation of the FSC normative framework. Certification Bodies evaluate the conformity of organisations applying for and holding certification against the requirements of the normative framework. These Certification Bodies must be accredited to conduct evaluations and issue FSC certificates by ASI: just as the certification bodies evaluate the conformity of organisations, ASI checks that the certification bodies follow the relevant accreditation requirements.

FSC is a member of ISEAL, a global membership organisation for sustainability systems. FSC has Code Compliant status, meaning that it has successfully undergone independent evaluations against the ISEAL Codes of Good Practice in Standards-Setting, Assurance and Impacts.

### Accreditation Process

Organisations seeking accreditation to certify against the FSC certification standards apply to ASI. Once approved, the Certification Body will enter into an accreditation agreement with ASI before accreditation procedures begin. These procedures include document review of the Certification Body's quality management system, a head office assessment and witness assessments. Assessment findings are documented in reports which are then reviewed and signed off by technical reviewers. If everything is approved, the accreditation is granted. According to ASI, the process usually takes 12-24 months.

ASI conduct annual audits of accredited Certification Bodies, which includes office audits, witness audits of auditors and evaluation of audit reports.



There are currently 41 Certification Bodies accredited for FSC certification. These Certification Bodies have varying scopes for their accreditation, differing by technical and geographical scope.

At the time of writing, all accredited Certification Bodies have FSC Chain of Custody (CoC) certification in scope (although not all including FSC Controlled Wood), whereas only 17 have FSC Forest Management (FM) in scope. Currently, twelve Certification Bodies are accredited for both FM and CoC Worldwide, with the remainder limited to certain countries, are accredited Worldwide with the exclusion of China, or only have a limited geographical scope for FM certification and operate worldwide for CoC. All currently accredited Certification Bodies and their scopes can be found on ASI's website.

## Certification Standards

The two main types of certification within the FSC system are Forest Management (FM) and Chain of Custody (CoC).

### *Forest Management*

FSC Forest Management certification is based on FSC's ten principles, which intend to set out best practices for forest management and are applicable worldwide (see Box 1). Each principle has a number of criteria providing practical ways to ascertain if the principle is being followed. The FSC Principles and Criteria for Forest Stewardship standard (FSC - STD-01-001) is the international FM standard. The current version of this standard is V5 - 2, published in July 2015.

A second key document for FM certification is the International Generic Indicators (FSC - STD-60-004) which aims, amongst other things, to operationalise the Principles and Criteria (P&C) at the national level and ensure the consistent implementation of the P&C worldwide. The International Generic Indicators (IGI) are adapted to the national or regional level by dedicated working groups to produce a National Forest Stewardship Standard (NFSS), which is applied in the area it covers. The process of adaptation shall follow a dedicated procedure (FSC-PRO-60-006) and is intended "to reflect the diverse legal, social and geographical conditions of forests in different parts of the world" (FSC). In countries not covered by a national standard, a technical working group may adjust the IGI to develop an interim national standard. Thus, the FSC Principles and Criteria (P&C) and International Generic Indicators (IGI) set out the global requirements for achieving FSC forest management certification.

Information provided by FSC shows that to date 40 countries have an approved national standard which has been transferred to Version 5 of the international standard, and for a further 38 the process is ongoing, to be completed in 2021.

#### **Box 1. FSC's 10 Principles for responsible forest management**

##### **Principle 1: Compliance with Laws**

Comply with all applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.

##### **Principle 2: Workers' Rights and Employment Conditions**

Maintain or enhance the social and economic wellbeing of workers.

##### **Principle 3: Indigenous Peoples' Rights**

Identify and uphold Indigenous Peoples' legal and customary rights of ownership, use and management of land, territories and resources affected by management activities.

##### **Principle 4: Community Relations**

Contribute to maintaining or enhancing the social and economic wellbeing of local communities.

##### **Principle 5: Benefits from the Forest**

Efficiently manage the range of multiple products and services of the Management Unit to maintain or



enhance long term economic viability and the range of environmental and social benefits.

**Principle 6: Environmental Values and Impacts**

Maintain, conserve and/or restore ecosystem services and environmental values of the Management Unit, and shall avoid, repair or mitigate negative environmental impacts.

**Principle 7: Management Planning**

Have a management plan consistent with its policies and objectives and proportionate to scale, intensity and risks of its management activities. The management plan shall be implemented and kept up to date based on monitoring information in order to promote adaptive management. The associated planning and procedural documentation shall be sufficient to guide staff, inform affected stakeholders and interested stakeholders and to justify management decisions.

**Principle 8: Monitoring and Assessment**

Demonstrate that, progress towards achieving the management objectives, the impacts of management activities and the condition of the Management Unit, are monitored and evaluated proportionate to the scale, intensity and risk of management activities, in order to implement adaptive management.

**Principle 9: High Conservation Values**

Maintain and/or enhance the High Conservation Values in the Management Unit through applying the precautionary approach.

**Principle 10: Implementation of Management Activities**

Management activities conducted by or for the organisation for the management unit shall be selected and implemented consistent with the organisation's economic, environmental and social policies and objectives and in compliance with the Principles and Criteria collectively.

### *Chain of Custody*

FSC Chain of Custody certification applies to manufacturers, processors and traders of FSC certified forest products, and ensures that materials and products which are sold with FSC claims originate from certified forests, controlled sources, reclaimed materials, or a mixture of these. It allows certified companies to label their FSC products, which in turn enables consumers to identify and choose products that support responsible forest management.

Note: a new version of the CoC standard (V3-1) was published during the finalisation of this study, released on February 3, 2021 and effective from May 2021. This version introduces the new 'FSC core labour requirements' into FSC CoC certification, based on the ILO core conventions. Whilst the full standard has not been evaluated the new section is noted at the relevant indicator (Indicator C.2.2.1) and referenced in two other places.

The CoC system does not include, under ordinary circumstances, any validation of volumes transferred from seller to purchaser, vertically along supply chains. However, where there is suspicion or concerns regarding inaccuracy of volumes, FSC conducts transaction verification investigations.<sup>96</sup> Transaction verifications are led by Accreditation Services International (ASI), with the required support of certification bodies and certificate holders. Certificate holders provide samples of FSC transaction data to their certification bodies, which is then forwarded to ASI for analysis.

Transaction verification also includes the requirement for certificate holders to support fibre testing by surrendering samples and specimens of materials and information about species composition. FSC is exploring other ways of improving supply chain integrity, including the use of Blockchain technology<sup>97</sup>.

<sup>96</sup> See FSC-STD-40-004 V3-0, Requirement 1.7 and FSC-PRO-10-201 V1-0, Clause 1.1

<sup>97</sup> See <https://fsc.org/en/innovation/blockchain>, <https://fsc.org/en/supply-chains>, <https://fsc.org/en/unacceptable-activities>

### *Controlled Wood*

FSC Chain of Custody certification allows for the mixing of FSC certified materials with non-certified materials, under special conditions. The non-certified (and non-recycled) materials must meet the 'FSC Controlled Wood' standard requirements. These requirements seek to ensure that the non-certified input does not originate from any of five unacceptable sources:

1. Illegally harvested wood
2. Wood harvested in violation of traditional and human rights
3. Wood harvested in forests in which high conservation values (HCVs) are threatened by management activities
4. Wood harvested in forests being converted to plantations or non-forest use
5. Wood from forests in which genetically-modified trees are planted

FSC Controlled Wood certification can be applied by forest managers in the same way as FSC forest management certification. Working to a different standard, FSC Controlled Wood certification can also be applied by Chain of Custody certified organisations. In this case, a due diligence process is required to source FSC controlled wood from non-certified organisations. One of the two types of risks that the due diligence system shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use a risk assessment that has been developed according to a certain procedure (FSC-PRO-60-002 V3-0). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments. FSC has assessed the risk in 60 countries which can be accessed via FSC's online [Risk Assessment Platform](#). Organisations sourcing from unassessed areas must develop their own 'Extended Company Risk Assessment' (ECRA) using the same requirements, framework and procedures as FSC's risk assessments.

### *FSC Material Categories*

There are different material categories that can be used in separate product groups under FSC Chain of Custody certification. This is important to note when evaluating the FSC system and using FSC material, because material contained in one product group may have been subjected to different normative requirements than in another. The claims that can be made on sales and delivery documents for the different product groups are:

- FSC 100%, which comprises material from FSC certified forests and has only been handled by Chain of Custody certified organisations in the supply chain.
- FSC Controlled Wood, which comprises material that was either evaluated as Controlled Wood at the forest management unit level and has only been handled by Chain of Custody certified organisations in the supply chain, or material that was evaluated as Controlled Wood through a due diligence process and therefore has not only been handled by certified organisations in the supply chain. CW claims can only be used business to business and not as a final claim category for consumers.
- FSC Mix (Credit or XX%), which contains a mixture of FSC 100% and FSC Controlled Wood.
- FSC Recycled (Credit or XX%), which contains FSC Recycled, where relevant subdivided into pre-consumer reclaimed and post-consumer reclaimed.

### *Group and SLIMF certification models*

At both the FM and CoC levels small organisations can join together to form a group and apply for group certification, to share the costs and workload of obtaining and maintaining certification. In each case a Group Entity (a person or group of persons, such as a

cooperative, association or company) takes responsibility for establishing and managing a system ensuring compliance of the Group Members. There are reduced auditing requirements, whereby Certification Bodies audit just a sample of the Group Members each year, along with the Group Entity. This reduced external auditing is compensated by the fact the Group Entity is required to conduct audits of all Group Members on an annual basis, the results of which are audited by the Certification Body at each audit.

The evaluation standards dictate the sampling methods the Certification Bodies shall employ and the definition of 'small' is defined and, in some cases, national adaptations are approved by FSC.

There are also streamlined certification procedures for Small and Low Intensity Managed Forests (SLIMFs) that meet FSC eligibility criteria (as set out in [FSC-STD-01-003 V1-0](#)), also known in the FSC system as 'smallholders'.

Small means Forest Management Units (FMUs) smaller than 100ha or a regionally specified size (up to 1000ha), if included in the addendum to the standard ([FSC-STD-01-003a](#)). This means that the criteria for being classified as a SLIMF varies internationally. Low intensity means when the rate of harvesting is less than 20% of the mean annual increment (MAI) within the total production forest area of the unit and either the annual harvest from the total production forest area is less than 5000 m<sup>3</sup> or the average annual harvest from the total production forest is less than 5000 m<sup>3</sup> / year during the period of validity of the certificate.

Smallholders do not normally need the same level of documentation or management systems as managers of larger or more intensively managed woodland areas. There is also a reduced intensity of audit, thus, reducing costs.

With regards to (previous) version 4-0 of the principal forest management (FM) standard (*Principles and Criteria for Forest Stewardship*, FSC-STD-01-001), it was more common to develop separate national SLIMF standards (such as is the case for Brazil). For the current version 5-2, current practice is to include specific requirements or provisions for SLIMF in the main FM standard.

As of December 2020, approximately 20% of all FM certificates (351 out of 1762) are SLIMFs. In terms of certified area, this represented a total of 8.59 million ha (3.8%) out of approximately 223.41 million ha.

## Verifying FSC Certificates

FSC maintains a public certificate database, which can be accessed at <http://info.fsc.org/>. Certificates are searchable using various queries including business name, country, certificate number, certification type, and product type. The database contains each certificate: certificate and license codes, address and contact information of the certified organisation, certification validity and dates, group members and sites, and product types.

Public summaries of certification reports are required and made available on the FSC certificate database for forest management and controlled wood forest management certificates, but are not required or available for chain of custody certificates. The latest version of the controlled wood due diligence standard also requires public certification summaries.

## Policy and standard development

FSC has a comprehensive development, review and revision process for its policies, standards and procedures. Details of the current processes are published on their website, where anyone can sign up to the relevant Consultative Forum. A regularly updated overview and schedule of the development, review and revision processes ('Document Catalogue and Policy Roadmap') can also be downloaded from the website.

FSC's Development and Revision of FSC Normative Documents Procedure (FSC-PRO-01-001) specifies how documents of the normative framework are developed, reviewed and revised. It involves the establishment of a Steering Committee and Working Group, detailed steps that shall be followed at each stage in the process, which includes public consultation. The revision of this procedure itself started in November 2020, with the aim of streamlining the normative framework.

### **Stakeholder engagement**

Stakeholder engagement is a prominent part of FSC. It is built into the system in various ways: it is a requirement of FM certificate holders and of the Certification Bodies evaluating them, it's required during the development of the Risk Assessments and it is an important control measure in the due diligence system. At the broader level the whole scheme is open for input from anyone: a new consultation platform has been launched which provides the opportunity to feedback on specific documents that are currently out for consultation, which are advertised on the FSC newsfeed. Additionally, stakeholders can give input anytime to the existing normative documents, including the ones not being under revision via the 'contribute to the standards' webpage.

## 35. About this report

### 1.1 Report structure

The scheme has been evaluated on two levels:

- **International level** – all applicable global documents and information were evaluated, considering how the scheme is structured and functions globally; and
- **National level** – where the scheme is adapted to the national level, a sample of four countries were selected, to see how the international requirements and processes have been adapted, and if they have been done so according to the scheme's requirements, thus providing evidence to feed into the findings at the international level. The four countries are Brazil, China, Romania and Russia.

In this version of the report (draft II) the findings from the national-level evaluations have been incorporated into the findings of the international-level evaluation and are, thus, presented in summary. The national-level reports will be affixed as annexes to draft III of this report, for full transparency of the details of the study.

This study is based on the Scheme Assessment Framework (SAF) (as described in Section 3 below), the first two sections are about the legal requirements for Certificate Holders, the first focusing on the forest level (A1), the second on supply chain entities (A2). Due to the size and complexity of the scheme the findings for these two sections have been split up and reported in two sections, each with an additional letter suffix:

- **A.1a** Legal Requirements at the forest level – Forest management certification
  - This covers full FSC FM certification (FSC-STD-01-001, FSC-STD-60-004 and associated documents) and FM Controlled Wood certification (FSC-STD-30-010 and associated documents)
- **A.1b** Legal Requirements at the forest level – Input from non-certified forest
  - This covers non-certified material entering the FSC system via the Controlled Wood due diligence system implemented by CoC certificate holders (FSC-STD-40-005 and associated documents)
- **A.2a** Legal requirements for supply chain entities – Certificate holders
  - This covers the CoC standard and the requirements that are directly applicable to COC certificate holders within the FSC system (FSC-STD-40-004 and associated documents)
- **A.2b** Legal requirements for supply chain entities – Non-certified supply chains
  - This covers non-certified material entering the FSC system via the Controlled Wood due diligence system implemented by CoC certificate holders (FSC-STD-40-005 and associated documents) and refers to the non-certified supply chain entities between the forest gate and the point of export in the country of harvest.

## 2.1 Overview of the certification standards used for this analysis

Type	Normative
<b>General</b>	<a href="#">FSC-STD-01-002 FSC Glossary of Terms</a> <a href="#">FSC-STD-20-001 General requirements for FSC accredited certification bodies</a> <a href="#">FSC-PRO-01-008 V2-0 Processing Complaints in the FSC Certification Scheme</a> <a href="#">FSC-PRO-01-005 V3-0 Processing Appeals</a> <a href="#">FSC-PRO-01-008 V2-0 Processing Complaints in the FSC Certification Scheme</a> <a href="#">FSC-PRO-01-009 V4-0 Processing Policy for Association Complaints in the FSC Certification Scheme</a> <a href="#">FSC &amp; Corruption 2017 V1-1</a> <a href="#">ASI Accreditation Procedure: ASI-PRO-20-101-Accreditation-V5.1</a> <a href="#">ASI Findings: ASI-PRO-20-106-ASI Findings-V6.1</a> <a href="#">ASI Procedure on Surveillance &amp; Sampling: ASI-PRO-20-105-Surveillance &amp; Sampling-V6.4</a> <a href="#">FSC-PRO-10-201 V1-0, Transaction Verification Procedure</a>
<b>Forest Management</b>	<a href="#">FSC-STD-01-001 V5-2 FSC Principles and Criteria for Forest Stewardship</a> <a href="#">FSC-STD-60-004 V2-0 International Generic Indicators</a> <a href="#">FSC-STD-60-002 V1-0 Structure and Content of National Forest Stewardship Standards</a> <a href="#">FSC-PRO-60-006 V2-0 Development and Transfer of National Forest Stewardship Standards to the FSC Principles and Criteria Version 5-1</a> <a href="#">FSC-STD-30-010 V2-0 FSC Controlled Wood Standard for Forest Management Enterprises</a> <a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014 Applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises</a> <a href="#">FSC-POL-20-003 V1-0 FSC Policy on the excision of areas from the scope of certification</a> <a href="#">FSC-STD-20-007 V3-0 Forest management evaluations</a> <a href="#">FSC-STD-20-007a V1-0 Forest management evaluations addendum – Forest certification reports</a> <a href="#">FSC-STD-20-007b V1-0 Forest management evaluations addendum – Forest certification public summary reports</a> <a href="#">FSC-STD-20-012 Standard for evaluation of FSC Controlled Wood in Forest Management Enterprises</a> <a href="#">FSC-STD-20-006 V3-0 Stakeholder consultation for forest evaluations</a> <a href="#">FSC-STD-30-005 V2-0 Forest management groups</a> <a href="#">FSC-ADV-60-004 V1-0 Advice Note on Transaction Verification for FM/CoC Certificate Holders</a>
<b>Chain of Custody</b>	<a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a> <a href="#">FSC-DIR-40-004 FSC Directive on Chain of Custody Certification - Last Updated: 12 August 2020</a> <a href="#">Interpretations of the normative framework: Chain of Custody – 30 June 2020</a> <a href="#">FSC-STD-40-004a FSC Product Classification Standard</a> <a href="#">FSC-STD-40-007 V2-0 Sourcing reclaimed material for use in FSC Product Groups or FSC Certified Projects</a> <a href="#">FSC-STD-20-011 V4-1 Chain of Custody Evaluations</a> <a href="#">FSC-STD-40-003 V2-1 Chain of Custody Certification of Multiple Sites</a> <a href="#">FSC-PRO-40-003 V1-1 Development of National Group Chain of Custody Eligibility Criteria</a> <a href="#">FSC-PRO-40-003a List of approved national Group Chain of Custody eligibility criteria</a>

<b>Due Diligence System</b>	<a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a> <a href="#">FSC-PRO-60-002 V3-0 The Development and Approval of FSC National Risk Assessments</a> <a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a> <a href="#">FSC-PRO-60-002b V2-0 List of approved FSC Controlled Wood documents</a>
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## 36. Evaluation methodology

The scheme is evaluated against Scheme Assessment Framework (SAF) and Scheme Assessment Procedure (SAP) in order to assess how the scheme covers relevant requirements of the EUTR, and the criteria defined by the European Commission as the basis for this Study.

For each indicator, we will have a conclusion that will show the level of conformance of the Scheme with the indicator:

Conclusion	Definition	Explanation
<b>Covered</b>	When available Scheme requirements and information - and any impacts evidence available - indicate the <i>coverage</i> of the SAF indicator.	Coverage is the ability of the Scheme to provide assurance that material traded via the Scheme has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber Regulation.
<b>Partially Covered</b>	When available Scheme requirements and information - and any impacts evidence available - indicate only <i>partial coverage</i> of the SAF indicator.  Alternatively, special concerns about Scheme standards, credibility, rigor or coverage may exist.  NOTE: It is important to justify the partial coverage and indicate where the issues are which result in a Coverage conclusion not being given.	Partial Coverage means the Scheme is only partly able – or may be compromised in one or more ways – to provide assurance that material traded via the Scheme has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber Regulation.
<b>Not Covered</b>	When available Scheme requirements and information - and any impacts evidence available - indicate that there is <i>no coverage</i> of the SAF indicator.  NOTE: It is important to justify a no coverage conclusion.	The Scheme is not – or inadequately – able to provide assurance that material traded via the Scheme has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber Regulation.
<b>Not Applicable (NA)</b>	When, for whichever reason, the SAF indicator does not apply.	



## 37. Overview of findings

Requirement Section	Conclusion	Summary	Conclusion	Summary
<b>A. Requirements for Certificate Holders</b>				
<b>A.1 Legal Requirements at the forest level</b>	<b>a - Forest management certification</b>		<b>b - Input from non-certified forest</b>	
General findings for A1.	<p>A.1a relates to legal requirements at the forest level and, in particular, forest management certification. It evaluates how the scheme ensures that Certificate Holders comply with all applicable legislation. It covers full FSC FM certification (FSC-STD-01-001, FSC-STD-60-004 and associated documents) and FM CW certification (FSC-STD-30-010 and associated documents).</p> <p>Legal requirements at the forest level are largely covered for FSC FM certification. Of the 27 indicators concerning legal requirements at the forest level, 24 were evaluated as covered, while 3 as partially covered.</p> <p>Some of these relate to small ambiguities or omissions in requirements, where areas of legality defined in the Scheme Assessment Framework may not be explicitly specified in standard requirements.</p> <p>On most occasions, the four national forest certification system evaluations corroborate the findings at the international level evaluation.</p>		<p>A.1b concerns non-certified material entering the FSC system via the Controlled Wood due diligence system which is implemented by CoC certificate holders (FSC-STD-40-005 and associated documents).</p> <p>It relates to legal requirements at the forest level, but specifically input from non-certified forest (Controlled Wood). It evaluates if the scheme ensures that entities within the Country of Harvest which are included within a Controlled Wood due diligence system, are evaluated for legal requirements at the forest level.</p> <p>All 26 indicators concerning legal requirements at the forest level were evaluated as Covered.</p>	
A.1.1 Rights to harvest timber within legally gazetted boundaries	Partially covered	<p>Based on the normative requirements, six out of the seven indicators for this criterion are Covered by the scheme.</p> <p>The indicators concluded as Covered encompass legal requirements concerning such areas as: land tenure and management rights; the issuing of licences; legal business registration and other relevant legally required licenses; management planning and the issuing of harvesting permits.</p>	Covered	<p>Based on the normative requirements all seven indicators of this criterion are evaluated as covered by the Scheme.</p> <p>These encompass legal requirements concerning such areas as: land tenure and management rights; the issuing of concession and harvesting licences; legal business registration and other relevant legally required licenses; management planning and the issuing of harvesting permits.</p>

		Partial coverage is concluded for one indicator (A.1a.1.2.1), in the case of FM and FM CW certification. While the International FM standards include requirements that ensure compliance with legislation regulating procedures for the issuing of concession licenses (where they exist), they do not explicitly include the requirement that licenses shall only cover legally gazetted areas.		
A.1.2 Payments for harvest rights and timber including duties related to timber harvesting	Partially covered	<p>Based on the normative requirements, one indicator been evaluated as Covered, the other Partially Covered.</p> <p>The first indicator is evaluated as Partially covered for FM certification but covered for FM CW certification. In the case of FM certification, while normative documents include requirements that ensure compliance with legislation regulating royalties, stumpage fees and other volume-based fees, land area taxes or fees are not specifically mentioned (A.1a.2.1.1).</p> <p>The second indicator encompassing legislation related to value-added taxes and other sales taxes, is covered for both FM and FM CW certification</p>	Covered	<p>Based on the normative requirements all two indicators of this criterion are evaluated as covered by the Scheme.</p> <p>These encompass legal requirements concerning the payment of royalties and harvesting fees, as well as value-added taxes and other sales taxes.</p>
A.1.3 Timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting	Partially covered	<p>Of the eight indicators for this criterion all but one have been evaluated as covered, based on the normative requirements.</p> <p>The indicators concluded as Covered encompass legal requirements concerning: harvesting regulations and all affiliated topics; protected areas and habitats; environmental impact assessment and other environmental requirements, as well as health &amp; safety and legal employment.</p> <p>In the case of requirements to control potential illegal activities by third parties within the area</p>	Covered	<p>Based on the normative requirements all seven indicators of this criterion are evaluated as covered by the Scheme.</p> <p>These indicators encompass legal requirements concerning: harvesting regulations and all affiliated topics; protected areas and habitats; environmental impact assessment and other environmental requirements, as well as health &amp; safety and legal employment.</p>

		managed by the operation, full coverage is concluded for FM certification, but partial coverage is concluded for FM CW certification where the control of illegal activities by third parties is limited to illegal conversion only (A.1a.3.1.2).		
A.1.4 Third parties' legal rights concerning use and tenure that are affected by timber harvesting	Covered	All four indicators for this criterion have been evaluated as Covered, based on the normative requirements. These encompass legal requirements which concern among other things: respect for customary tenure rights; benefit sharing; principles of 'Free, Prior and Informed Consent' in connection with granting rights to forest management, as well as the tenure rights of indigenous and tribal peoples to forestland.	Covered	Based on the normative requirements all four indicators of this criterion are evaluated as covered by the Scheme.  These indicators encompass legal requirements which concern among other things: respect for customary tenure rights; benefit sharing; principles of 'Free, Prior and Informed Consent' in connection with granting rights to forest management, as well as the tenure rights of indigenous and tribal peoples to forest land.
A.1.5 Trade and customs, in so far as the forest sector is concerned	Partially covered	Of the six indicators included within this criterion, all but one have been evaluated as covered, based on the normative requirements.  The indicators concluded as Covered encompass legal requirements concerning: the classification of species, quantities and qualities; trade and transport; offshore trading and transfer pricing; CITES and legislation requiring due diligence or due care procedures.  In the case of legislation covering Customs regulations, full coverage is concluded for FM CW certification, but partial coverage is concluded for FM certification. Whilst the international framework of the scheme provides for full coverage, this has not been followed through in the example of the National Standard for Romania (A.1a.5.4.1).	Covered	Based on the normative requirements all six indicators of this criterion are evaluated as covered by the Scheme.  These indicators encompass legal requirements concerning: the classification of species, quantities and qualities; trade and transport; offshore trading and transfer pricing; CITES; customs regulations and legislation requiring due diligence or due care procedures.
<b>A.2 Legal requirements for supply chain entities –</b>	<b>a - Legal requirements for supply chain entities – Certificate holders</b>		<b>b - Legal requirements for supply chain entities – Non-certified supply chains</b>	

Certificate holders		
General findings for A2	<p>A.2a relates to legal requirements for Certificate holders based within the Country of Harvest, which are supply chain entities. The legal requirements in question concern trade and customs laws, in so far as the forest sector is concerned.</p> <p>This section focuses evaluation on the CoC standard, which is applicable to all certified supply chain entities within the FSC system (FSC-STD-40-004 and associated documents).</p> <p>Of the 10 indicators within this principle, 1 was evaluated as Covered, 7 as Partially Covered, while 2 as Not Covered.</p> <p>While the normative requirements of the CoC standard do require Certificate holders to ensure the import/export of FSC certified products conforms to all applicable trade and customs laws, broadly the language of the requirements is such that they either did not fully cover the indicators in this framework, or there were some omissions in relation to specific areas of trade law.</p>	<p>A.2b relates to legal requirements for supply chain entities based within the Country of Harvest, within the non-certified supply chains. The legal requirements in question concern trade and customs laws, in so far as the forest sector is concerned.</p> <p>This section focusses evaluation on non-certified material entering the FSC system via the Controlled Wood due diligence system implemented by CoC certificate holders (FSC-STD-40-005 and associated documents) and refers to the non-certified supply chain entities between the forest gate and the point of export in the country of harvest.</p> <p>Of the 10 indicators within this principle, all were evaluated as Not Covered.</p> <p>The normative requirements of the Controlled Wood standard FSC-STD-40-005, do not cover trade/transport legal requirements applicable to supply-chain entities included within a certified due diligence system.</p>
A.2.1. Legal registration	<p>Not Covered</p> <p>Based on the lack of applicable normative requirements the one indicator for this criterion, concerning the existence of legal business registration and other relevant legally required licenses, has been evaluated as not covered (A.2a.1.1.1).</p>	<p>Not Covered</p> <p>The normative requirements applicable to supply-chain entities (within the country of harvest) included within a due diligence system certified according to the Controlled Wood standard FSC-STD-40-005, do not cover this criterion.</p> <p>The one indicator is included within this criterion, concerning the existence of legal business registration and other relevant legally required licenses.</p>
A.2.2 Taxes and fees	<p>Partially covered</p> <p>Based on the normative requirements this criterion has been evaluated as partially covered. This is based on the following conclusions for the two indicators:</p> <ul style="list-style-type: none"> <li>A Partial coverage conclusion is made for the first indicator (A.a2.2.1.1) which addresses compliance with legislation covering payment of all legally required taxes, royalties and fees. The normative requirements applicable</li> </ul>	<p>Not Covered</p> <p>The normative requirements applicable to supply-chain entities (within the country of harvest) included within a due diligence system certified according to the Controlled Wood standard FSC-STD-40-005, do not cover this criterion.</p> <p>Two indicators are included within this criterion, concerning compliance with legislation covering payment of all legally required taxes, royalties and fees, as well as value-added taxes and other sales</p>

		<p>to supply-chain certificate holders do not fully cover this indicator.</p> <ul style="list-style-type: none"> <li>The second indicator (A.2a.2.2.1) addresses compliance with legislation covering value-added taxes and other sales taxes. Based on the lack of normative requirements applicable to supply-chain certificate holders, it has been evaluated as Not Covered.</li> </ul>		taxes.
A.2.3 Trade and transport	Partially covered	<p>Normative requirements applicable to supply-chain certificate holders, do require them to ensure the import and/or export of FSC certified products conforms to all applicable trade and customs laws. Still, only one indicator within this criterion has been evaluated as Covered, whilst the other six indicators have been evaluated as Partially Covered. In relation to the partial coverages:</p> <ul style="list-style-type: none"> <li>normative requirements do not fully cover indicator A.2a.3.1.1 with regards to legislation regulating how products are classified.</li> <li>normative requirements do not fully cover indicator A.2a.3.2.1 which concerns ensuring compliance with required trading permits and documents that accompany the transport of wood.</li> <li>for indicators A.2a.3.3.1/2, normative requirements do not explicitly refer to legislation regulating offshore trading or transfer pricing.</li> <li>the CoC standard does not explicitly reference CITES permits or legislation, at export from the country of harvest, by a supply chain entity. Hence, A.2a.3.5.1 has been evaluated as Partially Covered.</li> <li>normative requirements do not make explicit reference to legislation covering due diligence/due care procedures. Hence, A.2a.3.6.1 has been evaluated as Partially Covered.</li> </ul>	Not Covered	<p>The normative requirements applicable to supply-chain entities (within the country of harvest) included within a due diligence system certified according to the Controlled Wood standard FSC-STD-40-005, do not cover this criterion.</p> <p>The criterion comprises seven indicators concerning the following topics:</p> <ul style="list-style-type: none"> <li>classification of species, quantities, qualities</li> <li>trade and transport laws</li> <li>offshore trading and transfer pricing</li> <li>customs regulations</li> <li>CITES</li> <li>legislation requiring due diligence / due care procedures</li> </ul>

		For indicator A.2a.3.4.1 which concerns compliance by supply-chain certificate holders in relation to customs regulations, full coverage is concluded.		
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Requirement Section	Conclusion	Summary
<b>A.3 Requirements for material control</b>		
A.3.1 Material control	Partially covered	<p>Of the four indicators for this criterion three have been evaluated as covered and one as partially covered, based on the normative requirements.</p> <p>Full coverage is concluded for indicators covering the following topics:</p> <ul style="list-style-type: none"> <li>• systematic processes to enable the identification of the country of harvest of the material (and where applicable to a higher level of detail) as well as the species included in certified materials or products.</li> <li>• clear and effective measures to prevent material from non-negligible risk, unverified or potentially illegal sources from entering the supply chain and mixing with conforming material</li> </ul> <p>Partial coverage is concluded because there is limited validation of volumes transferred along the supply chain (and A.3.1.1.4). It is noted that the FSC system includes mechanisms such as transaction verifications - conducted by its certification body and Accreditation Services International – where there is suspicion or concerns regarding inaccuracy of volumes. This comprises a number of activities, including volume data analysis and fibre testing. However, despite these efforts, FSC CoC certification does not include systematic validation of volumes transferred from seller to purchaser, which is considered as a major gap in the system.</p>
A.3.2 Recycled material	Partially covered	<p>Of the three indicators for this criterion two have been evaluated as covered and one as partially covered, based on the normative requirements.</p> <p>Partial coverage has been concluded because FSC descriptions of pre-consumer material described in Annexes I and II of the FSC reclaimed materials standard FSC-STD-40-007, may not entirely align with the definition of waste material as described by the EUTR and associated guidance document (A.3.2.1.1).</p> <p>Full coverage is concluded for indicators covering processes to enable the identification of waste and to prevent mixing of reclaimed material that would qualify for an exemption under the EUTR from being missed with material that would not qualify.</p>

<b>A.4 General requirements for Certificate Holders</b>		
A.4.1 Conflict resolution	Covered	The indicator for this criterion has been evaluated as Covered, based on the scheme normative requirements. It concerns conflict resolution – specifically that disputes are identified, recorded and managed in a robust and transparent way.
A.4.2 Corruption	Covered	The indicator for this criterion has been evaluated as Covered, based on the scheme normative requirements. It requires that certificate holders do not engage in corrupt practices related to illegal harvesting.
<b>A.5 Quality and procedural requirements for Certificate Holders</b>		
A.5.1 Internal procedures for Certificate Holders	Partially covered	<p>Based on the normative requirements this criterion has been evaluated as partially covered. This is based on the following conclusions for the two indicators:</p> <ul style="list-style-type: none"> <li>A full coverage conclusion is made for the first indicator (A.5.1.1). FSC includes requirements for Certificate Holders to have in place - and implement - systems and procedures covering all requirements of the Scheme.</li> <li>Partial coverage has been concluded for the second indicator. The FSC Scheme requires that Certificate Holders regularly review the proper functioning of their own procedures, in the case of certification at the forest level and in relation to the controlled wood DDS implemented according to standard FSC-STD-40-005. However, the scheme does not require the same of CoC-certified companies, certified to FSC-STD-40-004 only (A.5.1.2).</li> </ul>
A.5.2 Qualification and competence	Partially covered	Partial coverage has been concluded for the indicator within this criterion, because the scheme does not have a requirement that organisations certified to the FM CW standard have personnel with sufficient qualifications and competencies (A.5.2.1). Requirements covering this indicator exist in all other parts of the scheme and certification types.
A.5.3 Risk based approaches to sourcing, trade or production	Covered	<p>Of the four indicators for this criterion, three have been evaluated as Covered and one Not Applicable to the FSC Scheme, based on the normative requirements.</p> <p>Full coverage is concluded for indicators covering risk based approaches to sourcing non-certified material (Due Diligence Systems), which concern the need for:</p> <ul style="list-style-type: none"> <li>clear requirements to ensure consistent implementation of the Due Diligence System</li> <li>a requirement that ensures that whenever there is a change in the risk related to illegal harvest, trade or transport in a supply chain – or a supply chain covered by a DDS – the risk shall be assessed and mitigated prior to shipping and sale.</li> <li>requirements to ensure that the DDS comprises, at a minimum, the following elements: a quality management system; ii) procedures for obtaining access to information pertinent to the</li> </ul>

		<p>identification of risk; risk assessments, and the implementation of mitigations measures when risks are identified</p> <p>The indicator which is Not Applicable concerns cases where other 3rd party schemes are permitted to be used by the due diligence system as meeting specific due diligence requirements. FSC Controlled Wood standard FSC-STD-40-005 does not include the recognition of other 3rd party schemes.</p>
<b>B. Requirements for Certification Bodies</b>		
B.1 General Certification Body requirements	Partially covered	<p>Three of the four indicators have been evaluated as Covered, based on the normative requirements. These concern collectively:</p> <ul style="list-style-type: none"> <li>mechanisms to ensure that auditors, and other relevant personnel of the Certification Body, are qualified and competent</li> <li>requirements to ensure that auditors, and other personnel relevant to the conformance evaluation of an organisation shall be impartial to the entity(-ies) under evaluation, and that the certification decision process is impartial also.</li> </ul> <p>Partial coverage has been concluded for one indicator (B.1.1.2) due to the lack of competence requirements specific to auditors evaluating companies against the Requirements for Sourcing FSC Controlled Wood (FSC-STD-40-005) which requires the evaluation of a DDS.</p>
B.2 Certification Body requirements for auditing and certification	Partially covered	<p>Four of the five indicators have been evaluated as covered, based on the normative requirements. These concern collectively:</p> <ul style="list-style-type: none"> <li>ensuring that Certification Bodies apply a documented methodology for the evaluation (assessments and audits) of clients</li> <li>minimum methodologies and procedures for the evaluation of conformity of organisations and issuance of a certificates.</li> <li>Certification Body implemented procedures for audits that address topics such as: audit frequency; the requirement for on-site (field) visits where applicable; sampling protocols; unannounced or short-notice audits, and other aspects of auditing.</li> <li>ensuring that Certification Bodies conduct consultation with stakeholder (including rights holders) as appropriate in relation to audits.</li> </ul> <p>The fifth indicator (B.2.2.2) has been evaluated as Partially Covered. Mechanisms exist which could identify and deal with corrupt practices by Certificate Holders. However, there are no normative requirements, nor formal processes, for identifying Organisations sanctioned for engagement in corrupt practices proactively and prior to association with FSC.</p>
<b>C. Requirements for Certification</b>		



Schemes		
C.1 Transparency	Partially covered	<p>Five of the six indicators have been evaluated as covered, based on the normative requirements. These concern collectively, the following:</p> <ul style="list-style-type: none"> <li>• Scheme requirements for Certificate Holders and Certification Bodies, as well as other relevant information about the Scheme must be publicly and freely available online.</li> <li>• publicly availability of an up-to-date register of certified/verified organisations, as well as summaries of reports (or full reports) with relevant findings from audits.</li> <li>• Procedures for handling complaints and grievances being in place, publicly available and implemented.</li> </ul> <p>The sixth indicator has been evaluated as Partially Covered. The normative requirements applicable to supply-chain certificate holders do not fully cover the requirement of the indicator that the scheme has in place requirements (at all levels of the scheme) to manage risks of corruption and conflict of interest.</p>
C.2 Scheme & standard scope	Partially covered	<p>One of the four indicators within this criterion, one has been evaluated as Partially Covered and two have been evaluated as Covered, based on the normative requirements. The fourth is not applicable because FSC does not recognise nor endorse other schemes or systems (C.2.4.1).</p> <p>Indicator C.2.1.1 concerns standards being adapted to the national or subnational context in which they are being implemented and containing a list of applicable legislation, or that the Scheme shall enable/require detailed evaluation of applicable legislation in a national context. This indicator has been evaluated as Partially Covered, due the delays in updating all National Forest Stewardship Standards (NFSS) to meet the updated international Principles and Criteria (FSC-STD-01-001 V5).</p> <p>The two indicators evaluated as covered, concern that:</p> <ul style="list-style-type: none"> <li>• the scheme include a list of the relevant international conventions to which the country has ratified, and which hold legal force in the country.</li> <li>• requirements for forest managers and supply chain entities to be applicable to the organisation's contractors and outsourcing facilities</li> </ul>
C.3 Accreditation and oversight	Partially Covered	<p>Seven of the eight indicators have been evaluated as covered, based on the normative requirements. Four of them concern collectively, different aspects of accreditation:</p> <ul style="list-style-type: none"> <li>• the scheme must have a system for accreditation or oversight of Certification Bodies to ensure that CBs have in place the required procedures, capacity and competencies</li> <li>• requirements and the process for accreditation must be publicly available, as is an up-to-date list and details of all accredited Certification Bodies.</li> <li>• mechanisms to ensure that relevant personnel are qualified and competent to evaluate the</li> </ul>

		<p>performance of Certification Bodies.</p> <p>Three more indicators concern collectively, different aspects of oversight mechanisms:</p> <ul style="list-style-type: none"> <li>the specification of the approach to be used in oversight, ensuring that the oversight mechanism is independent of the Certification Bodies being assessed.</li> <li>the frequency of oversight - or the procedure for determining the frequency - applicable in the case of risk-based oversight.</li> <li>the use of both stakeholder consultation and in-field evaluation of performance during the accreditation of certification bodies.</li> </ul> <p>One indicator is evaluated as Partially Covered, concern that the scheme:</p> <ul style="list-style-type: none"> <li>ensures that the oversight mechanism applies a clear basis for: establishing conformance; raising corrective actions for non-conformance, ensuring closure within reasonable timeframes, and certification issue/maintenance decision making (C.3.2.2). FSC requirements for non-conformities are structured in a way that there is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months</li> </ul>
C.4 Certification process	Partially covered	<p>Three of the four indicators for this criterion have been evaluated as Covered, based on the normative requirements. These encompass the certification process and compliance evaluation.</p> <p>One indicator is concluded as partially covered, owing to the same issue as described in C.3.2.2 above. There is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, illegal (or non-negligible) wood from entering the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months.</p>

## 38. Evaluation

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
<b>A. Requirements for Certificate Holders</b>  Requirements applicable to the Certificate Holders. These include requirements to comply with applicable legislation, as well as requirements relevant to ensuring continued performance and integrity of the operations – as far as is related to legal compliance.					
<b>A. 1a Legal Requirements at the forest level – Forest management certification</b>  This principle relates to how the scheme ensures that Certificate Holders comply with all applicable legislation. This section relates to requirements of the Scheme that applies to Certificate Holders - or other entities subject to the normative requirements of the Scheme (e.g. included within the scope of a certified due diligence system) - within the Country of Harvest.  Due to the size and complexity of the scheme the findings for this section have been split up and reported in two sections. This section (A.1a) covers full FSC FM certification (FSC-STD-01-001, FSC-STD-60-004 and associated documents) and FM Controlled Wood certification (FSC-STD-30-010 and associated documents). The next section (A.1b) will focus on non-certified material entering the FSC system via the Controlled Wood due diligence system which is implemented by CoC certificate holders (FSC-STD-40-005 and associated documents).					
	<b>A. 1a.1 Rights to harvest timber within legally gazetted boundaries</b>				
<b>A.1a.1.1</b>	Land tenure and management rights	<b>A.1a.1.1.1.</b> The Scheme shall include requirements that ensure compliance with legislation covering land tenure rights, including customary rights as well as	<a href="#">FSC-STD-60-004 V2-0 International Generic Indicators</a>  Principle 1, Instructions for Standard Developers:  "Standard Developers shall*: <ul style="list-style-type: none"> <li>Identify where customary rights* govern use and access, and, where applicable, write additional indicators to ensure that these rights to carry out activities within the scope of the certificate are documented (Indicator 1.1.1);</li> <li>Identify the appropriate process that</li> </ul>	<b>Findings</b>  FSC Standard FSC-STD-60-004 V2-0 International Generic Indicators (IGI)s 1.2.1 – 1.2.3 cover land tenure and management rights. The instructions for Standard Developers under Principle 1 require that national level indicators be specifically included where these are governed by customary rights.  IGI 1.3.1 covers legal compliance of	FM Certification: Covered.  FM CW Certification: Covered.

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		management rights.	<p>recognizes and grants customary rights* related to use and access and how such recognized customary rights* are to be documented (Indicator 1.2.1);</p> <ul style="list-style-type: none"> <li>Identify where customary tenures* to manage and use resources exist at the national level and ensure that these are incorporated into indicators (Indicator 1.2.1)."</li> </ul> <p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>Criteria 1.2:</p> <p>"The Organization* shall demonstrate that the legal status* of the Management Unit*, including tenure* and use rights*, and its boundaries, are clearly defined."</p> <p>Criteria 1.3:</p> <p>"The Organization* shall have legal* rights to operate in the Management Unit*, which fit the legal status* of The Organization and of the Management Unit, and shall comply with the associated legal obligations in applicable national and local laws* and regulations and administrative requirements. The legal rights shall provide for harvest of products and/or supply of ecosystem services* from within the Management Unit. The Organization shall pay the legally prescribed charges associated with such rights and obligations."</p> <p><a href="#">FSC-STD-60-004 V2-0</a> IGIs 1.2.1 – 1.2.3:</p> <p>"1.2.1 Legal* tenure* to manage and use resources within the scope of the certificate is documented."</p> <p>"1.2.2 Legal* tenure* is granted by a legally competent* authority according to legally prescribed processes."</p> <p>"1.2.3 The boundaries of all Management Units* within the scope of the certificate are clearly</p>	<p>activities undertaken. The instructions for Standard Developers require that "a list of all applicable laws, obligatory codes of practice and legal and customary rights at the national and, where applicable, sub-national level". The required list is outlined in Annex A of the standard and covers land tenure and management rights, including customary rights.</p> <p>The four national level evaluations corroborate the findings at the international level (see report Annexes for details).</p> <p>Requirement 3.1 of the FSC Controlled Wood FM standard (FSC-STD-30-0010) states that "all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1". Land tenure and management rights are not referenced in the table. However, a normative An Advice Note 'Applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises' (FSC-ADV-30-010 V1-0) was published (first in March 2013 and revised July 2014) to ensure alignment with the EUTR (and other similar legislation). It contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers land tenure and management rights.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>marked or documented and clearly shown on maps."</p> <p>Under Criteria 1.3 Instructions for Developers:</p> <p>"Standard Developers shall* complete a list of all applicable laws*, obligatory codes of practice* and legal* and customary rights* at the national and, where applicable, sub-national level as outlined in Annex A."</p> <p>Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.</p> <p>1. Legal* rights to harvest</p> <p>1.1 Land tenure* and management rights: Legislation covering land tenure* rights, including customary rights* as well as management rights, that includes the use of legal* methods to obtain tenure* rights and management rights. It also covers legal* business registration and tax registration, including relevant legally required licenses.</p> <p>IGI 1.3.1:</p> <p>"1.3.1 All activities undertaken in the Management Unit* are carried out in compliance with:</p> <p>1) Applicable laws* and regulations and administrative requirements,</p> <p>2) Legal* and customary rights*; and</p> <p>3) Obligatory codes of practice*."</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>Requirement 3.1:</p> <p>"3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria</p>	<p>that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			outlined in table 1.” <a href="#">FSC-ADV-30-010 V1-0 Dated 10 July 2014</a> “No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note.”		
		<p><b>A.1a.1.1.2.</b> The Scheme shall include requirements to ensure that licenses, right of tenure and management rights, have been issued:</p> <p>i) according to the legally prescribed procedure,</p> <p>ii) in compliance with third parties' legal rights concerning tenure,</p> <p>iii) specifying the legally-gazetted boundaries, and;</p> <p>iv) with</p>	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>1.1: “The Organization* shall* be a legally defined entity with clear, documented and unchallenged legal registration*, with written authorization from the legally competent* authority for specific activities.”</p> <p>1.2: “The Organization* shall* demonstrate that the legal* status of the Management Unit*, including tenure* and use rights*, and its boundaries, are clearly defined.”</p> <p>1.3: “The Organization* shall* have legal* rights to operate in the Management Unit*, which fit the legal* status of The Organization* and of the Management Unit*, and shall* comply with the associated legal* obligations in applicable national and local laws* and regulations and administrative requirements. The legal* rights shall* provide for harvest of products and/or supply of ecosystem services* from within the Management Unit*. The Organization* shall* pay the legally prescribed charges associated with such rights and obligations.”</p> <p>1.7: “The Organization* shall* publicize a commitment not to offer or receive bribes in money or any other form of corruption, and shall* comply with anti-corruption legislation where this exists. In the absence of anticorruption legislation, The Organization* shall* implement other anticorruption measures proportionate to the scale* and</p>	<p><b>Findings</b></p> <p>Requirements i) to iii) are covered by FSC Standard FSC-STD-60-004 V2-0 International Generic Indicators (IGI)s 1.1 to 1.3.</p> <p>IGI 1.7 explicitly addresses the potential for corrupt practices and includes requirements to exclude corruption. The instructions for Standard Developers also give guidance on how this can be addressed where anti-corruption laws and regulations are ineffective or do not exist.</p> <p>Three of the national-level evaluations corroborate the international level finding, with the exception of Brazil (see report Annexes for details). The Brazilian standards have yet to be updated to Version 5 of the International FM standard (FSC-STD-01-001). Version 4 of International FM standard does not explicitly address the issue of corruption. See C.2.1.1. for how delayed transfer of national standards impacts the findings of this study.</p> <p>Requirement 3.1 of the FSC Controlled Wood standard (FSC-STD-30-001) states that “all harvesting shall take place in</p>	<p>FM Certification: Covered.</p> <p>FM CW Certification: Covered.</p>

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		absence of corrupt practices.	<p>intensity* of management activities and the risk* of corruption.”</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>1.7 Instructions for Standard Developers:</p> <p>“This Criterion* recognizes that corruption is generally regarded as illegal but that not all countries have or implement anti-corruption laws and regulations.</p> <p>Where anti-corruption laws and regulations are ineffective or do not exist, Standard Developers shall* include other anti-corruption measures that may include for example, The Organization* develops or participates in formal integrity pacts with other organizations in the public and private sectors, such that each participant agrees in well publicized statements not to engage in corruption by offering or receiving bribes, whether in money or in any other forms (Indicator 1.7.4).</p> <p>An independent third party with expertise in such matters should then monitor* performance related to such statements.”</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>“Intent box: The Forest Management Enterprise shall provide evidence that legal procedures have been followed to gain permits and licenses.”</p> <p>“3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1.”</p> <p>“4.2. No conflicts relating to land tenure or land use rights of traditional or indigenous peoples groups exist in the FMUs under control of the</p>	<p>compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1”. Above the table is an ‘intent box’ that states “The Forest Management Enterprise shall provide evidence that legal procedures have been followed to gain permits and licenses”, thus covering i). ii) covered by Requirement 4.2 and iii) is specified in table 1 (d).</p> <p>Corruption is not mentioned in the Controlled Wood standard itself but the normative Advice Note specifies legal methods of obtaining concession licenses and harvesting permits, noting how corruption is a well-known issue associated with such licenses.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered for FM certification and FM Controlled Wood. The Brazilian standards have yet to be updated to the latest version of the International FM standard. See C.2.1.1. for how delayed transfer of national standards impacts the findings of this study.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>Forest Management Enterprise for which a resolution process has not been agreed by the main parties to the dispute (see section 4.4 below)."</p> <p><a href="#">FSC-ADV-30-010 V1-0 Dated 10 July 2014</a></p> <p>"No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note."</p>		
		<p><b>A.1a.1.1.3</b> The Scheme shall include requirements that ensure the existence of legal business registration, and other relevant legally required licenses.</p>	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>"1.1 The Organization* shall* be a legally defined entity with clear, documented and unchallenged legal registration*, with written authorization from the legally competent* authority for specific activities."</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>"1.1.1 Legal registration* to carry out all activities within the scope of the certificate is documented and unchallenged.</p> <p>1.1.2 Legal registration* is granted by a legally competent* authority according to legally prescribed processes."</p> <p>Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.</p> <p>1. Legal* rights to harvest</p> <p>1.1 Land tenure* and management rights: Legislation covering land tenure* rights, including customary rights* as well as management rights, that includes the use of legal* methods to obtain tenure* rights and management rights. It also covers legal* business registration and tax registration,</p>	<p><b>Findings</b></p> <p>Criterion 1.1 of the FM standard explicitly covers this requirement.</p> <p>All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1.</p> <p>The four national level evaluations corroborate the findings at the international level (see report Annexes for details).</p> <p>Requirement 3.1 of the FSC Controlled Wood standard (FSC-STD-30-001) states that "all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1".</p> <p>Business registration is not included in the table. However, a normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers land</p>	<p>FM Certification: Covered.</p> <p>FM CW Certification: Covered.</p>



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>including relevant legally required licenses.</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>"3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1."</p> <p><a href="#">FSC-ADV-30-010 V1-0 Dated July 2014</a></p> <p>"No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note."</p>	<p>tenure and management rights, which includes "legal business registration and tax registration, including relevant legal required licenses."</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered at the international level.</p>	
<b>A.1a.1.2</b>	Concession licenses	<b>A.1a.1.2.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating procedures for the issuing of concession licenses, including use of legal methods to obtain concession licenses and that licenses	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>"1.3 The Organization* shall have legal* rights to operate in the Management Unit*, which fit the legal status* of The Organization and of the Management Unit, and shall comply with the associated legal obligations in applicable national and local laws* and regulations and administrative requirements. The legal rights shall provide for harvest of products and/or supply of ecosystem services* from within the Management Unit. The Organization shall pay the legally prescribed charges associated with such rights and obligations."</p> <p>"1.7 The Organization* shall publicize a commitment not to offer or receive bribes in money or any other form of corruption, and shall comply with anti-corruption legislation where this exists. In the absence of anti-corruption legislation, The Organization shall implement</p>	<p><b>Findings</b></p> <p>Criterion 1.3 of the International FM Standard requires that all activities undertaken in the forest are compliant. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline of all types to be included and Concession licenses are explicitly included.</p> <p>FSC Standard FSC-STD-60-004 V2-0 International Generic Indicator 1.7.4 addresses the issue of legal obtainment of the concession licenses.</p>	<p>FM Certification: Partially Covered.</p> <p>FM CW Certification: Partially Covered.</p>

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		are covering only legally gazetted areas	<p>other anti-corruption measures proportionate to the scale* and intensity* of management activities and the risk* of corruption.</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>1.3 Instructions for Standard Developers:</p> <p>"Standard Developers shall* complete a list of all applicable laws*, obligatory codes of practice* and legal* and customary rights* at the national and, where applicable, sub-national level as outlined in Annex A."</p> <p>Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.</p> <p>1.2 Concession licenses</p> <p>Legislation regulating procedures for issuing forest* concession licenses, including the use of legal* methods to obtain concession licenses. Bribery, corruption and nepotism are particularly well-known issues that are connected with concession licenses.</p> <p>"1.7.4 Bribery, coercion and other acts of corruption do not occur."</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>"3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1."</p> <p><a href="#">FSC-ADV-30-010 V1-0 Dated 10 July 2014</a></p> <p>"No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note."</p>	<p>Requirement 3.1 of the FSC Controlled Wood standard states that "all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1". A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers concession licences, including use of legal methods to obtain them.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p> <p>However, neither the International FM nor FM CW normative documents reference requirements to ensure that licenses are covering only legally gazetted areas. Nor is this reflected in the Russian standard (FSC-STD-RUS-02-2020).</p> <p>The Brazilian FSC standards for forest management in general terms call for compliance with legislation and address the issue of holding concession licenses through competent bodies. However, the use of legal methods to obtain concession licenses is not directly addressed by the current standards. However, it is noted that these standards have yet to be transferred to the most up to date version of the International FM standard. See C.2.1.1. for how delayed</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>transfer of national standards impacts the findings of this study.</p> <p>This indicator is not applicable for China nor Romania, where land is not leased in this way.</p> <p>See report Annexes for details of the national level evaluations.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Partially Covered. While normative documents include requirements that ensure compliance with legislation regulating procedures for the issuing of concession licenses (where they exist), they do not explicitly include the requirement that licenses shall only cover legally gazetted areas.</p> <p>See C.2.1.1. for how delayed transfer of national standards impacts the findings of this study.</p>	
<b>A.1a.1.3</b>	Management and harvesting planning	<b>A.1a.1.3.1</b> The Scheme shall include requirements that ensure compliance with legislation and legal obligations	<a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a>  Principle 1: "The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements."	<p><b>Findings</b></p> <p>Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline</p>	<p>FM Certification: Covered.</p> <p>FM CW Certification: Covered.</p>

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring.	<p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>1.3 Instructions for Standard Developers:</p> <p>"Standard Developers shall* complete a list of all applicable laws*, obligatory codes of practice* and legal* and customary rights* at the national and, where applicable, sub-national level as outlined in Annex A."</p> <p>Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.</p> <p>Annex A:</p> <p>"1.3 Management and harvesting planning Any national or sub-national legal* requirements for Management Planning, including conducting forest* inventories, having a forest* management plan* and related planning and monitoring, impact assessments, consultation with other entities, as well as approval of these by legally competent* authorities."</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>"3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1."</p> <p><a href="#">FSC-ADV-30-010 V1-0 Dated 10 July 2014</a></p> <p>"No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note."</p>	<p>of all types to be included. Section 1.3 of the Annex is on Management and harvesting planning, where all aspects of this requirement are explicitly included.</p> <p>The four national level evaluations corroborate the findings at the international level (see report Annexes for details).</p> <p>Requirement 3.1 of the FSC Controlled Wood standard states that "all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1". A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers all aspects of management and harvesting planning of this requirement.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		<p><b>A.1a.1.3.2</b> The Scheme shall include requirements that all legally required planning documents have been approved prior to implementation of forest harvesting activities.</p>	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>Principle 1: "The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements."</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>1.3 Instructions for Standard Developers:</p> <p>"Standard Developers shall* complete a list of all applicable laws*, obligatory codes of practice* and legal* and customary rights* at the national and, where applicable, sub-national level as outlined in Annex A."</p> <p>Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.</p> <p>Annex A: "1.3 Management and harvesting planning Any national or sub-national legal* requirements for Management Planning, including conducting forest* inventories, having a forest* management plan* and related planning and monitoring, impact assessments, consultation with other entities, as well as approval of these by legally competent* authorities."</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>"3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1."</p> <p><a href="#">FSC-ADV-30-010 V1-0 Dated 10 July 2014</a></p>	<p><b>Findings</b></p> <p>Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline of all types to be included. In Section 1.3, on Management and harvesting planning, it is included that approval shall be given by legally competent authorities.</p> <p>The four national level evaluations corroborate the findings at the international level (see report Annexes for details).</p> <p>Requirement 3.1 of the FSC Controlled Wood standard states that "all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1". A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This includes that all legally required planning documents have been approved.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p>	<p>FM Certification: Covered.</p> <p>FM CW Certification: Covered.</p>

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			"No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note."	<b>Justification</b>  Based on the normative requirements, this indicator has been evaluated as Covered.	
A.1a.1.4	Harvesting permits	A.1a.1.4.1 The Scheme shall include requirements that ensure compliance with legislation regulating the issuing of harvesting permits, licenses or other legal documents required for specific harvesting operations.	<a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a>  Principle 1: "The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements."  <a href="#">FSC-STD-60-004 V2-0</a>  1.3 Instructions for Standard Developers:  "Standard Developers shall* complete a list of all applicable laws*, obligatory codes of practice* and legal* and customary rights* at the national and, where applicable, sub-national level as outlined in Annex A."  Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.  Annex A "1.4 Harvesting permits National or sub-national laws and regulations regulating procedures for issuing harvesting permits, licenses or other legal* documents required for specific harvesting operations. This includes the use of legal* methods to	<b>Findings</b>  Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline of all types to be included. Section 1.4 of the Annex is on harvesting permits, where all aspects of this requirement are explicitly included.  The four national level evaluations corroborate the findings at the international level (see report Annexes for details).  Requirement 3.1 of the FSC Controlled Wood standard states that "all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1". A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers	FM Certification: Covered.  FM CW Certification: Covered.

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>obtain the permits. Corruption is a well-known issue that is connected with the issuing of harvesting permits.”</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>“3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1.”</p> <p><a href="#">FSC-ADV-30-010 V1-0 Dated 10 July 2014</a></p> <p>“No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note.”</p>	<p>harvesting permits.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered.</p>	
	<b>A.1a.2 Payments for harvest rights and timber including duties related to timber harvesting</b>				
<b>A.1a.2.1</b>	Payment of royalties and harvesting fees	<b>A.1a.2.1.1</b> The Scheme shall include requirements that ensure compliance with legislation covering payment of all legally required forest harvesting-	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>Principle 1 : “The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements.”</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>1.3 Instructions for Standard Developers:</p>	<p><b>Findings</b></p> <p>Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline of all types to be included. Section 2.1 of the Annex is dedicated to the payment of royalties and harvesting fees. It explicitly refers to “royalties, stumpage fees and</p>	<p>FM Certification: Partially Covered.</p> <p>FM CW Certification: Covered.</p>

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		specific fees such as royalties, stumpage fees and other volume-based fees, as well as land area taxes or fees.	<p>"Standard Developers shall* complete a list of all applicable laws*, obligatory codes of practice* and legal* and customary rights* at the national and, where applicable, sub-national level as outlined in Annex A."</p> <p>Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.</p> <p>Annex A: "2.1 Payment of royalties and harvesting fees Legislation covering payment of all legally required forest* harvesting specific fees such as royalties, stumpage fees and other volume-based fees. This includes payments of the fees based on the correct classification of quantities, qualities and species. Incorrect classification of forest* products is a well-known issue that is often combined with bribery of officials in charge of controlling the classification."</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>"3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1."</p> <p><a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a></p> <p>"No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note."</p>	<p>other volume-based fees" in the examples it gives but not land area taxes or fees.</p> <p>It does, however, specify that the fees shall be based on the correct classification of quantities, qualities and species and highlights that the incorrect classification of forest products is a well-known issue. However, this is not reflected in the Romanian National Standard.</p> <p>Requirement 3.1 of the FSC Controlled Wood standard states that "all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1". A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers payment of royalties and harvesting fees.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Partially Covered for FSC FM certification and Covered for FSC FM CW certification at the</p>	



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				international level. In the case of FM certification, while normative documents include requirements that ensure compliance with legislation regulating royalties, stumpage fees and other volume-based fees, land area taxes or fees are not specifically mentioned	
<b>A.1a.2.2</b>	Value-added taxes and other sales taxes	<b>A.1a.2.2.2</b> The Scheme shall include requirements that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales).	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>Principle 1: "The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements."</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>1.3 Instructions for Standard Developers: "Standard Developers shall* complete a list of all applicable laws*, obligatory codes of practice* and legal* and customary rights* at the national and, where applicable, sub-national level as outlined in Annex A."</p> <p>Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.</p> <p>Annex A: "2.2 Value added taxes and other sales taxes Legislation covering different types of sales taxes which apply to the material being sold, including the sale of material as growing forest* (standing stock sales)."</p>	<p><b>Findings</b></p> <p>Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline of all types to be included. Section 2.2 of the Annex is dedicated to Value-added taxes and other sales taxes, the text of which effectively mirrors this requirement.</p> <p>Requirement 3.1 of the FSC Controlled Wood standard states that "all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1". A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers value-added taxes and other sales taxes.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM</p>	<p>FM Certification: Covered.</p> <p>FM CW Certification: Covered.</p>

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<a href="#">FSC-STD-30-010 V2-0</a> "3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1." <a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a> "No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note."	CW SLIMF too.  <b>Justification</b>  Based on the normative requirements, this indicator has been evaluated as Covered.	
	<b>A.1a.3 Timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting</b>				
<b>A.1a.3.1</b>	Timber harvesting regulations	<b>A.1a.3.1.1</b> The Scheme shall include requirements that ensure compliance with legal obligations for harvesting techniques and technology including timing of harvest, selective cutting, shelter wood regeneration, clear felling,	<a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a>  Principle 1: "The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements."  <a href="#">FSC-STD-60-004 V2-0</a>  1.3 Instructions for Standard Developers: "Standard Developers shall* complete a list of all applicable laws*, obligatory codes of practice* and legal* and customary rights* at the national and, where applicable, sub-national level as outlined in Annex A."	<b>Findings</b>  Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline of all types to be included. Section 3.1 of the Annex is dedicated to Timber harvesting regulations, which specifies all inclusions stated in the requirement with two exceptions:  1. Timing of harvest  2. Mis-use of salvaging permits or,	FM Certification: Covered.  FM CW Certification: Covered.

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		<p>transport of timber from felling sites and seasonal limitations etc.</p> <p>This includes the mis-use of salvaging permits or other specific ministerial permits, with the intention of circumventing harvest regulations</p>	<p>Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.</p> <p>Annex A: "3.1 Timber harvesting regulations Any legal* requirements for harvesting techniques and technology including selective cutting, shelter wood regenerations, clear felling, transport of timber from the felling site, seasonal limitations, etc. Typically this includes regulations on the size of felling areas, minimum age and/or diameter for felling activities, and elements that shall* be preserved during felling, etc. Establishment of skidding or hauling trails, road construction, drainage systems and bridges, etc., shall* also be considered as well as the planning and monitoring of harvesting activities. Any legally binding codes for harvesting practices shall* be considered."</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>"3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1."</p> <p><a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a></p> <p>"No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note."</p>	<p>other specific ministerial permits.</p> <p>However, Section 3.1 states what regulations are typically included and specifies that legally binding codes for harvesting practices shall also be considered. The situation is the same in the Controlled Wood system.</p> <p>The four national level evaluations corroborate the findings at the international level (see report Annexes for details).</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered.</p>	
		<p><b>A.1a.3.1.2</b> The Scheme shall include requirements to control potential illegal activities</p>	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>"1.4 The Organization* shall* develop and implement measures, and/or shall* engage with regulatory agencies, to systematically protect the Management Unit* from</p>	<p><b>Findings</b></p> <p>Criterion 1.4 covers the requirement. The International Generic Indicators and instructions for standard developers guide how this is to be incorporated even when it</p>	<p>FM Certification: Covered.</p> <p>FM CW Certification: Partially Covered.</p>

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		by third parties within the area managed by the operation.	<p>unauthorized or illegal resource use, settlement and other illegal activities.”</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>Criterion 1.4, Instructions for Standard Developers:</p> <p>“Standard Developers shall* develop indicators that apply both when the land is owned by a third party and also when The Organization* needs to implement a collaborative strategy with the regulatory body, landowner and/or other stakeholders to prevent, by all reasonable* means, illegal activities. This Criterion* recognizes that it is not always possible for The Organization* to enforce protective measures, for example when The Organization* is not the landowner or does not have appropriate legal* rights of control (Indicators 1.4.1 and 1.4.2). Measures to protect the Management Unit* from unauthorized or illegal resource use, settlement and other illegal* activities emphasize prevention rather than control ‘after the event’ and may include:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Forest* roads have gates and/or have controlled access to areas of high risk*;</li> <li><input type="checkbox"/> Temporary roads are physically closed off after harvesting;</li> <li><input type="checkbox"/> Forest* roads are patrolled to detect and prevent illegal access to the forest*;</li> <li><input type="checkbox"/> Personnel and resources have been assigned to detect and control illegal activities promptly, within their legal* rights*.”</li> </ul> <p><a href="#">FSC-STD-30-010 V2-0</a></p>	<p>is not possible for Certificate Holders to enforce protective measures, for example, when they are not the landowner or they do not have appropriate legal rights of control.</p> <p>The four national level evaluations corroborate the findings at the international level (see report Annexes for details).</p> <p>It is noted, however, there is no distinction between “illegal” activities conducted under customary law and illegal activities conducted by outsiders with no customary or other rights.</p> <p>There is no requirement in the Controlled Wood Standard covering this requirement. Interpretation 09 states that conversion caused by illegal activities at the hands of third parties shall be considered a non-conformance but does not refer to any other illegal activities.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered for FM Certification, but Partially Covered for FSC FM Controlled Wood where the control of illegal activities by third parties is limited to illegal conversion only.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<a href="#">INT-STD-30-010 09</a> "In some concession areas, conversion is often being done through illegal logging and encroachment by parties other than the forest manager. As the primary objective is plantation management on such concessions, little or no effort is made to control the illegal conversion occurring in the natural forests. Do the requirements of 6.1 apply to activities carried out by parties other than the forest manager or their contractors? To put another way, would uncontrolled illegal activities carried out by parties other than the FME resulting in conversion of forests to non-forest use on the FMU(s) included in the scope of the evaluation be a nonconformance with criterion 6.1? Yes. As FSC-STD-30-010 is applied at the level of the FMU, activities taking place in FMUs included in the scope of the certificate shall be considered in determining conformance with the requirements, regardless of who carries out the activities. Therefore, if forest conversion is occurring as the result of illegal activities within the FMU, this constitutes a nonconformance with Clause 6.1."		
A.1a.3.2	Protected sites and species	A.1a.3.2.1 The Scheme shall include requirements that ensure compliance with legislation related to	<a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a> Principle 1: "The Organization* shall* comply with all applicable laws*, regulations and nationally ratified* international treaties, conventions and agreements."	<b>Findings</b> Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally ratified international treaties, conventions, and agreements. Annex A gives an outline of all types to be included. Section 3.2 of	FM Certification: Covered. FM CW Certification: Covered.

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		protected areas as well as protected, rare, or endangered species, including their habitats and potential habitats.	<p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>1.3 Instructions for Standard Developers:</p> <p>"Standard Developers shall* complete a list of all applicable laws*, obligatory codes of practice* and legal* and customary rights* at the national and, where applicable, sub-national level as outlined in Annex A."</p> <p>Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally ratified international treaties, conventions, and agreements.</p> <p>Annex A:</p> <p>"3.2 Protected sites and species International, national, and sub national treaties, laws, and regulations related to protected areas, allowable forest* uses and activities, and/or rare, threatened, or endangered species, including their habitats* and potential habitats*."</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>"3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1."</p> <p><a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a></p> <p>"No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note."</p>	<p>the Annex is dedicated protected sites and species, the text of which effectively mirrors this requirement.</p> <p>The four national level evaluations corroborate the findings at the international level (see report Annexes for details).</p> <p>Requirement 3.1 of the FSC Controlled Wood standard states that "all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1". A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers protected sites and species.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		<p><b>A.1a.3.2.2</b> Requirements that ensure compliance with legislation related to protected areas and habitats, shall include that the identification of protected areas is conducted according to the legal requirements.</p>	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>Principle 1: "The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements."</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>1.3 Instructions for Standard Developers: "Standard Developers shall* complete a list of all applicable laws*, obligatory codes of practice* and legal* and customary rights* at the national and, where applicable, sub-national level as outlined in Annex A."</p> <p>Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.</p> <p>Annex A: "3.3 Environmental requirements National and sub national laws and regulations related to the identification and/or protection* of environmental values* including but not limited to those relating to or affected by harvesting, acceptable levels for soil damage, establishment of buffer zones (e.g., along water courses, open areas and breeding sites), maintenance of retention trees on the felling site, seasonal limitations of harvesting time, environmental requirements for forest* machineries, use of pesticides* and other chemicals, biodiversity conservation*, air quality, protection* and restoration* of water quality, operation of</p>	<p><b>Findings</b></p> <p>Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline of all types to be included. Section 3.3 of the Annex is dedicated environmental requirements and includes "laws and regulations related to the identification and/or protection of environmental values".</p> <p>Requirement 3.1 of the FSC Controlled Wood standard states that "all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1". Table 1 includes the requirement for evidence that timber is harvested from authorized areas (e.g. not from protected areas where harvest is not allowed). A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This describes the minimal list of applicable laws, regulations and international treaties and conventions that shall be considered in relation to FSC-STD-30-010 V2-0, highlighting that legislation related to protected areas as well as protected, rare or endangered species, including their habitats and potential habitats, is covered.</p>	<p>FM Certification: Covered.</p> <p>FM CW Certification: Covered.</p>

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>recreational equipment, development of non-forestry infrastructure*, mineral exploration and extraction, etc.”</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>“3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1.”</p> <p>Table 1:</p> <p>d) Evidence that timber is harvested from authorized areas (e.g. not from protected areas where harvest is not allowed).</p> <p><a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a></p> <p>“No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note.”</p> <p>d) Evidence that timber is harvested from authorized areas (e.g. not from protected areas where harvest is not allowed)</p> <p>3.2 Protected sites and species Covers legislation related to protected areas as well as protected, rare or endangered species, including their habitats and potential habitats.</p>	<p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered.</p>	
<b>A.1a.3.3</b>	Environmental requirements	<b>A.1a.3.3.1</b> The Scheme shall include requirements that ensure compliance with legislation	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>Principle 1: “The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements.”</p>	<p><b>Findings</b></p> <p>Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions</p>	<p>FM Certification: Covered.</p> <p>FM CW Certification: Covered.</p>



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		related to environmental impact assessment in connection with harvesting, acceptable levels of damage and disturbance of soil resources, establishment of buffer zones (e.g. along watercourses, open areas, breeding sites), maintenance of retained trees on felling sites, seasonal limitations on harvesting, and environmental requirements for forest machinery.	<p>Principle 6: "The Organization* shall* maintain, conserve* and/or restore* ecosystem services* and environmental values* of the Management Unit*, and shall* avoid, repair or mitigate negative environmental impacts."</p> <p>"6.1 The Organization* shall* assess environmental values* in the Management Unit* and those values outside the Management Unit* potentially affected by management activities. This assessment shall* be undertaken with a level of detail, scale and frequency that is proportionate to the scale, intensity and risk* of management activities, and is sufficient for the purpose of deciding the necessary conservation* measures, and for detecting and monitoring possible negative impacts of those activities."</p> <p>"6.2 Prior to the start of site-disturbing activities, The Organization* shall* identify and assess the scale, intensity and risk* of potential impacts of management activities on the identified environmental values*."</p> <p>"6.3 The Organization* shall* identify and implement effective actions to prevent negative impacts of management activities on the environmental values*, and to mitigate and repair those that occur, proportionate to the scale, intensity and risk* of these impacts."</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>1.3 Instructions for Standard Developers: "Standard Developers shall* complete a list of all applicable laws*, obligatory codes of practice*</p>	<p>and agreements. Annex A gives an outline of all types to be included. Section 3.3 of the Annex is dedicated to environmental requirements and covers all elements of the requirement; it does not specifically mention environmental impact assessment but it is considered that this would fall under legislation related to the "protection of environmental values". Furthermore, Principle 6 is dedicated to environmental values and impacts and includes three criteria on environmental impact assessment.</p> <p>The four national level evaluations corroborate the findings at the international level (see report Annexes for details).</p> <p>Requirement 3.1 of the FSC Controlled Wood standard states that "all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1". A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers environmental requirements.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>and legal* and customary rights* at the national and, where applicable, sub-national level as outlined in Annex A."</p> <p>Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.</p> <p>Annex A:            "3.3 Environmental requirements            National and sub national laws and regulations related to the identification and/or protection* of environmental values* including but not limited to those relating to or affected by harvesting, acceptable levels for soil damage, establishment of buffer zones (e.g., along water courses, open areas and breeding sites), maintenance of retention trees on the felling site, seasonal limitations of harvesting time, environmental requirements for forest* machineries, use of pesticides* and other chemicals, biodiversity conservation*, air quality, protection* and restoration* of water quality, operation of recreational equipment, development of non-forestry infrastructure*, mineral exploration and extraction, etc."</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>"3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1."</p> <p><a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a></p> <p>"No certification of Controlled Wood to the Forest Management Enterprise standard FSC-</p>	<p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered.</p>	

## ANNEX 5 : SCHEME ASSESSMENT REPORT – FSC

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			STD-30-010 shall take place after this date without the application of this Advice Note."		
<b>A.1a.3.4</b>	Health and safety	<b>A.1a.3.4.1</b> The Scheme shall include requirements that ensure compliance with Health & Safety legislation.	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>Principle 1: "The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements."</p> <p>Principle 2: "The Organization* shall* maintain or enhance the social and economic wellbeing of workers*."</p> <p>"2.3 The Organization* shall* implement health and safety practices to protect workers* from occupational safety and health hazards. These practices shall*, proportionate to scale, intensity and risk* of management activities, meet or exceed the recommendations of the ILO Code of Practice on Safety and Health in Forestry Work."</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>1.3 Instructions for Standard Developers: "Standard Developers shall* complete a list of all applicable laws*, obligatory codes of practice* and legal* and customary rights* at the national and, where applicable, sub-national level as outlined in Annex A."</p> <p>Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.</p> <p>Annex A:</p>	<p><b>Findings</b></p> <p>Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline of all types to be included. Section 3.4 of the Annex is dedicated to health and safety, the text of which effectively mirrors this requirement. Additionally, Criteria 2.3 specifically references meeting (or exceeding) the recommendations of the ILO Code of Practice on Safety and Health in Forestry Work.</p> <p>The four national level evaluations corroborate the findings at the international level (see report Annexes for details).</p> <p>Requirement 3.1 of the FSC Controlled Wood standard states that "all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1". A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers health and safety, as detailed in this requirement.</p>	<p>FM Certification: Covered.</p> <p>FM CW Certification: Covered.</p>

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>"3.4 Health and safety Legally required personal protection* equipment for persons involved in harvesting activities, implementation of safe felling and transport practices, establishment of protection* zones around harvesting sites, safety requirements for machinery used, and legally required safety requirements in relation to chemical usage. The health and safety requirements that shall* be considered relevant to operations in the forest* (not office work, or other activities less related to actual forest* operations)."</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>"3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1."</p> <p><a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a></p> <p>"No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note."</p>	<p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered.</p>	
<b>A.1a.3.5</b>	Legal employment	<b>A.1a.3.5.1</b> The Scheme shall include requirements that ensure compliance with legislation for employment of personnel involved in	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>Principle 1: "The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements."</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p>	<p><b>Findings</b></p> <p>Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline of all types to be included. Section 3.5 of the Annex is dedicated to legal employment,</p>	<p>FM Certification: Covered.</p> <p>FM CW Certification: Covered.</p>

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		harvesting (and in-forest processing) activities including but not limited to requirements for: contracts and working permits, obligatory insurances, certificates of competence and other training requirements, and payment of social and income taxes.	<p>1.3 Instructions for Standard Developers:</p> <p>"Standard Developers shall* complete a list of all applicable laws*, obligatory codes of practice* and legal* and customary rights* at the national and, where applicable, sub-national level as outlined in Annex A."</p> <p>Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.</p> <p>Annex A: "3.5 Legal* employment Legal* requirements for employment of personnel involved in harvesting activities including requirements for contracts and working permits, requirements for obligatory insurance, requirements for competence certificates and other training requirements, and payment of social and income taxes withheld by the employer. Also covered are the observance of minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labor, and discrimination and freedom of association."</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>"3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1."</p> <p><a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a></p> <p>"No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note."</p>	<p>the text of which effectively mirrors this requirement and A.1a.3.5.2.</p> <p>The four national level evaluations corroborate the findings at the international level (see report Annexes for details).</p> <p>Requirement 3.1 of the FSC Controlled Wood standard states that "all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1". A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers legal employment.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		<b>A.1a.3.5.2</b> The Scheme shall include requirements that ensure compliance with legislation for minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labour, and discrimination and legislation allowing for freedom of association.	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>Principle 1: "The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements."</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>1.3 Instructions for Standard Developers:</p> <p>"Standard Developers shall* complete a list of all applicable laws*, obligatory codes of practice* and legal* and customary rights* at the national and, where applicable, sub-national level as outlined in Annex A."</p> <p>Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.</p> <p>Annex A: "3.5 Legal* employment Legal* requirements for employment of personnel involved in harvesting activities including requirements for contracts and working permits, requirements for obligatory insurance, requirements for competence certificates and other training requirements, and payment of social and income taxes withheld by the employer. Also covered are the observance of minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labor, and discrimination and freedom of association."</p>	<p><b>Findings</b></p> <p>Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline of all types to be included. Section 3.5 of the Annex is dedicated to legal employment, the text of which effectively mirrors this requirement and A.1a.3.5.2.</p> <p>The four national level evaluations corroborate the findings at the international level (see report Annexes for details).</p> <p>Requirement 3.1 of the FSC Controlled Wood standard states that "all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1". A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers legal employment.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p>	<p>FM Certification: Covered.</p> <p>FM CW Certification: Covered.</p>

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<a href="#">FSC-STD-30-010 V2-0</a> "3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1." <a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a> "No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note."	<b>Justification</b> Based on the normative requirements, this indicator has been evaluated as Covered.	
	<b>A.1a.4 Third parties' legal rights concerning use and tenure that are affected by timber harvesting</b>				
<b>A.1a.4.1</b>	Customary rights	<b>A.1a.4.1.1</b> The Scheme shall include requirements that ensure compliance with respect for customary tenure rights relevant to forest harvesting activities.	<a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a> Principle 1: "The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements." <a href="#">FSC-STD-60-004 V2-0</a> Principle 1, Instructions for Standard Developers: "Standard Developers shall*: <ul style="list-style-type: none"> <li>• Identify where customary rights* govern use and access, and, where applicable, write additional indicators to ensure that these rights to carry out activities within the scope of the certificate are documented (Indicator 1.1.1);</li> <li>• Identify the appropriate process that recognizes and grants customary rights* related</li> </ul>	<b>Findings</b> Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline of all types to be included. Section 4.1 of the Annex is dedicated to customary rights, the text of which effectively mirrors this requirement. The four national level evaluations corroborate the findings at the international level (see report Annexes for details). This indicator is not applicable in Romania. Requirement 3.1 of the FSC Controlled Wood standard states that "all harvesting shall take place in compliance with all laws	FM Certification: Covered. FM CW Certification: Covered.

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>to use and access and how such recognized customary rights* are to be documented (Indicator 1.2.1);</p> <ul style="list-style-type: none"> <li>Identify where customary tenures* to manage and use resources exist at the national level and ensure that these are incorporated into indicators (Indicator 1.2.1)."</li> </ul> <p>Annex A:</p> <p>"4.1 Customary rights* Legislation covering customary rights* relevant to forest* harvesting activities, including requirements covering the sharing of benefits and indigenous rights."</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>"3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1."</p> <p><a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a></p> <p>"No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note."</p>	<p>applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1". A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers customary rights.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered.</p>	
		<b>A.1a.4.1.2</b> The Scheme shall include requirements that ensure compliance with legal obligations concerning benefit sharing they have negotiated with communities or	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>Principle 1: "The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements."</p> <p>Principle 3: "The Organization* shall* identify and uphold* Indigenous Peoples'* legal* and customary rights* of ownership, use and management of land, territories* and</p>	<p><b>Findings</b></p> <p>Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline of all types to be included. Section 4.1 includes requirements covering the sharing of benefits, while section 4.3 of the Annex is dedicated to indigenous peoples' rights.</p>	<p>FM Certification: Covered.</p> <p>FM CW Certification: Covered.</p>



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		customary users. E.g. social agreements or social responsibility agreements or cahier de charges, dependent on the country.	<p>resources affected by management activities.”</p> <p>“3.3 In the event of delegation of control over management activities, a binding agreement* between The Organization* and the Indigenous Peoples* shall* be concluded through Free, Prior and Informed Consent*. The agreement shall* define its duration, provisions for renegotiation, renewal, termination, economic conditions and other terms and conditions. The agreement shall* make provision for monitoring by Indigenous Peoples of The Organization*’s compliance with its terms and conditions.”</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>Principle 1, Instructions for Standard Developers:</p> <p>“Standard Developers shall*:</p> <ul style="list-style-type: none"> <li>• Identify where customary rights* govern use and access, and, where applicable, write additional indicators to ensure that these rights to carry out activities within the scope of the certificate are documented (Indicator 1.1.1);</li> <li>• Identify the appropriate process that recognizes and grants customary rights* related to use and access and how such recognized customary rights* are to be documented (Indicator 1.2.1);</li> <li>• Identify where customary tenures* to manage and use resources exist at the national level and ensure that these are incorporated into indicators (Indicator 1.2.1).”</li> </ul> <p>Annex A:</p> <p>“4.1 Customary rights* Legislation covering customary rights* relevant to forest* harvesting activities, including requirements covering the</p>	<p>Furthermore, Principle 3 is dedicated to indigenous peoples’ rights. Criterion 3.3 provides for an agreement including economic conditions in the event of delegation of control over management activities.</p> <p>The four national level evaluations corroborate the findings at the international level (see report Annexes for details). This indicator is not applicable in Romania.</p> <p>Requirement 3.1 of the FSC Controlled Wood standard states that “all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1”. A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers customary rights and explicitly refers to the sharing of benefits and indigenous rights.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>sharing of benefits and indigenous rights.”</p> <p>“4.3 Indigenous Peoples* rights Legislation that regulates the rights of Indigenous Peoples* as far as it is related to forestry activities. Possible aspects to consider are land tenure*, and rights to use certain forest* related resources and practice traditional activities, which may involve forest* lands.”</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>“3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1.”</p> <p><a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a></p> <p>“No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note.”</p> <p>Controlled Wood Category 2: Wood harvested in violation of traditional and civil rights. Where such legislation exists.</p> <p>4.1 Customary rights</p> <p>Legislation covering customary rights relevant to forest harvesting activities including requirements covering sharing of benefits and indigenous rights.</p>	indicator has been evaluated as Covered.	
<b>A.1a.4.2</b>	Free, Prior and Informed Consent	<b>A.1a.4.2.1</b> The Scheme shall include requirements that ensure compliance with the internationally adopted	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>Principle 1: “The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements.”</p> <p>Principle 3: “The Organization* shall* identify and</p>	<p><b>Findings</b></p> <p>Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline of all types to be included. Section 4.2 of the Annex is dedicated to 'Free, Prior and</p>	<p>FM Certification: Covered.</p> <p>FM CW Certification: Covered.</p>

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		principles of 'Free, Prior and Informed Consent' in connection with granting rights to forest management.	<p>uphold* Indigenous Peoples'* legal* and customary rights* of ownership, use and management of land, territories* and resources affected by management activities."</p> <p>"3.2 The Organization* shall* recognize and uphold* the legal* and customary rights* of Indigenous Peoples* to maintain control over management activities within or related to the Management Unit* to the extent necessary to protect their rights, resources and lands and territories*. Delegation by Indigenous Peoples of control over management activities to third parties requires Free, Prior and Informed Consent*."</p> <p>Principle 4: "The Organization* shall* contribute to maintaining or enhancing the social and economic wellbeing of local communities*."</p> <p>"4.2 The Organization* shall* recognize and uphold* the legal* and customary rights* of local communities* to maintain control over management activities within or related to the Management Unit* to the extent necessary to protect their rights, resources, lands and territories*. Delegation by local communities* of control over management activities to third parties requires Free, Prior and informed Consent*."</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>Principle 1, Instructions for Standard Developers:</p> <p>"Standard Developers shall*:</p> <ul style="list-style-type: none"> <li>• Identify where customary rights* govern use and access, and, where applicable, write additional indicators to ensure that these rights</li> </ul>	<p>Informed Consent' in connection with granting rights to forest management.</p> <p>Criteria 3.2 and 4.2 specify this requirement for indigenous peoples and local communities, respectively.</p> <p>The four national level evaluations gave varying findings at this indicator: it is considered for both Russia and China, not applicable for Romania and partially covered for Brazil (see report Annexes for details). All the Brazilian FSC standards for forest management ensure compliance with FPIC in connection with granting rights to forest management, however, it is not applied to affected local communities. This is under discussion in the development of the new national standard. See C.2.1.1. for how delayed transfer of national standards impacts the findings of this study.</p> <p>Requirement 3.1 of the FSC Controlled Wood standard states that "all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1". A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers free, Prior and Informed Consent.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>to carry out activities within the scope of the certificate are documented (Indicator 1.1.1);</p> <ul style="list-style-type: none"> <li>Identify the appropriate process that recognizes and grants customary rights* related to use and access and how such recognized customary rights* are to be documented (Indicator 1.2.1);</li> <li>Identify where customary tenures* to manage and use resources exist at the national level and ensure that these are incorporated into indicators (Indicator 1.2.1)."</li> </ul> <p>Annex A:</p> <p>"4.2 Free Prior and Informed Consent*</p> <p>Legislation covering "free prior and informed consent" in connection with the transfer of forest* management rights and customary rights* to The Organization* in charge of the harvesting operation."</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>"3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1."</p> <p><a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a></p> <p>"No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note."</p> <p>Controlled Wood Category 2: Wood harvested in violation of traditional and civil rights. Where such legislation exists</p> <p>4.2 Free prior and informed consent</p> <p>Legislation covering "free prior and informed</p>	<p>applies to whole standard, thus, covers FM CW SLIMF too.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered for FM certification and FSC FM Controlled Wood. The Brazilian standards do not yet apply FPIC to local communities, but have yet to be updated to the latest version of the International FM standard. See C.2.1.1. for how delayed transfer of national standards impacts the findings of this study.</p>	

## ANNEX 5 : SCHEME ASSESSMENT REPORT – FSC

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			consent” in connection with transfer of forest management rights and customary rights to the organisation in charge of the harvesting operation.		
<b>A.1a.4.3</b>	Indigenous and traditional peoples' rights	<b>A.1a.4.3.1</b> The Scheme shall include requirements that ensure compliance with national legislation and international conventions ratified that respect the tenure rights of indigenous and tribal peoples to forest land as well as their right to FPIC.	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>Principle 1: “The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements.”</p> <p>Principle 3: “The Organization* shall* identify and uphold* Indigenous Peoples’* legal* and customary rights* of ownership, use and management of land, territories* and resources affected by management activities.”</p> <p>“3.2 The Organization* shall* recognize and uphold* the legal* and customary rights* of Indigenous Peoples* to maintain control over management activities within or related to the Management Unit* to the extent necessary to protect their rights, resources and lands and territories*. Delegation by Indigenous Peoples of control over management activities to third parties requires Free, Prior and Informed Consent*.”</p> <p>“3.4 The Organization* shall* recognize and uphold* the rights, customs and culture of Indigenous Peoples* as defined in the United Nations Declaration on the Rights of Indigenous Peoples (2007) and ILO Convention 169 (1989).”</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>Principle 1, Instructions for Standard</p>	<p><b>Findings</b></p> <p>Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline of all types to be included. Section 4.3 of the Annex is dedicated to indigenous peoples’ rights.</p> <p>A whole principle, Principle 3, is dedicated to indigenous peoples’ rights. Criterion 3.4 specifically refers to the United Nations Declaration on the Rights of Indigenous Peoples (2007) and ILO Convention 169 (1989). Whilst Criterion 3.2 provides for 'Free, Prior and Informed Consent' (FPIC).</p> <p>The four national level evaluations corroborate the findings at the international level (see report Annexes for details). This indicator is not applicable in Romania.</p> <p>Requirement 3.1 of the FSC Controlled Wood standard states that “all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1”. A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations</p>	<p>FM Certification: Covered.</p> <p>FM CW Certification: Covered.</p>

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>Developers:</p> <p>"Standard Developers shall*:</p> <ul style="list-style-type: none"> <li>• Identify where customary rights* govern use and access, and, where applicable, write additional indicators to ensure that these rights to carry out activities within the scope of the certificate are documented (Indicator 1.1.1);</li> <li>• Identify the appropriate process that recognizes and grants customary rights* related to use and access and how such recognized customary rights* are to be documented (Indicator 1.2.1);</li> <li>• Identify where customary tenures* to manage and use resources exist at the national level and ensure that these are incorporated into indicators (Indicator 1.2.1)." <p>Annex A:</p> <p>"4.3 Indigenous Peoples* rights Legislation that regulates the rights of Indigenous Peoples* as far as it is related to forestry activities. Possible aspects to consider are land tenure*, and rights to use certain forest* related resources and practice traditional activities, which may involve forest* lands."</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>"3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1."</p> <p><a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a></p> </li></ul>	<p>that must be complied with, superseding Table 1 in the standard. This list covers indigenous and traditional peoples' rights.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered.</p>	
	A.1a.5 Trade and customs, in so far as the forest sector is concerned				

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
A.1a.5.1	Classification of species, quantities, qualities	A.1a.5.1.1 The Scheme shall include requirements that ensure compliance with legislation regulating how harvested material is classified in terms of species, Quantities and qualities in connection with trade and transport.	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>Principle 1: "The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements."</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>1.3 Instructions for Standard Developers: "Standard Developers shall* complete a list of all applicable laws*, obligatory codes of practice* and legal* and customary rights* at the national and, where applicable, sub-national level as outlined in Annex A."</p> <p>Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.</p> <p>"5.1 Classification of species, quantities, Qualities</p> <p>Legislation regulating how harvested material is classified in terms of species, volumes and qualities in connection with trade and transport. Incorrect classification of harvested material is a well-known method to reduce or avoid payment of legally prescribed taxes and fees."</p> <p>IGI 1.5.1: "1.5.1 Compliance with applicable national laws*, local laws*, ratified* international conventions and obligatory codes of practice* relating to the transportation and trade of forest products up to the point of first sale is demonstrated."</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p>	<p><b>Findings</b></p> <p>Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline of all types to be included. Section 5.1 of the Annex is dedicated to classification of species, quantities, qualities.</p> <p>The four national level evaluations corroborate the findings at the international level (see report Annexes for details).</p> <p>Requirement 3.2 of the Controlled Wood Standard for Forest Management Enterprises explicitly covers this requirement, as does the associated requirement in the Annex for SLIMF operations (Annex 2, 3.3). Requirement 3.1 also states that "all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1". A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers classification of species, quantities and quantities.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM</p>	<p>FM Certification: Covered.</p> <p>FM CW Certification: Covered.</p>

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>"3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1."</p> <p>"3.2. All species, qualities and quantities shall be classified and measured according to legally prescribed or acceptable standards."</p> <p>Annex 2: Requirements for Small &amp; Low Intensity Managed Forest (SLIMF) operations</p> <p>"3.3. The Forest Management Enterprise shall demonstrate that species, qualities and quantities are classified and measured according to legally-prescribed or acceptable standards in the jurisdiction."</p> <p><a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a></p> <p>"No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note."</p>	<p>CW SLIMF too.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered.</p>	
<b>A.1a.5.2</b>	Trade and transport	<b>A.1a.5.2.1</b> The Scheme shall include requirements that ensure compliance with legally required trading permits as well as legally required transport documents that accompany transport of wood from forest	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>Principle 1: "The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements."</p> <p>"1.5 The Organization* shall* comply with the applicable national laws*, local laws, ratified* international conventions and obligatory codes of practice*, relating to the transportation and trade of forest products within and from the Management Unit*, and/or up to the point of first sale."</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p>	<p><b>Findings</b></p> <p>Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline of all types to be included. Section 5.2 of the Annex is dedicated to trade and transport, the text of which effectively mirrors this requirement.</p> <p>Criterion 1.5 ensures legal compliance with legislation regarding trade and transport. The International Generic Indicator 1.5.1</p>	<p>FM Certification: Covered.</p> <p>FM CW Certification: Covered.</p>



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		operations.	<p>1.3 Instructions for Standard Developers:</p> <p>"Standard Developers shall* complete a list of all applicable laws*, obligatory codes of practice* and legal* and customary rights* at the national and, where applicable, sub-national level as outlined in Annex A."</p> <p>Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.</p> <p>"5.2 Trade and transport</p> <p>All required trading and transport permits shall* exist as well as legally required transport documents which accompany the transport of wood from forest* operations."</p> <p>IGI 1.5.1:</p> <p>"1.5.1 Compliance with applicable national laws*, local laws*, ratified* international conventions and obligatory codes of practice* relating to the transportation and trade of forest products up to the point of first sale is demonstrated."</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>"3.1. The Forest Management Enterprise shall provide verifiable evidence of legal authority to harvest in the FMU."</p> <p><a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a></p> <p>"No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note."</p>	<p>states that this shall be demonstrated.</p> <p>The four national level evaluations corroborate the findings at the international level (see report Annexes for details).</p> <p>Requirement 3.1 of the FSC Controlled Wood standard states that "all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1". A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers trade and transport.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered.</p>	

## ANNEX 5 : SCHEME ASSESSMENT REPORT – FSC

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
A.1a.5.3	Offshore trading and transfer pricing	A.1a.5.3.1 The Scheme shall include requirements that ensure compliance with legislation regulating offshore trading and transfer pricing.	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>Principle 1: "The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements."</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>1.3 Instructions for Standard Developers:</p> <p>"Standard Developers shall* complete a list of all applicable laws*, obligatory codes of practice* and legal* and customary rights* at the national and, where applicable, sub-national level as outlined in Annex A."</p> <p>Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.</p> <p>"5.3 Offshore trading and transfer pricing</p> <p>Legislation regulating offshore trading. Offshore trading with related companies placed in tax havens, combined with artificial transfer prices is a well-known way to avoid payment of legally prescribed taxes and fees to the country of harvest and is considered to be an important source of funds that can be used for payment of bribery to the forest* operations and personnel involved in the harvesting operation. Many countries have established legislation covering transfer pricing and offshore trading. It should* be noted that only transfer pricing and offshore trading, as far as it is legally prohibited in the country, can be included here."</p> <p>IGI 1.5.1:</p> <p>"1.5.1 Compliance with applicable national</p>	<p><b>Findings</b></p> <p>Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline of all types to be included. Section 5.3 of the Annex is dedicated to offshore trading and transfer pricing.</p> <p>Three of the four national level evaluations corroborate the findings at the international level, it is not applicable for Russia, where no such legislation exists (see report Annexes for details).</p> <p>Requirement 3.1 of the FSC Controlled Wood standard states that "all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1". A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers offshore trading and transfer pricing.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p>	<p>FM Certification: Covered.</p> <p>FM CW Certification: Covered.</p>

## ANNEX 5 : SCHEME ASSESSMENT REPORT – FSC

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>laws*, local laws*, ratified* international conventions and obligatory codes of practice* relating to the transportation and trade of forest products up to the point of first sale is demonstrated.”</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>“3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1.”</p> <p><a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a></p> <p>“No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note.”</p>	<p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered.</p>	
<b>A.1a.5.4</b>	Customs regulations	<b>A.1a.5.4.1</b> The Scheme shall include requirements that ensure compliance with legislation covering areas such as export/import licenses, and product classification related to customs (codes, quantities, qualities and species).	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>Principle 1: “The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements.”</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>1.3 Instructions for Standard Developers: “Standard Developers shall* complete a list of all applicable laws*, obligatory codes of practice* and legal* and customary rights* at the national and, where applicable, sub-national level as outlined in Annex A.”</p> <p>Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.</p>	<p><b>Findings</b></p> <p>Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline of all types to be included. Section 5.4 of the Annex is dedicated to customs regulations, the text of which effectively mirrors this requirement.</p> <p>Three of the four national level evaluations corroborate the findings at the international level (see report Annexes for details). However, the Romanian evaluation found that although Section 5.4 of the Annex is dedicated to custom regulations, it does not include any applicable legislation and there are no additional clarifications on custom</p>	<p>FM Certification: Partially Covered.</p> <p>FM CW Certification: Covered.</p>

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>"5.4 Custom regulations</p> <p>Custom legislation covering areas such as export/import licenses and product classification (codes, quantities, qualities and species)."</p> <p>IGI 1.5.1:</p> <p>"1.5.1 Compliance with applicable national laws*, local laws*, ratified* international conventions and obligatory codes of practice* relating to the transportation and trade of forest products up to the point of first sale is demonstrated."</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>"3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1."</p> <p><a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a></p> <p>"No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note."</p>	<p>regulations in the standard.</p> <p>Requirement 3.1 of the FSC Controlled Wood standard states that "all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1". A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers customs regulations.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Partially Covered for FM Certification. Whilst the international framework of the scheme provides for full coverage, this has not been followed through in the example of the National Standard for Romania.</p> <p>Based on the normative requirements, this indicator has been evaluated as Covered for FM CW Certification.</p>	

## ANNEX 5 : SCHEME ASSESSMENT REPORT – FSC

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
A.1a.5.5	CITES	A.1a.5.5.1 The Scheme shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>Principle 1: "The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements."</p> <p>"1.5 The Organization* shall* comply with the applicable national laws*, local laws, ratified* international conventions and obligatory codes of practice*, relating to the transportation and trade of forest products within and from the Management Unit*, and/or up to the point of first sale."</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>1.3 Instructions for Standard Developers: "Standard Developers shall* complete a list of all applicable laws*, obligatory codes of practice* and legal* and customary rights* at the national and, where applicable, sub-national level as outlined in Annex A."</p> <p>Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements.</p> <p>"5.5 CITES CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention)."</p> <p>IGI 1.5.1: "1.5.1 Compliance with applicable national laws*, local laws*, ratified* international conventions and obligatory codes of practice* relating to the transportation and trade of forest</p>	<p><b>Findings</b></p> <p>Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline of all types to be included. Section 5.5 of the Annex is dedicated to CITES.</p> <p>Criterion 1.5 ensures legal compliance with legislation regarding trade and transport. IGI 1.5.2 specifies that compliance with compliance with CITES provisions is demonstrated.</p> <p>The four national level evaluations corroborate the findings at the international level (see report Annexes for details).</p> <p>Requirement 3.1 of the FSC Controlled Wood standard states that "all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1". A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers CITES.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM</p>	<p>FM Certification: Covered.</p> <p>FM CW Certification: Covered.</p>

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>products up to the point of first sale is demonstrated.”</p> <p>IGI 1.5.2:</p> <p>“1.5.2 Compliance with CITES provisions is demonstrated, including through possession of certificates for harvest and trade in any CITES species.”</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>“3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1.”</p> <p><a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a></p> <p>“No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note.”</p>	<p>CW SLIMF too.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered.</p>	
<b>A.1a.5.6</b>	Legislation requiring due diligence / due care procedures	<b>A.1a.5.6.1</b> The scheme shall include requirements that ensure compliance with legislation covering due diligence/due care procedures, including e.g. due diligence/due care systems, declaration obligations, and	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>Principle 1:</p> <p>“The Organization* shall* comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements.”</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>1.3 Instructions for Standard Developers:</p> <p>“Standard Developers shall* complete a list of all applicable laws*, obligatory codes of practice* and legal* and customary rights* at the national and, where applicable, sub-national level as outlined in Annex A.”</p> <p>Principle 1, Annex A: Minimum list of applicable laws, regulations and nationally-ratified</p>	<p><b>Findings</b></p> <p>Principle 1 requires compliance with all applicable laws. Standard Developers are instructed to complete a minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements. Annex A gives an outline of all types to be included. Section 6.1 of the Annex is dedicated to due diligence / due care procedures.</p> <p>Of the four national level evaluations this indicator is applicable to the Romanian and Brazilian National Standards only, which are covered by relevant indicators (see report</p>	<p>FM Certification: Covered.</p> <p>FM CW Certification: Covered.</p>

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		/or the keeping of trade related documents, legislation establishing procedures to prevent trade in illegally harvested timber and products derived from such timber, etc.	<p>international treaties, conventions and agreements.</p> <p>“6.1 Due diligence / due care procedures Legislation requiring due diligence/due care procedures, including, e.g., due diligence/due care systems, declaration obligations, and/or the keeping of trade related documents, etc.”</p> <p>IGI 1.5.1: “1.5.1 Compliance with applicable national laws*, local laws*, ratified* international conventions and obligatory codes of practice* relating to the transportation and trade of forest products up to the point of first sale is demonstrated.”</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>“3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1.”</p> <p><a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a></p> <p>“No certification of Controlled Wood to the Forest Management Enterprise standard FSC-STD-30-010 shall take place after this date without the application of this Advice Note.”</p> <p>i) Evidence of compliance with legislation establishing procedures to prevent trade in illegally harvested timber and products derived from such timber.</p> <p>6.1. Legislation requiring due diligence/due care procedures. Examples: US Lacey Act, EU Timber Regulation, Australian Illegal Logging Prohibition Act (foreseen to enter into force 30/11/14).</p>	<p>Annexes for details).</p> <p>Requirement 3.1 of the FSC Controlled Wood standard states that “all harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1”. A normative Advice Note for this requirement contains a list of applicable National and Local Laws and Regulations that must be complied with, superseding Table 1 in the standard. This list covers Legislation requiring due diligence/due care procedures.</p> <p>The FSC Controlled Wood FM standard also covers SLIMF in Annex 2. The Advice Note that updates the applicable legislation applies to whole standard, thus, covers FM CW SLIMF too.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			Legislation requiring due diligence/due care procedures, including e.g. due diligence/due care systems, declaration obligations, and/or the keeping of trade related documents etc.		

### A.1b Legal Requirements at the forest level – Input from non-certified forest (Controlled Wood)

This principle relates to how the scheme ensures that Certificate Holders comply with all applicable legislation. This section relates to requirements of the Scheme that applies to Certificate Holders - or other entities subject to the normative requirements of the Scheme (e.g. included within the scope of a certified due diligence system) - within the Country of Harvest.

Due to the size and complexity of the scheme the findings for this section have been split up and reported in two sections. This section covers (A.1b) non-certified material entering the FSC system via the Controlled Wood due diligence system which is implemented by CoC certificate holders (FSC-STD-40-005 and associated documents). The previous sections (A.1a) focused on full FSC FM certification (FSC-STD-01-001, FSC-STD-60-004 and associated documents) and FM Controlled Wood certification (FSC-STD-30-010 and associated documents).

	<b>A.1b.1 Rights to harvest timber within legally gazetted boundaries</b>				
<b>A.1b.1.1</b>	Land tenure and management rights	<b>A.1b.1.1.1.</b> The Scheme shall include requirements that ensure compliance with legislation covering land tenure rights, including customary rights as well as management rights.	<p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a></p> <p>Section E: Terms and definitions  <b>"Risk assessment:</b> An assessment of the risk of sourcing material from <b>unacceptable sources, including risk related to origin and mixing material in supply chains.</b></p> <p><b>There are several types</b> of risk assessment for origin (Figure 1):</p> <p><b>National risk assessment (NRA):</b> An assessment of the risk of sourcing from unacceptable sources in a given country/region, developed according to FSC PRO-60-002 The Development and Approval of FSC National Risk Assessments. (Source: FSC-PRO-60-002 The Development and Approval of FSC National Risk</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1).</p> <p>One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex</p>	Covered



			<p>Assessments)</p> <p>NRAs approved according to FSC-PRO-60-002 V2-0 ('old NRAs') remain valid until 31 December 2018. If the NRA is not revised according to FSC-PRO-60-002 V3-0 by 31 December 2018, areas covered become unassessed areas.</p> <p><b>Centralized national risk assessment (CNRA):</b> National risk assessment or part thereof developed by FSC International Center.</p> <p>NOTE: NRA and CNRA are collectively referred to as FSC risk assessment.</p> <p><b>Company risk assessment (CRA):</b> An organization's assessment of the risk of sourcing from unacceptable sources in unassessed areas, developed according to Annex A of FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood. This risk assessment can only be used for a country or part thereof where an FSC risk assessment for all five controlled wood categories has been scheduled by 31 December 2017.</p> <p><b>Extended company risk assessment (ECRA):</b> An organization's assessment of the risk of sourcing from unacceptable sources in unassessed areas, developed according to FSC-PRO-60-002a FSC National Risk Assessment Framework and the standard FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood.</p> <p>The risk assessment of mixing material in supply chains is conducted by the organization for its supply chains."</p> <p>"Figure 1. The hierarchy of risk assessments that may be used for the implementation of this standard. The highest listed risk assessment that exists for the supply area shall be used (beginning with 1. National risk assessment (NRA) developed according to FSC-PRO-60-002 V3-0). For the list of approved NRAs, and information about the version of FSC-PRO-60-002 used for NRA development, see FSC-PRO-60-002b List of FSC Approved Controlled Wood Documents.</p> <ol style="list-style-type: none"> <li>1. <u>National risk assessment (NRA) developed according to FSC-PRO-60-002 V3-0</u> Shall be used by the organization if it exists.</li> </ol>	<p>transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 covers land tenure and management rights, including customary rights.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been</p>	
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			<p>2. <u>Centralized national risk assessment (CNRA)</u> Shall be used if completed for all five controlled wood categories, where there is no NRA developed according to FSC-PRO-60-002 V3-0, and instead of an NRA developed according to FSC-PRO-60-002 V2-0.</p> <p>3. <u>National risk assessment (NRA) developed according to FSC-PRO-60-002 V2-0</u> ('old NRAs') Shall be used if there is neither an NRA developed according to FSC-PRO-60-002 V3-0 nor a completed CNRA. It shall not be used after 31 December 2018.</p> <p>4. <u>Company risk assessment</u> May only be conducted while waiting for the delivery of the NRA or CNRA where these are scheduled. OR <u>Extended company risk assessment</u> May only be conducted for unassessed risk areas where there is no FSC risk assessment available."</p> <p>PART I DUE DILIGENCE SYSTEM "3.1 The organization shall use the applicable FSC risk assessment to determine the risk related to the origin of the material for each controlled wood category."</p> <p>"3.3 Risk assessment of unassessed areas shall only be possible according to the following: a) The organization may conduct its own risk assessment according to the requirements in Annex A; and b) The organization shall obtain approval of its risk assessment, conducted for its supply area, and/or extended to new supply areas, from the certification body before using risk designations in its DDS."</p> <p>Annex A - Risk assessment by the organization "1.1 The organization may conduct the following risk assessments for unassessed areas (Figure 5): a) Company risk assessment – according to Section 3 below, and only where an FSC risk assessment for all five controlled wood categories has been scheduled by 31 December 2017; or</p>	evaluated as Covered.	
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			<p>b) Extended company risk assessment – according to Section 2 below, irrespective of whether or not an FSC risk assessment is scheduled.”</p> <p>“2.1 An extended company risk assessment shall be conducted according to the risk assessment requirements in FSC-PRO-60-002a FSC National Risk Assessment Framework.”</p> <p><a href="#">FSC-PRO-60-002 V3-0 The Development and Approval of FSC National Risk Assessments</a></p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p> <p>“3.1.1 The scope of Controlled Wood Category 1 covers the risk assessment of illegality and includes:</p> <p>a) The identification of applicable legislation in the area under assessment for each indicator listed in Table 1. When there are no relevant laws or regulations for a given indicator, the indicator shall be considered as ‘not applicable’ for the area under assessment.</p> <p>NOTE: General types of legislation not specifically linked to harvesting (e.g., legislation regarding the technical specifications of trucks) are not considered ‘relevant’.</p> <p>b) An assessment of law enforcement in the area under assessment.”</p> <p>Table 1</p> <p>1.1 Land tenure and management rights.</p> <p>Legislation covering land tenure rights, including customary rights as well as management rights, that includes the use of legal methods to obtain tenure rights and management rights. It also covers legal business registration and tax registration, including relevant legally required licenses.</p> <p><a href="#">FSC-PRO-60-002b V2-0 List of approved FSC Controlled Wood documents</a></p> <p>“1.2 If an ‘old NRA’ is not replaced by the FSC risk assessment approved according to FSC-PRO-60-002 V3-0 by 30 June 2019, the area covered in the ‘old NRA’ becomes</p>	
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## ANNEX 5 : SCHEME ASSESSMENT REPORT – FSC

			unassessed area. Organizations sourcing material from this area will be required to develop extended company risk assessments (ECRA) instead.”		
		<p><b>A.1b.1.1.2.</b> The Scheme shall include requirements to ensure that licenses, right of tenure and management rights, have been issued:</p> <p>i) according to the legally prescribed procedure,</p> <p>ii) in compliance with third parties' legal rights concerning tenure,</p> <p>iii) specifying the legally-gazetted boundaries, and;</p> <p>iv) with absence of corrupt practices.</p>	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p> <p>“3.5.1 Risk designation involves the assessment of enforcement of applicable legislation. When assessing applicable indicators and thresholds, the following aspects shall be taken into account:</p> <p>...</p> <p>b) Governance assessment of the forestry sector in the area under assessment. For governance assessment different sources of information may be used (see Clause 3.3);</p> <p>...</p> <p>f) Assessment of corruption: consultation with experts (see Annex A) shall take place to evaluate the extent of corruption in the forestry sector in countries where the corruption perceptions index of Transparency International (<a href="http://www.transparency.org/research/cpi/overview">http://www.transparency.org/research/cpi/overview</a>) is less than 50, taking into account corruption related to forestry operations. Special attention shall be given to the enforcement of laws requiring approval from public bodies, such as harvesting permits, concession licenses, custom declarations, etc., as well as laws relevant to the purchase of forest products or harvesting rights from publicly owned land.”</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1).</p> <p>One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use “the applicable FSC risk assessment” (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties,</p>	Covered

				<p>conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 covers points i) to iii).</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p>Requirements addressing corruption within the forest sector is included for all risk assessments types (FSC-PRO-60-002a, Clause 3.5.1).</p> <p>BN</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.</p>	
		<p><b>A.1b.1.1.3</b> The Scheme shall include requirements that ensure the existence of legal business registration, and other relevant legally required licenses.</p>	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p> <p>...</p> <p>Table 1</p> <p>1.1 Land tenure and management rights.</p> <p>Legislation covering land tenure rights, including customary rights as well as management rights, that includes the use of legal methods to obtain tenure rights and management rights. It also covers legal business registration and tax registration, including relevant legally required licenses.</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1).</p> <p>One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the</p>	Covered

				<p>standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 legal covers business registration and tax registration, including relevant legally required licenses.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and</p>	
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				standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.	
<b>A.1b.1.2</b>	Concession licenses	<b>A.1b.1.2.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating procedures for the issuing of concession licenses, including use of legal methods to obtain concession licenses and that licenses are covering only legally gazetted areas	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p> <p>...</p> <p>Table 1</p> <p>1.2 Concession licenses.</p> <p>Legislation regulating procedures for issuing forest concession licenses, including the use of legal methods to obtain concession licenses. Bribery, corruption and nepotism are particularly well-known issues that are connected with concession licenses.</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1).</p> <p>One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws,</p>	Covered

				<p>regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 covers concession licenses.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.</p>	
<b>A.1b.1.3</b>	Management and harvesting planning	<b>A.1b.1.3.1</b> The Scheme shall include requirements that ensure compliance with legislation and legal obligations for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring.	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p> <p>...</p> <p>Table 1</p> <p>1.3 Management and harvesting planning.</p> <p>Any national or sub-national legal requirements for Management Planning, including conducting forest inventories, having a forest Management Plan and related planning and monitoring, impact assessments, consultation with other entities, as well as approval of these by legally competent authorities.</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to</p>	Covered



				<p>have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 covers management and harvesting planning.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.</p>	
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		<p><b>A.1b.1.3.2</b> The Scheme shall include requirements that all legally required planning documents have been approved prior to implementation of forest harvesting activities.</p>	<p>As per A.1b.1.1.1. in addition to the following:  <a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a>  ...  Table 1  1.3 Management and harvesting planning.  Any national or sub-national legal requirements for Management Planning, including conducting forest inventories, having a forest Management Plan and related planning and monitoring, impact assessments, consultation with other entities, as well as approval of these by legally competent authorities.</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 covers approval of management planning activities by legally competent authorities.</p>	<p>Covered</p>
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				<p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.</p>	
<b>A.1b.1.4</b>	Harvesting permits	<b>A.1b.1.4.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating the issuing of harvesting permits, licenses or other legal documents required for specific harvesting operations.	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p> <p>...</p> <p>Table 1</p> <p>1.4 Harvesting permits</p> <p>National or sub-national laws and regulations regulating procedures for issuing of harvesting permits, licenses, or other legal documents required for specific harvesting operations. This includes the use of legal methods to obtain the permits. Corruption is a well-known issue that is connected with the issuing of harvesting permits.</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and</p>	Covered

				<p>approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 covers harvesting permits.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.</p>	
	<b>A.1b.2 Payments for harvest rights and timber including duties related to timber harvesting</b>				
<b>A.1b.2.1</b>	Payment of royalties and harvesting fees	<b>A.1b.2.1.1</b> The Scheme shall include requirements that	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment</a></p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the</p>	Covered

		<p>ensure compliance with legislation covering payment of all legally required forest harvesting-specific fees such as royalties, stumpage fees and other volume-based fees, as well as land area taxes or fees.</p>	<p><a href="#">Framework Procedure</a></p> <p>...</p> <p>Table 1</p> <p>1.5 Payment of royalties and harvesting fees.</p> <p>Legislation covering payment of all legally required forest harvesting-specific fees such as royalties, stumpage fees and other volume-based fees. This includes payments of the fees based on the correct classification of quantities, qualities and species. Incorrect classification of forest products is a well-known issue that is often combined with bribery of officials in charge of controlling the classification.</p>	<p>requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1).</p> <p>One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 covers payment of royalties and harvesting fees.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to</p>	
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				<p>develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.</p>	
<b>A.1b.2.2</b>	Value-added taxes and other sales taxes	<b>A.1b.2.2.2</b> The Scheme shall include requirements that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales).	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p> <p>...</p> <p>Table 1</p> <p>1.6 Value added taxes and other sales taxes.</p> <p>Legislation covering different types of sales taxes which apply to the material being sold, including the sale of material as growing forest (standing stock sales).</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1).</p> <p>One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and</p>	Covered

				<p>approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 covers value-added taxes and other sales taxes.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.</p>	
	<b>A.1b.3 Timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber</b>				

	harvesting				
<b>A.1b.3.1</b>	Timber harvesting regulations	<p><b>A.1b.3.1.1</b> The Scheme shall include requirements that ensure compliance with legal obligations for harvesting techniques and technology including timing of harvest, selective cutting, shelter wood regeneration, clearfelling, transport of timber from felling sites and seasonal limitations etc.</p> <p>This includes the mis-use of salvaging permits or other specific ministerial permits, with the intention of circumventing harvest regulations</p>	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p> <p>...</p> <p>Table 1</p> <p>1.8 Timber harvesting regulations.</p> <p>Any legal requirements for harvesting techniques and technology, including selective cutting, shelter wood regenerations, clearfelling, transport of timber from the felling site, seasonal limitations, etc. Typically this includes regulations on the size of felling areas, minimum age and/or diameter for felling activities, and elements that shall be preserved during felling, etc. Establishment of skidding or hauling trails, road construction, drainage systems and bridges, etc., shall also be considered as well as the planning and monitoring of harvesting activities. Any legally binding codes for harvesting practices shall be considered.</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1).</p> <p>One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties,</p>	Covered



				<p>conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 cover timber harvesting regulations.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.</p>	
<b>A.1b.3.2</b>	Protected sites and species	<b>A.1b.3.2.1</b> The Scheme shall include requirements that ensure compliance with legislation related to protected areas as well as protected, rare, or endangered species, including their habitats and potential habitats.	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p> <p>...</p> <p>Table 1</p> <p>1.9 Protected sites and species</p> <p>International, national, and sub-national treaties, laws, and regulations related to protected areas, allowable forest uses and activities, and/or rare, threatened, or endangered species, including their habitats and potential habitats.</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of</p>	Covered

				<p>FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 covers protected sites and species.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.</p>	
		<b>A.1b.3.2.2</b> Requirements that ensure compliance with	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the</p>	Covered

		<p>legislation related to protected areas and habitats, shall include that the identification of protected areas is conducted according to the legal requirements.</p>	<p>...</p> <p>Table 1</p> <p>1.9 Protected sites and species</p> <p>International, national, and sub-national treaties, laws, and regulations related to protected areas, allowable forest uses and activities, and/or rare, threatened, or endangered species, including their habitats and potential habitats.</p>	<p>requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 covers protected sites and species.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk</p>	
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				assessment Framework (FSC-PRO-60-002a).	
				<p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.</p>	
<b>A.1b.3.3</b>	Environmental requirements	<p><b>A.1b.3.3.1</b> The Scheme shall include requirements that ensure compliance with legislation related to environmental impact assessment in connection with harvesting, acceptable levels of damage and disturbance of soil resources, establishment of buffer zones (e.g. along water courses, open areas, breeding sites), maintenance of retained trees on felling sites, seasonal limitations on harvesting, and environmental</p>	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p> <p>...</p> <p>Table 1</p> <p>1.10 Environmental requirements.</p> <p>National and sub-national laws and regulations related to the identification and/or protection of environmental values including but not limited to those relating to or affected by harvesting, acceptable levels for soil damage, establishment of buffer zones (e.g., along water courses, open areas and breeding sites), maintenance of retention trees on the felling site, seasonal limitations of harvesting time, environmental requirements for forest machineries, use of pesticides and other chemicals, biodiversity conservation, air quality, protection and restoration of water quality, operation of recreational equipment, development of non-forestry infrastructure, mineral exploration and extraction, etc.</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all</p>	Covered

		requirements for forest machinery.		<p>approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 covers environmental requirements.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.</p>	
<b>A.1b.3.4</b>	Health and safety	<b>A.1b.3.4.1</b> The Scheme shall include requirements that ensure compliance with Health & Safety legislation.	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p> <p>...</p> <p>Table 1</p> <p>1.11 Health and safety.</p> <p>Legally required personal protection equipment for persons involved in harvesting activities, implementation of safe felling and transport practices, establishment of protection zones around harvesting sites, safety requirements for machinery used, and legally required safety requirements in relation to</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk</p>	Covered

			<p>chemical usage. The health and safety requirements that shall be considered relevant to operations in the forest (not office work, or other activities not related to actual forest operations).</p>	<p>assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 covers health and safety.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of</p>	
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				FSC risk assessments - this indicator has been evaluated as Covered.	
<b>A.1b.3.5</b>	Legal employment	<b>A.1b.3.5.1</b> The Scheme shall include requirements that ensure compliance with legislation for employment of personnel involved in harvesting (and in-forest processing) activities including but not limited to requirements for: contracts and working permits, obligatory insurances, certificates of competence and other training requirements, and payment of social and income taxes	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p> <p>...</p> <p>Table 1</p> <p>1.12 Legal employment.</p> <p>Legal requirements for employment of personnel involved in harvesting activities including requirements for contracts and working permits, requirements for obligatory insurance, requirements for competence certificates and other training requirements, and payment of social and income taxes withheld by the employer. Also covered are the observance of minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labor, and discrimination and freedom of association.</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment).</p>	Covered

				<p>Table 1 covers legal employment.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.</p>	
		<p><b>A.1b.3.5.2</b> The Scheme shall include requirements that ensure compliance with legislation for minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labour, and discrimination and legislation allowing for freedom of association.</p>	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p> <p>...</p> <p>Table 1</p> <p>1.12 Legal employment.</p> <p>Legal requirements for employment of personnel involved in harvesting activities including requirements for contracts and working permits, requirements for obligatory insurance, requirements for competence certificates and other training requirements, and payment of social and income taxes withheld by the employer. Also covered are the observance of minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labor, and discrimination and freedom of association.</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This</p>	Covered



				<p>procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 covers legal employment.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.</p>	
	<b>A.1b.4 Third parties' legal rights concerning use and tenure that are affected by timber harvesting</b>				

A.1b.4.1	Customary rights	A.1b.4.1.1 The Scheme shall include requirements that ensure compliance with respect for customary tenure rights relevant to forest harvesting activities.	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p> <p>...</p> <p>Table 1</p> <p>1.13 Customary rights.</p> <p>Legislation covering customary rights relevant to forest harvesting activities, including requirements covering the sharing of benefits and indigenous rights.</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 covers customary rights.</p> <p>Where an FSC risk assessment (NRA/CNRA) is</p>	Covered
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				<p>not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.</p>	
		<p><b>A.1b.4.1.2</b> The Scheme shall include requirements that ensure compliance with legal obligations concerning benefit sharing they have negotiated with communities or customary users. E.g. social agreements or social responsibility agreements or cahier de charges dependent on the country.</p>	<p>As per A.1b.1.1.1. in addition to the following:  <a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a>          ...          Table 1          1.13 Customary rights.          Legislation covering customary rights relevant to forest harvesting activities, including requirements covering the sharing of benefits and indigenous rights.</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and</p>	Covered

				<p>approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 covers benefit sharing.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.</p>	
<b>A.1b.4.2</b>	Free, Prior and Informed Consent	<b>A.1b.4.2.1</b> The Scheme shall include requirements that ensure compliance with the internationally adopted principles	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p> <p>...</p> <p>Table 1</p> <p>1.14 Free, Prior and Informed Consent.</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood</p>	Covered

		of 'Free, Prior and Informed Consent' in connection with granting rights to forest management.	Legislation covering 'free, prior and informed consent' in connection with the transfer of forest management rights, and customary rights to the organization in charge of the harvesting operation.	<p>Category 1). One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 covers Free, Prior and Informed Consent.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p>	
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				<b>Justification</b>  Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.	
<b>A.1b.4.3</b>	Indigenous and traditional peoples' rights	<b>A.1b.4.3.1</b> The Scheme shall include requirements that ensure compliance with national legislation and international conventions ratified that respect the tenure rights of indigenous and tribal peoples to forest land as well as their right to FPIC.	As per A.1b.1.1.1. in addition to the following: <a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a> ... Table 1 1.15 Indigenous peoples' rights.  Legislation that regulates the rights of indigenous people as far as it is related to forestry activities. Possible aspects to consider are land tenure, and rights to use certain forest related resources and practice traditional activities, which may involve forest lands.	<b>Findings</b>  The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.  The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).  The requirements for FSC risk assessments (FSC-	Covered

				<p>PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 covers Indigenous and traditional peoples' rights.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.</p>	
	<b>A.1b.5 Trade and customs, in so far as the forest sector is concerned</b>				
<b>A.1b.5.1</b>	Classification of species, quantities, qualities	<b>A.1b.5.1.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating how harvested material is classified in terms of species, Quantities and qualities in	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p> <p>...</p> <p>Table 1</p> <p>1.16 Classification of species, quantities, qualities.</p> <p>Legislation regulating how harvested material is classified in terms of species, volumes and qualities in connection with trade and transport. Incorrect classification of harvested material is a well-known method to reduce or avoid payment</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk</p>	Covered

		connection with trade and transport.	of legally prescribed taxes and fees.	<p>assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 the classification of species, quantities, qualities.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and</p>	
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				standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.	
<b>A.1b.5.2</b>	Trade and transport	<b>A.1b.5.2.1</b> The Scheme shall include requirements that ensure compliance with legally required trading permits as well as legally required transport documents that accompany transport of wood from forest operations.	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p> <p>...</p> <p>Table 1</p> <p>1.17 Trade and transport.</p> <p>All required trading and transport permits shall exist as well as legally required transport documents which accompany the transport of wood from forest operations.</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and</p>	Covered

				<p>Table 1. Requirements for legality assessment). Table 1 cover trade and transport.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.</p>	
<b>A.1b.5.3</b>	Offshore trading and transfer pricing	<b>A.1b.5.3.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating offshore trading and transfer pricing.	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p> <p>...</p> <p>Table 1</p> <p>1.18 Offshore trading and transfer pricing.</p> <p>Legislation regulating offshore trading. Offshore trading with related companies placed in tax havens, combined with artificial transfer prices is a well-known way to avoid payment of legally prescribed taxes and fees to the country of harvest and is considered to be an important source of funds that can be used for payment of bribery to the forest operations and personnel involved in the harvesting operation.</p> <p>Many countries have established legislation covering transfer pricing and offshore trading. It should be noted that only transfer pricing and offshore trading, as far as it is legally prohibited in the country, can be included here.</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National</p>	Covered

				<p>Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 covers offshore training and transfer pricing.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.</p>	
<b>A.1b.5.4</b>	Customs regulations	<b>A.1b.5.4.1</b> The Scheme shall include requirements that	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the</p>	Covered

		ensure compliance with legislation covering areas such as export/import licenses, and product classification related to customs (codes, quantities, qualities and species).	<p>...</p> <p>Table 1</p> <p>1.19 Custom regulations.</p> <p>Custom legislation covering areas such as export/import licenses and product classification (codes, quantities, qualities and species).</p>	<p>requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table covers customs regulations.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk</p>	
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				assessment Framework (FSC-PRO-60-002a).	
				<p><b>Justification</b></p> <p>Based on the normative requirements- both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.</p>	
<b>A.1b.5.5</b>	CITES	<b>A.1b.5.5.1</b> The Scheme shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).	<p>As per A.1b.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p> <p>...</p> <p>Table 1</p> <p>1.20 CITES.</p> <p>CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all</p>	Covered

				<p>approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 covers CITES permits.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.</p>	
<b>A.1b.5.6</b>	Legislation requiring due diligence/ due care procedures	<b>A.1b.5.6.1</b> The scheme shall include requirements that ensure compliance with legislation covering due diligence/ due care procedures, including e.g. due diligence/ due care systems,	<p>As per A.1.1.1.1. in addition to the following:</p> <p><a href="#">FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework Procedure</a></p> <p>...</p> <p>Table 1</p> <p>1.21 Legislation requiring due diligence/ due care procedures.</p> <p>Legislation requiring due diligence/ due care procedures, including, e.g., due diligence/ due care systems, declaration obligations, and/ or the keeping of trade related documents, etc.</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). One of the two types of risks that the DDS shall address is the risk associated with the origin of the material, for which Certificate Holders are obliged to use "the applicable FSC risk assessment" (Clause 3.1). The definition of 'risk</p>	Covered

		<p>declaration obligations, and /or the keeping of trade related documents, legislation establishing procedures to prevent trade in illegally harvested timber and products derived from such timber, etc.</p>		<p>assessment', along with Figure 1, given in Section E of the standard provides guidance as to which risk assessment is deemed 'applicable'. A complex transition process from older requirements ended in 2019 meaning that all applicable FSC risk assessments at the time of writing are required to have been developed according to Version 3-0 of FSC's procedure for the development of National Risk Assessments (FSC-PRO-60-002). This procedure outlines the methodology for developing, maintaining, revising, evaluating, and approving risk assessments.</p> <p>The requirements for the risk assessments are included in an addendum to the procedure (FSC-PRO-60-002a) whilst a second addendum lists all approved FSC risk assessments (FSC-PRO-60-002b).</p> <p>The requirements for FSC risk assessments (FSC-PRO-60-002a) specify the scope of the legality assessments with indicators for all applicable laws, regulations and nationally ratified treaties, conventions and agreements (Clause 3.1.1. and Table 1. Requirements for legality assessment). Table 1 includes a section on due diligence / due care procedures.</p> <p>Where an FSC risk assessment (NRA/CNRA) is not available, the Certificate Holder needs to develop their own Extended Company Risk Assessment (ECRA) following the same requirements specified in the FSC Risk assessment Framework (FSC-PRO-60-002a).</p> <p><b>Justification</b></p> <p>Based on the normative requirements - both for standards applicable to certificate holders and</p>	
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				standards and procedures for the development of FSC risk assessments - this indicator has been evaluated as Covered.	
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## A.2a Legal requirements for supply chain entities – Certificate holders

Trade and customs, in so far as the forest sector is concerned.

This section shall apply to Certificate Holders - or other entities subject to the normative requirements of the Scheme (e.g. included within the scope of a certified due diligence system) - within the Country of Harvest.

Due to the size and complexity of the scheme the findings for this section have been split up and reported in two sections. This section (A.2a) focuses Certificate Holders directly, covering the CoC standard, which is applicable to all supply chain entities within the FSC system (FSC-STD-40-004 and associated documents). The next section (A.2b) covers non-certified material entering the FSC system via the Controlled Wood due diligence system implemented by CoC certificate holders (FSC-STD-40-005 and associated documents) and refers to the non-certified supply chain entities between the forest gate and the point of export in the country of harvest.

	A.2a.1. Legal registration				
A.2a.1.1	Legal Registration	A.2a.1.1.1 The scheme shall include requirements that ensure the existence of legal business registration, and other relevant legally required licenses.	<a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a>	<p><b>Findings</b></p> <p>There are no requirements in the CoC standard covering the existence of legal business registration, and other relevant legally required licenses, for certificate holders.</p> <p><b>Justification</b></p> <p>Based on the lack of normative requirements applicable to supply-chain certificate holders, this indicator has been evaluated as Not Covered.</p>	Not Covered
	A.2a.2 Taxes and fees				
A.2a.2.1	Payment of taxes, royalties and fees	A.2a.2.1.1 The Scheme shall include requirements	<a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a>  <b>6. Compliance with timber legality legislation</b> 6.1 The organization shall ensure that its FSC-certified	<p><b>Findings</b></p> <p>Requirement 6.1 of the CoC standard requires the Certificate Holder to “ensure that its FSC-certified</p>	Partially Covered



		<p>that ensure compliance with legislation covering payment of all legally required taxes, royalties and fees.</p>	<p>products conform to all applicable timber legality legislation. At a minimum, the organization shall:</p> <ul style="list-style-type: none"> <li>a. have procedures in place to ensure the import and/or export of FSC certified products by the organization conform to all applicable trade and customs laws<sup>1</sup> (if the organization exports and/or imports FSC products);</li> <li>b. upon request, collect and provide information on species (common and scientific name) and country of harvest (or more specific location details if required by legislation) to direct customers and/or any FSC-certified organizations further down the supply chain that need this information to comply with timber legality legislation. The form and frequency of providing this information may be agreed upon between the organization and the requester;</li> </ul> <p>NOTE: If the organization does not possess the requested information on species and country of origin, the request shall be passed on to the upstream suppliers until the information can be obtained.</p> <ul style="list-style-type: none"> <li>c. ensure that FSC-certified products containing pre-consumer reclaimed wood (except reclaimed paper) being sold to companies located in countries where timber legality legislation applies <b>either</b>: <ul style="list-style-type: none"> <li>i. only include pre-consumer reclaimed wood materials that conform to FSC Controlled Wood requirements in accordance with FSC-STD-40-005; <b>or</b></li> <li>ii. inform their customers about the presence of pre-consumer reclaimed wood in the product and support their due diligence system as required by applicable timber legality legislation.</li> </ul> </li> </ul> <p>NOTE: Organizations applying option c (i) above may apply the requirements for co-products outlined in FSC-STD-40-005."</p> <p>Footnote:  <sup>1</sup>Trade and Customs Laws, include, but may not be restricted to:</p> <ul style="list-style-type: none"> <li>• Bans, quotas and other restrictions on the export of timber products (e.g. ban on the export of unprocessed logs or rough-sawn lumber)</li> <li>• Requirements for export licences for timber and timber</li> </ul>	<p>products conform to all applicable timber legality legislation". It lists three "minimum" areas in which the Certificate Holder shall comply, covering trade and customs laws at import/export, the collection and provision of supply chain information and additional measures to aid due diligence on pre-consumer material being sold into countries where such timber legality legislation applies. A footnote to this requirement states that the relevant trade and customs laws include "but may not be restricted to... taxes and duties applying to timber product exports".</p> <p>Whilst the requirement has been made sufficiently broad by the terms "at a minimum" and "may not be restricted to" to encompass a whole range of legislation, its focus is on 'timber legality legislation' which considers due diligence systems and the legality of timber purchases, rather than the legal compliance of the Certificate Holder itself, including with regards to legislation covering payment of all legally required taxes, royalties and fees. It does also not ensure that such fees are paid by other potential supply-chain entities which may exist in the country of harvest.</p> <p><b>Justification</b></p> <p>The normative requirements applicable to supply-chain certificate holders do not fully cover this indicator the scheme include requirements that ensure compliance by the Certificate Holder with legislation covering payment of all legally required taxes, royalties and fees. It has been evaluated as Partially Covered.</p>	
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			<p>products</p> <ul style="list-style-type: none"> <li>• Official authorisation that entities exporting timber and timber products may require</li> <li>• Taxes and duties applying to timber product exports</li> </ul> <p><b>"Timber legality legislation:</b> National or international legislation established to ban the illegal trade of forest products (e.g. EU Timber Regulation (EUTR), US Lacey Act, Australian Illegal Logging Prohibition Act)."</p> <p><a href="#">FSC-DIR-40-004 COC DIRECTIVE 2020</a> ADVICE-40-004-11</p> <p>"FSC certificate holders exporting and/or importing timber or timber products shall have procedures in place to ensure that the commercialization of FSC certified and FSC Controlled Wood products comply with all applicable trade and customs laws."</p>		
<b>A.2a.2.2</b>	Value-added taxes and other sales taxes	<b>A.2a.2.2.1</b> The Scheme shall include requirements that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales).	<a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a>	<p><b>Findings</b></p> <p>The CoC standard does not reference VAT or other types of sales taxes.</p> <p><b>Justification</b></p> <p>Based on the lack of normative requirements applicable to supply-chain certificate holders, this indicator has been evaluated as Not Covered.</p>	Not Covered
<b>A.2a.3 Trade and transport</b>					
<b>A.2a.3.1</b>	Classification of species, quantities, qualities	<b>A.2a.3.1.1</b> The Scheme shall include requirements that ensure compliance with legislation	<p><a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a></p> <p><b>"6. Compliance with timber legality legislation</b></p> <p>6.1 The organization shall ensure that its FSC-certified products conform to all applicable timber legality legislation. At a minimum, the organization shall:</p> <ul style="list-style-type: none"> <li>a. have procedures in place to ensure the import and/or export of FSC certified products by the</li> </ul>	<p><b>Findings</b></p> <p>The CoC standard contains requirements for classifying products according to species and product type per FSC definitions (Requirements 7.1 and 7.3, also see FSC-STD-40-004a FSC Product Classification Standard), and for tracking and</p>	Partially Covered

		<p>regulating how products are classified in terms of species, volumes and qualities in connection with trade and transport.</p>	<p>organization conform to all applicable trade and customs laws<sup>1</sup> (if the organization exports and/or imports FSC products);</p> <p>b. upon request, collect and provide information on species (common and scientific name) and country of harvest (or more specific location details if required by legislation) to direct customers and/or any FSC-certified organizations further down the supply chain that need this information to comply with timber legality legislation. The form and frequency of providing this information may be agreed upon between the organization and the requester;</p> <p>NOTE: If the organization does not possess the requested information on species and country of origin, the request shall be passed on to the upstream suppliers until the information can be obtained.</p> <p>c. ensure that FSC-certified products containing pre-consumer reclaimed wood (except reclaimed paper) being sold to companies located in countries where timber legality legislation applies either:</p> <p>i. only include pre-consumer reclaimed wood materials that conform to FSC Controlled Wood requirements in accordance with FSC-STD-40-005; or</p> <p>ii. inform their customers about the presence of pre-consumer reclaimed wood in the product and support their due diligence system as required by applicable timber legality legislation.</p> <p>NOTE: Organizations applying option c (i) above may apply the requirements for co-products outlined in FSC-STD-40-005."</p> <p>Footnote:  <sup>1</sup>Trade and Customs Laws, include, but may not be restricted to:</p> <ul style="list-style-type: none"> <li>• Bans, quotas and other restrictions on the export of timber products (e.g. ban on the export of unprocessed logs or rough-sawn lumber)</li> <li>• Requirements for export licences for timber and timber products</li> <li>• Official authorisation that entities exporting timber and timber products may require</li> <li>• Taxes and duties applying to timber product exports"</li> </ul>	<p>declaring quantities for sales, but there is no mention of legal requirements to verify that classification of material meets actual or legal status.</p> <p>Requirement 6.1 of the CoC standard requires the Certificate Holder to "ensure that its FSC-certified products conform to all applicable timber legality legislation". It lists three "minimum" areas in which the Certificate Holder shall comply, covering trade and customs laws at import/export, the collection and provision of supply chain information and additional measures to aid due diligence on pre-consumer material being sold into countries where such timber legality legislation applies. A footnote to this requirement states that the relevant trade and customs laws include "but may not be restricted to... taxes and duties applying to timber product exports" but does not mention classification.</p> <p>Whilst the requirement has been made sufficiently broad by the terms "at a minimum" and "may not be restricted to" to encompass a whole range of legislation its focus is on 'timber legality legislation' which considers due diligence systems and the legality of timber purchases, rather than the legal compliance of the Certificate Holder itself, including with regards to product classification.</p> <p>Advice Note ADVICE-40-004-10 reinforces Requirement 6.1 regarding supply chain information and includes 'Proof of compliance with relevant trade and customs laws' but is no more explicit than the standard requirement.</p> <p><b>Justification</b></p> <p>The normative requirements applicable to supply-chain certificate holders do not fully cover this indicator with regards to legislation regulating how</p>	
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			<p><b>"Timber legality legislation:</b> National or international legislation established to ban the illegal trade of forest products (e.g. EU Timber Regulation (EUTR), US Lacey Act, Australian Illegal Logging Prohibition Act)."</p> <p>"7.1 The organization shall establish product groups for the purpose of controlling FSC output claims and labelling. Product groups shall be formed by one or more output products that:</p> <p>a. belong to the same product type in accordance with FSC-STD-40-004a;"</p> <p>"7.3 The organization shall maintain an up-to-date list of product groups specifying for each:</p> <p>a. the product type(s) of the output products in accordance with FSC-STD-40-004a;</p> <p>b. the applicable FSC claims for the outputs. The organization may also indicate products that are eligible to carry the FSC Small and Community Label if the organization wants this information to be public in the FSC certificate database;</p> <p>c. the species (including scientific and common names), where the species information designates the product characteristics."</p> <p><a href="#">FSC-STD-40-004a FSC Product Classification Standard</a></p> <p><a href="#">FSC-DIR-40-004 COC DIRECTIVE 2020</a></p> <p>ADVICE-40-004-10 (although the normative reference is the older standard FSC-STD-40-004 V2-1 Clauses 1.4 and 2.1.1)</p> <p>"1. Upon request, FSC certified suppliers shall provide customers with the following information about FSC certified and FSC Controlled Wood timber or timber products subject to compliance with applicable timber legality legislations:</p> <p>a) Common name and/or scientific name of timber species as required by the applicable legislation;</p> <p>NOTE: This requirement takes precedence over Clause 2.1.1 c) of FSCSTD- 40-004 V2-1.</p> <p>b) Origin of timber (countries of harvest and where applicable, subnational regions and concessions of harvest);</p> <p>NOTE: Information on the sub-national regions or concessions of harvest shall be provided where the risk of illegal harvesting</p>	<p>products are classified. It has been evaluated as Partially Covered.</p>	
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			between concessions of harvest in a country or sub-national region varies. Any arrangement conferring the right to harvest timber in a defined area shall be considered a concession of harvest. c) Proof of compliance with relevant trade and customs laws.”		
<b>A.2a.3.2</b>	Trade and transport	<b>A.2a.3.2.1</b> The Scheme shall include requirements that ensure compliance with required trading permits as well as legally required transport documents that accompany transport of wood.	<p><a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a></p> <p><b>“6. Compliance with timber legality legislation</b> 6.1 The organization shall ensure that its FSC-certified products conform to all applicable timber legality legislation. At a minimum, the organization shall:</p> <ul style="list-style-type: none"> <li>a. have procedures in place to ensure the import and/or export of FSC certified products by the organization conform to all applicable trade and customs laws<sup>1</sup> (if the organization exports and/or imports FSC products);”</li> </ul> <p>Footnote: “<sup>1</sup>Trade and Customs Laws, include, but may not be restricted to:</p> <ul style="list-style-type: none"> <li>• Bans, quotas and other restrictions on the export of timber products (e.g. bans on the export of unprocessed logs or rough-sawn lumber)</li> <li>• Requirements for export licences for timber and timber products</li> <li>• Official authorisation that entities exporting timber and timber products may require</li> <li>• Taxes and duties applying to timber product exports”</li> </ul> <p><a href="#">FSC-DIR-40-004 COC DIRECTIVE 2020</a> ADVICE-40-004-11 “FSC certificate holders exporting and/or importing timber or timber products shall have procedures in place to ensure that the commercialization of FSC certified and FSC Controlled Wood products comply with all applicable trade and customs laws.”</p>	<p><b>Findings</b></p> <p>Requirement 6.1 of the CoC standard requires the Certificate Holder to “ensure that its FSC-certified products conform to all applicable timber legality legislation”. One of its three “minimum” areas in which the Certificate Holder shall comply refers to trade and customs laws at import/export. A footnote to this requirement states that the relevant trade and customs laws include “but may not be restricted to... taxes and duties applying to timber product exports”.</p> <p>Whilst the requirement has been made sufficiently broad by the terms “at a minimum” and “may not be restricted to” to encompass a whole range of legislation its examples are all focused on export, such that it is not clear that other trading permits as well as legally required transport documents that accompany transport of wood are to be considered, whether by the Certificate Holder itself, nor any other supply chain entity.</p> <p><b>Justification</b></p> <p>The normative requirements applicable to supply-chain certificate holders do not fully cover this indicator. It has been evaluated as Partially Covered.</p>	Partially Covered
<b>A.2a.3.3</b>	Offshore trading and transfer pricing	<b>A.2a.3.3.1</b> The Scheme shall include requirements that ensure	<p><a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a></p> <p><b>“6. Compliance with timber legality legislation</b> 6.1 The organization shall ensure that its FSC-certified products conform to all applicable timber legality legislation. At a minimum, the organization shall:</p>	<p><b>Findings</b></p> <p>Requirement 6.1 of the CoC standard requires the Certificate Holder to “ensure that its FSC-certified products conform to all applicable timber legality</p>	Partially Covered

		compliance with legislation regulating offshore trading.	<p>a. have procedures in place to ensure the import and/or export of FSC certified products by the organization conform to all applicable trade and customs laws<sup>1</sup> (if the organization exports and/or imports FSC products);”</p> <p>Footnote:  <sup>1</sup>Trade and Customs Laws, include, but may not be restricted to:  <ul style="list-style-type: none"> <li>• Bans, quotas and other restrictions on the export of timber products (e.g. ban on the export of unprocessed logs or rough-sawn lumber)</li> <li>• Requirements for export licences for timber and timber products</li> <li>• Official authorisation that entities exporting timber and timber products may require</li> <li>• Taxes and duties applying to timber product exports”</li> </ul> <a href="#">FSC-DIR-40-004 COC DIRECTIVE 2020</a>  ADVISE-40-004-11  “FSC certificate holders exporting and/or importing timber or timber products shall have procedures in place to ensure that the commercialization of FSC certified and FSC Controlled Wood products comply with all applicable trade and customs laws.”</p>	<p>legislation”. One of its three “minimum” areas in which the Certificate Holder shall comply refer to trade and customs laws at import/export. A footnote to this requirement states that the relevant trade and customs laws include “but may not be restricted to... taxes and duties applying to timber product exports”.</p> <p>Whilst the requirement has been made sufficiently broad by the terms “at a minimum” and “may not be restricted to” to encompass a whole range of legislation it does not explicitly refer to offshore trading.</p> <p><b>Justification</b></p> <p>The normative requirements applicable to supply-chain certificate holders do not fully cover this indicator. It has been evaluated as Partially Covered.</p>	
		<b>A.2a.3.3.2</b> The Scheme shall include requirements that ensure compliance with legislation regulating transfer pricing.	<p><a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a></p> <p><b>“6. Compliance with timber legality legislation</b>  6.1 The organization shall ensure that its FSC-certified products conform to all applicable timber legality legislation. At a minimum, the organization shall:  a. have procedures in place to ensure the import and/or export of FSC certified products by the organization conform to all applicable trade and customs laws<sup>1</sup> (if the organization exports and/or imports FSC products);”</p> <p>Footnote:  <sup>1</sup>Trade and Customs Laws, include, but may not be restricted to:  <ul style="list-style-type: none"> <li>• Bans, quotas and other restrictions on the export of timber products (e.g. ban on the export of unprocessed logs or rough-sawn lumber)</li> <li>• Requirements for export licences for timber and timber products</li> <li>• Official authorisation that entities exporting timber and timber products may require</li> </ul> </p>	<p><b>Findings</b></p> <p>Requirement 6.1 of the CoC standard requires the Certificate Holder to “ensure that its FSC-certified products conform to all applicable timber legality legislation”. One of its three “minimum” areas in which the Certificate Holder shall comply refer to trade and customs laws at import/export. A footnote to this requirement states that the relevant trade and customs laws include “but may not be restricted to... taxes and duties applying to timber product exports”.</p> <p>Whilst the requirement has been made sufficiently broad by the terms “at a minimum” and “may not be restricted to” to encompass a whole range of legislation it does not explicitly refer to transfer pricing.</p>	Partially Covered

			<p>• Taxes and duties applying to timber product exports"</p> <p><a href="#">FSC-DIR-40-004 COC DIRECTIVE 2020</a> ADVICE-40-004-11</p> <p>"FSC certificate holders exporting and/or importing timber or timber products shall have procedures in place to ensure that the commercialization of FSC certified and FSC Controlled Wood products comply with all applicable trade and customs laws."</p>	<p><b>Justification</b></p> <p>The normative requirements applicable to supply-chain certificate holders do not fully cover this indicator. It has been evaluated as Partially Covered.</p>	
<b>A.2a.3.4</b>	Customs regulations	<p><b>A.2a.3.4.1</b> The Scheme shall include requirements that ensure compliance with legislation covering areas such as export/import licenses, and product classification related to customs (codes, quantities, qualities and species).</p>	<p><a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a></p> <p>Requirement 6.1 "The organization shall ensure that its FSC-certified products conform to all applicable timber legality legislation. At a minimum, the organization shall:</p> <ol style="list-style-type: none"> <li>have procedures in place to ensure the import and/or export of FSC certified products by the organization conform to all applicable trade and customs laws<sup>1</sup> (if the organization exports and/or imports FSC products);"</li> </ol> <p>Footnote: "<sup>1</sup>Trade and Customs Laws, include, but may not be restricted to:</p> <ul style="list-style-type: none"> <li>• Bans, quotas and other restrictions on the export of timber products (e.g. bans on the export of unprocessed logs or rough-sawn lumber)</li> <li>• Requirements for export licences for timber and timber products</li> <li>• Official authorisation that entities exporting timber and timber products may require</li> <li>• Taxes and duties applying to timber product exports"</li> </ul> <p>"7.1 The organization shall establish product groups for the purpose of controlling FSC output claims and labelling. Product groups shall be formed by one or more output products that:</p> <ol style="list-style-type: none"> <li>belong to the same product type in accordance with FSC-STD-40-004a;"</li> </ol> <p>"7.3 The organization shall maintain an up-to-date list of product groups specifying for each:</p> <ol style="list-style-type: none"> <li>the product type(s) of the output products in accordance with FSC-STD-40-004a;</li> <li>the applicable FSC claims for the outputs. The organization may also indicate products that are eligible to carry the FSC Small and Community Label if the</li> </ol>	<p><b>Findings</b></p> <p>The CoC standard contains requirements for classifying products according to species and product type per FSC definitions (Requirements 7.1 and 7.3, also see FSC-STD-40-004a FSC Product Classification Standard), and for tracking and declaring quantities for sales.</p> <p>Requirement 6.1 states that the certification holder shall ensure that its FSC-certified products conform to all applicable timber legality legislation. At a minimum, this includes having procedures in place to ensure the import and/or export of FSC certified products by the organization conform to all applicable trade and customs laws (if the organization exports and/or imports FSC products). A footnote states that "Trade and Customs Laws, include, but may not be restricted to:</p> <ul style="list-style-type: none"> <li>• Bans, quotas and other restrictions on the export of timber products (e.g. bans on the export of unprocessed logs or rough-sawn lumber)</li> <li>• Requirements for export licences for timber and timber products</li> <li>• Official authorisation that entities exporting timber and timber products may require</li> <li>• Taxes and duties applying to timber product exports</li> </ul> <p>It is deemed that the above also covers legal</p>	Covered



			<p>organization wants this information to be public in the FSC certificate database;</p> <p>c. the species (including scientific and common names), where the species information designates the product characteristics."</p> <p><a href="#">FSC-STD-40-004a FSC Product Classification Standard</a></p>	<p>requirements relevant to the classification of product classification related to customs.</p> <p><b>Justification</b></p> <p>It has been evaluated as Covered. The normative requirements applicable to supply-chain certificate holders cover this indicator.</p>	
A.2a.3.5	CITES	<p><b>A.2a.3.5.1</b> The Scheme shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).</p>	<p><a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a></p> <p>Requirement 6.1</p> <p>"The organization shall ensure that its FSC-certified products conform to all applicable timber legality legislation. At a minimum, the organization shall:</p> <ul style="list-style-type: none"> <li>a. have procedures in place to ensure the import and/or export of FSC certified products by the organization conform to all applicable trade and customs laws<sup>1</sup> (if the organization exports and/or imports FSC products);" <p>Footnote:</p> <p><sup>1</sup>Trade and Customs Laws, include, but may not be restricted to:</p> <ul style="list-style-type: none"> <li>• Bans, quotas and other restrictions on the export of timber products (e.g. ban on the export of unprocessed logs or rough-sawn lumber)</li> <li>• Requirements for export licences for timber and timber products</li> <li>• Official authorisation that entities exporting timber and timber products may require</li> <li>• Taxes and duties applying to timber product exports" <p><a href="#">FSC-DIR-40-004 FSC Directive on Chain of Custody Certification - Last Updated: 12 August 2020</a></p> <p>ADVICE-40-004-11</p> <p>"FSC certificate holder exporting and/or importing timber or timber products shall have procedures in place to ensure that the commercialization of FSC certified and FSC Controlled Wood products comply with all applicable trade and customs laws."</p> <p><a href="#">Interpretations of the normative framework: Chain of Custody – 30 June 2020</a></p> </li></ul></li></ul>	<p><b>Findings</b></p> <p>The CoC standard does not explicitly reference CITES permits or legislation. It is possible that they would fall under the first two points of the Trade and Customs Laws in Requirement 6.1 but this is not clear, nor is it clear from ADVICE-40-004-11 and no further guidance is given in the Interpretations for CoC.</p> <p>Whilst forest material enters the FSC supply chain only through two routes (through FSC FM certification and as controlled material) which have requirements covering CITES, this indicator is concerned with the required permits at export from the country of harvest, where this is done by a different supply chain entity.</p> <p><b>Justification</b></p> <p>The normative requirements applicable to supply-chain certificate holders do not fully cover this indicator. It has been evaluated as Partially Covered.</p>	Partially Covered



A.2a.3.6	Legislation requiring due diligence/ due care procedures	A.2a.3.6.1 The scheme shall include requirements that ensure compliance with legislation covering due diligence/ due care procedures, including e.g. due diligence/ due care systems, declaration obligations, and /or the keeping of trade related documents, legislation establishing procedures to prevent trade in illegally harvested timber and products derived from such timber, etc.	<p><u>FSC-STD-40-004 V3-0 Chain of Custody Certification</u></p> <p>"6. Compliance with timber legality legislation 6.1 The organization shall ensure that its FSC-certified products conform to all applicable timber legality legislation. At a minimum, the organization shall:</p> <p>a. have procedures in place to ensure the import and/or export of FSC certified products by the organization conform to all applicable trade and customs laws<sup>1</sup> (if the organization exports and/or imports FSC products);</p> <p>b. upon request, collect and provide information on species (common and scientific name) and country of harvest (or more specific location details if required by legislation) to direct customers and/or any FSC-certified organizations further down the supply chain that need this information to comply with timber legality legislation. The form and frequency of providing this information may be agreed upon between the organization and the requester;</p> <p>NOTE: If the organization does not possess the requested information on species and country of origin, the request shall be passed on to the upstream suppliers until the information can be obtained.</p> <p>c. ensure that FSC-certified products containing pre-consumer reclaimed wood (except reclaimed paper) being sold to companies located in countries where timber legality legislation applies either:</p> <p>i. only include pre-consumer reclaimed wood materials that conform to FSC Controlled Wood requirements in accordance with FSC-STD-40-005; or</p> <p>ii. inform their customers about the presence of pre-consumer reclaimed wood in the product and support their due diligence system as required by applicable timber legality legislation.</p> <p>NOTE: Organizations applying option c (i) above may apply the requirements for co-products outlined in FSC-STD-40-005.</p> <p>1 Trade and Customs Laws, include, but may not be restricted to:</p> <ul style="list-style-type: none"> <li>• Bans, quotas and other restrictions on the export of timber products (e.g. ban on the export of unprocessed logs or rough-sawn lumber)</li> <li>• Requirements for export licences for timber and timber products</li> </ul>	<p><b>Findings</b></p> <p>Requirement 6.1 seeks to address compliance with timber legality legislation.</p> <p>6.1 a (see A.2a.3.4.1 on Customs regulations above) requires Certificate Holders to have procedures to comply with all trade and customs laws, however, it (nor the associated footnote) does not make explicit reference to legislation covering due diligence/ due care procedures. It doesn't give any detail, nor does it reference due diligence/ care legislation in its examples.</p> <p>6.1 b does refer to timber legality legislation in reference to collecting and passing on information on species and country of harvest. This requirement is aimed at Certificate Holders who are not EU Operators, specifying that this information shall be collected only "upon request", not systematically.</p> <p>The EUTR is only referenced in Annex C – Terms and definitions, under Timber Legality Legislation.</p> <p><b>Justification</b></p> <p>The normative requirements applicable to supply-chain certificate holders do not fully cover this indicator. It has been evaluated as Partially Covered.</p>	Partially Covered
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			<ul style="list-style-type: none"> <li>• Official authorisation that entities exporting timber and timber products may require</li> <li>• Taxes and duties applying to timber product exports</li> </ul>		
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## A.2b Legal requirements for supply chain entities – Non-certified supply chains

Trade and customs, in so far as the forest sector is concerned.

This section shall apply to Certificate Holders - or other entities subject to the normative requirements of the Scheme (e.g. included within the scope of a certified due diligence system) - within the Country of Harvest.

Due to the size and complexity of the scheme the findings for this section have been split up and reported in two sections. This section (A.2b) covers non-certified material entering the FSC system via the Controlled Wood due diligence system implemented by CoC certificate holders (FSC-STD-40-005 and associated documents) and refers to the non-certified supply chain entities between the forest gate and the point of export in the country of harvest. The previous section (A.2a) focuses on Certificate Holders directly, covering the CoC standard, which is applicable to all supply chain entities within the FSC system (FSC-STD-40-004 and associated documents).

	A.2b.1. Legal registration				
A.2b.1.1	Legal Registration	A.2b.1.1.1 The scheme shall include requirements that ensure the existence of legal business registration, and other relevant legally required licenses.	<p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood.</a></p> <p>“2.3 The organization shall have access to information on its supply chains (including sub-suppliers) to a level that allows it to confirm and document:</p> <p>a) The origin of the material;</p> <p>b) The risk related to the origin, and the risk related to mixing with non-eligible inputs in the supply chain (according to Section 3); and</p> <p>c) The mitigation of risk (according to Section 4).”</p> <p>“3.1 The organization shall use the applicable FSC risk assessment to determine the risk related to the origin of the material for each controlled wood category.”</p> <p>“3.4 The organization shall assess and document the risk of mixing material with non-eligible inputs in its supply chains during transport, processing, and storage.”</p> <p>“3.5 The organization may use material as controlled material and/or sell it with the FSC Controlled Wood claim if it has been confirmed as low risk for all indicators in the applicable risk assessment, and there is no risk of mixing with non-eligible</p>	<p><b>Findings</b></p> <p>The standard ‘Requirements for Sourcing FSC Controlled Wood’ (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). There are requirements for addressing two types of risk:</p> <ul style="list-style-type: none"> <li>• Risks associated with the origin of the material (Clause 3.1); and</li> <li>• The risk of mixing material with non-eligible inputs (Clause 3.4).</li> </ul> <p>The standard does not include requirements for the Certificate Holder's due diligence system to cover the legal compliance of supply chain entities (suppliers and sub-suppliers). Consequently, it is possible that timber that has been legally harvested and traded at the forest level but is subsequently processed and/or</p>	Not Covered

			<p>inputs in the supply chains.”</p> <p>“3.7 Whenever specified or unspecified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain is determined, the organization shall implement the requirements of Section 4 before material can be used as controlled material or sold with the FSC Controlled Wood claim.”</p> <p>Box 3: Where is the risk?</p>	<p>traded by a supply chain entity that is not legally compliant, enters the FSC system as FSC Controlled Wood.</p> <p><b>Justification</b></p> <p>The normative requirements applicable to supply-chain entities (within the country of harvest) included within a due diligence system, certified according to the Controlled Wood standard FSC-STD-40-005, do not cover this indicator.</p>	
	<b>A.2b.2 Taxes and fees</b>				
<b>A.2b.2.1</b>	Payment of taxes, royalties and fees	<b>A.2b.2.1.1</b> The Scheme shall include requirements that ensure compliance with legislation covering payment of all legally required taxes, royalties and fees.	<p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a>,</p> <p>“2.3 The organization shall have access to information on its supply chains (including sub-suppliers) to a level that allows it to confirm and document:</p> <p>a) The origin of the material;</p> <p>b) The risk related to the origin, and the risk related to mixing with non-eligible inputs in the supply chain (according to Section 3); and</p> <p>c) The mitigation of risk (according to Section 4).”</p> <p>“3.1 The organization shall use the applicable FSC risk assessment to determine the risk related to the origin of the material for each controlled wood category.”</p> <p>“3.4 The organization shall assess and document the risk of mixing material with non-eligible inputs in its supply chains during transport, processing, and storage.”</p> <p>“3.5 The organization may use material as controlled material and/or sell it with the FSC Controlled Wood claim if it has been confirmed as low risk for all indicators in the applicable risk assessment, and there is no risk of mixing with non-eligible inputs in the supply chains.”</p> <p>“3.7 Whenever specified or unspecified risk related to origin</p>	<p><b>Findings</b></p> <p>The standard ‘Requirements for Sourcing FSC Controlled Wood’ (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). There are requirements for addressing two types of risk:</p> <ul style="list-style-type: none"> <li>• Risks associated with the origin of the material (Clause 3.1); and</li> <li>• The risk of mixing material with non-eligible inputs (Clause 3.4).</li> </ul> <p>The standard does not include requirements for the Certificate Holder’s due diligence system to cover the legal compliance of supply chain entities (suppliers and sub-suppliers). Consequently, it is possible that timber that has been legally harvested and traded at the forest level but is subsequently processed and/or traded by a supply chain entity that is not legally compliant, enters the FSC system as FSC Controlled</p>	Not Covered

			<p>and/or risk related to mixing with non-eligible inputs in the supply chain is determined, the organization shall implement the requirements of Section 4 before material can be used as controlled material or sold with the FSC Controlled Wood claim.”</p> <p>Box 3: Where is the risk?</p>	<p>Wood.</p> <p><b>Justification</b></p> <p>The normative requirements applicable to supply-chain entities (within the country of harvest) included within a due diligence system, certified according to the Controlled Wood standard FSC-STD-40-005, do not cover this indicator.</p>	
<b>A.2b.2.2</b>	Value-added taxes and other sales taxes	<b>A2.2.2.1</b> The Scheme shall include requirements that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales).	<p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood.</a></p> <p>“2.3 The organization shall have access to information on its supply chains (including sub-suppliers) to a level that allows it to confirm and document:</p> <p>a) The origin of the material;</p> <p>b) The risk related to the origin, and the risk related to mixing with non-eligible inputs in the supply chain (according to Section 3); and</p> <p>c) The mitigation of risk (according to Section 4).”</p> <p>“3.1 The organization shall use the applicable FSC risk assessment to determine the risk related to the origin of the material for each controlled wood category.”</p> <p>“3.4 The organization shall assess and document the risk of mixing material with non-eligible inputs in its supply chains during transport, processing, and storage.”</p> <p>“3.5 The organization may use material as controlled material and/or sell it with the FSC Controlled Wood claim if it has been confirmed as low risk for all indicators in the applicable risk assessment, and there is no risk of mixing with non-eligible inputs in the supply chains.”</p> <p>“3.7 Whenever specified or unspecified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain is determined, the organization shall implement the requirements of Section 4 before material can be used as controlled material or sold with the FSC Controlled Wood claim.”</p>	<p><b>Findings</b></p> <p>The standard ‘Requirements for Sourcing FSC Controlled Wood’ (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). There are requirements for addressing two types of risk:</p> <ul style="list-style-type: none"> <li>• Risks associated with the origin of the material (Clause 3.1); and</li> <li>• The risk of mixing material with non-eligible inputs (Clause 3.4).</li> </ul> <p>The standard does not include requirements for the Certificate Holder’s due diligence system to cover the legal compliance of supply chain entities (suppliers and sub-suppliers). Consequently, it is possible that timber that has been legally harvested and traded at the forest level but is subsequently processed and/or traded by a supply chain entity that is not legally compliant, enters the FSC system as FSC Controlled Wood.</p> <p><b>Justification</b></p>	Not Covered

			Box 3: Where is the risk?	The normative requirements applicable to supply-chain entities (within the country of harvest) included within a due diligence system, certified according to the Controlled Wood standard FSC-STD-40-005, do not cover this indicator.	
	<b>A.2b.3 Trade and transport</b>				
<b>A.2b.3.1</b>	Classification of species, quantities, qualities	<b>A.2b.3.1.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating how products are classified in terms of species, volumes and qualities in connection with trade and transport.	<p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a>,</p> <p>“2.3 The organization shall have access to information on its supply chains (including sub-suppliers) to a level that allows it to confirm and document:</p> <p>a) The origin of the material;</p> <p>b) The risk related to the origin, and the risk related to mixing with non-eligible inputs in the supply chain (according to Section 3); and</p> <p>c) The mitigation of risk (according to Section 4).”</p> <p>“3.1 The organization shall use the applicable FSC risk assessment to determine the risk related to the origin of the material for each controlled wood category.”</p> <p>“3.4 The organization shall assess and document the risk of mixing material with non-eligible inputs in its supply chains during transport, processing, and storage.”</p> <p>“3.5 The organization may use material as controlled material and/or sell it with the FSC Controlled Wood claim if it has been confirmed as low risk for all indicators in the applicable risk assessment, and there is no risk of mixing with non-eligible inputs in the supply chains.”</p> <p>“3.7 Whenever specified or unspecified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain is determined, the organization shall implement the requirements of Section 4 before material can be used as controlled material or sold with the FSC Controlled Wood claim.”</p> <p>Box 3: Where is the risk?</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). There are requirements for addressing two types of risk:</p> <ul style="list-style-type: none"> <li>• Risks associated with the origin of the material (Clause 3.1); and</li> <li>• The risk of mixing material with non-eligible inputs (Clause 3.4).</li> </ul> <p>The standard does not include requirements for the Certificate Holder's due diligence system to cover the legal compliance of supply chain entities (suppliers and sub-suppliers). Consequently, it is possible that timber that has been legally harvested and traded at the forest level but is subsequently processed and/or traded by a supply chain entity that is not legally compliant, enters the FSC system as FSC Controlled Wood.</p> <p><b>Justification</b></p> <p>The normative requirements applicable to supply-chain entities (within the country of harvest) included within a due diligence system, certified according to</p>	Not Covered

## ANNEX 5 : SCHEME ASSESSMENT REPORT – FSC

				the Controlled Wood standard FSC-STD-40-005, do not cover this indicator.	
<b>A.2b.3.2</b>	Trade and transport	<b>A.2b.3.2.1</b> The Scheme shall include requirements that ensure compliance with required trading permits as well as legally required transport documents that accompany transport of wood.	<p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a>.</p> <p>“2.3 The organization shall have access to information on its supply chains (including sub-suppliers) to a level that allows it to confirm and document:</p> <p>a) The origin of the material;</p> <p>b) The risk related to the origin, and the risk related to mixing with non-eligible inputs in the supply chain (according to Section 3); and</p> <p>c) The mitigation of risk (according to Section 4).”</p> <p>“3.1 The organization shall use the applicable FSC risk assessment to determine the risk related to the origin of the material for each controlled wood category.”</p> <p>“3.4 The organization shall assess and document the risk of mixing material with non-eligible inputs in its supply chains during transport, processing, and storage.”</p> <p>“3.5 The organization may use material as controlled material and/or sell it with the FSC Controlled Wood claim if it has been confirmed as low risk for all indicators in the applicable risk assessment, and there is no risk of mixing with non-eligible inputs in the supply chains.”</p> <p>“3.7 Whenever specified or unspecified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain is determined, the organization shall implement the requirements of Section 4 before material can be used as controlled material or sold with the FSC Controlled Wood claim.”</p> <p>Box 3: Where is the risk?</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). There are requirements for addressing two types of risk:</p> <ul style="list-style-type: none"> <li>• Risks associated with the origin of the material (Clause 3.1); and</li> <li>• The risk of mixing material with non-eligible inputs (Clause 3.4).</li> </ul> <p>The standard does not include requirements for the Certificate Holder's due diligence system to cover the legal compliance of supply chain entities (suppliers and sub-suppliers). Consequently, it is possible that timber that has been legally harvested and traded at the forest level but is subsequently processed and/or traded by a supply chain entity that is not legally compliant, enters the FSC system as FSC Controlled Wood.</p> <p><b>Justification</b></p> <p>The normative requirements applicable to supply-chain entities (within the country of harvest) included within a due diligence system, certified according to the Controlled Wood standard FSC-STD-40-005, do not cover this indicator.</p>	Not Covered
<b>A.2b.3.3</b>	Offshore trading and transfer	<b>A.2b.3.3.1</b> The Scheme shall include	<p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a>.</p> <p>“2.3 The organization shall have access to information on</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC</p>	Not Covered

	pricing	requirements that ensure compliance with legislation regulating offshore trading.	<p>its supply chains (including sub-suppliers) to a level that allows it to confirm and document:</p> <p>a) The origin of the material;</p> <p>b) The risk related to the origin, and the risk related to mixing with non-eligible inputs in the supply chain (according to Section 3); and</p> <p>c) The mitigation of risk (according to Section 4)."</p> <p>"3.1 The organization shall use the applicable FSC risk assessment to determine the risk related to the origin of the material for each controlled wood category."</p> <p>"3.4 The organization shall assess and document the risk of mixing material with non-eligible inputs in its supply chains during transport, processing, and storage."</p> <p>"3.5 The organization may use material as controlled material and/or sell it with the FSC Controlled Wood claim if it has been confirmed as low risk for all indicators in the applicable risk assessment, and there is no risk of mixing with non-eligible inputs in the supply chains."</p> <p>"3.7 Whenever specified or unspecified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain is determined, the organization shall implement the requirements of Section 4 before material can be used as controlled material or sold with the FSC Controlled Wood claim."</p> <p>Box 3: Where is the risk?</p>	<p>Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). There are requirements for addressing two types of risk:</p> <ul style="list-style-type: none"> <li>• Risks associated with the origin of the material (Clause 3.1); and</li> <li>• The risk of mixing material with non-eligible inputs (Clause 3.4).</li> </ul> <p>The standard does not include requirements for the Certificate Holder's due diligence system to cover the legal compliance of supply chain entities (suppliers and sub-suppliers). Consequently, it is possible that timber that has been legally harvested and traded at the forest level but is subsequently processed and/or traded by a supply chain entity that is not legally compliant, enters the FSC system as FSC Controlled Wood.</p> <p><b>Justification</b></p> <p>The normative requirements applicable to supply-chain entities (within the country of harvest) included within a due diligence system, certified according to the Controlled Wood standard FSC-STD-40-005, do not cover this indicator.</p>	
		A.26.3.3.2 The Scheme shall include requirements that ensure compliance with legislation regulating transfer pricing.	<p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a>,</p> <p>"2.3 The organization shall have access to information on its supply chains (including sub-suppliers) to a level that allows it to confirm and document:</p> <p>a) The origin of the material;</p> <p>b) The risk related to the origin, and the risk related to mixing with non-eligible inputs in the supply chain (according to Section 3); and</p> <p>c) The mitigation of risk (according to Section 4)."</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). There are requirements for addressing two types</p>	Not Covered



			<p>“3.1 The organization shall use the applicable FSC risk assessment to determine the risk related to the origin of the material for each controlled wood category.”</p> <p>“3.4 The organization shall assess and document the risk of mixing material with non-eligible inputs in its supply chains during transport, processing, and storage.”</p> <p>“3.5 The organization may use material as controlled material and/or sell it with the FSC Controlled Wood claim if it has been confirmed as low risk for all indicators in the applicable risk assessment, and there is no risk of mixing with non-eligible inputs in the supply chains.”</p> <p>“3.7 Whenever specified or unspecified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain is determined, the organization shall implement the requirements of Section 4 before material can be used as controlled material or sold with the FSC Controlled Wood claim.”</p> <p>Box 3: Where is the risk?</p>	<p>of risk</p> <ul style="list-style-type: none"> <li>• Risks associated with the origin of the material (Clause 3.1); and</li> <li>• The risk of mixing material with non-eligible inputs (Clause 3.4).</li> </ul> <p>The standard does not include requirements for the Certificate Holder's due diligence system to cover the legal compliance of supply chain entities (suppliers and sub-suppliers). Consequently, it is possible that timber that has been legally harvested and traded at the forest level but is subsequently processed and/or traded by a supply chain entity that is not legally compliant, enters the FSC system as FSC Controlled Wood.</p> <p><b>Justification</b></p> <p>The normative requirements applicable to supply-chain entities (within the country of harvest) included within a due diligence system, certified according to the Controlled Wood standard FSC-STD-40-005, do not cover this indicator.</p>	
<b>A.2b.3.4</b>	Customs regulations	<b>A.2b.3.4.1</b> The Scheme shall include requirements that ensure compliance with legislation covering areas such as export/import licenses, and product classification related to customs (codes,	<p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood.</a></p> <p>“2.3 The organization shall have access to information on its supply chains (including sub-suppliers) to a level that allows it to confirm and document:</p> <p>a) The origin of the material;</p> <p>b) The risk related to the origin, and the risk related to mixing with non-eligible inputs in the supply chain (according to Section 3); and</p> <p>c) The mitigation of risk (according to Section 4).”</p> <p>“3.1 The organization shall use the applicable FSC risk assessment to determine the risk related to the origin of the material for each controlled wood category.”</p> <p>“3.4 The organization shall assess and document the risk of</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). There are requirements for addressing two types of risk:</p> <ul style="list-style-type: none"> <li>• Risks associated with the origin of the material (Clause 3.1); and</li> <li>• The risk of mixing material with non-eligible inputs (Clause 3.4).</li> </ul>	Not Covered



		quantities, qualities and species).	<p>mixing material with non-eligible inputs in its supply chains during transport, processing, and storage.”</p> <p>“3.5 The organization may use material as controlled material and/or sell it with the FSC Controlled Wood claim if it has been confirmed as low risk for all indicators in the applicable risk assessment, and there is no risk of mixing with non-eligible inputs in the supply chains.”</p> <p>“3.7 Whenever specified or unspecified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain is determined, the organization shall implement the requirements of Section 4 before material can be used as controlled material or sold with the FSC Controlled Wood claim.”</p> <p>Box 3: Where is the risk?</p>	<p>The standard does not include requirements for the Certificate Holder's due diligence system to cover the legal compliance of supply chain entities (suppliers and sub-suppliers). Consequently, it is possible that timber that has been legally harvested and traded at the forest level but is subsequently processed and/or traded by a supply chain entity that is not legally compliant, enters the FSC system as FSC Controlled Wood.</p> <p><b>Justification</b></p> <p>The normative requirements applicable to supply-chain entities (within the country of harvest) included within a due diligence system, certified according to the Controlled Wood standard FSC-STD-40-005, do not cover this indicator.</p>	
A.2b.3.5	CITES	A.2b.3.5.1 The Scheme shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).	<p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a>.</p> <p>“2.3 The organization shall have access to information on its supply chains (including sub-suppliers) to a level that allows it to confirm and document:</p> <ul style="list-style-type: none"> <li>a) The origin of the material;</li> <li>b) The risk related to the origin, and the risk related to mixing with non-eligible inputs in the supply chain (according to Section 3); and</li> <li>c) The mitigation of risk (according to Section 4).”</li> </ul> <p>“3.1 The organization shall use the applicable FSC risk assessment to determine the risk related to the origin of the material for each controlled wood category.”</p> <p>“3.4 The organization shall assess and document the risk of mixing material with non-eligible inputs in its supply chains during transport, processing, and storage.”</p> <p>“3.5 The organization may use material as controlled material and/or sell it with the FSC Controlled Wood claim if it has been confirmed as low risk for all indicators in the applicable risk assessment, and there is no risk of mixing</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). There are requirements for addressing two types of risk:</p> <ul style="list-style-type: none"> <li>• Risks associated with the origin of the material (Clause 3.1); and</li> <li>• The risk of mixing material with non-eligible inputs (Clause 3.4).</li> </ul> <p>The standard does not include requirements for the Certificate Holder's due diligence system to cover the legal compliance of supply chain entities (suppliers and sub-suppliers). Consequently, it is possible that timber that has been legally harvested and traded at the forest level but is subsequently processed and/or</p>	Not Covered

			<p>with non-eligible inputs in the supply chains.”</p> <p>“3.7 Whenever specified or unspecified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain is determined, the organization shall implement the requirements of Section 4 before material can be used as controlled material or sold with the FSC Controlled Wood claim.”</p> <p>Box 3: Where is the risk?</p>	<p>traded by a supply chain entity that is not legally compliant, enters the FSC system as FSC Controlled Wood.</p> <p><b>Justification</b></p> <p>The normative requirements applicable to supply-chain entities (within the country of harvest) included within a due diligence system, certified according to the Controlled Wood standard FSC-STD-40-005, do not cover this indicator.</p>	
<b>A.2b.3.6</b>	Legislation requiring due diligence / due care procedures	<b>A.2b.3.6.1</b> The scheme shall include requirements that ensure compliance with legislation covering due diligence/due care procedures, including e.g. due diligence/due care systems, declaration obligations, and /or the keeping of trade related documents, legislation establishing procedures to prevent trade in illegally harvested timber and products derived from	<p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a>,</p> <p>“2.3 The organization shall have access to information on its supply chains (including sub-suppliers) to a level that allows it to confirm and document:</p> <p>a) The origin of the material;</p> <p>b) The risk related to the origin, and the risk related to mixing with non-eligible inputs in the supply chain (according to Section 3); and</p> <p>c) The mitigation of risk (according to Section 4).”</p> <p>“3.1 The organization shall use the applicable FSC risk assessment to determine the risk related to the origin of the material for each controlled wood category.”</p> <p>“3.4 The organization shall assess and document the risk of mixing material with non-eligible inputs in its supply chains during transport, processing, and storage.”</p> <p>“3.5 The organization may use material as controlled material and/or sell it with the FSC Controlled Wood claim if it has been confirmed as low risk for all indicators in the applicable risk assessment, and there is no risk of mixing with non-eligible inputs in the supply chains.”</p> <p>“3.7 Whenever specified or unspecified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain is determined, the organization shall implement the requirements of Section 4 before material</p>	<p><b>Findings</b></p> <p>The standard 'Requirements for Sourcing FSC Controlled Wood' (FSC-STD-40-005) outlines the requirements for a due diligence system for FSC Chain of Custody certified organisations to avoid material from unacceptable sources, including illegally harvested wood (Controlled Wood Category 1). There are requirements for addressing two types of risk:</p> <ul style="list-style-type: none"> <li>• Risks associated with the origin of the material (Clause 3.1); and</li> <li>• The risk of mixing material with non-eligible inputs (Clause 3.4).</li> </ul> <p>The standard does not include requirements for the Certificate Holder's due diligence system to cover the legal compliance of supply chain entities (suppliers and sub-suppliers). Consequently, it is possible that timber that has been legally harvested and traded at the forest level but is subsequently processed and/or traded by a supply chain entity that is not legally compliant, enters the FSC system as FSC Controlled Wood.</p>	Not Covered

		such timber, etc.	can be used as controlled material or sold with the FSC Controlled Wood claim."	<b>Justification</b>  The normative requirements applicable to supply-chain entities (within the country of harvest) included within a due diligence system, certified according to the Controlled Wood standard FSC-STD-40-005, do not cover this indicator.	
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### A.3 Requirements for material control

	A.3.1 Material control				
<b>A.3.1.1</b>	Material origin and identification	<b>A.3.1.1.1</b> The Scheme shall require systematic processes to enable the identification of the country of harvest of the material, and where applicable to a higher level of detail, such as the sub-national region or concession level.	<a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a>  "6. Compliance with timber legality legislation 6.1 The organization shall ensure that its FSC-certified products conform to all applicable timber legality legislation. At a minimum, the organization shall: b. upon request, collect and provide information on species (common and scientific name) and country of harvest (or more specific location details if required by legislation) to direct customers and/or any FSC-certified organizations further down the supply chain that need this information to comply with timber legality legislation. The form and frequency of providing this information may be agreed upon between the organization and the requester;  NOTE: If the organization does not possess the requested information on species and country of origin, the request shall be passed on to the upstream suppliers until the information can be obtained."  <a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a> , Clauses 2.1 – 2.3  "2.1 The organization shall obtain, document and maintain the following up-to-date information on material: a) Names and addresses of suppliers; b) Description of the material; c) Quantity of the material purchased by volume or weight;	<b>Findings</b>  Requirement 6.1, clause b, of the CoC standard requires Certificate Holders to collect information country of harvest, or "more specific location details if required by legislation". It is only required "upon request", systematic processes to do so proactively (rather than respond to customer requests) and always have the information on hand are not required, but the requirement to have such a system in place is deemed sufficient to cover the requirement.  The FSC CoC Controlled Wood standard (FSC-STD-40-005) requires Certificate Holders to trace material back to the country of origin, or depending on the risk, to a smaller area with a homogenous risk designation, so that the risk related to the origin of the material can be known.  <b>Justification</b>  Based on the normative requirements –	Covered

		<p>d) The species (including scientific and common name), where the species information designates the product characteristics and/or where required by applicable timber legality legislation;</p> <p>NOTE: A list of possible species is acceptable for material used in paper, composite board, and other products that usually contain many species.</p> <p>e) Purchase documentation; f) Applicable risk assessment; g) The country of harvest, where required by applicable timber legality legislation; h) Evidence of origin, according to 2.2; and i) Information about supply chains, according to 2.3.”</p> <p>“2.3 The organization shall have access to information on its supply chains (including sub-suppliers) to a level that allows it to confirm and document a) The origin of the material; b) The risk related to the origin, and the risk related to mixing with non-eligible inputs in the supply chain (according to Section 3); and c) The mitigation of risk (according to Section 4).</p> <p>NOTE: Access to information is to be understood as having copies of said information on hand during the audit, or being able to ensure that, upon request, the certification body or Accreditation Services International can obtain copies before the close of the audit.”</p>	<p>applicable to certificate holders and to material from supply-chain entities subject to a due diligence system - this indicator has been evaluated as Covered.</p>	
	<p><b>A.3.1.1.2</b> The Scheme shall require systematic processes to enable the identification of the species included in materials or products included in the scope of certification.</p>	<p><a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a></p> <p>“6. Compliance with timber legality legislation 6.1 The organization shall ensure that its FSC-certified products conform to all applicable timber legality legislation. At a minimum, the organization shall: b. upon request, collect and provide information on species (common and scientific name) and country of harvest (or more specific location details if required by legislation) to direct customers and/or any FSC-certified organizations further down the supply chain that need this information to comply with timber legality legislation. The form and frequency of providing this information may be agreed upon between the organization and the requester;</p>	<p><b>Findings</b></p> <p>Requirement 6.1, clause b, of the CoC standard requires Certificate Holder to collect information on species (common and scientific name). It is only required “upon request”, systematic processes to do so proactively (rather than respond to customer requests) and always have the information on hand are not required, but the requirement to have such a system in place is deemed sufficient to cover the requirement.</p> <p>In the FSC CoC Controlled Wood standard</p>	<p>Covered</p>

			<p>NOTE: If the organization does not possess the requested information on species and country of origin, the request shall be passed on to the upstream suppliers until the information can be obtained."</p> <p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a>, Clause 2.1</p> <p>"2.1 The organization shall obtain, document and maintain the following up-to-date information on material:</p> <ul style="list-style-type: none"> <li>a) Names and addresses of suppliers;</li> <li>b) Description of the material;</li> <li>c) Quantity of the material purchased by volume or weight;</li> <li>d) The species (including scientific and common name), where the species information designates the product characteristics and/or where required by applicable timber legality legislation;</li> </ul> <p>NOTE: A list of possible species is acceptable for material used in paper, composite board, and other products that usually contain many species.</p> <ul style="list-style-type: none"> <li>e) Purchase documentation;</li> <li>f) Applicable risk assessment;</li> <li>g) The country of harvest, where required by applicable timber legality legislation;</li> <li>h) Evidence of origin, according to 2.2; and</li> <li>i) Information about supply chains, according to 2.3." </li></ul>	<p>(FSC-STD-40-005), information on species is only required when the species designates the product characteristics and/or when required by timber legality legislation. It shall be noted that Certificate Holders can only be certified against CW when also certified against the CoC standard, thus, in practice the requirement is captured for both standards by the CoC standard.</p> <p><b>Justification</b></p> <p>Based on the normative requirements – applicable to certificate holders and to material from supply-chain entities subject to a due diligence system - this indicator has been evaluated as Covered.</p>	
		<p><b>A.3.1.1.3</b> The Scheme shall include clear and effective measures to prevent material from non-negligible risk, unverified or potentially illegal sources from entering the supply chain and mixed with conforming material.</p>	<p><a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a> Requirements 1.7, 2.4 – 2.6 and 3.1</p> <p>"1.7 The organization shall support transaction verification conducted by its certification body and Accreditation Services International (ASI), by providing samples of FSC transaction data as requested by the certification body."</p> <p>"2.4 The organization shall ensure that only eligible inputs and the correct material categories are used in FSC product groups as defined in Table B.</p>	<p><b>Findings</b></p> <p>The CoC standard specifies three possible control systems for tracking and tracing material with an FSC claim and contains requirements for each.</p> <p>The Requirements for Sourcing FSC Controlled Wood standard (FSC-STD-40-005 V3-1) includes requirements for a due diligence system which include an assessment of the risk of material being mixed with that of uncontrolled/ unknown origin, and requires any risk to be mitigated before material can be</p>	Covered

			<p>2.5 Organizations sourcing non-FSC-certified reclaimed material for use in FSC product groups shall conform to the requirements of FSC-STD-40-007.</p> <p>2.6 Organizations sourcing non-FSC-certified virgin material for use in FSC product groups as controlled material shall conform to the requirements of FSC-STD-40-005.”</p> <p>“3. Material handling 3.1 In cases where there is risk of non-eligible inputs entering FSC product groups, the organization shall implement one or more of the following segregation methods: a. physical separation of materials; b. temporal separation of materials; c. identification of materials”</p> <p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a>, Clauses 1.1, 1.10, 3.4, 3.5 and 4.1</p> <p>“1.1 The organization shall have, implement, and maintain a documented due diligence system (DDS) for material supplied without an FSC claim to be used as controlled material or to be sold with the FSC Controlled Wood claim.”</p> <p>“1.10 The organization shall not use material from supply chains where ineffectiveness of the DDS leads to, or might lead to, non-eligible inputs entering the production.”</p> <p>“3.4 The organization shall include at least the following sources of information in the risk assessment, if available: a) Risk designations provided on the FSC Global Forest Registry as a base for the risk assessment. The organization may further verify risk designations for its supply area, according to the requirements of this section; b) A list of applicable laws for countries not undergoing FSC risk assessment processes, as provided on the FSC Global Forest Registry; c) Known and available sources of information in addition to those provided in this section; and d) Any information provided by the relevant FSC network partner or regional office.”</p>	<p>considered as controlled.</p> <p>At the forest level Certificate Holders supplying Controlled Wood (as per standard FSC-STD-30—01) are required implement a tracking system when they also manage FMUs outside the scope of their Controlled Wood certificate (Requirement 2.3).</p> <p>The reclaimed standard (FSC-STD-40-007 V2-0) requires checks on material and evidence of reclaimed status upon receipt of materials. When such evidence is not provided Clause 3.3 requires the Certificate Holder to include the supplier of that material in their ‘Supplier Audit Program’ (Clauses 4.1-4.4). Nowhere does the standard explicitly require that such material is excluded from FSC product groups before evidence is provided. However, the reclaimed standard is an accompanying standard, all Certificate Holders would also be certified to the CoC standard, where Requirement 2.4 requires all inputs into FSC product groups to be eligible.</p> <p><b>Justification</b></p> <p>Based on the normative requirements – applicable to certificate holders and to material from supply-chain entities subject to a due diligence system (FSC-STD-40-005) or the reclaimed wood standard (FSC-STD-40-007) - this indicator has been evaluated as Covered.</p>	
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			<p>“3.5 General requirements for risk assessment:</p> <p>a) An area shall be considered unspecified risk when illegal harvesting is a threat to the forest, people, or communities. Minor infractions and issues such as minor geographical deviations from the allotted area of harvesting, late filing of paperwork, or small infractions related to transport should not result in a designation of unspecified risk.</p> <p>b) The evaluation of risk for illegal harvesting shall include consideration of at least the following:</p> <ul style="list-style-type: none"> <li>- The perceived level of corruption related to forest activities;</li> <li>- The degree of transparency about information that is likely to reveal or reduce illegal harvesting if made public;</li> <li>- The degree to which key data and documents relevant to illegal harvesting exist and are of satisfactory quality; and</li> <li>- Independent reports about illegal harvesting.”</li> </ul> <p>“4.1 The organization shall have and implement adequate control measures to either avoid or to mitigate specified or unspecified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain. When control measures are to mitigate risk, then the rest of Section 4 applies.”</p> <p><a href="#">FSC-STD-40-007 V2-0</a> Clauses 3.3 and 4.1-4.4</p> <p>““3.3 In cases where the classification of reclaimed materials as pre-consumer and/or postconsumer cannot be demonstrated through objective evidence upon receipt, the organization shall include the supplier in a “Supplier Audit Program” as described in Clause 4 below.”</p> <p>“4 Supplier Audit Program</p> <p>4.1 The organization shall perform regular (at least annual) on-site audits of the suppliers included in the Supplier Audit Program (including overseas suppliers) based on a sampling approach. The minimum number of suppliers to be audited per year is as follows: the size of the sample shall</p>		
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			<p>be the square root's number of suppliers(x) with 0.8 as a coefficient (<math>y = 0.8\sqrt{x}</math>, where 'y' is the number of suppliers to be audited), rounded to the upper whole number. The organization shall ensure that the selected sample is alternating and representative in terms of their:</p> <ul style="list-style-type: none"> <li>a) Geographic distribution;</li> <li>b) Activities and/or products;</li> <li>c) Size and/or annual production.</li> </ul> <p>NOTE: Traders or sales offices that do not take physical possession of reclaimed materials, and will not alter, store or re-package the reclaimed materials may be verified through desk audits (remote audits).</p> <p>4.2 The organization may contract an accredited certification body or other external qualified party to carry out the supplier audits.</p> <p>4.3 In cases where the supplier selected for sampling sells reclaimed materials that were previously collected, classified and traded by other companies or sites, the complete supply chain of these materials shall be audited back to the point where the classification as pre-consumer and/or post consumer can be demonstrated through objective evidences.</p> <p>4.4 The organization shall evaluate and verify the documents and other evidence regarding the supplied material quantity, quality and compliance with FSC definitions of pre-consumer and post-consumer material, which includes:</p> <ul style="list-style-type: none"> <li>a) Supplier's instructions or procedures in place to control and classify the reclaimed materials;</li> <li>b) When applicable, trainings or instructions provided to the supplier's personnel in relation to classification and control of reclaimed materials;</li> <li>c) Registers that demonstrates the origin of the materials (e.g. pictures, address of the demolished house, invoices, etc).</li> </ul> <p>NOTE: A declaration from the supplier, even if part of the contractual agreement, is not considered sufficient proof of the origin and material category. However, it can be used as additional evidence to demonstrate the material compliance with FSC definitions."</p>	
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			<p><a href="#">FSC-STD-30-010 V2-0 FSC Controlled Wood Standard for Forest Management Enterprises</a></p> <p>“2.3. Any FMU under the control of the Forest Management Enterprise is not included in the scope of evaluation for compliance with this standard, then the Forest Management Enterprise shall implement a tracking system to ensure wood from FMUs included in the scope of the standard to be reliably identified as such.”</p> <p><a href="https://fsc.org/en/innovation/blockchain">https://fsc.org/en/innovation/blockchain</a></p>		
		<p><b>A.3.1.1.4</b> Where applicable, the Scheme shall require the segregation and tracking of certified (according to each individual claim type) or verified legal wood along the supply chain, using appropriate inventory methods and documented controls where necessary to ensure that risks of mixing are identified, managed and mitigated.</p>	<p><a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a> Requirements 1.7, 4.2</p> <p>“1.7 The organization shall support transaction verification conducted by its certification body and Accreditation Services International (ASI), by providing samples of FSC transaction data as requested by the certification body.”</p> <p>“4.1 For each product group or job order, the organization shall identify the main processing steps involving a change of material volume or weight and specify the conversion factor(s) for each processing step or, if not feasible, for the total processing steps. The organization shall have a consistent methodology for calculating conversion factor(s) and shall keep them up to date.</p> <p>NOTE: Organizations that produce custom manufactured products are not required to specify conversion factors before manufacturing, but they shall maintain production records that enable conversion factors to be calculated.”</p> <p>“4.4 The organization shall prepare reports of annual volume summaries (in the measurement unit commonly used by the organization), covering the period since the previous reporting period, demonstrating that the quantities of output products sold with FSC claims are compatible with the quantities of inputs, any existing inventory, their associated output claims, and the conversion factor(s) by product group.”</p>	<p><b>Findings</b></p> <p>The CoC standard requires the Certificate Holder to ensure that inputs used for FSC product groups remain clearly identifiable and segregated by product group or, if identical inputs are used for more than one FSC product group, by their associated FSC claim.</p> <p>Requirement 4.1 requires any change in weight, volume or number of units to be accounted for with clear description and calculations. Requirement 4.4 requires Certificate Holders to produce annual volume summaries, demonstrating the compatibility of inputs, outputs and stock for products sold with an FSC claim, considering the relevant conversion factors. These summaries are audited annually by the Certification Body. In case of suspicion of false claims, fraud or incorrectly declared FSC volumes, Certification Bodies are required to verify records for non FSC sales (INT-STD-20-011_28).</p> <p>Where there is suspicion or concerns regarding inaccuracy of volumes, FSC conducts transaction verification investigations (FSC-STD-40-004 V3-0, Requirement 1.7 and FSC-</p>	Partially Covered

		<p><a href="#">Interpretations of the normative framework, Chain of Custody</a> - INT-STD-20-011_28</p> <p>“Does FSC require CoC auditors to systematically verify in every evaluation the FSC certified organization's accounting records for non-FSC sales for the purpose of confirming the information contained in annual volume summaries?</p> <p>No, FSC does not require CoC auditors to systematically verify records for non-FSC sales in every evaluation. This should be limited to situations where either:</p> <ul style="list-style-type: none"> <li>• The CB received a complaint that leads to the suspicion of false claims, fraud or incorrectly declared FSC volumes;</li> <li>• The CoC auditor comes across evidence that leads to the suspicion of false claims, fraud or incorrectly declared FSC volumes (including at critical control points);</li> <li>• The CB is required to cooperate and support ASI in transaction verification (TV);</li> <li>• The FSC-certified organization declared that no FSC sales were made since the last audit.</li> </ul> <p>NOTE: Normative basis for requiring access to records of non-FSC sales: FSC-STD-20-001 V4-0 Clause 1.2.3 q)”</p> <p><a href="#">FSC-PRO-10-201 V1-0, Transaction Verification Procedure</a>, Requirement 1.1</p> <p>“1.1 The selection of a specific supply chain for Transaction Verification (TV) loops by the FSC Supply Chain Steering Group for the purpose of transaction verification is based on the following criteria which determine the risk of false claims (list not exhaustive):</p> <ol style="list-style-type: none"> <li>a. Complaints submitted to the FSC, certification bodies (CBs) and/or ASI;</li> <li>b. Wood Identification testing results;</li> <li>c. False claims identified during annual audits;</li> <li>d. Certification bodies' reporting of fraud to the FSC database;</li> <li>e. ASI or certification bodies' evaluation reports;</li> <li>f. Publicly available information on fraud risks and incidents of fraud;</li> <li>g. Analysis of the FSC database; and/or</li> <li>h. ASI or FSC incident reports and incident trend data.”</li> </ol> <p><a href="#">FSC-ADV-60-004 V1-0 Advice Note on Transaction</a></p>	<p>PRO-10-201 V1-0, Clause 1.1).</p> <p>However, the CoC system does not include – under ordinary circumstances – any validation of volumes transferred from seller to purchaser, vertically along supply chains, which is considered as a major gap in the system.</p> <p>Requirement 1.7 states that “the organization shall support transaction verification conducted by its certification body and Accreditation Services International (ASI), by providing samples of FSC transaction data as requested by the certification body”, however, this is not systematically required of all Certificate Holders.</p> <p>Transaction verification also includes the requirement for certificate holders to support fibre testing by surrendering samples and specimens of materials and information about species composition. Such requirements are included within two advice notes. Additionally, during the development of this report, FSC published a new version of the CoC standard, Version 3-1, which also includes the requirement to support fibre testing.</p> <p>FSC are exploring other ways of improving supply chain integrity, including the use of Blockchain technology.</p> <p><b>Justification</b></p> <p>Based on the normative requirements this indicator has been evaluated as Partially Covered only. It is noted that the FSC system includes mechanisms such as transaction verifications - conducted by its certification body and Accreditation Services International –</p>	
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			<p><a href="#">Verification for FM/CoC Certificate Holders</a></p> <p>2. The Organization shall support fibre testing by surrendering samples and specimens of materials and information about species composition and the location where the sample originated for verification, as requested by its certification body, ASI or FSC.</p> <p><a href="#">FSC-DIR-40-004 FSC Directive on Chain of Custody Certification</a></p> <p>ADVICE-40-004-14 Supply chain integrity</p> <p>1. The organization shall support transaction verification conducted by its certification body and ASI, by providing samples of FSC transaction data as requested by the certification body.</p> <p>2. The organization shall support fibre testing conducted by its certification body and ASI, by upon request surrendering samples and specimens of materials and products, and information about species composition for verification.</p> <p><a href="https://fsc.org/en/innovation/blockchain">https://fsc.org/en/innovation/blockchain</a></p> <p><a href="https://fsc.org/en/supply-chains">https://fsc.org/en/supply-chains</a></p> <p><a href="https://fsc.org/en/unacceptable-activities">https://fsc.org/en/unacceptable-activities</a></p>	<p>where there is suspicion or concerns regarding inaccuracy of volumes. This comprises a number of activities, including volume data analysis and fibre testing. However, despite these efforts, FSC CoC certification does not include systematic validation of volumes transferred from seller to purchaser, which is considered as a major gap in the system.</p>	
<b>A.3.2 Recycled material</b>					
<b>A.3.2.1</b>	Waste material	<b>A.3.2.1.1</b> The Scheme shall have a definition of waste material which at least covers the definition of waste material as described by the EUTR Guidance document.	<p><a href="#">FSC-STD-01-002</a></p> <p>"Post-consumer reclaimed material: Material that is reclaimed from a consumer or commercial product that has been used for its intended purpose by individuals, households or by commercial, industrial and institutional facilities in their role as end users of the product."</p> <p>"Pre-consumer reclaimed material: Material that is reclaimed from a process of secondary manufacture or further downstream industry, in which the material has not been intentionally produced, is unfit for end use and not capable of being re-used on site in the same manufacturing process that generated it."</p>	<p><b>Findings</b></p> <p>The following resources are available from the European Commission in relation to reclaimed material:</p> <ul style="list-style-type: none"> <li>• <a href="#">EU Timber Regulation (995/2010)</a></li> <li>• EUTR Guidance document on <a href="#">Recycled timber and timber products</a></li> </ul> <p>The EUTR exempts material which has i) completed its lifecycle and; ii) would otherwise be disposed of as waste, fitting a definition close to post-consumer waste. This is demonstrated in the EUTR definition of timber and timber products, which excludes "<i>timber products or components of such products manufactured from timber or timber products that have completed their lifecycle and</i></p>	Partially Covered

			<p><a href="#">FSC-STD-40-007 V2-0</a></p> <p>“Reclaimed material: Material that demonstrably would have otherwise been disposed of as waste or used for energy recovery, but has instead been collected and reclaimed as input material, in lieu of virgin material, for re-use, recycling, remilling in a manufacturing process or other commercial application. Inputs of the following material categories are classified as reclaimed material:</p> <p>a) FSC Recycled material; b) Post-consumer reclaimed material; c) Pre-consumer reclaimed material.”</p> <p><u>ANNEX I: Examples of reclaimed WOOD material</u></p> <p>Post-consumer wood sources</p> <ul style="list-style-type: none"> <li>• Municipal Sources Commercial (Retail, Office, Small Business);</li> <li>• Construction and Demolition Debris;</li> <li>• Defibrillated and solid wood recovered from landfills, transfer stations, and Material Recovery Facilities (MRFs);</li> <li>• Industrial Packaging and Administrative wastes (does not include process wastes);</li> <li>• Institutional (schools);</li> <li>• Residential</li> </ul> <p>Post-consumer wood material</p> <ul style="list-style-type: none"> <li>• Commercial Transport Packaging including pallets, crates, cases, cable drums at the end of their useful life;</li> </ul>	<p>would otherwise be disposed of as waste<sup>[1]</sup>.</p> <p>The EUTR Guidance document on <a href="#">Recycled timber and timber products</a> reinforces the EUTR's exemption for post-consumer reclaimed material, by describing that this exemption:</p> <ul style="list-style-type: none"> <li>• <b>applies</b> to timber products of a kind covered by the Annex, produced from material that <b>has completed its lifecycle and would otherwise have been disposed of as waste</b> (e.g. recycled paper, timber retrieved from dismantled buildings, or products made from waste wood).</li> <li>• <b>does not apply</b> to <b>by-products of a manufacturing process</b> that involves material <b>which has not completed its lifecycle and would otherwise have been discarded</b><sup>[2]</sup>.</li> </ul> <p>Material deemed a by-product of a manufacturing process, fitting a definition closer to pre-consumer waste, is not exempt from the EUTR. The EUTR Guidance document on <a href="#">Recycled timber and timber products</a> describes that: <i>By-products</i> “from another production are not waste but <i>are to be regarded as a raw material in the production</i>. <i>Material in a regulated timber product is not recycled material if the material is the by-product of a manufacturing process. Example: Sawdust or off-cuts from sawn timber used to make particle board or medium density fibreboard</i>”<sup>[2]</sup>.</p>	
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<sup>[1]</sup> Directive 2008/98/EC Article 3(1) defines 'waste' as “any substance or object which the holder discards or intends or is required to discard”

<sup>[2]</sup> EUTR Guidance document on [Recycled timber and timber products](#): “By-products” from another production are not waste but are to be regarded as a raw material in the production. Material in a regulated timber product is not recycled material if the material is the by-product of a manufacturing process. Example: Sawdust or off-cuts from sawn timber used to make particle board or medium density fibreboard.

		<ul style="list-style-type: none"> <li>Construction and Demolition Debris<sup>4</sup> including doors, flooring, old cabinets, mouldings, and dimensional lumber, discarded wood packaging e.g. pallets and cable drums. Wood reclaimed through "Deconstruction" e.g. salvaged dimensional lumber and architectural elements;</li> <li>Damaged Stock and Rejected Products manufactured from post-consumer wood products, including deconstructed building materials, or wood reclaimed from construction and demolition (C&amp;D) debris;</li> <li>Used telephone poles, railroad ties, building materials, furnishings, cabinets, shop fittings, shelving etc. that have been used for their intended purpose by residential, commercial, or industrial consumers;</li> <li>Off-cuts, shavings, sawdust and the like generated during the re-milling of postconsumer wood products, deconstructed building materials, or wood reclaimed from</li> <li>C&amp;D debris.</li> </ul> <p>Pre-consumer wood sources</p> <ul style="list-style-type: none"> <li>Municipal Sources: Commercial / Institutional</li> <li>Industrial Sources: Process waste from converters and secondary manufacturing onwards</li> </ul> <p>Pre-consumer wood material</p> <ul style="list-style-type: none"> <li>Damaged stock, rejected products, overstock, discontinued items not used for their intended purpose;</li> <li>Offcuts, shavings, sawdust, and the like, generated during secondary manufacture or subsequent steps in manufacturing an end product.</li> </ul> <p><u>ANNEX II: Examples of reclaimed PAPER material</u></p> <p>Post-consumer paper sources</p> <ul style="list-style-type: none"> <li>Domestic;</li> <li>Distribution, retail and industrial;</li> </ul> <p>Post-consumer paper material</p> <ul style="list-style-type: none"> <li>Commercial transport packaging</li> </ul>	<p>The FSC scheme's definition of <i>post-consumer reclaimed material</i> – and the examples given in Annexes I and II – appears to overlap with the definition described in the EUTR. Annexes I and II of the Reclaimed Standard (FSC-STD-40-007) give examples of wood and paper materials that would also be excluded from the EUTR as a result of their post-consumer nature: the materials would have i) completed its lifecycle AND ii) would otherwise be disposed of as waste</p> <p>However, FSC descriptions of <i>pre-consumer reclaimed material</i> described in Annexes I and II (pages 10/11) are more nuanced and the study concludes that such materials are included within the scope of the EUTR, based on the assumption that while the materials would have may be disposed of as waste, they may not have completed their lifecycles. The following provide two examples:</p> <ul style="list-style-type: none"> <li>...discontinued items not used for their intended purpose</li> <li>Offcuts, shavings, sawdust, and the like, generated during secondary manufacture....</li> <li>Some of the paper scrap example materials for Annex II</li> </ul> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Partially Covered only. FSC descriptions of pre-consumer material described in Annexes I and II of the FSC reclaimed materials standard FSC-STD-40-007, may not entirely align with the definition of waste material as described by the EUTR and associated guidance document.</p>	
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			<ul style="list-style-type: none"> <li>• Computer print-outs</li> <li>• Magazines, direct mail, home office materials, and boxes</li> <li>• Old magazines from residential or office collections</li> <li>• Old newspapers from residential or office collections</li> <li>• Reclaimed household scrap paper and packaging, including old newspapers</li> <li>• Reclaimed office wastepaper</li> <li>• Used corrugated boxes</li> <li>• Used tabulating cards</li> </ul> <p>Pre-consumer paper sources</p> <ul style="list-style-type: none"> <li>• Secondary and subsequent manufacture;</li> <li>• Distributors</li> <li>• Merchants</li> </ul> <p>Pre-consumer paper material</p> <ul style="list-style-type: none"> <li>• All scrap generated during the intermediate steps in producing an end product following primary manufacturing (i.e. post-mill);</li> <li>• Bindery trim and scrap;</li> <li>• Forms conversion scrap;</li> <li>• Merchant return stock;</li> <li>• Obsolete inventories from distributors, printers, converters and others beyond the original manufacturer;</li> <li>• Over-issue publications;</li> <li>• Printers' scraps, pre-printing, make-ready, overruns, errors, rejections;</li> <li>• Publisher overruns and returns;</li> <li>• Scrap from product manufacturing, including bag, box and carton manufacturing;</li> <li>• Scraps from converters, mail order houses, others in value-added chain;</li> <li>• Sheeting scrap from converters</li> </ul>		
		<p><b>A.3.2.1.2</b> The Scheme shall require systematic processes to enable the identification of waste material that has completed its life cycle and to</p>	<p><a href="#">FSC-STD-40-007 V2-0</a>, Requirements 1.1, 3.1 – 3.3 and 4.1 – 4.5</p> <p>"1.1 The organization that purchases reclaimed forest-based materials (including materials such as bamboo and cork) without FSC claims shall demonstrate that its</p>	<p><b>Findings</b></p> <p>FSC's reclaimed material standard provides a comprehensive set of requirements and guidance for ensuring the identification and differentiation of post-consumer reclaimed input</p>	<p>Covered</p>

		<p>differentiate this material from virgin or material that are by-products of a manufacturing process which has not completed its lifecycle as defined by the EUTR.</p>	<p>reclaimed inputs for use in FSC Product Groups or FSC Projects comply with FSC definitions for pre-consumer and/or post-consumer reclaimed material (see Section D “Terms and Definitions”).</p> <p>“3.1 Upon receipt, all reclaimed materials shall be verified through visual inspection and classified into pre-consumer and/or post-consumer reclaimed material.”</p> <p>“3.2 The organization shall retain objective evidence for each supply confirming that the reclaimed materials comply with FSC definitions for pre-consumer and post-consumer.”</p> <p>“3.3 In cases where the classification of reclaimed materials as pre-consumer and/or post-consumer cannot be demonstrated through objective evidence upon receipt, the organization shall include the supplier in a “Supplier Audit Program” as described in Clause 4 below.”</p> <p>4 Supplier Audit Program</p> <p>4.1 The organization shall perform regular (at least annual) on-site audits of the suppliers included in the Supplier Audit Program (including overseas suppliers) based on a sampling approach. The minimum number of suppliers to be audited per year is as follows: the size of the sample shall be the square root's number of suppliers (x) with 0.8 as a coefficient (<math>y = 0.8 \sqrt{x}</math>, where 'y' is the number of suppliers to be audited), rounded to the upper whole number. The organization shall ensure that the selected sample is alternating and representative in terms of their:</p> <ul style="list-style-type: none"> <li>a) Geographic distribution;</li> <li>b) Activities and/or products;</li> <li>c) Size and/or annual production.</li> </ul> <p>NOTE: Traders or sales offices that do not take physical possession of reclaimed materials, and will not alter, store or re-package the reclaimed materials may be verified through desk audits (remote audits).</p>	<p>material.</p> <p>The standard requires Certificate Holders to inspect material inputs and provide objective evidence to demonstrate that only material that meets its definition of post-consumer reclaimed enters the FSC system as such. It also includes examples of objective evidence.</p> <p>Where material classification cannot be demonstrated through objective evidence then the Certificate Holder is required to include the supplier in a ‘Supplier Audit Program’. This Program requires regular, on-site audits of a sample of suppliers, going back to “the point where the classification as pre-consumer and/or post-consumer can be demonstrated through objective evidences”. The details of the audit records are also specified in the standard.</p> <p><b>Justification</b></p> <p>Based on the normative requirements of the FSC reclaimed materials standard FSC-STD-40-007, this indicator has been evaluated as Covered.</p>	
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			<p>4.2 The organization may contract an accredited certification body or other external qualified party to carry out the supplier audits.</p> <p>4.3 In cases where the supplier selected for sampling sells reclaimed materials that were previously collected, classified and traded by other companies or sites, the complete supply chain of these materials shall be audited back to the point where the classification as pre-consumer and/or post-consumer can be demonstrated through objective evidences.</p> <p>4.4 The organization shall evaluate and verify the documents and other evidence regarding the supplied material quantity, quality and compliance with FSC definitions of pre-consumer and post-consumer material, which includes:</p> <ul style="list-style-type: none"> <li>a) Supplier's instructions or procedures in place to control and classify the reclaimed materials;</li> <li>b) When applicable, trainings or instructions provided to the supplier's personnel in relation to classification and control of reclaimed materials;</li> <li>c) Registers that demonstrates the origin of the materials (e.g. pictures, address of the demolished house, invoices etc).</li> </ul> <p>NOTE: A declaration from the supplier, even if part of the contractual agreement, is not considered sufficient proof of the origin and material category. However, it can be used as additional evidence to demonstrate the material compliance with FSC definitions.</p> <p>4.5 The organization shall document the supplier audits, including a record of the audit date, the audit findings in relation to the requirements in Clause 4.4, the names and qualifications of the auditors and examples of any evidence collected to verify the classification of the materials."</p>		
		<p><b>A.3.2.1.3</b> The Scheme shall include clear and effective measures to prevent "timber products of a kind covered by the Annex of the EUTR", produced from</p>	<p><a href="#">FSC-STD-40-007 V2-0</a>, Requirement 3.5</p> <p>"3.5 In cases where the material received contains a mix of pre-consumer and post-consumer reclaimed material in its composition, the organization shall apply one of the following</p>	<p><b>Findings</b></p> <p>Where a Certificate Holder receives a mix of pre and post-consumer reclaimed material the reclaimed material standard requires it to either be entirely classified as pre-consumer, or that</p>	<p>Covered</p>



		<p>i) reclaimed material that has NOT completed its lifecycle and would otherwise have been discarded as waste”,</p> <p>ii) unverified or</p> <p>iii) virgin material (as defined by the EUTR) from, entering the supply chain.</p>	<p>measures:</p> <p>a) Classify the full amount of material as pre-consumer reclaimed, or</p> <p>b) Analyse and confirm the quantities of pre-consumer and post-consumer material in the mix received. In this case, the supplier shall:</p> <ul style="list-style-type: none"> <li>- declare in writing the quantities of pre-consumer and post-consumer reclaimed material in each material mix supplied, and</li> <li>- be included in the “Supplier Audit Program”.</li> </ul> <p><a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a> Requirements 2.4 – 2.6, 3.1 and 6.1 c</p> <p>“2.4 The organization shall ensure that only eligible inputs and the correct material categories are used in FSC product groups as defined in Table B.</p> <p>2.5 Organizations sourcing non-FSC-certified reclaimed material for use in FSC product groups shall conform to the requirements of FSC-STD-40-007.</p> <p>2.6 Organizations sourcing non-FSC-certified virgin material for use in FSC product groups as controlled material shall conform to the requirements of FSC-STD-40-005.”</p> <p>“3. Material handling</p> <p>3.1 In cases where there is risk of non-eligible inputs entering FSC product groups, the organization shall implement one or more of the following segregation methods:</p> <ul style="list-style-type: none"> <li>a. physical separation of materials;</li> <li>b. temporal separation of materials;</li> <li>c. identification of materials”</li> </ul> <p><b>“6. Compliance with timber legality legislation</b></p> <p>6.1 The organization shall ensure that its FSC-certified products conform to all applicable timber legality legislation. At a minimum, the organization shall:</p> <ul style="list-style-type: none"> <li>c. ensure that FSC-certified products containing pre-consumer reclaimed wood (except</li> </ul>	<p>only the appropriate quantity is. Thus, pre-consumer material may be sold on as post-consumer (although post-consumer would be classified as pre-consumer to balance this out).</p> <p>However, Certificate Holders certified to the reclaimed standard are also subject to the CoC standard where point c of Requirement 6.1 provides for additional measures when such material is being sold into countries with timber legality legislation, such as the EUTR. The CoC standard also has controls in place for the prevention of mixing, see A.3.1.1.3 above.</p> <p><b>Justification</b></p> <p>Based on the normative requirements this indicator has been evaluated as Covered.</p>	
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			<p>reclaimed paper) being sold to companies located in countries where timber legality legislation applies <b>either</b>:</p> <ul style="list-style-type: none"> <li>i. only include pre-consumer reclaimed wood materials that conform to FSC Controlled Wood requirements in accordance with FSC-STD-40-005; <b>or</b></li> <li>ii. inform their customers about the presence of pre-consumer reclaimed wood in the product and support their due diligence system as required by applicable timber legality legislation.</li> </ul> <p>NOTE: Organizations applying option c (i) above may apply the requirements for co-products outlined in FSC-STD-40-005."</p>		
<b>A.4 General requirements for Certificate Holders</b>					
<b>A.4.1</b>	Conflict resolution	<p><b>A.4.1.1</b> The Scheme shall include requirements that ensure that disputes are identified, recorded and managed, in a way that:</p> <ul style="list-style-type: none"> <li>i) ensures there is a transparent ongoing process to address the issue</li> <li>ii) requires for the exclusion from the scope of the certificate situations or areas or forest where the legality of tenure or management/harvesting is not defined or is unclear and disputed.</li> <li>iii) ensures respect for legally-enshrined customary tenure rights of local communities.</li> </ul>	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>"1.6 The Organization* shall* identify, prevent and resolve disputes* over issues of statutory or customary law*, which can be settled out of court in a timely manner*, through engagement with affected stakeholders*."</p> <p>"1.6.3 Up to date records of disputes related to issues of applicable laws* or customary law, are held including:</p> <ol style="list-style-type: none"> <li>1) Step taken to resolve disputes*;</li> <li>2) Outcomes of all dispute* resolution processes; and</li> <li>3) Unresolved disputes*, the reasons they are not resolved, and how they will be resolved."</li> </ol> <p>"1.6.4 Operations cease in areas where disputes* exist:</p> <ol style="list-style-type: none"> <li>1) Of substantial magnitude*; or</li> <li>2) Of substantial duration*; or</li> <li>3) Involving a significant* number of interests."</li> </ol> <p>(4.6.4 has identical text)</p> <p>"2.6 The Organization* through engagement* with workers* shall* have mechanisms for resolving grievances and for providing fair compensation* to workers* for loss or</p>	<p><b>Findings</b></p> <p>i) Dispute resolution is covered in three Criteria in the FM standard: Criterion 1.6 related to legal tenure; 2.6 related to workers grievances; and in 4.6 related to local communities and individuals, with regards to the impacts of management activities. The Instructions for Standard Developers and IGIs set out clear requirements for how disputes shall be identified, recorded and managed. It is clearly stated that the process shall be publicly available.</p> <p>There is no dispute resolution Criteria under Principle 10 on the Implementation of Management Activities but a complaint against a Certificate Holder because of non-compliant management activities can be taken to the Certification Body in charge (Clause 2.3 from FSC-PRO-01-008 Processing Complaints in the FSC Certification Scheme).</p>	Covered

		<p>damage to property, occupational diseases*, or occupational injuries* sustained while working for The Organization*."</p> <p>"4.6 The Organization*, through engagement* with local communities*, shall* have mechanisms for resolving grievances and providing fair compensation* to local communities* and individuals with regard to the impacts of management activities of The Organization*."</p> <p><a href="#">FSC-POL-20-003</a></p> <p><a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a> Requirement 1.5</p> <p>"1.5 The organization shall ensure that complaints received regarding the organization's conformity to the requirements applicable to the scope of the organization's CoC certificate are adequately considered, including the following:</p> <ul style="list-style-type: none"> <li>a. acknowledge receipt of the complaint to the complainant within two (2) weeks of receiving the complaint;</li> <li>b. investigate the complaint and specify its proposed actions in response to the complaint within three (3) months. If more time is needed to complete the investigation, the complainant and the organization's certification body shall be notified;</li> <li>c. take appropriate actions with respect to complaints and any deficiencies found in processes that affect conformity to the certification requirements;</li> <li>d. notify the complainant and the organization's certification body when the complaint is considered to be successfully addressed and closed." <p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a>, Clause 6.1 and Section 7</p> <p>"6.1 The organization shall provide a written summary of its DDS to the certification body. The written summary shall include the following information:</p> </li></ul>	<p>ii) IGLs 1.6.4 and 4.6. provide for the cessation of operations whilst disputes are being resolved.</p> <p>iii) IGI 1.6 explicitly includes customary law.</p> <p>Supply chain entities are required to implement a complaint handling system (FSC-STD-40-004, Requirement 1.5). Section 7 of the FSC CoC Controlled Wood standard (FSC-STD-40-005) details requirements for stakeholder inputs and complaints and requirement 6.1 specifies that the complaint mechanism shall be incorporated in the summary of the due diligence system required to be publicly available.</p> <p><b>Justification</b></p> <p>Based on the normative requirements this indicator has been evaluated as Covered.</p>	
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			<p>...</p> <p>d) The procedure for filing complaints;</p> <p>...</p> <p>NOTE 1: This information will be included in the public summary of the certification report by the certification body on the FSC database."</p> <p>"7 Stakeholder input and complaints</p> <p>7.1 The organization shall develop and implement a documented procedure to handle comments and complaints from stakeholders that are related to its DDS.</p> <p>NOTE: The procedure may consist of relevant existing organizational policies, mechanisms, etc.</p> <p>7.2 The procedure shall include mechanisms (unless otherwise stated in the applicable NRA) for:</p> <p>a) Acknowledging receipt of complaints;</p> <p>b) Informing stakeholders of the complaint procedure, and providing an initial response to complainants within a time period of two (2) weeks;</p> <p>c) Forwarding complaints related to risk designations in the relevant FSC risk assessment to the responsible body (for an NRA: as indicated in the NRA; for a CNRA: FSC);</p> <p>NOTE: When a complaint is forwarded to a responsible body, Clauses 7.2. d) - k) do not apply.</p> <p>d) Conducting a preliminary assessment to determine whether evidence provided in a complaint is or is not substantial, by assessing the evidence provided against the risk of using material from unacceptable sources;</p> <p>e) Dialogue with complainants that aims to solve complaints assessed as substantial before further actions are taken;</p> <p>f) Forwarding substantial complaints to the certification body and relevant FSC National Office for the supply area within two (2) weeks of receipt of the complaint.</p> <p>Information on the steps to be taken by the organization in order to resolve the complaint, as well as how a precautionary approach will be used, shall be included with the complaint;</p> <p>g) Employing a precautionary approach towards the continued sourcing of the relevant material while a complaint is pending;</p>		
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			<p>NOTE: This includes a description of how the precautionary approach is employed by the organization when a complaint is active.</p> <p>NOTE: A complaint is pending if it has been considered to be substantial (according to Clause 7.2 d), and no effective corrective action (according to Clauses 7.2 h) - k) has been taken yet.</p> <p>h) Implementing a process (e.g. field verification and/or desk verification) to verify a complaint assessed as substantial by the organization, within two (2) months of its receipt;</p> <p>i) Determining the corrective action to be taken by suppliers and the means to enforce its implementation by a supplier if a complaint has been assessed and verified as substantial. If a corrective action cannot be determined and/or enforced, the relevant material and/or suppliers shall be excluded by the organization;</p> <p>j) Verifying whether corrective action has been taken by suppliers and whether it is effective;</p> <p>k) Excluding the relevant material and suppliers from the organization's supply chain if no corrective action is taken;</p> <p>l) Informing the complainant, the certification body, and the relevant FSC National Office of the results of the complaint and any action taken towards its resolution, and for maintaining copies of relevant correspondence; and</p> <p>m) Recording and filing all complaints received and actions taken."</p> <p><a href="#">FSC-PRO-01-008 V2-0</a></p> <p>"2.3 Complaints against FSC certified organizations about their compliance with the FSC certification requirements are dealt with by the Certification Body who issued the certificate and processed according to the Certification Body's own complaint procedure."</p>		
	Corruption	<b>A.4.1.2</b> The scheme shall include requirements to ensure that certificate holders do not engage in corrupt practices related to illegal harvesting.	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>1.7: "The Organization* shall* publicize a commitment not to offer or receive bribes in money or any other form of corruption, and shall* comply with anti-corruption legislation where this exists. In the absence of anticorruption legislation, The Organization* shall*</p>	<b>Findings</b>	Covered
				Criterion 1.7 in the International FM standard explicitly addresses the potential for corrupt practices and includes requirements to exclude corruption. The instructions for Standard	

		<p>implement other anticorruption measures proportionate to the scale* and intensity* of management activities and the risk* of corruption."</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>1.7 Instructions for Standard Developers:</p> <p>"This Criterion* recognizes that corruption is generally regarded as illegal but that not all countries have or implement anti-corruption laws and regulations.</p> <p>Where anti-corruption laws and regulations are ineffective or do not exist, Standard Developers shall* include other anti-corruption measures that may include for example, The Organization* develops or participates in formal integrity pacts with other organizations in the public and private sectors, such that each participant agrees in well publicized statements not to engage in corruption by offering or receiving bribes, whether in money or in any other forms (Indicator 1.7.4).</p> <p>An independent third party with expertise in such matters should then monitor* performance related to such statements."</p> <p><a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a></p> <p><a href="#">FSC-POL-01-004 V2-0 Policy for the Association of Organizations with FSC</a></p> <p>"1 FSC will only allow its association with organizations that are not directly or indirectly involved in the following unacceptable activities:</p> <ul style="list-style-type: none"> <li>a) Illegal logging or the trade in illegal wood or forest products</li> <li>b) Violation of traditional and human rights in forestry operations</li> <li>c) Destruction of high conservation values in forestry operations</li> <li>d) Significant conversion of forests to plantations or non-forest use</li> <li>e) Introduction of genetically modified organisms in</li> </ul>	<p>Developers also give guidance on how this can be addressed where anti-corruption laws and regulations are ineffective or do not exist.</p> <p>Within the Controlled Wood system at the FM level corruption is not mentioned in the standard itself. However, the normative Advice Note (<a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a>) specifies legal methods of obtaining concession licenses and harvesting permits, noting how corruption is a well-known issue associated with such licenses.</p> <p>CoC Certificate Holders are required to "commit to the FSC values as defined in FSC-POL-01-004 by signing a self-declaration that the organization is not directly or indirectly involved" in six activities, the first being "illegal logging or the trade in illegal wood or forest products" (Requirement 1.3).</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered.</p>	
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			<p>forestry operations</p> <p>f) Violation of any of the ILO Core Conventions"</p> <p><a href="#">FSC-STD-40-004 V3-0</a>  <a href="#">Chain of Custody Certification</a></p> <p>"1.3 The organization shall commit to the FSC values as defined in FSC-POL-01-004 by signing a self-declaration that the organization is not directly or indirectly involved in the following activities:</p> <p>a. illegal logging or the trade in illegal wood or forest products;"</p>		
<b>A.5 Quality and procedural requirements for Certificate Holders</b>					
<b>A.5.1</b>	Internal procedures for Certificate Holders	<b>A.5.1.1</b> The Scheme shall include requirements for the Certificate Holders to have in place - and implement - systems and procedures covering all requirements of the Scheme.	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>"Principle 7: Management Planning  The Organization* shall* have a management plan* consistent with its policies and objectives* and proportionate to scale, intensity and risks* of its management activities. The management plan* shall* be implemented and kept up to date based on monitoring information in order to promote adaptive management*. The associated planning and procedural documentation shall* be sufficient to guide staff, inform affected stakeholders* and interested stakeholders* and to justify management decisions."</p> <p>"7.4 The Organization* shall* update and revise periodically the management planning and procedural documentation to incorporate the results of monitoring and evaluation, stakeholder engagement* or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances."</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>"1.1. The Forest Management Enterprise shall have procedures and/or work instructions covering all the applicable elements specified in this standard."</p> <p><a href="#">FSC-STD-40-004 V3-0</a></p>	<p><b>Findings</b></p> <p>At the forest level Criterion 7.4 requires Certificate Holders' management plans to be revised and updated periodically to incorporate monitoring results, including results of certification audits, evaluation results, stakeholder engagement results, new scientific and technical information, and changing environmental, social, or economic circumstances. The frequency of revision should be based on existing planning cycles and the source and significance of the information received from monitoring, evaluation and engagement.</p> <p>It is explicitly required for Certificate Holders implementing the CW standard at the forest level to implement procedures covering all applicable elements of the standard.</p> <p>It is also explicitly required for Certificate Holders in the supply chain to have systems and procedures covering all applicable aspects of the CoC and CW standards.</p>	Covered

			<p><a href="#">Chain of Custody Certification</a></p> <p>"1.1 The organization shall implement and maintain a CoC management system adequate to its size and complexity to ensure its continuous conformity to all applicable certification requirements, including the following:</p> <ul style="list-style-type: none"> <li>a. appoint a management representative who has overall responsibility and authority for the organization's conformity to all applicable certification requirements;</li> <li>b. implement and maintain up-to-date documented procedures covering the certification requirements applicable to the scope of the certificate;</li> <li>c. define the key personnel responsible for the implementation of each procedure;</li> <li>d. train staff on the up-to-date version of the organization's procedures to ensure their competence in implementing the CoC management system;</li> <li>e. maintain complete and up-to-date records of the documents that are relevant to demonstrate the organization's conformity with all applicable certification requirements which shall be retained for a minimum period of five (5) years. At a minimum, the organization shall keep records of the following documents as applicable to the certificate scope: procedures, product group lists; training records; purchase and sales documents; material accounting records; annual volume summaries; trademark approvals; records of suppliers, complaints, and outsourcing; control of nonconforming products; verification program records for reclaimed material, and records related to a due diligence program for controlled material and FSC Controlled Wood." <p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a></p> <p>"5.3 The organization shall implement documented procedures covering all applicable requirements of this standard."</p> </li></ul>	<p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Covered. The Scheme includes requirements for the Certificate Holders to have in place - and implement - systems and procedures covering all requirements of the Scheme.</p>	
		<p><b>A.5.1.2</b> The Scheme shall include requirements for the Certificate Holders to regularly review the proper</p>	<p><a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a></p> <p>"Principle 7: Management Planning The Organization* shall* have a management plan"</p>	<p><b>Findings</b></p> <p>Principle 7 of the International FM standard itself refers to promoting adaptive</p>	Partially Covered



		<p>functioning of their own procedures.</p>	<p>consistent with its policies and objectives* and proportionate to scale, intensity and risks* of its management activities. The management plan* shall* be implemented and kept up to date based on monitoring information in order to promote adaptive management*. The associated planning and procedural documentation shall* be sufficient to guide staff, inform affected stakeholders* and interested stakeholders* and to justify management decisions."</p> <p>"7.4 The Organization* shall* update and revise periodically the management planning and procedural documentation to incorporate the results of monitoring and evaluation, stakeholder engagement* or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances."</p> <p><a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a></p> <p>"1.1 The organization shall implement and maintain a CoC management system adequate to its size and complexity to ensure its continuous conformity to all applicable certification requirements, including the following:</p> <p>...</p> <p>b. implement and maintain up-to-date documented procedures covering the certification requirements applicable to the scope of the certificate;"</p> <p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a>. Clauses 1.6 – 1.8 and Annex A, Clause 1.5</p> <p>"1.6 The organization shall review and, if necessary, revise its DDS at least annually, and whenever changes occur that affect the relevance, effectiveness, or adequacy of the DDS (see Figure 4).</p> <p>1.7 The organization shall implement internal audits of its DDS at least annually to ensure that it is being implemented correctly.</p>	<p>management. Criteria 7.4 requires Certificate Holders to periodically update and revise management planning procedural documentation.</p> <p>Regarding controlled wood at the forest level FSC-STD-30-010 does not contain direct requirements for the evaluation and revision of the organisation's procedures.</p> <p>CoC Certificate Holders are required to keep their procedures up to date. However, there is no requirement for them to regularly review the proper functioning of their procedures.</p> <p>In the case of FSC COC controlled wood, an annual review of the DDS is required by the CW standard for supply chain entities. Clause 1.6 of FSC-STD-40-005 requires the organisation to review and, if necessary, revise its DDS at least annually, and whenever changes occur that affect the relevance, effectiveness, or adequacy of the DDS. Clauses 1.7 and 1.8 require the organisation to implement internal audits of its DDS at least annually to ensure that it is being implemented correctly, and to document the scope, dates, and staff involved in internal audits, respectively.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Partially Covered. The Scheme requires that Certificate Holders regularly review the proper functioning of their own procedures, in the case of certification at the forest level and in relation to the controlled wood DDS implemented</p>	
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## ANNEX 5 : SCHEME ASSESSMENT REPORT – FSC

			<p>1.8 The organization shall document the scope, dates, and staff involved in internal audits.”</p> <p>Annex A, Risk assessment by the organization:  “1.5 The organization shall review its risk assessment at least annually to verify the continued correctness and relevance of risk designations, and shall revise it when necessary.”</p>	<p>according to standard FSC-STD-40-005. However, the scheme does not require the same of CoC-certified companies, certified to FSC-STD-40-004 only.</p>	
<b>A.5.2</b>	Qualification and competence	<p><b>A.5.2.1</b> The Scheme shall include requirements that ensure that certified organisations have personnel with sufficient qualifications and competencies to consistently and effectively implement Scheme requirements.</p>	<p><a href="#">FSC-STD-01-001 V5-2 / FSC-STD-60-004 V2-0</a></p> <p>“2.5 The Organization* shall demonstrate that workers have job-specific training and supervision to safely and effectively implement the management plan* and all management activities.”</p> <p><a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a></p> <p>“1.1 The organization shall implement and maintain a CoC management system adequate to its size and complexity to ensure its continuous conformity to all applicable certification requirements, including the following:  ...  d. train staff on the up-to-date version of the organization's procedures to ensure their competence in implementing the CoC management system;”</p> <p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a></p> <p>“5.2 All relevant staff shall demonstrate awareness of the organization's procedures, and competence in implementing the applicable requirements of this standard.”</p>	<p><b>Findings</b></p> <p>Criteria 2.5 of the International FM standard and Point d of Requirement 1.1 of the CoC standard require that workers are adequately trained.</p> <p>Clause 5.2 of the FSC CoC Controlled Wood standard (FSC-STD-40-005) for supply chain entities requires that staff demonstrate competence relevant to standard implementation. However, a gap is noted within the Controlled Wood system at the forest level because there is no relevant clause in FSC-STD-30-010.</p> <p><b>Justification</b></p> <p>Based on the normative requirements, this indicator has been evaluated as Partially Covered. The Scheme does not systematically include – across all types of certification - requirements that certified organisations have personnel with sufficient qualifications and competencies. Specifically, a gap is noted within regards to the FM Controlled Wood standard FSC-STD-30-010.</p>	Partially Covered

A.5.3	Risk based approaches to sourcing, trade or production	A.5.3.1 If the Scheme includes an option to implement a risk based approach to sourcing non-certified material (Due Diligence System), it shall: i) contain clear requirements and ii) ensure consistent implementation of the Due Diligence System, for all activities, materials and suppliers included within the scope of the certification.	<p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a></p> <p>PART I DUE DILIGENCE SYSTEM</p> <p>1 Implementation and maintenance of a due diligence system</p> <p>1.1 The organization shall have, implement, and maintain a documented due diligence system (DDS) for material supplied without an FSC claim to be used as controlled material or to be sold with the FSC Controlled Wood claim.</p> <p>1.2 The organization shall include all suppliers and sub suppliers of the material assessed according to this standard in its DDS (see Figure 3).</p> <p>1.5 The organization shall only use material as controlled material or sell material with the FSC Controlled Wood claim if it is in conformity with the requirements of this standard, confirmed through the DDS.</p>	<p><b>Findings</b></p> <p>The standard: 'Requirements for sourcing FSC Controlled Wood' is applicable to supply chain entities sourcing non-certified material. It uses a risk-based approach and includes clear requirements and requires a consistent approach via systems and procedures. In aiding the consistent approach FSC have published National level risk assessments for many of the World's timber producing countries which Certificate Holders are obliged to use.</p> <p><b>Justification</b></p> <p>Based on the normative requirements within standard FSC-STD-40-005, this indicator has been evaluated as Covered.</p>	Covered
		A.5.3.2 The Scheme shall include requirements that ensure that whenever there is a change in the risk related to illegal harvest, trade or transport in a supply chain – or a supply chain covered by a DDS – the risk shall be assessed and mitigated prior to shipping and sale.	<p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a></p> <p>"1.6 The organization shall review and, if necessary, revise its DDS at least annually, and whenever changes occur that affect the relevance, effectiveness, or adequacy of the DDS (see Figure 4)."</p> <p>"1.10 The organization shall not use material from supply chains where ineffectiveness of the DDS leads to, or might lead to, non-eligible inputs entering the production."</p> <p>"2.4 The organization shall enforce its suppliers to notify it of any changes that may affect a risk designation or the mitigation of risk, such as changes in species, origin, or supply chain."</p> <p>Annex D Summary of the controlled wood evaluation process</p>	<p><b>Findings</b></p> <p>The Requirements for sourcing FSC Controlled Wood standard requires the Certificate Holder to review, and if necessary, revise its DDS at least annually, and whenever changes occur that affect the relevance, effectiveness or adequacy of the DDS (Clause 1.6), and to enforce its suppliers to notify it of any changes that may affect a risk designation or the mitigation of risk, such as changes in species, origin and supply chain (Clause 2.4). Nowhere does the standard explicitly refer to assessing and mitigating <i>prior to shipping and sale</i>, however, clause 1.10 prohibits the use of material where DDS deficiencies might lead to non-eligible material entering production. It is considered that this clause, effectively captures the requirement to ensure DD is conducted prior to sale.</p>	Covered

				<p>Additionally, Annex D outlines the CW evaluation process which indicates that low risk shall be concluded before material is classified as controlled material / FSC Controlled Wood, although, the Annex is informative only.</p> <p><b>Justification</b></p> <p>Based on the normative requirements within standard FSC-STD-40-005, this indicator has been evaluated as Covered.</p>	
		<p><b>A.5.3.3</b> In cases where other 3rd party schemes permitted to be used by the due diligence system as meeting specific due diligence requirements, the scheme shall include requirements that ensure that it is clear:</p> <p>i) on what basis recognition is made and;</p> <p>ii) how it is verified that other Schemes ensure conformance with the specific due diligence requirements.</p>	<a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a>	<p><b>Findings</b></p> <p>FSC Controlled Wood standard FSC-STD-40-005 does not include the recognition of other 3rd party schemes.</p> <p><b>Justification</b></p> <p>This indicator is not applicable.</p>	Not Applicable
		<p><b>A.5.3.4</b> The Scheme shall include requirements to ensure that the DDS comprises, at a minimum, the following elements:</p> <p>i) a quality management system,</p> <p>ii) procedures for obtaining access to information pertinent to the identification of risk;</p>	<a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a> <p>PART I DUE DILIGENCE SYSTEM</p> <p>1 Implementation and maintenance of a due diligence system</p> <p>...</p> <p>2 Obtaining information on material</p> <p>...</p> <p>3 Risk assessment</p> <p>...</p>	<p><b>Findings</b></p> <p>Part II of the standard is dedicated to quality management, whilst Part I consists of requirements covering accessing information, risk assessment and risk mitigation.</p> <p><b>Justification</b></p>	Covered

		iii) risk assessments, and iv) the implementation of mitigation measures when risks are identified.	4 Risk mitigation ... PART II QUALITY MANAGEMENT SYSTEM 5 Competence, documentation, and records ... 6 Publicly available information ... 7 Stakeholder input and complaints ...	Based on the normative requirements within standard FSC-STD-40-005, this indicator has been evaluated as Covered.	
<b>B. Requirements for Certification Bodies</b>					
Scheme requirements for Certification Bodies shall be clear and unambiguous and allow the Scheme owner to verify the level of conformance of each Certification Body to these requirements.					
<b>B.1 General Certification Body requirements</b>					
B.1.1	Competence and qualifications	B.1.1.1 The Scheme shall have mechanisms to ensure that auditors, and other relevant personnel of the Certification Body, are qualified and competent to evaluate organisations' compliance with specific Scheme requirements.	<a href="#">FSC-STD-20-001 General requirements for FSC accredited certification bodies</a>  Part 3: Resource requirements "3.1.1 The certification body shall have personnel competent for managing its work related to the implementation of the FSC accredited certification program. 3.1.2 The certification body shall have personnel with sufficient capacity to cover all operations and to handle the volume of work related to the implementation of the FSC accredited certification program. 3.1.3 The certification body shall have, implement and maintain a procedure for the management of competencies of personnel involved in the implementation of the FSC accredited certification program. 3.1.4 This procedure shall require the certification body to determine the criteria for the competence of personnel for each function in the implementation of the FSC accredited certification program, taking into account the following requirements: a) the person(s) that is (are) responsible for the application review shall incorporate a level of knowledge and experience sufficient to prepare the audit process;	<b>Findings</b>  Part 3 of the general requirements for Certification Bodies (FSC-STD-20-001) details resource requirements. Clause 3.1.1 specifically covers this requirement.  <b>Justification</b>  Based on the normative requirements within standard FSC-STD-20-001, this indicator has been evaluated as Covered.	Covered

			<p>b) auditors shall be qualified and maintain their qualification as specified in Annex 2;</p> <p>c) technical experts shall have demonstrated competence in the relevant field of expertise;</p> <p>d) peer reviewers shall have demonstrated competence in the relevant field of expertise;</p> <p>e) the person(s) of the certification decision making entity shall be qualified as an auditor for the respective scope as specified in Annex 2 and shall incorporate a level of knowledge and experience sufficient to assess the evaluation processes, the audit report and associated evidence and recommendations made by the audit team;</p> <p>f) those approving the trademark use shall demonstrate the required competence through the successful completion (certificate) of the FSC Trademark Training Module (see FSC-PRO-20-004);</p> <p>g) the audit team leader shall be a qualified auditor in the respective scope with the ability to manage the audit process and the audit team - including report writing, effective use of team resources, team management, external team representation during audit process, management of stakeholder engagement including prevention or resolution of conflicts.</p> <p>3.1.5 In terms of the personnel qualification this procedure shall require the certification body to:</p> <p>a) identify individual initial and continuous training needs according to the function of the person;</p> <p>b) define the scope of initial and continuous training according to the findings mentioned under a) and/or monitoring and evaluation results against the applicable qualification requirements;</p> <p>c) carry out an in-house training covering all internal aspects of the certification body relevant to certification processes as part of the initial training;</p> <p>d) provide an initial FSC Training Program for auditors (see FSC PRO-20-004) and ensure continuous training (see Annex 2), either internally or through external service providers approved by ASI – if not specified differently by FSC;</p> <p>e) demonstrate that the personnel has the required competencies for the duties and responsibilities they</p>		
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			<p>undertake, using the specifications in Annex 2, where applicable;</p> <p>f) formally authorize personnel for functions in the certification process;</p> <p>g) send at least one certification body representative to an annual national/ regional FSC calibration meeting - if provided - with a special focus on interpretation and application of National Forest Stewardship Standards.</p> <p>3.1.6 Personal attributes of auditors as described in Annex 2, Table 4 shall be taken into account for the following activities:</p> <p>a) selection of auditor candidates;</p> <p>b) auditor qualification process;</p> <p>c) monitoring of auditors;</p> <p>d) evaluation of auditor performance.</p> <p>3.1.7 Qualified auditors shall be registered in the FSC Auditor and Training Registry.</p> <p>3.1.8 For the monitoring and evaluation of the performance of auditors the certification body shall have, implement and maintain a documented procedure with the following requirements:</p> <p>a) regular monitoring of auditors;</p> <p>b) an evaluation at least once every three (3) years based on the monitoring results and a witness audit;</p> <p>c) the definition of monitoring and evaluation criteria shall be risk based and take into account:</p> <p>i. a review of conformity with competence requirements as listed in Annex 2;</p> <p>ii. an assessment of conformity with certification bodies' operational procedures and guidelines including issues with conflict of interest and confidentiality requirements;</p> <p>iii. a combination of on-site observation, review of audit reports and substantiated feedback from clients.</p> <p>d) monitoring and evaluation results shall be considered in needs for further training;</p> <p>e) monitoring and evaluation results shall be documented in the auditor performance appraisal report.</p> <p>3.1.9 The certification body shall require personnel involved in the certification process to sign a contract or other documents by which they commit themselves to the following, in accordance with the requirements of Annex 1:</p>		
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		<p>a) to conform with the rules defined by the certification body, including those relating to confidentiality, anti-corruption and independence from commercial and other interests;</p> <p>b) to declare any prior and/or present association on their own part, or on the part of their employer, with:</p> <ul style="list-style-type: none"> <li>i. a supplier or designer of products, or</li> <li>ii. provider or developer of services, or</li> <li>iii. an operator or developer of processes to the evaluation or certification of which they are to be assigned.</li> </ul> <p>c) to reveal any situation known to them that may present them or the certification body with a conflict of interest.</p> <p>3.1.10 The certification body shall maintain records of all certification body personnel involved in work related to the FSC accredited certification program. The records shall include a means to confirm the competence, qualification and training status of personnel."</p> <p>Annex 2 Qualification requirements for Forest Management and Chain of Custody auditor candidates and auditors</p> <p>Annex 3 Audit teams</p>		
	<p><b>B.1.1.2</b> If the Scheme includes an option for the Certificate Holder to implement a Due Diligence System, the scheme shall ensure that the auditors and other relevant personnel of the Certification Body are qualified and competent to evaluate organisations' compliance with related Scheme requirements.</p>	<p><a href="#">FSC-STD-20-001 General requirements for FSC accredited certification bodies</a></p> <p>Part 3: Resource requirements</p> <p>"3.1.1 The certification body shall have personnel competent for managing its work related to the implementation of the FSC accredited certification program."</p> <p>...</p> <p>"Annex 2: Qualification requirements for Forest Management and Chain of Custody auditor candidates and auditors"</p> <p>Annex 3 Audit teams</p> <p>"1.6 For controlled wood audits at forest level:</p> <p>a) at least one (1) team member with the experience and</p>	<p><b>Findings</b></p> <p>Part 3 of the general requirements for Certification Bodies (FSC-STD-20-001) details resource requirements. Clause 3.1.1 requires the Certification Body to have competent personnel. Annex 2 includes two tables that outline the qualification requirements for FM and CoC auditors. However, there are no competence requirements specific to FSC COC Controlled Wood certification (FSC-STD-40-005) which requires the evaluation of a Due Diligence System.</p> <p>Annex 3 of FSC-STD-20-001 covers the composition of audit teams, with clause 1.6 stating that at least one member of the audit</p>	Partially Covered



			<p>qualification to audit relevant aspects of the controlled wood standard taking account of the scale and complexity of the area to be assessed. Key considerations for the selection of auditors for an audit shall include experience and qualifications in relation to the controlled wood categories being audited;"</p>	<p>team shall have relevant experience and qualifications for Controlled Wood audits. However, this clause is directed at "controlled wood audits at forest level", not those auditing the due diligence systems of CoC certificate holders.</p> <p><b>Justification</b></p> <p>Based on the normative requirements within standard FSC-STD-20-001, this indicator has been evaluated as Partially Covered. There are no competence requirements specific to FSC COC Controlled Wood certification (FSC-STD-40-005) which requires the evaluation of a Due Diligence System.</p>	
B.1.2	Impartiality	<p><b>B.1.2.1</b> The scheme shall include requirements to ensure that auditors, and other personnel relevant to the conformance evaluation of an organisation shall be impartial to the entity(-ies) under evaluation.</p>	<p><a href="#">FSC-STD-20-001 V4-0 General requirements for FSC accredited certification bodies</a></p> <p>1.5 Impartiality  1.5.1 The certification body shall be responsible for ensuring that certification activities are undertaken impartially and shall not allow commercial, financial or other pressures to compromise impartiality.  1.5.2 The certification body shall have top management commitment to impartiality.  1.5.3 All certification body personnel (either internal or external) and committees involved in certification activities shall act impartially.  1.5.4 The certification body and any part of the same legal entity and entities under its organizational control or controlling it shall not offer or provide consultancy within the scope of accreditation to its clients, in conformity with the requirements specified in Annex 1.  1.5.5 The certification body shall maintain and implement written policy and procedures for avoidance of conflicts of interest. These procedures shall include:  a) the contractual obligation for all personnel involved in</p>	<p><b>Findings</b></p> <p>Impartiality requirements are included in Section 1.5 of the general requirements for CBs, with Clause 1.5.1 in particular, mandating it the CB's responsibility to ensure impartiality.</p> <p><b>Justification</b></p> <p>Based on the normative requirements within standard FSC-STD-20-001, this indicator has been evaluated as Covered.</p>	Covered

			<p>the certification process, to disclose in writing to the certification body all possible and actual conflicts of interest, at the time that the conflict or possibility of conflict becomes evident;</p> <p>b) documented procedures for determining timely and appropriate responses to such declarations of conflict of interest as they arise, to ensure that the declared interests neither influence, nor are perceived to influence, the decisions of the certification body;</p> <p>c) the maintenance of records of:</p> <p>i. all declarations of potential conflicts of interest;</p> <p>ii. every action which has been taken to resolve the possibility and actual occurrence of conflicts of interest.</p> <p>1.5.6 The certification body shall identify, analyse and document risks to its impartiality on an ongoing basis. This shall include those risks that arise from its activities, from its relationships, or from the relationships of its personnel. However, such relationships may not necessarily present a certification body with a risk to impartiality.</p> <p>NOTE: A relationship presenting a risk to impartiality of the certification body can be based on ownership, governance, management, personnel, shared resources, finances, contracts, marketing (including branding), and payment of a sales commission or other inducement for e.g. the referral of new clients.</p> <p>1.5.7 If a risk to impartiality is identified, the certification body shall be able to demonstrate how it eliminates or mitigates such risk.</p> <p>1.5.8 The certification body shall ensure that activities of separate legal entities with which it has relationships, do not compromise the impartiality of its certification activities. This also applies to separate legal entities that have a relationship with the legal entity of which the certification body forms a part of.</p> <p>1.5.9 When a separate legal entity offers or provides consultancy, the certification body's management personnel and personnel in the audit, review and certification decision-making process shall not be involved in the consultancy activities of the separate legal entity. The personnel of the separate legal entity shall not be involved in the management of the certification body,</p>		
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			<p>audit, review, or the certification decision.</p> <p>...</p> <p>1.5.11 To ensure that there is no conflict of interest, personnel (including those acting in a managerial capacity) who have provided consultancy, or been employed by a client, shall not be used by the certification body to audit, review, make certification decisions or to review or approve the resolution of a complaint or appeal for that client within three (3) years following the end of the consultancy or employment.</p> <p>1.5.12 The certification body shall have, maintain and implement a documented anticorruption policy.</p> <p>Committee for safeguarding impartiality</p> <p>1.5.13 The certification body shall have a committee for safeguarding its impartiality. The committee shall provide input on the following:</p> <ul style="list-style-type: none"> <li>a) the policies and procedures relating to the impartiality of its certification activities;</li> <li>b) any tendency on the part of a certification body to allow commercial or other considerations to prevent the consistent impartial provision of certification activities;</li> <li>c) matters affecting impartiality and confidence in certification.</li> </ul> <p>1.5.14 The committee's terms of reference shall be documented to ensure the following:</p> <ul style="list-style-type: none"> <li>a) a balanced representation of interested parties, such that no single interest predominates (internal or external personnel of the certification body are considered to be a single interest, and shall not predominate);</li> <li>b) access to all the information necessary to enable it to fulfil all its functions;</li> <li>c) at least one (1) annual meeting;</li> <li>d) its independence of the financial control of the organization;</li> <li>e) its independence of certification decision making;</li> <li>f) records of its discussions and recommendations;</li> <li>g) records of the certification body's response(s) to its discussions and recommendations.</li> </ul> <p>1.5.15 If the top management of the certification body does not follow the recommendations of this committee, the committee shall have the right to take independent</p>		
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			<p>action (e.g. informing authorities, ASI, stakeholders). In taking appropriate action, the confidentiality requirements of Section 1.8 relating to the client and certification body shall be respected.</p> <p>1.5.16 Committee's recommendations that are in conflict with the operating procedures of the certification body or other mandatory requirements should not be followed. Management should document the reasoning behind the decision to not follow the recommendations and maintain the document for review by ASI.</p> <p>3.2 Outsourcing</p> <p>3.2.6 The certification body shall:</p> <ul style="list-style-type: none"> <li>a) have documented policies, procedures and records for managing the relationship with bodies providing outsourced services according to the requirements in this standard, unless the option of outsourcing is explicitly excluded by the certification body;</li> <li>b) ensure that the body that provides outsourced services, and its personnel undertake certification services impartially;</li> <li>c) maintain a list of approved providers of outsourced services;</li> </ul> <p>4.3 Audit</p> <p>4.3.7 For forest management audits the following auditor rotation requirements shall be applied based on number of certificate holders per certification body and country:</p> <ul style="list-style-type: none"> <li>a) with more than twenty (20) certificate holders no auditor shall serve as a member of the audit team for more than three (3) consecutive audits of the same client;</li> <li>b) with eleven (11) to twenty (20) certificate holders no auditor should serve as a member of the audit team for more than three (3) consecutive audits of the same client. Where a client is audited by the same auditor on more than (3) consecutive audits, the certification body shall provide a justification why it was not possible, or feasible to rotate the auditor and shall demonstrate how an impartial and objective evidence based audit is ensured;</li> <li>c) with less than ten (10) certificate holders auditor rotation after three (3) consecutive audits is recommended.</li> </ul>		
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			<p>4.3.8 For all other types of audits the certification body should ensure that no client is audited by the same auditor on more than three (3) consecutive audits. Where a client is audited by the same auditor on more than (3) consecutive audits, the certification body shall provide a justification why it was not possible, or feasible to rotate the auditor and shall demonstrate how an impartial and objective evidence based audit is ensured.</p> <p>Annex 1 Avoidance of conflict of interest</p> <p>1.1 The certification body is allowed to explain its findings and/or clarify the requirements of normative documents, but shall not give prescriptive advice or consultancy as part of an audit or training.</p> <p>1.2 The following conditions shall be met for each of the categories:</p> <p>a) Training:</p> <p>i. where the training relates to FSC requirements, it may only cover generic information that is freely available in the public domain;</p> <p>ii. the training does not provide company-specific solutions and is not conducted one-on-one with the certification client.</p> <p>b) Templates:</p> <p>i. are publicly available;</p> <p>ii. do not provide company specific solutions;</p> <p>iii. include a disclaimer, specifying that the template is no guarantee for conformity with FSC requirements. It is the responsibility of the client to conform with FSC requirements;</p> <p>iv. the use is voluntary.</p> <p>NOTE: Such templates may include sample procedures, which can be created for specific industry sectors or types of clients, as long as they only contain generic information and fictional examples. The development of company specific procedures, manuals and handbooks is not allowed.</p> <p>Box 1: Informative guidance on managing conflicts of interest (adapted from: ISEAL (2013), Managing conflict of interest</p>		
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			in standards and assurance; ISO 9001 (2005), Auditing practices group guidance on third party auditor impartiality and conflict of interest).		
		<p><b>B.1.2.2</b> The Scheme shall include requirements that ensure that the certification decision process is;</p> <p>i) well defined and;</p> <p>ii) ensures that the decision on certification is conducted by positions/bodies that are impartial to the auditee.</p>	<p><a href="#">FSC-STD-20-001 V4-0 General requirements for FSC accredited certification bodies</a></p> <p>As per B.1.2.2 and in particular:</p> <p>“4.5.3 The certification decision making entity shall:</p> <p>a) have clear rules for membership, including requirements for qualification, experience and impartiality;</p> <p>b) consist of one or more individuals, where none of these individuals have any conflicts of interest, in particular financial or other commercial interest in the outcome of the certification decision;</p> <p>NOTE: This does not refer to a regularly paid salary of an employee who is member of the certification body's decision making entity.</p> <p>c) not include individuals who have taken part in the audit as audit team leaders, auditors or technical experts.</p> <p>4.5.4 The person(s) of the certification decision making entity shall be employed by, or shall be under contract with the certification body (see Section 3.1).”</p>	<p><b>Findings</b></p> <p>Certification decision requirements are included in Section 4.5 of the general requirements for CBs, with Clause 4.5.3 in particular, ensuring that the decision on certification is conducted by positions/bodies that are impartial to the auditee.</p> <p><b>Justification</b></p> <p>Based on the normative requirements within standard FSC-STD-20-001, this indicator has been evaluated as Covered.</p>	Covered
<b>B.2 Certification Body requirements for auditing and certification</b>					
B.2.1	Auditing process	<p><b>B.2.1.1</b> The Scheme shall include requirements that ensure that Certification Bodies apply a documented methodology for the evaluation (assessments and audits) of clients.</p>	<p><a href="#">FSC-STD-20-001 V4-0 General requirements for FSC accredited certification bodies</a></p> <p>“</p> <p>Part 2: General management system requirements</p> <p>2.2 Management system documentation</p> <p>2.2.1 The certification body's top management shall establish, document, and maintain policies and procedures for implementation of this standard and other applicable FSC requirements. The top management shall ensure that</p> <p>the policies and procedures are acknowledged and implemented at all levels of the certification body's organization relevant to FSC certification.”</p>	<p><b>Findings</b></p> <p>Part 2 of the general requirements for CBs covers 'general management system requirements', with Clause 2.2.1 requiring that policies and procedures covering all applicable standards are documented.</p> <p><b>Justification</b></p>	Covered

		<p>2.2.2 The certification body's top management shall appoint a management representative as having overall responsibility and authority to establish, implement and maintain the management system.</p> <p>2.2.3 All documentation, processes, systems, records, etc. related to the implementation of FSC requirements shall be included, referenced, or linked to documentation of the management system.</p> <p>2.2.4 All personnel involved in certification activities shall have access to the parts of the management system documentation and related information that are applicable to their responsibilities (personnel in the certification body's office and, as appropriate, in the field).</p> <p>2.2.5 The certification body shall have a quality manual and associated operational procedures for:</p> <ul style="list-style-type: none"> <li>a) handling of applications;</li> <li>b) preparing and conducting audits (in pre-evaluation, main evaluation, surveillance and re-evaluation processes) according to the applicable FSC normative documents;</li> <li>c) conducting unannounced or short notice audits according to specified criteria and conditions;</li> <li>d) report reviewing and finalizing certification reports, (including public summary certification reports and surveillance reports);</li> <li>e) identification, management and tracking of nonconformities of clients;</li> <li>f) all types of certification decision making;</li> <li>g) registering the certification status and issuing of certificates;</li> <li>h) the review and approval of requests to use the FSC trademarks;</li> <li>i) managing conflicts of interest;</li> <li>j) managing complaints and appeals;</li> <li>k) control of internal and external documents;</li> <li>l) conducting internal audits;</li> <li>m) identification, management and tracking of nonconformities of certification body's operations and related preventive and corrective actions;</li> <li>n) other procedures as necessary to conform with applicable FSC</li> </ul>	<p>Based on the normative requirements within standard FSC-STD-20-001, this indicator has been evaluated as Covered.</p>	
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			<p>requirements.</p> <p>3.2 Outsourcing</p> <p>3.2.1 The certification body may outsource work related to certification to a separate legal entity. In such a case the certification body shall ensure that the body that provides the outsourced service conforms with applicable requirements of this standard and other FSC normative documents.</p> <p>4.3 Audit</p> <p>4.3.1 The processes and products of a client shall be audited against the applicable requirements specified in the FSC normative documents. All interpretations of FSC requirements are at the sole discretion of the FSC International Center.</p> <p>4.3.2 The certification body shall conduct audits for forest management certification in accordance with FSC-STD-20-007 and related normative documents. In countries that are lacking a National Forest Stewardship Standard or an Interim National Standard, the certification body shall participate in the process of developing an Interim National Standard as specified in FSC-STD-20-002.</p> <p>4.3.3 The certification body shall conduct audits for chain of custody certification in accordance with FSC-STD-20-011 and related normative documents.</p> <p>4.3.4 The certification body shall conduct audits for controlled wood certification in forest management organizations in accordance with FSC-STD-20-012 and related normative documents.</p> <p>...</p> <p>4.3.9 The certification body shall provide all auditors with an up-to-date 'audit handbook' or equivalent which includes all the guidance necessary for the auditor to complete audits in accordance with the certification body's documented procedures. The audit handbook shall include instructions for auditors regarding at least:</p> <p>a) the implementation of any checklists, guidance documents and interpretations of FSC normative documents;</p> <p>b) detecting, analyzing, grading, and addressing</p>		
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			<p>nonconformities;</p> <p>c) writing reports in accordance with applicable FSC requirements and certification body's procedures;</p> <p>d) procedures for the audit of trademark uses in conformity with FSC trademark requirements for on-product and promotional uses.</p> <p>4.3.10 The certification body shall consider ISO 19011 for incorporation into the audit handbook and shall at minimum include requirements for opening meetings, closing meetings and communication of audit findings in accordance with ISO 19011, where appropriate.</p>		
		<p><b>B.2.1.2</b> As a minimum, this methodology shall include procedures for the following activities:</p> <p>i) Evaluation of conformity of organisations to the Schemes (e.g. audit of sites, or inspection of records or of self-assessment declarations);</p> <p>ii) Review and certification decision;</p> <p>iii) Issuance of a certificate; and</p> <p>iv) Periodic re-assessment.</p>	<p><a href="#">FSC-STD-20-001 V4-0 General requirements for FSC accredited certification bodies</a></p> <p>Granting certification</p> <p>1.4.1 The certification body shall only grant (re)certification when their client:</p> <p>a) has entered into and holds a valid and most recent version of the 'License Agreement for the FSC Certification Scheme', where the right to use the FSC trademarks is not suspended;</p> <p>b) conforms with the requirements of all applicable FSC normative documents, which means that major nonconformities shall be corrected before granting of certification and minor nonconformities shall be corrected within the maximum timeline specified by the certification body.</p> <p>Open minor nonconformities do not prevent granting of certification;</p> <p>c) signed a certification agreement with the certification body.</p> <p>1.4.2 The period of validity of FSC certification shall not exceed five (5) years.</p> <p>1.4.3 Recertification may be granted as the result of a re-evaluation.</p> <p>1.4.4 The specified period of validity of certification may be extended for a single exceptional extension of up to six (6) months in order to permit re-evaluation to be completed, when justified by circumstances beyond the control of the certification body and their client. The certification body</p>	<p><b>Findings</b></p> <p>FSC-STD-20-001 Part 2 of the general requirements for CBs covers 'general management system requirements', with Clause 2.2.5 specifying the content of the CB's "quality manual and associated operational procedures" which covers all the elements of this requirement.</p> <p>In relation to the points in the indicator, section 2.7 of the same standard addresses i) the evaluation of conformity of organisations to the Schemes. Section 4.5 of the same standard addresses ii) review and certification decision; whilst 4.6 relates to Issuance of a certificate.</p> <p>1.4.2 and 1.4.3 address points iii) and iv).</p> <p><b>Justification</b></p> <p>Based on the normative requirements within standard FSC-STD-20-001, this indicator has been evaluated as Covered.</p>	Covered

			<p>shall take the following steps:</p> <ul style="list-style-type: none"> <li>a) record such circumstances;</li> <li>b) update the entry in the FSC certification database (info.fsc.org).</li> </ul> <p>“2.2.5 The certification body shall have a quality manual and associated operational procedures for:</p> <ul style="list-style-type: none"> <li>a) handling of applications;</li> <li>b) preparing and conducting audits (in pre-evaluation, main evaluation, surveillance and re-evaluation processes) according to the applicable FSC normative documents;</li> <li>c) conducting unannounced or short notice audits according to specified criteria and conditions;</li> <li>d) report reviewing and finalizing certification reports, (including public summary certification reports and surveillance reports);</li> <li>e) identification, management and tracking of nonconformities of clients;</li> <li>f) all types of certification decision making;</li> <li>g) registering the certification status and issuing of certificates;</li> <li>h) the review and approval of requests to use the FSC trademarks;</li> <li>i) managing conflicts of interest;</li> <li>j) managing complaints and appeals;</li> <li>k) control of internal and external documents;</li> <li>l) conducting internal audits;</li> <li>m) identification, management and tracking of nonconformities of certification body's operations and related preventive and corrective actions;</li> <li>n) other procedures as necessary to conform with applicable FSC requirements.” <p>2.7 Corrective actions and preventive actions of the certification body</p> <p>2.7.1 The procedures for corrective actions and preventive actions shall define requirements for the following:</p> <ul style="list-style-type: none"> <li>a) identifying nonconformities (e.g. from complaints and internal and external audits) and potential nonconformities</li> </ul> </li></ul>		
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			<p>b) determining the causes of nonconformity;</p> <p>c) correcting nonconformities;</p> <p>d) evaluating the need for actions to ensure that nonconformities do not occur or recur;</p> <p>e) determining and implementing the actions needed in a timely manner;</p> <p>f) recording the results of actions taken;</p> <p>g) reviewing the effectiveness of corrective actions and/or preventive actions.</p> <p>4.5 Certification decision</p> <p>4.5.1 The certification body shall be responsible for, and shall retain authority for, its decisions relating to certification.</p> <p>4.5.2 The certification body shall assign a certification decision making entity to make the certification decision based on all information related to the audit, its review, and any other relevant information. The person(s) of the certification decision making entity shall not have been involved in the audit process.</p> <p>4.5.3 The certification decision making entity shall:</p> <p>a) have clear rules for membership, including requirements for qualification, experience and impartiality;</p> <p>b) consist of one or more individuals, where none of these individuals have any conflicts of interest, in particular financial or other commercial interest in the outcome of the certification decision;</p> <p>...</p> <p>c) not include individuals who have taken part in the audit as audit team leaders, auditors or technical experts.</p> <p>4.5.4 The person(s) of the certification decision making entity shall be employed by, or shall be under contract with the certification body (see Section 3.1).</p> <p>4.5.5 The certification body shall make and communicate certification decisions to the client after the main evaluation according to the following maximum timelines and requirements:</p> <p>a) six (6) months in the case of chain of custody evaluations;</p> <p>b) twelve (12) months in the case of forest management and controlled wood forest management evaluations, or</p>		
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			<p>c) up to eighteen (18) months in exceptional and justified cases for forest management evaluations, where due to major nonconformities a positive certification decision cannot be made within twelve (12) months. Between twelve (12) months and (18) months an on-site audit shall be required to verify the validity of the main evaluation findings and to evaluate any changes to the management system.</p> <p>4.5.6 When communicating a negative certification decision the certification body shall provide the reasons for this decision.</p> <p>4.6 Registering of certification status and issuing of certificate</p> <p>4.6.1 The certification body shall register the certification status in the FSC certification database (info.fsc.org) after the certification decision making entity has granted certification. The registration requires the entry of all specified data, together with an electronic copy of the public summary certification report (as applicable).</p> <p>4.6.2 In the case of FSC announcing a malfunction of the on-line registration service, the certification body shall inform ASI and FSC that certification or recertification has been granted within ten (10) days of the certification decision.</p> <p>4.6.3 Certification bodies are responsible for keeping their data entries and public summary certification reports accurate and up-to-date.</p> <p>4.6.4 A certificate shall only be issued after a positive certification decision has been taken by the certification decision making entity and after it has been registered in the FSC certification database, together with the public summary certification report.</p>		
		<p><b>B.2.1.3</b> The Scheme shall include requirements that ensure that Certification Bodies have in place - and implement – specific procedures for audits that include at least the following:</p>	<p><a href="#">FSC-STD-20-001 V4-0 General requirements for FSC accredited certification bodies</a></p> <p>2.2.5 (see B.2.1.2 above)</p> <p>“Reporting</p> <p>4.3.21 The certification body shall document the findings and conclusions of all audit activities prior to review and decision making in a certification report in conformity with</p>	<p><b>Findings</b></p> <p>i) FM (6.1.1), FM CW (9.1.2) and CoC (3.1)</p> <p>ii) FM (6.3.1) and (6.3.1. to 6.3.3) for SLIMFs. SLIMF auditing requires that annual audits be conducted on site at least once per certificate validity period (5 years). For the remaining four</p>	Covered

		<p>i) frequency of audits; (no longer than every 12 months);</p> <p>ii) requirements for on-site (field) visits where applicable;</p> <p>iii) sampling protocol for audits (if applicable);</p> <p>iv) structure and competencies of the audit team;</p> <p>v) the minimum set of aspects that need to be checked in every audit;</p> <p>vi) minimum content of audit reports, including non-conformances, clarification of scope, audit process and evaluation findings.</p> <p>vii) ability for unannounced or short-notice audits in case of substantiated claims or for other reasons.</p>	<p>the report writing requirements specified in:</p> <p>a) FSC-STD-20-007a for forest management certification reports;</p> <p>b) FSC-STD-20-007b for forest management public summary certification reports;</p> <p>c) FSC-STD-20-011 for chain of custody certification reports;</p> <p>d) FSC-STD-20-012 for controlled wood forest management certification reports.”</p> <p>Annex 3 Audit teams</p> <p><a href="#">FSC-STD-20-007 V3-0 Forest management evaluations</a></p> <p>“6.1.1 The certification body shall carry out a surveillance evaluation to monitor the certificate holder’s continued conformity with applicable certification requirements at least annually.</p> <p>NOTE: For a certificate having a five year duration at least four surveillance evaluations shall take place before the certificate expires. However, a surveillance evaluation may not require an FMU level site visit (see Paragraph 6.3, below).”</p> <p>“6.3.1 The certification body shall carry out one or more FMU level site visits annually for all certificate holders except in the case of those managing SLIMF operations (see below).</p> <p>6.3.2 In the case of a single SLIMF, the certification body shall carry out at least one FMU level site visit during the period of validity of the certificate. If there are no outstanding corrective actions to be evaluated which may require site verification, no complaints requiring evaluation and no significant forest activities have taken place in the previous 12 months, the remaining surveillance evaluations may be based on review of the documentation and records specified in 6.2, above, and do not require</p>	<p>years, desk-based audits may be conducted based on the absence of the following: i) outstanding corrective actions to be evaluated which may require site verification; ii) complaints received which would require evaluation; iii) no significant forest activities have taking place in the previous 12 month period. FM CW (9.3.1) and CoC (2.6)</p> <p>iii) FM (Section 5.3 and Annex 1 for group certification), FM CW (4.3.1) and CoC (7.5)</p> <p>iv) Covered by Annex 3 in the general requirements for CBs (FSC-STD-20-001 V4-0)</p> <p>v) At the forest level there is provision for CBs to evaluate different requirements each year, as long as all are covered within the duration of the certificate (Clause 6.3.7). Clause 3.1 in the Evaluations of CoC (FSC-STD-20-011) states that conformance to all applicable requirements shall be evaluated at every surveillance audit.</p> <p>vi) Clause 4.3.21 of the general requirements for CBs requires that audit findings and conclusions shall be documented in reports and references four separate standards to specific requirements related to FM, FM CW and CoC. For FM FSC-STD-20-007a details the requirements for the contents of the full FM audit reports and FSC-STD-20-007b gives the requirements for the contents of the public summaries. Section 10 of the Evaluation standard for FM CW (FSC-STD-20-012 V1-1) gives detailed requirements for report contents, as does Table B in Part III of the Evaluation standard for CoC which also includes the sourcing of CW (DDS) (FSC-STD-20-011 V4-1).</p> <p>vii) Covered by Clause 2.2.5 b in the general</p>	
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			<p>FMU level site visits.</p> <p>6.3.3 In the case of groups or sub-groups of SLIMFs with less than 100 members the certification body shall carry out at least one FMU level site visit at the end of the first year in which the certificate was issued, and at least one additional FMU level site visit during the period of validity of the certificate. If there are no outstanding corrective actions to be evaluated and no unresolved complaints requiring evaluation the remaining surveillance evaluations may be based on review of documentation and records specified in 6.2 above, and do not require FMU level site visits. The certification body shall take account of the rate of change of membership within the group; changes to the group management structure and the type and variety of forest activities being implemented within the group before making the decision to waive an annual FMU level site visit".</p> <p>Box 1</p> <p>"6.3.7 Surveillance shall include:</p> <ul style="list-style-type: none"> <li>a) evaluation of the certificate holder's compliance with all conditions (corrective actions) on which certification is based;</li> <li>b) review of any complaints or allegations of non-conformity with any aspect of the applicable Forest Stewardship Standards;</li> <li>c) evaluation of a sample of sites and records, and interviews with affected stakeholders sufficient to verify that management systems (documented or undocumented) are working effectively and consistently in practice, in the full range of management conditions present in the area under evaluation.</li> </ul> <p>NOTE: The certification body may focus its surveillance during a particular annual surveillance evaluation on</p>	<p>requirements for CBs (FSC-STD-20-001 V4-0)</p> <p><b>Justification</b></p> <p>Based on the normative requirements within the accreditation series of standards (FSC-STD-20-XXX), this indicator has been evaluated as Covered.</p>	
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		<p>specific elements of the applicable Forest Stewardship Standard (e.g. those pertaining to particular FSC Principles or to particular aspects of management) with the provision that all aspects of the Forest Stewardship Standard are monitored during the period of validity of the certificate. Certification bodies may therefore focus on particular aspects of the forest management system reducing the time and cost of surveillance."</p> <p>Annex 1: Sampling for group certification</p> <p><a href="#">FSC-STD-20-007a V1-0 Forest management evaluations addendum – Forest certification reports</a></p> <p><a href="#">FSC-STD-20-007b V1-0 Forest management evaluations addendum – Forest certification public summary reports</a></p> <p><a href="#">FSC-STD-20-012 Standard for evaluation of FSC Controlled Wood in Forest Management Enterprises</a></p> <p>"4.3.1 Requirements for sampling of FMEs with more than one FMU sites will be based on those for FSC forest management certification."</p> <p>"9.1.1 The certification body shall document, implement and maintain evaluation systems and procedures for surveillance evaluations. These shall include all of the elements in this Section."</p> <p>"9.1.2 Procedures for surveillance evaluations shall specify frequency and duration of surveillance visits in accordance with the scale and intensity of forest management. Surveillance audits shall be conducted at least on an annual basis."</p> <p>"9.1.3 A certification body shall also carry out surveillance evaluation in response to complaints of non-compliance for which evidence is provided."</p> <p>"9.3.1 FMU level site visits shall be employed for</p>		
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			<p>surveillance visits.”</p> <p>“10. Controlled Wood certification reports”</p> <p>“13.1.1 The certification body's documented procedures shall define the composition of evaluation teams for Controlled Wood for main evaluations.”</p> <p>“13.2.1 The certification body's evaluation system and procedures shall define the composition of evaluation teams for Controlled Wood surveillance evaluations.”</p> <p><a href="#">FSC-STD-20-011 V4-1 Chain of Custody Evaluations</a></p> <p>“2.6 The certification body shall evaluate each operational site within the scope of the evaluation (including a sample of participating sites of group and multisite certificates and non-FSC-certified project members in the case of project certificates) in order to make direct, factual observations to verify the organization's conformance to all applicable certification requirements. The evaluation shall include:</p> <p>...</p> <p>e) physical inspection of all sites selected for evaluation, including inspection of all locations where operational activities under the scope of the certificate are carried out. Desk audits may be conducted where:</p> <p>i. the site does not take physical possession of FSC-certified materials or products, controlled material, or FSC controlled wood in their own or rented facilities, and does not label, alter, store, or repackage the products (e.g. sales office);</p> <p>ii. the site is used for storage of finished and labelled products only, and where the certification body has confirmed through an initial physical inspection that there is no risk of mixing FSC-certified products with other materials (e.g. the site only stores FSC-certified products). Certification bodies shall conduct physical inspection of these storage sites at least once during the five-year duration of a certificate;</p> <p>iii. the physical inspection during surveillance evaluations</p>		
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			<p>of one-time project certificates is not relevant (e.g. there is nothing to inspect on the site; a single delivery of materials to the project; when all project members supplying the project are FSC-certified).</p> <p>NOTE: Certification bodies are not obliged to conduct desk audits, even when all requirements specified in 2.6 e) above are satisfied. At its own discretion, initially or at any time, the certification body may decide to carry out site visits where and when necessary to ensure confidence in a certificate."</p> <p>"3.1 The certification body shall carry out a surveillance evaluation to monitor the organization's continued conformance to all applicable certification requirements at least annually.</p> <p>NOTE: The evaluation of corrective action to close major nonconformity may require on-site audits at shorter intervals."</p> <p>"3.2 For a certificate that has a five-year validity, at least four surveillance evaluations shall take place before the certificate expires. The number of surveillance evaluations may be reduced if Clause 3.3 applies.</p> <p>NOTE: In the context of surveillance, "annually" is to be interpreted as follows: at least once per calendar year, but not later than 15 months after the last evaluation (determined by the date of the field visit or desk evaluation)."</p> <p>"3.3 For an operation or site that did not perform activities under the scope of the CoC certificate (e.g. did not produce, label, or sell any FSC-certified material and did not source controlled material or sell any FSC controlled wood since the previous audit), a surveillance evaluation may be waived. However, certification bodies shall not waive more than two consecutive surveillance evaluations."</p> <p>"7.5 The certification body shall select a sample of the participating sites for evaluation of conformance to the applicable FSC normative documents. The certification</p>		
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			<p>body shall divide the participating sites into two sets of sites:  normal-risk participating sites and high-risk participating sites (see Terms and definitions), which shall be sampled separately by using the following formulas:  a) for main evaluations, surveillance evaluations, and re-evaluations:  <math>y = R \sqrt{x}</math>, where:  y = number of participating sites to be audited by the certification body (rounded to the upper whole number)  R = risk index (see Table A)  x = total number of normal-risk or high-risk participating sites  NOTE: In the case of surveillance evaluations, participating sites which have not had any FSC activity according to Clause 3.3 since the previous certification body evaluation do not need to be included in the population of sites (value 'x' in the formula) from which the sample is drawn.  b) for the inclusion of new participating sites (beyond the approved annual growth rate):  <math>y = R \sqrt{n}</math>, where:  y = number of participating sites to be audited by the certification body (rounded to the upper whole number)  R = risk index (see Table A)  n = number of new normal-risk or high-risk participating sites to be added to the certificate scope."</p> <p>PART III: Chain of Custody Evaluation Reports  Table B. Minimum content of evaluation reports</p>		
B.2.2	Stakeholder consultation	<b>B.2.2.1</b> The Scheme shall include mechanisms to ensure that Certification Bodies conduct consultation with stakeholder (including rights holders) as appropriate in relation to audits (only applicable where necessary** for evaluating compliance of	<p><a href="#">FSC-STD-20-007 V3-0 Forest management evaluations</a></p> <p>"1.2 In order to provide such an assurance the certification body shall:  ...  c) Carry out sampling of sites, documents, management records, interviews, consultation with stakeholders and direct factual observations sufficient to verify that there are no major non-conformities with the performance threshold specified in the applicable Forest Stewardship Standard within any FMU within the scope of the</p>	<b>Findings</b>	Covered
			<p>The standard 'Stakeholder consultation for forest evaluations' (FSC-STD-20-006 V3-0) outlines FSC's expectations on the nature and extent of stakeholder consultation required for FM evaluations. Section 5 of the evaluation standard for FM controlled wood covers stakeholder consultation which is a streamlined version of requirements given in</p>		

		<p>certificate holders).</p> <p>The scheme shall ensure that the certification holder has a proper stakeholder consultation process in place.</p>	<p>evaluation.”</p> <p>“3.2.1 Pre-evaluations shall include the following elements: ... b) Review and discussion with forest managers of the requirements of the standard(s) to be used for the evaluation, including procedural requirements such as stakeholder consultation (see FSC-STD-20-006 Stakeholder consultation for forest evaluation).”</p> <p><a href="#">FSC-STD-20-006 V3-0 Stakeholder consultation for forest evaluations</a></p> <p><a href="#">FSC-STD-20-012 Standard for evaluation of FSC Controlled Wood in Forest Management Enterprises</a></p> <p>“5. Stakeholder consultation for Controlled Wood evaluation</p> <p>5.1 At least one month prior to the field visit, the certification body shall inform the FSC accredited National Initiative in the country and stakeholders who can provide relevant information as to an applicant's compliance.</p> <p>5.2 The certification body shall develop and document its methodology for informing stakeholders.</p> <p>5.3 The methodology shall ensure that:</p> <p>a) a range of stakeholders are informed about the upcoming audit, appropriate to the scale, complexity and number of FMUs being assessed;</p> <p>b) stakeholders have the opportunity to present their points of view to the auditor(s) in confidence;</p> <p>c) information and opinions given by stakeholders are evaluated objectively and meaningfully, and affect the certification decision only in so far as they provide evidence of compliance or non-compliance with the applicable requirements of the FSC Controlled Wood standard for forest management enterprises.</p> <p>5.4 The certification body shall keep the following records for each evaluation:</p> <p>a) names and contact details of individuals/organisations</p>	<p>aforementioned standard.</p> <p>Section 6 of the evaluation standard for CoC covers stakeholder consultation required for CHs implementing a DDS for sourcing controlled wood.</p> <p><b>Justification</b></p> <p>Based on the normative requirements within the accreditation series of standards (FSC-STD-20-XXX), this indicator has been evaluated as Covered.</p>	
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			<p>consulted on the applicant's compliance with the requirements of the applicable standard;</p> <p>b) copies of all correspondence and/or written comments received;</p> <p>c) references to key documents provided by the applicant</p> <p>5.5 For Small and Low Intensity Managed Forest (SLIMF) the certification body is not required to undertake public consultation as outlined in Sections 5.1 to 5.4 above."</p> <p><a href="#">FSC-STD-20-011 V4-1 Chain of Custody Evaluations</a></p> <p>"6 Evaluation of controlled wood according to FSC-STD-40-005</p> <p>Stakeholder consultation</p> <p>NOTE: Stakeholder consultation requirements apply only for the first evaluation and subsequent re-evaluations of the organization to FSC-STD-40-005. However, these are applicable only where material is sourced from unassessed, specified, or unspecified risk areas according to the applicable FSC risk assessment.</p> <p>6.1 The certification body shall conduct stakeholder consultations adequate to the size and scale of the organization's due diligence system (DDS) to verify its conformance to applicable requirements. The certification body shall:</p> <p>a) identify and invite directly affected stakeholders to participate in the consultation. Invitation of relevant FSC network partners is mandatory;</p> <p>b) provide a public notification about the consultation process, including dates and activities in the scope of the consultation, in order to accommodate participation of interested stakeholders. Means of notification shall ensure that interested stakeholders can access information about the consultation;</p> <p>NOTE 1: Invitation of directly affected stakeholders aims to ensure they are directly informed about the consultation process and to increase their engagement, whilst public notification aims to provide additional opportunity for engagement of interested stakeholders.</p> <p>NOTE 2: Consultation can only be conducted based on voluntary engagement of directly affected or interested</p>		
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			<p>stakeholders.</p> <p>c) provide participating stakeholders with access to information as required in Section 6 of FSC-STD-40-005 at least six weeks prior to the evaluation;</p> <p>d) employ effective and culturally appropriate means of invitation, notification, and consultation;</p> <p>NOTE: Examples of techniques may include: announcement via the certification body's website; face-to-face meetings; personal contacts by phone, email, or letter; notice published in the national and/or local press and on relevant websites; local radio announcements; announcements on local customary notice boards. Consultation may include a request for written comments on a predetermined set of specific questions.</p> <p>e) ask participating stakeholders for consent for the publication of their comments;</p> <p>f) provide stakeholders with the opportunity to comment in confidence;</p> <p>g) evaluate information and comments provided by stakeholders objectively and meaningfully. The certification decision shall only be affected in so far as the comments provide evidence of conformity or nonconformity to the applicable requirements;</p> <p>h) respond to all stakeholders who participated in the consultation process and explain how their comments were taken into account within 30 days of making the certification decision;</p> <p>i) maintain records of the consultation process, including stakeholders identified, stakeholders who participated in the consultation and their comments, and evidence that the consultation was carried out in line with the requirements of this standard."</p>		
B.2.2	Corruption	<p><b>B.2.2.2</b> The Scheme shall include mechanisms to identify (or for the Certification Body to do so) companies sanctioned for engagement in corrupt practices relevant to the forest sector.</p>	<p><a href="#">FSC-POL-01-004 V2-0 Policy for the Association of Organizations with FSC</a></p> <p>"FSC will only allow its association with organizations that are not directly or indirectly involved in the following unacceptable activities:</p> <p>a) Illegal logging or the trade in illegal wood or forest products</p> <p>b) Violation of traditional and human rights in forestry operations</p>	<p><b>Findings</b></p> <p>As noted at C.1.3, normative requirements for Certificate Holders addressing corruption are clear at the forest management level. For CoC Certificate Holders Commitment to FSC's Policy for Association (FSC-POL-01-004) addresses corruption related to illegal</p>	Partially Covered

		<p>c) Destruction of high conservation values in forestry operations</p> <p>d) Significant conversion of forests to plantations or non-forest use</p> <p>e) Introduction of genetically modified organisms in forestry operations</p> <p>f) Violation of any of the ILO Core Conventions"</p> <p>"2 Due Diligence</p> <p>2.1 Before entering into an association with an organization or individual, FSC shall conduct a due diligence evaluation according to FSC-PRO-10-004 to evaluate the existence of objective evidence that an organization is directly or indirectly involved in any of the unacceptable activities as listed in Part I Clause 1.</p> <p>2.2 FSC shall only enter into an association with organizations or individuals that have passed the due diligence evaluation."</p> <p><a href="#">FSC-PRO-01-009 V4-0 Processing FSC Policy for Association Complaints Procedure</a></p> <p>"A Objective</p> <p>This procedure is used to process complaints* about violations of the FSC Policy for Association, as well as to define the consequences to the associated* organization (and their affiliated groups*) or individuals when a violation is found to have occurred."</p> <p>"B Scope</p> <p>This procedure is applied to individuals and organizations associated* with FSC (i.e., members, certificate holders and certification bodies) and to their affiliated groups*.</p> <p>An evaluation according to this procedure may be initiated by FSC upon presentation of substantial information* that the associated party (or its affiliated group*) might be in violation of the FSC Policy for Association. This may occur through a formal complaint* lodged by a stakeholder or by other means, as further detailed in Clause 2.3 below.</p>	<p>harvesting (see A.4.1.2).</p> <p>FSC has procedures for processing complaints (FSC-PRO-01-008 and FSC-PRO-01-009), which can be used for complaints regarding corruption of organisations already associated with FSC (see findings at C.1.2.1).</p> <p>Clause 2.1 of the policy states that FSC shall conduct due diligence "to evaluate the existence of objective evidence that an organization is directly or indirectly involved in any of the unacceptable activities" prior to entering into an association with them. It refers to a procedure FSC-PRO-10-004 Due Diligence Evaluation for the Association with FSC. Only a draft version of the procedure could be found (Draft 2) but the version history indicates that it is an internal operating procedure. However, when asked, FSC informed that it "is currently not in use" but FSC "are assessing whether to introduce a PfA due diligence system as part of the ongoing revision process".</p> <p>The report 'FSC and Corruption' (2017) states that "the Policy for Association has a communications value perspective as an intention to ban corruption in an organization associated with FSC" but is unclear how this would be effective where corruption is unrelated to illegal logging.</p> <p>There is an ongoing revision process for the Policy for Association.</p> <p><b>Justification</b></p> <p>Mechanisms exist which could identify and deal</p>	
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			<p>This procedure is only used to evaluate possible violations to the FSC Policy for Association. Complaints* against an organization related to the six unacceptable activities of the FSC Policy for Association that overlap with certification requirements shall follow the ordinary route for dispute resolution defined in respective certification requirements and FSC-PRO-01-008 Processing Complaints in the FSC Certification Scheme. The complaints* will be processed according to dispute resolution procedures of the certificate-holder, the certification body and/or Assurance Services International (ASI)."</p> <p>FSC-PRO-10-004 V2-0 Due Diligence Evaluation for the Association with FSC <b>DRAFT 2</b></p> <p>"VERSION HISTORY</p> <p>V1-0: initial version, and an internal operating procedure.</p> <p>V2-0: proposed, and first proposed public procedure.</p> <p>Revisions are being suggested to expand the procedure beyond an applicant's 'self-declaration' towards a 'self-assessment' and to include active risk screening by FSC and stakeholders. Furthermore, there is now a requirement for disclosure of the applicant's organizational structure and countries of operation."</p> <p>"A. Scope</p> <p>This procedure is implemented by FSC and is applied to both applicant FSC members (for FSC International membership) and applicant certificate holders."</p> <p><a href="#">FSC-PRO-01-008 V2-0 Processing Complaints in the FSC Certification Scheme Procedure</a></p> <p>"A Scope</p> <p>This document describes the process to be adopted by FSC to ensure a timely, independent and effective resolution of complaints submitted by FSC stakeholders. These can be complaints regarding the FSC normative framework or the performance of FSC International, the FSC Network as well as complaints regarding the</p>	<p>with corrupt practices by Certificate Holders. However, there are no normative requirements, nor formal processes, for identifying Organisations sanctioned for engagement in corrupt practices proactively and prior to association with FSC. Thus, this indicator has been evaluated as Partially Covered.</p>	
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			<p>performance of ASI. This procedure does not deal with complaints under the Policy for Association for which a specific procedure is available (FSC-PRO-01-009)."</p> <p>Policy for the Association of Organizations with FSC revision process: <a href="https://fsc.org/en/current-processes/policy-for-the-association-of-organizations-with-fsc-pfa">https://fsc.org/en/current-processes/policy-for-the-association-of-organizations-with-fsc-pfa</a></p>		
<b>C. Requirements for Certification Schemes</b>					
<b>C.1 Transparency</b>					
C.1.1	Transparency	C.1.1.1 Scheme requirements for both Certificate Holders and Certification Bodies shall be publicly available online.	<a href="https://fsc.org/en/businesses/certification-resources">https://fsc.org/en/businesses/certification-resources</a> <a href="https://fsc.org/en/document-centre">https://fsc.org/en/document-centre</a>	<p><b>Findings</b></p> <p>The requirements for Certificate Holders and Certification Bodies are easily accessed on FSC's website.</p> <p><b>Justification</b></p> <p>Scheme requirements for both Certificate Holders and Certification Bodies are fully publicly available. This indicator has been evaluated as Covered.</p>	Covered
		C.1.1.2 Schemes shall include requirements that ensure that relevant information about the following is freely available: i) development and content of the Scheme; ii) how the system is governed; iii) who is evaluated and	<a href="https://fsc.org/en/current-processes">https://fsc.org/en/current-processes</a> <a href="https://members.fsc.org/en/Members">https://members.fsc.org/en/Members</a> <a href="https://fsc.org/en/governance-strategy">https://fsc.org/en/governance-strategy</a> <a href="https://consultation-platform.fsc.org/">https://consultation-platform.fsc.org/</a> <a href="https://fsc.org/en/contribute-to-the-standards">https://fsc.org/en/contribute-to-the-standards</a>  <a href="#">FSC-STD-20-006 V3-0 Stakeholder Consultation for Forest Evaluations</a>  <a href="https://www.asi-assurance.org/s/disputes">https://www.asi-assurance.org/s/disputes</a>	<p><b>Findings</b></p> <p>Points i and ii are easily found on FSC's website.</p> <p>ii) In preparation of forest management audits, certification bodies have to inform identified stakeholders and invite input (FSC-STD-20-006). The ASI website allows to file complaints, appeals and incidents on the performance of</p>	Covered



		under what process; iv) impact information and the various ways in which stakeholders can engage.	<a href="http://www.asi-assurance.org/s/map">http://www.asi-assurance.org/s/map</a>  <a href="https://fsc.org/en/impact/demonstrating-impacts">https://fsc.org/en/impact/demonstrating-impacts</a>	<p>Certification Bodies, ASI and Certificate Holders allows for input to upcoming ASI assessments through the website: <a href="http://www.asi-assurance.org/s/map">http://www.asi-assurance.org/s/map</a>.</p> <p>iv) FSC's new consultation platform provides the opportunity to feedback on specific documents that are currently out for consultation. It is not restricted to FSC members; anyone can join the consultation platform and participate in any of the consultations that are open to the public. In general, all consultations that are advertised on the FSC newsfeed are open to public (unless otherwise specified). Additionally, stakeholders can give input anytime to the existing normative documents, including the ones not being under revision via the 'contribute to the standards' webpage.</p> <p>Impact information is provided on the webpage 'Demonstrating Impacts' <a href="https://fsc.org/en/impact/demonstrating-impacts">https://fsc.org/en/impact/demonstrating-impacts</a>.</p> <p><b>Justification</b></p> <p>The FSC Scheme has been evaluated as Covered.</p>	
		<b>C.1.1.3</b> The Scheme shall include requirements that ensure that an up-to-date register of certified/verified organisations is publicly available.	<a href="https://info.fsc.org/">https://info.fsc.org/</a>  <a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a> "2.2 In order to confirm any changes that might affect the availability and authenticity of the supplied products, the organization shall regularly verify the validity and product group scope of the certificates of their active FSC-certified suppliers through the FSC certificate database	<p><b>Findings</b></p> <p>FSC's 'Public Search' certificate database is "the one stop for inquiries about certificates and their status". The database is searchable by company name or certification code. The information on each certificate includes names, sizes and locations of all certified units (Latitude/Longitude of FMUs is given in the FM</p>	Covered

			(info.fsc.org)."	<p>Public Summary reports uploaded to the certificate page), including expiry dates, standards and certificate scope.</p> <p>Information on certified product scope of the certificate includes:</p> <ul style="list-style-type: none"> <li>• Products groups</li> <li>• Species (or genera)</li> <li>• Primary and secondary activities</li> <li>• Claims</li> </ul> <p>The database can be updated at any point by the Certification Body but is commonly done after an annual audit. The updates made by the Certification Body are visible within 24 hours. The date and time of the last update to the certificate page is also given.</p> <p>The certificate database forms a fundamental part of the scheme as Certificate Holders are required to check the status and scope of their certified suppliers' certificates frequently.</p> <p><b>Justification</b></p> <p>Scheme requirements ensure that an up-to-date register of certified/verified organisations is publicly available. This indicator has been evaluated as Covered.</p>	
		C.1.1.4 The Scheme shall make summaries (or full reports) with relevant findings from audits available on the internet.	<p><a href="https://info.fsc.org/">https://info.fsc.org/</a></p> <p><a href="#">FSC-STD-20-001 V4-0 General requirements for FSC accredited certification bodies</a></p> <p>Reporting</p> <p>4.3.21 The certification body shall document the findings and conclusions of all audit activities prior to review and</p>	<p><b>Findings</b></p> <p>Summaries of FM evaluations with relevant findings are required and are available on the FSC certificate database. Information in relation to the content and language of the public summary is governed by FSC-STD-20-007b. This is also required for FM CW</p>	Covered

		<p>decision making in a certification report in conformity with the report writing requirements specified in:</p> <p>a) FSC-STD-20-007a for forest management certification reports;</p> <p>b) FSC-STD-20-007b for forest management public summary certification reports;</p> <p>c) FSC-STD-20-011 for chain of custody certification reports;</p> <p>d) FSC-STD-20-012 for controlled wood forest management certification reports.</p> <p>4.6.1 The certification body shall register the certification status in the FSC certification database (info.fsc.org) after the certification decision making entity has granted certification. The registration requires the entry of all specified data, together with an electronic copy of the public summary certification report (as applicable).</p> <p>4.6.3 Certification bodies are responsible for keeping their data entries and public summary certification reports accurate and up-to-date.</p> <p>4.6.4 A certificate shall only be issued after a positive certification decision has been taken by the certification decision making entity and after it has been registered in the FSC certification database, together with the public summary certification report.</p> <p><a href="#">FSC-STD-20-007b Forest management evaluations addendum – Forest certification public summary reports</a></p> <p>1 General requirements</p> <p>1.1 The certification body shall prepare a forest certification public summary report for each forest management enterprise or group entity to which a certificate is issued in accordance to the requirements specified in this standard.</p> <p>NOTE: If the main evaluation report meets the content requirements for the public summary report and the main</p>	<p>certificates (FSC-STD-20-012, Clause 10.13.1).</p> <p>No public summary report (other than basic data in relation to the certification scope) is required for COC certificates. However, in the case of FSC Controlled Wood certification according to FSC-STD-40-005, summaries of basic information with relevant Certification Body findings are required and are available on the FSC certificate database. Information in relation to the content and language of the public summary is governed by FSC-STD-20-011.</p> <p><b>Justification</b></p> <p>Scheme requirements ensure that summaries with relevant findings from audits are available on the internet via an up-to-date register of certified/verified organisations. This indicator has been evaluated as Covered.</p>	
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			<p>evaluation report is publicly available in accordance to the requirements of this standard for language and public availability, then there is no requirement to prepare an additional, separate, public summary.</p> <p>2 Language(s)</p> <p>2.1 Public certification summaries shall be made available in: a) one of the official languages of FSC for certificates that cover a total forest area of more than 1,000 ha in the scope 1, and</p> <p>b) at least one of the official language(s) of the country in which the certified forest management unit is located, or the most widely spoken language of the indigenous people in the area in which the certified forest management unit is located.</p> <p>NOTE: FSC reserves the right to request a translation of any forest certification public summary report into one of the official languages of FSC, at the expense of the certification body.</p> <p>3 Public availability</p> <p>3.1 The forest certification public summary report (including translations as required) shall be published on the FSC database of registered certificates (<a href="http://www.fsc-info.org">www.fsc-info.org</a>) before a certificate is issued or re-issued.</p> <p>3.2 Annual updates (see Section 8, below) shall be added to the published summary report or published separately on the FSC database of registered certificates (<a href="http://www.fsc-info.org">www.fsc-info.org</a>), no later than ninety (90) days after the on-site closing meeting at the end of a surveillance evaluation.</p> <p>4 Units</p> <p>4.1 Data presented in the reports should be in metric system units. If nonmetric system units are used the report shall provide conversion rates together with any assumptions made in order to make conversion into metric units possible.</p> <p>5 Title page</p> <p>5.1 The title page of the public summary report shall clearly identify:</p> <p>a) The name and contact details of the certification body,</p>		
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			<p>including contact person and website address</p> <p>b) The date (format: day/ month/ year) the public summary was last updated</p> <p>c) The name and contact details of the certificate holder<sup>2</sup> and contact person</p> <p>d) The name and/or location of the certified forest area(s)<sup>3</sup></p> <p>e) The FSC certificate registration code</p> <p>f) The dates of issue and expiry of the certificate</p> <p>g) The sequential information on the evaluation results presented in the report (e.g. "main evaluation", "2nd surveillance", "3rd surveillance").</p> <p>6 Certificate registration information<sup>4</sup></p> <p>6.1 The basic quantitative information for each certificate shall be entered or updated in the FSC database of registered certificates (<a href="http://www.fsc-info.org">www.fsc-info.org</a>) at each evaluation as required by FSC.</p> <p>7 Content</p> <p>7.1 The report shall be short and concise and bring up the most important features and in the specific format outlined in this standard (as per Box 1 below). The report should be not more than 15-20 pages.</p> <p>7.2 SLIMFs</p> <p>The elements marked with an asterisk (*) in the table are NOT required in the case of certificates issued to single SLIMF FMUs.</p> <p>7.3 Groups</p> <p>Forest certification public summary reports for group certificates shall include an up-to-date list of all non-SLIMFs group members with name, contact details and the geographical location of their FMUs in the scope of the certificate, unless national legal restrictions do not allow publication of this kind of information (this needs to be specified in the public summary report).</p> <p>8 Updates</p> <p>8.1 An update of the public summary report shall be made publicly available on the FSC database of registered certificates (<a href="http://www.fsc-info.org">www.fsc-info.org</a>) within ninety (90) days after the last field day of each surveillance evaluation. Updates</p>		
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			<p>should be in the form of additional pages published separately or added to the original public summary.</p> <p>8.2 Updates shall include at least the following information:</p> <ul style="list-style-type: none"> <li>a) the date of the surveillance evaluation and a brief summary of the sites inspected;</li> <li>b) a description of any significant changes in the management and/or harvesting methods;</li> <li>c) quantitative data on the use of pesticides (names and quantities of pesticides applied, size of area treated since last audit);</li> <li>d) a description of the actions taken by the certificate holder to correct any non-conformities identified at previous evaluations or subsequently;</li> <li>e) the certification body's conclusions as to whether the actions taken constitute full conformity with the requirements of the relevant elements of the applicable Forest Stewardship Standard and, if not, whether the remaining non-conformities is considered a 'minor' or 'major' non-conformity;</li> <li>f) description of any further non-conformities identified as a results of the surveillance audit;</li> <li>g) updated presentation of stakeholder comments as required in Clause 4.1.3 (Box 1, above);</li> <li>h) updated list of members in a group certificate (see Clause 7.3 above)</li> <li>i) statement of new conditions (requirement to correct all identified non-conformities);</li> <li>j) the updated certification decision.</li> </ul> <p>Box 1</p> <p>1 Description of forest management</p> <p>1.1* A description of the forest, land use history and regional context</p> <p>1.2 A general description of the management system (e.g., uneven-aged management, even-aged management, rotation length, silvicultural prescriptions);</p> <p>1.3 A summary of the management plan, including a description of:</p> <p>1.3.1 the management objectives;</p> <p>1.3.2 the forest resources (land use and ownership status, socio-economic conditions, forest composition, profile of</p>	
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			<p>adjacent lands);</p> <p>1.3.3 Geographical location of the non-SLIMFs FMU(s) in the scope of the certificate:</p> <p>i) Latitude E/W ### degrees ## minutes</p> <p>ii) Longitude N/S ### degrees ## minutes</p> <p>NOTE: the coordinates should refer to the center of a FMU.</p> <p>1.3.4 the management structures (e.g. management structure, division of responsibilities, use of contractors, provision of training, etc). implemented by the certificate holder;</p> <p>1.3.5 the silvicultural and/or other management systems being implemented (incl. harvesting techniques and equipment, rationale for species selection);</p> <p>1.3.6 the environmental safeguards;</p> <p>1.3.7 the management strategy for the identification and protection of rare, threatened and endangered species;</p> <p>1.3.8 the certificate holder's procedures for monitoring growth, yield and forest dynamics (incl. changes in flora and fauna), environmental and social impacts, and costs, productivity, and efficiency;</p> <p>1.3.9 summarized quantitative data on the use of pesticides (names and quantities of pesticides applied, size of area treated annually).</p> <p>1.4 A description of any area of forest which the certificate holder has chosen to exclude from the scope of the certificate together with an explanation of the reason for its exclusion and description of the controls that are in place to ensure that there is no risk of confusion being generated as to which activities or products are certified, and which are not.</p> <p>2 Standard(s)</p> <p>2.1 Reference to the standards used (e.g. locally adapted certification body generic standard, FSC-accredited national standard; FSC-STD-30-005 Group forest certification: requirements for group managers) including the version number and date of finalisation.</p> <p>NOTE: The summary report shall include a statement and/or link to the website(s) where the standard(s) used can be downloaded or requested.</p> <p>2.2* A description of the process of local adaptation of the</p>		
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			<p>standard, if applicable.</p> <p>3 The evaluation process</p> <p>3.1 The evaluation dates: (specify actual dates or month, year and duration);</p> <p>3.2* A general description of the evaluation including, if applicable, pre-evaluation visits. The description should give an overview of what was audited, audit methods and time allocation when significant;</p> <p>3.3* A general description of the consultation process with stakeholders.</p> <p>4 Observations</p> <p>4.1 A general presentation of the observations on which the certification decision is based, including:</p> <p>4.1.1 a list of main strengths and weaknesses with respect to the overall conformity with the Forest Stewardship Standard used for the evaluation;</p> <p>4.1.2* a summarized presentation of findings with clear information to enable the reader to make an easy correlation between the requirements of each of the criteria of the Forest Stewardship Standard used and the performance of the certified operation;</p> <p>4.1.3* Clear and systematic presentation of the comments received from stakeholders (who are not members of the enterprise under evaluation) before, during or after the evaluation, and the corresponding follow-up action and conclusions from the certification body;</p> <p>NOTE: similar stakeholder comments may be grouped by issues.</p> <p>4.1.4* a description of any preconditions that had been issued, and the action taken by the certificate holder to close out those preconditions prior to the issue of the certificate.</p> <p>5 Certification decision</p> <p>5.1 A clear statement that the forest has been certified by the certification body as meeting the requirements of the specified standard, the date of certification, and the expiry date of the certificate.</p> <p>5.2 A list of all non-conformities that the managers are required to correct in order to maintain their certification, including the time course within which corrective actions shall be taken.</p>		
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			<p><a href="#">FSC-STD-20-011 Chain of Custody Evaluations</a></p> <p>12 Public certification summaries for evaluations of controlled wood according to FSC-STD-40-005</p> <p>12.1 The certification body shall publish a certification summary for the controlled wood evaluation on the FSC database upon registration of the certification status.</p> <p>NOTE 1: The inclusion of confidential information is not required.</p> <p>NOTE 2: The certification summary should be short and concise.</p> <p>12.2 The certification summary shall include at minimum:</p> <p>a) the contents of the evaluation report relevant to the evaluation of controlled wood (see Table B, Item 7);</p> <p>b) a list of all nonconformities that the organization is required to correct in order to maintain its certification, including the time period within which corrective actions shall be made.</p> <p>12.3 When the certification body approves a new or updated risk assessment conducted by the organization, the certification summary shall be updated with the risk assessment within seven business days of approval.</p> <p>12.4 The certification summary shall be made available in:</p> <p>a) English or Spanish for certificates that cover a total supply area of more than 50,000 ha in the scope; and</p> <p>b) at least one of the official languages of the country in which the supply area is located, or the most widely spoken language of the indigenous people in the supply area, where material is sourced from specified or unspecified risk areas.</p> <p>NOTE: FSC and ASI reserve the right to request a translation of any certification summary into one of the official languages of FSC, at the expense of the certification body.</p> <p>12.5 In the case of surveillance evaluations, the public certification summary shall include at least the following information:</p> <p>a) the date of the surveillance evaluation;</p> <p>b) a description of any significant changes in the DDS;</p> <p>c) a description of the actions taken by the organization to</p>		
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			<p>correct any nonconformities identified during previous evaluations;</p> <p>d) the certification body's conclusions as to whether the actions taken result in conformity to the applicable requirements, and if not, whether the remaining nonconformities are considered minor or major nonconformities;</p> <p>e) a description of any further nonconformities identified as a result of the surveillance evaluation and conditions to correct all identified nonconformities;</p> <p>f) the updated certification decision.</p> <p><a href="#">FSC-STD-20-012 V1-0 Standard for evaluation of FSC Controlled Wood in Forest Management Enterprises</a></p> <p>"10.13.1 The certification body shall make available a public summary in relation to compliance with the FSC Controlled Wood standard for forest management enterprises."</p>		
C.1.2	Impartiality	<p><b>C.1.2.1</b> Procedures for handling complaints and grievance shall be in place, made publicly available and implemented. The procedures shall be clearly publicized, making it easy for stakeholders to submit comments or complaints where applicable.</p>	<p><a href="https://fsc.org/en/complaints">https://fsc.org/en/complaints</a></p> <p><a href="#">FSC-PRO-01-008 V2-0 Processing Complaints in the FSC Certification Scheme</a></p> <p><a href="#">FSC-PRO-01-005 V3-0 Processing Appeals</a></p> <p><a href="#">FSC-PRO-01-009 V3-0 Processing Policy for Association Complaints in the FSC Certification Scheme</a></p>	<p><b>Findings</b></p> <p>FSC's Complaints webpage hosts two documents:</p> <ul style="list-style-type: none"> <li>'Processing Complaints In The FSC Certification Scheme' (FSC-PRO-01-008) for complaints regarding the FSC normative framework or the performance of FSC International, the FSC Network as well as complaints regarding the performance of ASI; and</li> <li>'Processing Appeals' (FSC-PRO-01-009) setting out the process for receiving, evaluating and deciding on appeals against decisions taken by FSC (not including accreditation decisions).</li> </ul> <p>The webpage also includes a visible direct link to feedback form to people to submit complaints.</p>	Covered

				<p>Section 2 of FSC-PRO-01-008 sets out which procedure shall be followed under which circumstance, whilst Annex 2 gives a Dispute Resolution Map to aid the reader. There is a third FSC procedure (FSC-PRO-01-009) for handling complaints with regard to the Policy for Association of Organizations with FSC (FSC-POL-01-004) which is not linked to directly from the complaints page but is easily found in the Document Centre.</p> <p>FSC-PRO-01-008 also points that ASI's procedure ASI-PRO-20-104 shall be followed for complaints against the actions of Certification Bodies (Clause 2.4) and Complaints against Certificate Holders shall be dealt with by the Certification Body who issued the certificate and processed according to the Certification Body's own complaint procedure (Clause 2.3).</p> <p>All procedures include mechanisms for:</p> <ul style="list-style-type: none"> <li>• Acknowledging receipt of complaints;</li> <li>• Informing stakeholders of the complaint procedure, and providing an initial response to complainants within ten (10) days;</li> <li>• Conducting a preliminary assessment to determine whether evidence provided in a complaint is or is not substantial;</li> <li>• Dialogue with complainants that aims to solve complaints assessed as substantial before further actions are taken;</li> <li>• Providing information on the steps to be taken by the Scheme/CB in order to resolve the complaint, as well as how a precautionary approach will be used, shall be included with the complaint;</li> <li>• Implementing a process (e.g. field verification and/or desk verification) to</li> </ul>	
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				<p>verify a complaint assessed as substantial by the Scheme or CB, within two (2) months of its receipt;</p> <ul style="list-style-type: none"> <li>• Determining the corrective action to be taken and the means to enforce its implementation, if a complaint has been assessed and verified as substantial;</li> <li>• Verifying whether corrective action has been taken and whether it is effective;</li> <li>• Informing the complainant, the Certification body, or other stakeholders, as necessary;</li> <li>• Recording and filing all complaints received and action taken.</li> </ul> <p><b>Justification</b></p> <p>This indicator has been evaluated as Covered. Procedures for handling complaints and grievances are in place, made publicly available and implemented. The procedures are clearly publicized, making it easy for stakeholders to submit comments or complaints where applicable.</p>	
C1.3	Conflict of interest and corruption	C.1.3.1 The Certification Scheme shall have in place requirements at all levels of the scheme (normative requirements for CHs, requirements for CBs, and for the scheme functioning) to manage risks of	<a href="#">FSC-STD-01-001 V5-2</a> / <a href="#">FSC-STD-60-004 V2-0</a> 1.7: "The Organization* shall* publicize a commitment not to offer or receive bribes in money or any other form of corruption, and shall* comply with anti-corruption legislation where this exists. In the absence of anticorruption legislation, The Organization* shall* implement other anticorruption measures proportionate to the scale* and intensity* of management activities and the	<b>Findings</b> Normative requirements for Certificate Holders addressing corruption are clear at the forest management level. For CoC Certificate Holders Commitment to FSC's Policy for Association (FSC-POL-01-004) addresses corruption related to illegal harvesting (see A.4.1.2). The	Partially Covered

		<p>corruption and conflict of interest.</p>	<p>risk* of corruption.”</p> <p><a href="#">FSC-STD-60-004 V2-0</a></p> <p>1.7 Instructions for Standard Developers:</p> <p>“This Criterion* recognizes that corruption is generally regarded as illegal but that not all countries have or implement anti-corruption laws and regulations.</p> <p>Where anti-corruption laws and regulations are ineffective or do not exist, Standard Developers shall* include other anti-corruption measures that may include for example, The Organization* develops or participates in formal integrity pacts with other organizations in the public and private sectors, such that each participant agrees in well publicized statements not to engage in corruption by offering or receiving bribes, whether in money or in any other forms (Indicator 1.7.4).</p> <p>An independent third party with expertise in such matters should then monitor* performance related to such statements.”</p> <p>“1.7.4 Bribery, coercion and other acts of corruption do not occur.”</p> <p><a href="#">FSC-STD-30-010 V2-0</a></p> <p>“Intent box: The Forest Management Enterprise shall provide evidence that legal procedures have been followed to gain permits and licenses.”</p> <p>“3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1.”</p> <p>“4.2. No conflicts relating to land tenure or land use rights of traditional or indigenous peoples groups exist in the FMUs under control of the Forest Management Enterprise for which a resolution process has not been agreed by the main parties to the dispute (see section 4.4 below).”</p> <p><a href="#">FSC-ADV-30-010 V1-0 DATED 10 JULY 2014</a></p> <p><a href="#">FSC-STD-20-001 V4-0 General requirements for FSC accredited certification bodies</a></p> <p>“1.5.12 The certification body shall have, maintain and implement a documented anti-corruption policy.”</p> <p>“3.1.9 The certification body shall require personnel involved</p>	<p>report ‘FSC and Corruption’ (2017) states that “the Policy for Association has a communications value perspective as an intention to ban corruption in an organization associated with FSC” but is unclear how this would be effective where corruption is unrelated to illegal logging.</p> <p>There is an ongoing revision process for the Policy for Association.</p> <p>This requirement is covered by clauses 1.5.12 and 3.1.9 within FSC-STD-20-001 V4-0 (General requirements for FSC accredited certification bodies) for Certification Bodies.</p> <p>FSC’s Code of Conduct is applicable to FSC International members (which includes the Board of Directors), external staff and consultants. It addresses bribery and conflicts of interest and is available on their website.</p> <p><b>Justification</b></p> <p>The normative requirements applicable to supply-chain certificate holders do not fully cover this indicator that the scheme has in place requirements at all levels of the scheme to manage risks of corruption and conflict of interest. This indicator has been evaluated as Partially Covered.</p>	
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			<p>in the certification process to sign a contract or other documents by which they commit themselves to the following, in accordance with the requirements of Annex 1:</p> <p>a) to conform with the rules defined by the certification body, including those relating to confidentiality, anti-corruption and independence from commercial and other interests;</p> <p>b) to declare any prior and/or present association on their own part, or on the part of their employer, with:</p> <p>i. a supplier or designer of products, or</p> <p>ii. provider or developer of services, or</p> <p>iii. an operator or developer of processes to the evaluation or certification of which they are to be assigned.</p> <p>c) to reveal any situation known to them that may present them or the certification body with a conflict of interest."</p> <p><a href="#">FSC &amp; Corruption 2017 V1-1</a></p> <p><a href="#">FSC Code of conduct – February 2019</a></p> <p><a href="https://fsc.org/en/current-processes/policy-for-the-association-of-organizations-with-fsc-pfa">https://fsc.org/en/current-processes/policy-for-the-association-of-organizations-with-fsc-pfa</a></p>		
<b>C.2 Scheme &amp; standard scope</b>					
<p>Note: section C2 is not specifically referring to EUTR issues but has been included as part of the evaluation of schemes to understand scheme structures.</p>					
C.2.1	Standard adaptation to the national or subnational context	<p><b>C.2.1.1</b> International standards shall be adapted to the national or subnational context in which they are being implemented and contain a list of applicable legislation, or the Scheme shall enable/require detailed evaluation of applicable legislation in a national context.</p>	<p><a href="#">FSC-STD-01-001-V5-2 FSC Principles and Criteria (P&amp;C) for Forest Stewardship</a></p> <p><a href="#">FSC-STD-60-002 V1-0 Structure and Content of National Forest Stewardship Standards</a></p> <p><a href="#">FSC-PRO-60-006 V2-0 Development and Transfer of National Forest Stewardship Standards to the FSC Principles and Criteria Version 5-1</a></p> <p><a href="#">FSC-STD-60-004 V2-0 International Generic Indicators</a></p> <p><a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a></p> <p>"6.1 The organization shall ensure that its FSC-certified products conform to all applicable timber legality legislation. At a minimum, the organization shall:</p> <p>a. have procedures in place to ensure the import and/or export of FSC certified products by the organization</p>	<p><b>Findings</b></p> <p>FSC-PRO-60-006 V2-0 details the procedure that must be followed for either developing new National Forest Stewardship Standards (NFSS) or transferring existing NFSS to meet the updated Principles and Criteria of Version five of FSC-STD-01-001. It also sets out how the International Generic Indicators (IGI) of FSC-STD-60-004. are to be used as a starting point in the process.</p> <p>All NFSSs shall conform with FSC-STD-60-002 V1-0 which specifies the structure and content of the NFSS.</p>	Partially Covered

			<p>conform to all applicable trade and customs laws<sup>1</sup> (if the organization exports and/or imports FSC products);”</p> <p><a href="#">FSC-STD-30-010 V2-0 FSC Controlled Wood Standard for Forest Management Enterprises</a></p> <p>“3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1.”</p> <p><a href="#">ADVICE-30-010-01 Applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises</a></p> <p>“1. From March 01 2013, Companies shall use a list of applicable legislation and any legally required verifiers, such as licences or permits, supplied by their Certification Body.</p> <p>2. This list of applicable legislation refines FSC-STD-30-010 Section 3 Table 1, and is based on the minimum list below.”</p> <p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a></p> <p>“3.1 The organization shall use the applicable FSC risk assessment to determine the risk related to the origin of the material for each controlled wood category.</p> <p>3.1.1 The organization may use an FSC risk assessment under development, including:</p> <p>a) Approved risk assessment for controlled wood categories of a centralized national risk assessment, and/or,</p> <p>b) Draft risk assessment for controlled wood categories developed under a national risk assessment process when agreed by national consensus (according to the information provided on the FSC website).</p> <p>3.1.2 For the organization that wants to demonstrate compliance with EUTR requirements through conformance with this standard, the assessment for category 1 in the ‘old NRA’ shall be replaced by a draft FSC risk assessment for category 1 developed according to FSC-PRO-60-002 V3-0.”</p>	<p>Principle 1 of the updated International Standard requires a list of applicable legislation to be developed in the NFSS.</p> <p>According to the effective date within FSC-STD-60-004 V2-0 all NFSSs should have been updated to incorporate all new or revised IGI by 01 July 2020. However, not all the NFSSs sampled had been updated by the time of writing. FSC states on the individual NFSS webpages that “<i>Revisions of Forest Stewardship Standards are ongoing, and all existing standards will be transferred to the revised Principles &amp; Criteria version 5-2. All standards are valid until replaced by a new Forest Stewardship Standard</i>” but no information is shared publicly about when this will happen or what the status of the overall progress is. When asked, FSC provided a spreadsheet showing which standards had been transferred and which haven’t. Out of 78 national standards the transfer process is still ongoing for approximately 40. Regarding the transfer progress they stated:</p> <p><i>“There is an approved timeline for each of the ongoing processes. The currently ongoing processes are planned to be submitted to PSU in 2021 (including the two standards for Brazil), two of them in the second half and the rest in the first half.</i></p> <p><i>All standards have to be transferred. The reasons for not having a transfer process in place in some countries are diverse. There are countries where the process started and was cancelled or put on hold due to political instability (e.g. DRC or Venezuela, both without CHs), lack of resources, etc.</i></p> <p><i>In most of these countries there are no CHs or</i></p>	
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				<p><i>there are very few. The certified area under standards that are not being transferred is less than a 0,5% of the total certified area."</i></p> <p>FSC Controlled Wood Standard for Forest Management Enterprises is a global standard, however, normative Advice Note FSC-ADVICE-30-010-01 effectively adapts it to national or subnational context.</p> <p>The CoC standard is a global standard and is not adapted to national or subnational context. There is no requirement, nor provision, for a list of applicable legislation at the national level.</p> <p>There is no requirement in the CoC standard that requires the Certificate Holder to demonstrate legal compliance with the exception of requirement 6.1 in relation to import and export. A footnote to this requirement only guides to the types of laws that could be included, no definitive list is prepared by FSC, nor is required from the Certificate Holder.</p> <p>The Requirements for Sourcing Controlled Wood are adapted via the National 'FSC Risk Assessments' required to be used in the DDS. Risk assessments are developed at the national level based on the international standards: Raise FSC-PRO-60-002 and FSC-PRO-60-002a. FSC-PRO-60-002b provides a list of all approved risk assess.</p> <p><b>Justification</b></p> <p>This indicator has been evaluated as Partially Covered, due the delays in updating all National Forest Stewardship Standards (NFSS)</p>	
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## ANNEX 5 : SCHEME ASSESSMENT REPORT – FSC

				to meet the updated Principles and Criteria (FSC-STD-01-001 V5).	
C.2.2	International conventions and treaties	<b>C.2.2.1</b> The Scheme shall include a list of the relevant international conventions to which the country has ratified, and which hold legal force in the country.	<p><a href="#">FSC-STD-60-002 V1-0 Structure and Content of National Forest Stewardship Standards</a> Principle 1, Annex A</p> <p>"Standard Developers shall complete a list of all applicable laws, obligatory codes of practice and legal and customary rights at the national and, where applicable, subnational level as outlined in Annex A. This list shall be included in the National Standard or the Interim National Standard."</p> <p><a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a> "1.3 The organization shall commit to the FSC values as defined in FSC-POL-01-004 by signing a self-declaration that the organization is not directly or indirectly involved in the following activities: ... violation of any of the ILO Core Conventions, as defined in the ILO Declaration on Fundamental Principles and Rights at Work, 1998."</p> <p><a href="#">FSC-STD-40-004 V3-1 Chain of Custody Certification Standard</a> "7 FSC core labour requirements 7.1 In the application of the FSC core labour requirements the organization shall give due consideration to the rights and obligations established by national law, while at the same time fulfilling the objectives of the requirements. 7.2 The organization shall not use child labour. 7.2.1 The organization shall not employ workers below the age of 15, or below the minimum age as stated under national, or local laws or regulations, whichever age is higher, except as specified in 7.2.2. 7.2.2 In countries where the national law or regulations permit the employment of persons between the ages of 13 to 15 years in light work, such employment should not interfere with schooling nor be harmful to their health or development. Notably, where children are subject to compulsory education laws, they shall work only outside of school hours during normal day-time working hours. 7.2.3 No person under the age of 18 is employed in hazardous or heavy work except for the purpose of training within approved national laws and regulations. 7.2.4 The organization shall prohibit the worst forms of</p>	<p><b>Findings</b></p> <p>It is required that all National Forest Stewardship Standards contain a list of the relevant international conventions to which the country is signatory, and which hold legal force in the country.</p> <p>The CoC standard references the ILO Core Conventions, which are the only applicable conventions for supply chain entities. Additionally, during the development of this report, FSC published a new version of the CoC standard, Version 3-1, which introduces the new 'FSC core labour requirements' based on the ILO core conventions (Section 7).</p> <p>Within the CW system this requirement is met by FSC-ADVICE-30-010-01 and the FSC Risk Assessments.</p> <p><b>Justification</b></p> <p>This indicator has been evaluated as Covered.</p>	Covered

		<p>child labour.</p> <p>7.3 The organization shall eliminate all forms of forced and compulsory labour.</p> <p>7.3.1 Employment relationships are voluntary and based on mutual consent, without the threat of a penalty.</p> <p>7.3.2 There is no evidence of any practices indicative of forced or compulsory labour, including, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>• physical and sexual violence</li> <li>• bonded labour</li> <li>• withholding of wages/including payment of employment fees and or payment of deposit to commence employment</li> <li>• restriction of mobility/movement</li> <li>• retention of passport and identity documents</li> <li>• threats of denunciation to the authorities.</li> </ul> <p>7.4 The organization shall ensure that there is no discrimination in employment and occupation.</p> <p>7.4.1 Employment and occupation practices are non-discriminatory.</p> <p>7.5 The organization shall respect freedom of association and the effective right to collective bargaining.</p> <p>7.5.1 Workers are able to establish or join worker organizations of their own choosing.</p> <p>7.5.2 The organization respects the full freedom of workers' organizations to draw up their constitutions and rules.</p> <p>7.5.3 The organization respects the rights of workers to engage in lawful activities related to forming, joining or assisting a workers' organization, or to refrain from doing the same, and will not discriminate or punish workers for exercising these rights.</p> <p>7.5.4 The organization negotiates with lawfully established workers' organizations and/or duly selected representatives in good faith and with the best efforts to reach a collective bargaining agreement.</p> <p>7.5.5 Collective bargaining agreements are implemented where they exist."</p> <p><a href="#">FSC-STD-30-010 V2-0 FSC Controlled Wood Standard for Forest Management Enterprises</a></p> <p>"3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1."</p>		
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			<p><a href="#">ADVICE-30-010-01 Applicable National and Local Laws and Regulations for Controlled Wood for Forest Management Enterprises</a></p> <p>"1. From March 01 2013, Companies shall use a list of applicable legislation and any legally required verifiers, such as licences or permits, supplied by their Certification Body. 2. This list of applicable legislation refines FSC-STD-30-010 Section 3 Table 1, and is based on the minimum list below."</p> <p><a href="#">FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood</a></p> <p>"3.1 The organization shall use the applicable FSC risk assessment to determine the risk related to the origin of the material for each controlled wood category. 3.1.1 The organization may use an FSC risk assessment under development, including: a) Approved risk assessment for controlled wood categories of a centralized national risk assessment, and/or, b) Draft risk assessment for controlled wood categories developed under a national risk assessment process when agreed by national consensus (according to the information provided on the FSC website). 3.1.2 For the organization that wants to demonstrate compliance with EUTR requirements through conformance with this standard, the assessment for category 1 in the 'old NRA' shall be replaced by a draft FSC risk assessment for category 1 developed according to FSC-PRO-60-002 V3-0."</p> <p>.</p>		
C.2.3	Use of contractors	C.2.3.1 The requirements for forest managers and supply chain entities shall be applicable to the organisation's contractors and outsourcing facilities.	<p><a href="#">FSC-STD-40-004 V3-0 Chain of Custody Certification</a></p> <p>Section B: Scope, Box 1. 'To whom does FSC CoC certification apply?'</p> <p>"12.4 The organization shall establish an outsourcing agreement with each non-FSC-certified contractor, specifying at minimum that the contractor shall: a. conform to all applicable certification requirements and the organization's procedures related to the outsourced</p>	Findings	Covered
				<p>The CoC standard makes it clear that the requirements are also applicable to the Certificate Holder's contractors, except for limited circumstances which are unambiguously described. Where non-certified contractors are used the CoC standard requires an outsourcing agreement to be in</p>	

			<p>activity;"</p> <p><a href="#">FSC-STD-01-001 V5-2 FSC Principles and Criteria for Forest Stewardship</a></p> <p>"3. Scope The Principles and Criteria cover all of The Organization's management activities that are related to the Management Unit, whether within the Management Unit or outside; whether directly undertaken or contracted out."</p> <p>"5. Responsibility for Compliance As a performance-based standard, the FSC Principles and Criteria are explicit about defining where responsibility lies. Responsibility for ensuring compliance with the FSC Principles and Criteria lies with the person(s) or entities that is/are the certificate applicant or holder. For the purpose of FSC certification these person(s) or entities are referred to as 'The Organization'. The Organization is responsible for decisions, policies and management activities related to the Management Unit. The Organization is also responsible for demonstrating that other persons or entities that are permitted or contracted by The Organization to operate in, or for the benefit of the Management Unit, comply with the requirements of the FSC Principles and Criteria. Accordingly, The Organization is required to take corrective actions in the event of such persons or entities not being in compliance with the Principles and Criteria."</p>	<p>place, whereby the contractor agrees to comply with the applicable requirements.</p> <p>Sections 3 (Scope) and 5 (Responsibility for Compliance) of the International FM standard make it clear that the requirements are the responsibility of the Certificate Holders.</p> <p>Having recognised the significant role that contractors play FSC have been developing a system for incorporating contractors within the FSC system since 2017. As of November 2019, a standard for certifying contractors is being pilot tested.</p> <p><b>Justification</b></p> <p>This indicator has been evaluated as Covered.</p>	
C.2.4	Endorsing and recognising of other Schemes and systems	<b>C.2.4.1</b> If the Scheme includes the recognition or endorsement of other schemes or systems, it shall ensure coverage and consistent implementation of EUTR requirements at all levels.	N/A	<p><b>Findings</b></p> <p>FSC does not recognise or endorse other schemes or systems.</p>	Not Applicable
<b>C.3 Accreditation and oversight</b>					
C.3.1	Accreditation	<b>C.3.1.1</b> The Scheme shall include a system for accreditation or oversight of Certification Bodies to ensure that CBs have in place the	<p><a href="#">FSC-STD-20-001 General requirements for FSC accredited certification bodies</a></p>	<p><b>Findings</b></p> <p>Certification bodies are accredited by an independent accreditation body. FSC's accreditation body is Assurance Services</p>	Covered

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		required procedures, capacity and competencies.	<a href="#">FSC-STD-20-007 Forest management evaluations</a> <a href="#">FSC-STD-20-011 Chain of Custody Evaluations</a>	<p>International (ASI). ASI is responsible for checking Certification Body compliance with FSC rules and procedures through a combination of field and office audits.</p> <p><b>Justification</b></p> <p>This indicator has been evaluated as Covered.</p>	
		<b>C.3.1.2</b> The Scheme shall ensure that the requirements and process for accreditation is publicly available.	<a href="https://fsc.org/en/certification-body-accreditation">https://fsc.org/en/certification-body-accreditation</a> <a href="https://fsc.org/en/integrity/accreditation">https://fsc.org/en/integrity/accreditation</a>	<p><b>Findings</b></p> <p>The requirements and process for accreditation is available on FSC's website.</p> <p><b>Justification</b></p> <p>This indicator has been evaluated as Covered.</p>	Covered
		<b>C.3.1.3</b> The Scheme shall make publicly available, an up-to-date list and details of all accredited Certification Bodies	<a href="https://www.asi-assurance.org/s/find-a-cab">https://www.asi-assurance.org/s/find-a-cab</a>	<p><b>Findings</b></p> <p>A list of accredited Certification Bodies could not be found on FSC's website but is available on ASI's website via the 'Find a CAB' function.</p> <p><b>Justification</b></p> <p>This indicator has been evaluated as Covered.</p>	Covered
		<b>C.3.1.4</b> The Accreditation Body shall have mechanisms to ensure that relevant personnel are qualified and competent to evaluate Certification Body's performance in relation to	<a href="http://www.asi-assurance.org/s/post/a1J1H000002Jea3UAC/p0164">http://www.asi-assurance.org/s/post/a1J1H000002Jea3UAC/p0164</a>	<p><b>Findings</b></p> <p>ASI has established internal procedures describing the qualification, experience and competence requirements of ASI staff and contractors. These documents also describe the processes for recruitment, initial training, mentoring, ongoing training and ongoing</p>	Covered

		Scheme requirements.		<p>performance monitoring through self-evaluation and peer monitoring. Additionally, ASI maintains a Quality Management System document that contains competence criteria of different assessment scopes per accredited program.</p> <p>FSC provided this study with the following information:</p> <p>FSC has a service and License agreement with ASI in place which includes a set of Key Performance Indicators (KPIs) that ASI reports against on a regular basis. One of the KPIs is that "All ASI assessors meet FSC Auditor requirements". In practice, ASI assessors take the same trainings on the FSC normative documents as Certification Bodies' auditor do, which ensures they have in-depth knowledge of the FSC normative framework.</p> <p><b>Justification</b></p> <p>This indicator has been evaluated as Covered.</p>	
C.3.2	Oversight mechanism	<p><b>C.3.2.1</b> The Scheme shall ensure that the competence and consistent performance of Certification Bodies is regularly evaluated.</p> <p>Performance shall employ both desk-based AND field approaches, including:</p> <ul style="list-style-type: none"> <li>i) Stakeholder consultation</li> <li>ii) In-field evaluation of the performance of the Certification Body, whether</li> </ul>	<p><a href="#">ASI Accreditation Procedure: ASI-PRO-20-101-Accreditation-V5.1</a></p> <p>"14.2 Upon receipt of the completed checklists and documentation, ASI shall conduct three types of Assessments, in the sequence specified below:</p> <ol style="list-style-type: none"> <li>1) Desk Review of the CAB application and documentation ...</li> <li>2) Office Assessment(s) (Head Office (HO) and Affiliate Office (AO)) ...</li> <li>3) Witness Assessment(s) for each Scope of Accreditation."</li> </ol> <p>"17.1 To ensure that an accredited CAB continues to</p>	<p><b>Findings</b></p> <p>ASI ensures the competence and consistent performance of Certification Bodies at initial assessments and annual audits (Clauses 14.2 and 17.1). ASI's accreditation procedure includes requirements for desk and field audits (Clauses 14.2 and 17.4). There is also provision for extra and unannounced audits, when deemed necessary (Clauses 17.8 and 17.9).</p> <p>ASI publishes announcements to stakeholders of annual audits for accredited Certification</p>	Covered

		<p>via on-site inspections of certified forests/ supply chain entities or witness audits of audit personnel.</p>	<p>operate in compliance with the Accreditation Requirements, ASI monitors and evaluates the CAB's competence and Conformity throughout the five-year Accreditation Cycle via surveillance Assessments.</p> <p>“17.4 Annual surveillance includes:</p> <ol style="list-style-type: none"> <li>1) Assessment of HO and a sample of AOs;</li> <li>2) Witness and/or Compliance Assessment(s);</li> <li>3) Any other Assessments such as Desk Review, incident follow-up and NC verification as considered necessary by ASI to confirm that the CAB is operating in accordance with the Accreditation Requirements.”</li> </ol> <p>“17.7 ASI publishes announcements of surveillance Assessments for accredited CABs on its website and carries out Stakeholder consultation for some Assessment types. If Stakeholder comments are received, they are considered by ASI during the Assessment and responded to in the Assessment Report while ensuring Stakeholder confidentiality.”</p> <p>“17.8 ASI may conduct Extra Assessments in addition to the ASI surveillance Assessment program to investigate Incidents and/or Complaints or the outcome of an earlier Assessment or under other circumstances as deemed necessary by ASI.”</p> <p>“17.9 ASI may conduct Unannounced Assessments as part of or outside of its surveillance Assessment program in order to address heightened risk or allegations of serious violations or negligence of Accreditation Requirements.”</p> <p>Procedure for Witness and Compliance Assessments: ASI-PRO-20-111-Witness &amp; Compliance Assessments-V2.1</p> <p>7.2 Prior to any assessment, ASI may request stakeholders to submit comments about the CAB and the CH and may inform them about the assessment date, type and location as mandated by SO requirements or at the</p>	<p>Bodies. There is no requirement for this to be done at the initial assessment, although it is fair that – as CBs have no activity or record of performance – it is unlikely stakeholder feedback will be received.</p> <p>Clause 17.7 of ASI's Accreditation Procedure states that ASI conducts stakeholder consultation “for some Assessment types” but it does not state which assessment types. Clause 7.2 of ASI's Procedure for Witness and Compliance Assessments states that “ASI may request stakeholders to submit comments” but it is not required.</p> <p><b>Justification</b></p> <p>This indicator has been evaluated as Covered. While stakeholder consultation in relation to the initial assessment of Certification Bodies for accreditation purposes is not required this is considered as acceptable.</p>	
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			discretion of ASI.		
		<p><b>C.3.2.2</b> The Scheme shall include requirements that ensure that the oversight mechanism applies a clear basis for:</p> <ul style="list-style-type: none"> <li>i) establishing conformance;</li> <li>ii) raising corrective actions for non-conformance, and ensuring closure within timeframes to avoid legal non-compliance, and;</li> <li>iii) certification issue (or maintenance) decision making.</li> </ul>	<p><a href="#">ASI Findings: ASI-PRO-20-106-ASI Findings-V6.1</a></p> <p>“6.1 ASI findings may be identified during Assessments (irrespective of the scope evaluated) or as a result of other sources of information (for example Complaint, Integrity and Traceability investigations).”</p> <p>“6.2 ASI findings shall be raised if objective evidence of Conformity with an Accreditation Requirement is not provided by the CAB when requested.”</p> <p>“7.2 For each NC, the following information shall be recorded in the SOF:</p> <p>7.2.1 The specific Accreditation Requirement that the CAB was not able to demonstrate conformity with.</p> <p>7.2.2 An informative subject that refers directly to the issue in question.</p> <p>7.2.3 Proposed grading of the finding.</p> <p>7.2.4 Description of how the CAB has failed to demonstrate Conformity with the Accreditation Requirement cited.</p> <p>7.2.5 Objective Evidence that demonstrates how the CAB was not able to demonstrate Conformity with the Accreditation Requirement (including a grading justification in the case of Major NCs).</p> <p>7.2.6 Timelines within which the CAB must address the NC.”</p> <p>“11.2 The default timeline within which ASI NCs must be addressed and closed shall be 3 months for Major NCs and 12 months for Minor NCs from the date the final Assessment Report is shared with the CAB.”</p> <p><a href="#">ASI Accreditation Procedure: ASI-PRO-20-101-Accreditation-V5.1</a></p> <p>“10.1 Accreditation Decisions (decisions Granting, renewing, Extending and Reducing technical Scope, Suspending and/or Withdrawing Accreditation for all or</p>	<p><b>Findings</b></p> <p>i) The basis for establishing conformance is not detailed, however, Clause 7.2 of ASI's Findings procedure (ASI-PRO-20-106) notes that objective evidence shall be recorded.</p> <p>ii) ASI has a clear procedure for communicating findings with Certification Bodies (ASI-PRO-20-106). This includes audit findings and findings from other sources, such as 'Complaint, Integrity and Traceability' investigations. Section 11 details the timelines associated with corrective actions: CBs normally have three months for addressing Major nonconformities and 12 months for Minors (Clause 11.2).</p> <p>Certification bodies shall define a timeframe (up to 3 months for major non-conformities and up to the next audit for minor non-conformities) in the case of initial assessments (minor non-conformities only) and surveillance audits (minor and major non-conformities). There is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months.</p> <p>iii) Section 10 of ASI's Accreditation Procedure (ASI-PRO-20-101) covers 'Accreditation Decisions', setting out the process by which an Accreditation Committee (Clause 10.1) bases their decision on an Accreditation Report prepared by ASI (Clause 10.2). To gain accreditation a Certification Body must comply with all relevant requirements and any</p>	Partially Covered



		<p>part of the requested Scope) are made by the ASI Accreditation Committee (AC) unless otherwise specified in this Accreditation Procedure. When making an Accreditation Decision, the AC acts as a representative of ASI, and the decision is consequently attributed to ASI. No legal or contractual relationship is established between the AC (or any subset thereof) and a CAB. The AC shall have access to all Assessment Reports and Nonconformities (NCs) issued, including ASI and CAB responses to these."</p> <p>"10.2 An Accreditation Decision made by the AC is based on an Accreditation Report prepared by ASI for the AC. The Accreditation Report may include a recommendation on how to decide, but any such recommendation is non-binding for the AC. The decision-making process starts with the preparation of the Accreditation Report."</p> <p>"15.1 If, after the completion of the initial Accreditation Assessments, ASI concludes that the CAB's Certification system meets all Accreditation Requirements, including closure of all major NCs, ASI prepares an Accreditation Report for the AC, recommending initial Accreditation."</p> <p>"21.1 If a CAB fails to comply with the Accreditation Requirements or is/has been in breach of the terms of the ASI Service Agreement, ASI can impose Sanctions on the CAB. ASI further reserves the right to exercise any rights provided by the law or by the Service Agreement or any other agreement concluded with the CAB."</p> <p>"22.6 For each Suspension decision (except for non-payment of fees - see section 24), ASI shall prepare an Accreditation Report for the AC explaining the reasons leading to Suspension, a justification of the scope (technical and/or geographical) proposed for Suspension, the conditions for lifting the Suspension and any other relevant information considered material for the recommendation."</p> <p>"23.2 ASI shall prepare an Accreditation Report for the AC explaining the reasons leading to Withdrawal and any</p>	<p>identified nonconformities shall be closed (Clause 15.2). Regarding maintenance of accreditation: Section 21 covers 'Sanctions', which are issued for noncompliance and breach of contract (Clause 21.1). A table is included (Table 1) giving examples of situations leading to Sanctions, of which two refer to corrective actions. Suspension and withdrawal decisions are also made by the Accreditation Committee based on recommendations made in ASI reports (Clauses 10.1, 10.2, 22.6 and 23.2).</p> <p>The General Requirements for FSC Accredited Certification Bodies (FSC-STD-20-001 V4-0) includes requirements for the grading of non-conformities as minor and major (Clause 4.3.13), which, in relation to the Certification Bodies evaluating CoC Certificate Holders due diligence systems under the Sourcing of Controlled Wood (FSC-STD-40-005), align with the description of negligible and non-negligible risk in the EUTR, respectively.</p> <p>As per FSC-STD-20-001, Certification bodies define a timeframe (up to 3 months for major non-conformities and up to the next audit for minor non-conformities) in the case of initial assessments (minor non-conformities only) and surveillance audits (minor and major non-conformities). There is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months.</p> <p><b>Justification</b></p> <p>This indicator has been evaluated as Partially Covered. Requirements for non-conformities</p>	
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			<p>other relevant information considered material for the recommendation.”</p> <p><a href="#">FSC-STD-20-001 V4-0 General requirements for FSC accredited certification bodies</a></p> <p>“4.3.13 Nonconformities shall be graded as follows:</p> <p>a) a nonconformity shall be considered minor if:</p> <ul style="list-style-type: none"> <li>i. it is a temporary lapse, or</li> <li>ii. it is unusual/non-systematic, or</li> <li>iii. the impacts of the nonconformity are limited in their temporal and organizational scale, and</li> <li>iv. it does not result in a fundamental failure to achieve the objective of the relevant requirement.</li> </ul> <p>b) a nonconformity shall be considered major if, either alone or in combination with further nonconformities, it results in, or is likely to result in a fundamental failure to achieve the objective of the relevant requirement within the scope of the evaluation. Such fundamental failures may be indicated by nonconformities which:</p> <ul style="list-style-type: none"> <li>i. continue over a long period of time, or</li> <li>ii. are systematic, or</li> <li>iii. affect a wide range of the production, or</li> <li>iv. affect the integrity of the FSC system, or</li> <li>v. are not corrected or adequately addressed by the client once they have been identified.” <p>“4.3.16 The corrective action request timelines commence from the moment when they are formally presented to the client and no later than three (3) months from the audit closing date. Corrective action requests shall have the following timeframes:</p> <p>a) minor nonconformity shall be corrected within the maximum period of one (1) year (under exceptional and justified circumstances the timeline may be extended to two (2) years);</p> <p>b) major nonconformity shall be corrected within three (3) months (under exceptional and justified circumstances within six (6) months).</p> <p>NOTE: Action(s) taken to correct a major nonconformity may continue over a period of time which is longer than three (3) months. However, action must be taken within</p> </li></ul>	<p>are structured in a way that there is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months</p>	
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			the specified period which is sufficient to prevent new instances of nonconformity within the scope of the certification.”		
		<b>C.3.2.3</b> The Scheme shall specify the approach to be used in oversight, ensuring that the oversight mechanism is independent of the Certification Bodies being assessed.		<p><b>Findings</b></p> <p>The FSC certification system operates as a 3rd party certification system with three key actors: FSC International Center GmbH (under the responsibility of the FSC AC Board, representing FSC's membership) is responsible for the development, maintenance and interpretation of the FSC normative framework. Certification bodies evaluate the conformity of organisations applying for and holding certification against the requirements of the normative framework. These certification bodies must be accredited to conduct evaluations and issue FSC certificates by a separate entity, Assurance Services International GmbH (ASI). Just as the certification bodies evaluate the conformity of organisations, ASI checks that the certification bodies follow the relevant accreditation requirements.</p> <p><b>Justification</b></p> <p>This indicator has been evaluated as Covered.</p>	Covered
		<b>C.3.2.4</b> The Scheme shall define the frequency of oversight or the procedure for determining the frequency, applicable in the case of risk-based oversight.	<p><a href="#">ASI Procedure on Surveillance &amp; Sampling: ASI-PRO-20-105-Surveillance &amp; Sampling-V6.4</a></p> <p>“5.1.1 At least once per calendar year, ASI shall review all assessment results and other relevant information (e.g. complaints, incidents, stakeholder input, business profile, etc.) for each CAB, since the date of the previous review.”</p> <p>“5.1.2 ASI shall modify and adjust the annual sampling</p>	<p><b>Findings</b></p> <p>ASI's Procedure on Surveillance and Sampling (ASI-PRO-20-105) outlines the process used by ASI to develop their annual plan for assessing Certification Bodies. It takes a risk-based approach based on performance.</p>	Covered

			<p>plan based on the results of the CAB Performance Review.”</p> <p>“5.2.1 Following the CAB Performance Review, ASI shall prepare an assessment plan for the forthcoming year for each CAB, following the sampling design described in this procedure.”</p>	<p><b>Justification</b></p> <p>This indicator has been evaluated as Covered.</p>	
<b>C.4 Certification process</b>					
C.4.1	Compliance evaluation	<p><b>C.4.1.1</b> The Scheme shall include requirements that ensure that the Certification Bodies apply a clear basis for:</p> <ul style="list-style-type: none"> <li>i) establishing conformance;</li> <li>ii) raising corrective actions for non-compliance, and;</li> <li>iii) certification decision making.</li> </ul>	<p><a href="#">FSC-STD-20-001 V4-0 General requirements for FSC accredited certification bodies</a></p> <p>“4.3.11 The certification body shall evaluate each nonconformity identified in the audit to determine whether it constitutes a minor or major nonconformity.”</p> <p>“4.3.13 Nonconformities shall be graded as follows:</p> <ul style="list-style-type: none"> <li>a) a nonconformity shall be considered minor if: <ul style="list-style-type: none"> <li>i. it is a temporary lapse, or</li> <li>ii. it is unusual/non-systematic, or</li> <li>iii. the impacts of the nonconformity are limited in their temporal and organizational scale, and</li> <li>iv. it does not result in a fundamental failure to achieve the objective of the relevant requirement.</li> </ul> </li> <li>b) a nonconformity shall be considered major if, either alone or in combination with further nonconformities, it results in, or is likely to result in a fundamental failure to achieve the objective of the relevant requirement within the scope of the evaluation. Such fundamental failures may be indicated by nonconformities which: <ul style="list-style-type: none"> <li>i. continue over a long period of time, or</li> <li>ii. are systematic, or</li> <li>iii. affect a wide range of the production, or</li> <li>iv. affect the integrity of the FSC system, or</li> <li>v. are not corrected or adequately addressed by the client once they have been identified.”</li> </ul> </li> </ul> <p>“4.3.14 Nonconformities shall be transformed into corrective action requests that at minimum include a</p>	<p><b>Findings</b></p> <p>The General requirements for CBs cover i) and ii) in Sections 4.3 – 4.5, with the grading of nonconformities specified in Clause 4.3.13. Detailed requirements for CoC, FM and FM CW evaluations are given in the respective FSC evaluation standards (FSC-STD-20-011, FSC-STD-20-007 and FSC-STD-20-012) where certification decision making is specified (Sections 4, 8 and 7, respectively).</p> <p><b>Justification</b></p> <p>This indicator has been evaluated as Covered.</p>	Covered

			<p>description of the nonconformity, the objective evidence on which the nonconformity is based and a timeline within which the nonconformity shall be corrected by the client.”</p> <p>“4.7.3 The occurrence of five (5) or more major nonconformities in a surveillance audit shall be considered as a breakdown of the clients’ management system and certification shall be suspended within ten (10) days of the certification decision being taken.”</p> <p><a href="#">FSC-STD-20-011 V4-1 Chain of Custody Evaluations</a></p> <p>“4.1 Certification bodies shall make certification decisions based on their evaluation of the chain of custody operation’s conformity to each applicable requirement specified in the relevant FSC normative document(s) and in accordance with the latest version of FSC-STD-20-001.2”</p> <p>“4.4 Five or more major corrective action requests issued to the central office of a group or multisite by the certification body shall result in the suspension of the entire certificate. Five or more major corrective action requests issued to a participating site of a group or multisite certificate by the certification body shall result in suspension of that particular participating site but will not necessarily result in the suspension of the entire certificate. Nonconformities identified at the participating-site level may result in nonconformities at the central office level when the nonconformities are determined to be the result of the central office’s performance, per Clause 4.3 (a).”</p> <p><a href="#">FSC-STD-20-007 Forest management evaluations Standard</a></p> <p>“8.14 The certification body shall not issue a certificate to an applicant if there is any major non-conformity with a requirement of the applicable Forest Stewardship Standard and/or other applicable certification requirements.”</p> <p>“8.15 A certificate shall not be issued in the case that a</p>		
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			<p>large number of minor nonconformities or the cumulative impact of the non-conformities represents a fundamental failure or total breakdown of a system and thus constitute a major nonconformity."</p> <p>"8.17 The occurrence of five or more major non-conformities in one surveillance evaluation shall be considered as a total breakdown of the company's management system and the certificate shall be suspended."</p> <p>"8.18 The certification body shall not re-issue a certificate to a client if there is major nonconformity with a requirement of the applicable Forest Stewardship Standard and/or other applicable certification requirement."</p> <p><a href="#">FSC-STD-20-012 Standard for evaluation of FSC Controlled Wood in Forest Management Enterprises</a></p> <p>"7.6 The certification body shall not issue or re-issue a Controlled Wood certificate to a FME if there is a major non-compliance with the requirements of the standard."</p> <p>"7.7 The certification body shall suspend or withdraw a certificate if a major noncompliance is identified after the Controlled Wood certificate has been issued."</p>		
		<p><b>C.4.1.2</b> The Scheme requirements for establishing conformance should enable comparison with the definition of negligible and non-negligible risks outlined in the EUTR and associated guides.</p>	<p><a href="#">FSC-STD-20-011 V4-1 Chain of Custody Evaluations</a></p> <p>"1.1 A chain of custody certificate issued by an FSC-accredited certification body provides a credible guarantee that all chain of custody operations within the scope of a certificate conform to all applicable requirements of the relevant FSC normative documents. In order to provide such a guarantee, the certification body shall:</p> <ul style="list-style-type: none"> <li>a) analyse and describe the chain of custody operation and/or group or multisite certificate to be evaluated in terms of one or more operational sites;</li> <li>b) confirm that there is a control system in place capable of ensuring that all the applicable requirements are implemented by every operational site, including non-</li> </ul>	<p><b>Findings</b></p> <p>The evaluation of Certificate Holders is system and performance based. Detailed requirements for CoC, FM and FM CW evaluations are given in the respective FSC evaluation standards (FSC-STD-20-011, FSC-STD-20-007 and FSC-STD-20-012) which all specify that both systems (Clauses 2.4, 5.2.1 and 1.3 respectively) and performance shall be evaluated (Clauses 2.6, 5.4.2/5.4.4 and 1.3 respectively).</p> <p>The General Requirements for FSC Accredited</p>	Covered

		<p>certified suppliers as part of controlled wood and reclaimed material verification programs, project members in the case of project certificates and contractors as part of outsourcing agreements, within the scope of the evaluation;</p> <p>c) where applicable, carry out sampling of operational sites<sup>3</sup>, non-certified suppliers<sup>4</sup>, contractors, project sites, non-FSC-certified project members, documents, management records, and interviews with personnel sufficient to verify that the control system is being implemented effectively and consistently across the whole scope of the certificate;</p> <p>d) confirm that any nonconformity is adequately addressed by the organization within the established timelines.</p> <p>NOTE: The chain of custody requirements of the FSC normative framework are designed to be applied at the site level of a chain of custody operation, unless otherwise specified in a standard."</p> <p>"2.4 The certification body shall complete an analysis of the organization's management control required to ensure that all applicable certification requirements are implemented over the full range of chain of custody operations, including the identification and analysis of the critical control points."</p> <p>"2.6 The certification body shall evaluate each operational site within the scope of the evaluation (including a sample of participating sites of group and multisite certificates and non-FSC-certified project members in the case of project certificates) in order to make direct, factual observations to verify the organization's conformance to all applicable certification requirements. The evaluation shall include:</p> <p>a) identification and assessment of management documentation and a sufficient variety and number of records at each operational site selected for evaluation in order to confirm that management is functioning effectively and as described, particularly with respect to the identified critical control points;</p>	<p>Certification Bodies (FSC-STD-20-001 V4-0) includes requirements for the grading of non-conformities as minor and major (Clause 4.3.13), which, in relation to the Certification Bodies evaluating CoC Certificate Holders due diligence systems under the Sourcing of Controlled Wood (FSC-STD-40-005), align with the description of negligible and non-negligible risk in the EUTR, respectively.</p> <p><b>Justification</b></p> <p>This indicator has been evaluated as Covered.</p>	
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			<p>b) interviews with a sufficient variety and number of employees and contractors at each operational site selected for evaluation in order to verify the organization's conformance to all applicable certification requirements. As a minimum, interviews shall be conducted to verify training measures and understanding of individual responsibilities at different locations across the operation under evaluation. The interviewer shall ensure that comments can be provided in confidence;</p> <p>c) review of the organization's implementation of all applicable corrective action requests;</p> <p>d) review of all complaints, disputes, or allegations of nonconformities received by the organization and/or the certification body;</p> <p>e) physical inspection of all sites selected for evaluation, including inspection of all locations where operational activities under the scope of the certificate are carried out. Desk audits may be conducted where:</p> <p>i. the site does not take physical possession of FSC-certified materials or products, controlled material, or FSC controlled wood in their own or rented facilities, and does not label, alter, store, or repackage the products (e.g. sales office);</p> <p>ii. the site is used for storage of finished and labelled products only, and where the certification body has confirmed through an initial physical inspection that there is no risk of mixing FSC-certified products with other materials (e.g. the site only stores FSC-certified products). Certification bodies shall conduct physical inspection of these storage sites at least once during the five-year duration of a certificate;</p> <p>iii. the physical inspection during surveillance evaluations of one-time project certificates is not relevant (e.g. there is nothing to inspect on the site; a single delivery of materials to the project; when all project members supplying the project are FSC-certified).</p> <p>NOTE: Certification bodies are not obliged to conduct desk audits, even when all requirements specified in 2.6 e) above are satisfied. At its own discretion, initially or at any time, the certification body may decide to carry out site visits where and when necessary to ensure confidence in</p>		
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			<p>a certificate.</p> <p>f) purchasing and sales documentation of any materials or products related to FSC certification (e.g. invoices, bills, transport documents, sales contracts);</p> <p>g) confirmation that inputs described as FSC-certified or FSC controlled wood were covered by a valid FSC chain of custody certificate and supplied with the applicable FSC claims and certificate codes;</p> <p>h) review of systems for controlling FSC claims:</p> <p>i. for percentage and credit systems, review of calculations of percentages and/or credits for each product group within the scope of the certificate;</p> <p>ii. for transfer systems, review of a sample of records of certified outputs, and confirmation that these can be traced to certified inputs</p> <p>iii. for project certification: verification that only eligible materials were used in projects (or components thereof) and the FSC claims made on them are true and correct;</p> <p>i) confirmation of the correct use of FSC trademarks (on-product and promotional) and the 'FSC Controlled Wood' claim in segregation marks, sales, and transport documentation;</p> <p>j) review of training records (e.g. training materials and list of participants);"</p> <p><a href="#">FSC-STD-20-007 V3-0 Forest management evaluations Standard</a></p> <p>"5.2.1 The certification body shall complete an explicit analysis of the critical aspects of management control required to ensure that the applicable Forest Stewardship Standard is implemented over:</p> <p>a) the full geographical area of the evaluation;</p> <p>b) the full range of management operations.</p> <p>NOTE: The extent to which the management system is documented shall be an important part of the evaluation. For large enterprises a fully documented management system is expected. A system based on verbal descriptions and simple documentation may be sufficient to implement the requirements of the applicable Forest Stewardship</p>		
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			<p>Standard for small scale or low intensity enterprises.”</p> <p>“5.4.1 The auditor(s) shall identify and assess management documentation and a sufficient variety and number of records at each FMU selected for evaluation as to make direct, factual observations to verify conformity with all the indicators of the applicable Forest Stewardship Standard that are under evaluation at that FMU and for which such documents are a necessary means of verification.”</p> <p>“5.4.2 The auditor(s) shall visit a sufficient variety and number of sites within each FMU selected for evaluation as to make direct, factual observations as to conformity with all the indicators of the applicable Forest Stewardship Standard that are under evaluation at that FMU and for which such inspection is a necessary means of verification, over the range of conditions under management by the applicant forest management enterprise.”</p> <p>“5.4.4 The auditor(s) shall interview a sufficient variety and number of people affected by or involved in the forest management of each FMU as to make direct, factual observations as to conformity with all the indicators of the applicable Forest Stewardship Standard that are under evaluation at that FMU and for which such consultation is a necessary means of verification, over the range of conditions under management by the applicant forest management enterprise. Annex 4 provides examples of stakeholder groups that the auditor(s) may consult.”</p> <p><a href="#">FSC-STD-20-012 Standard for evaluation of FSC Controlled Wood in Forest Management Enterprises</a></p> <p>“1.3 A FSC Controlled Wood certificate issued by an FSC-accredited certification body provides a credible guarantee that there is no major failure in compliance with the requirements of the FSC-STD-30-010 in any FMU within the scope of the certificate.”</p>		
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			<p>"1.4 In order to provide such a guarantee the certification body shall:</p> <ul style="list-style-type: none"> <li>a) analyze and describe the forest area to be evaluated in terms of one or more FMU's;</li> <li>b) confirm that there is a management system in place that is capable of ensuring that all the requirements of the FSC-STD-30-010 are implemented in every FMU within the scope of the evaluation;</li> <li>c) carry out sampling of sites, management records and interviews with consultation with stakeholders sufficient to provide a credible guarantee that there are no major non-compliances with the categories of the FSC Controlled Wood standard for forest management enterprises within any FMU within the scope of the evaluation."</li> </ul> <p><a href="#">FSC-STD-20-001 V4-0 General requirements for FSC accredited certification bodies</a></p> <p>"4.3.13 Nonconformities shall be graded as follows:</p> <ul style="list-style-type: none"> <li>a) a nonconformity shall be considered minor if: <ul style="list-style-type: none"> <li>i. it is a temporary lapse, or</li> <li>ii. it is unusual/non-systematic, or</li> <li>iii. the impacts of the nonconformity are limited in their temporal and organizational scale, and</li> <li>iv. it does not result in a fundamental failure to achieve the objective of the relevant requirement.</li> </ul> </li> <li>b) a nonconformity shall be considered major if, either alone or in combination with further nonconformities, it results in, or is likely to result in a fundamental failure to achieve the objective of the relevant requirement within the scope of the evaluation. Such fundamental failures may be indicated by nonconformities which: <ul style="list-style-type: none"> <li>i. continue over a long period of time, or</li> <li>ii. are systematic, or</li> <li>iii. affect a wide range of the production, or</li> <li>iv. affect the integrity of the FSC system, or</li> <li>v. are not corrected or adequately addressed by the client once they have been identified."</li> </ul> </li> </ul>	
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		<p><b>C.4.1.3</b> The Scheme shall include requirements that ensure that the above requirements are in line with the requirements of the EUTR to prohibit illegal material or material with a non-negligible risk category being placed on the EU market.</p>	<p><a href="#">FSC-STD-20-001 V4-0 General requirements for FSC accredited certification bodies</a></p> <p>"4.3.13 Nonconformities shall be graded as follows:</p> <p>a) a nonconformity shall be considered minor if:</p> <p>i. it is a temporary lapse, or</p> <p>ii. it is unusual/non-systematic, or</p> <p>iii. the impacts of the nonconformity are limited in their temporal and organizational scale, and</p> <p>iv. it does not result in a fundamental failure to achieve the objective of the relevant requirement.</p> <p>b) a nonconformity shall be considered major if, either alone or in combination with further nonconformities, it results in, or is likely to result in a fundamental failure to achieve the objective of the relevant requirement within the scope of the evaluation. Such fundamental failures may be indicated by nonconformities which:</p> <p>i. continue over a long period of time, or</p> <p>ii. are systematic, or</p> <p>iii. affect a wide range of the production, or</p> <p>iv. affect the integrity of the FSC system, or</p> <p>v. are not corrected or adequately addressed by the client once they have been identified."</p> <p>"4.3.16 The corrective action request timelines commence from the moment when they are formally presented to the client and no later than three (3) months from the audit closing date. Corrective action requests shall have the following timeframes:</p> <p>a) minor nonconformity shall be corrected within the maximum period of one (1) year (under exceptional and justified circumstances the timeline may be extended to two (2) years);</p> <p>b) major nonconformity shall be corrected within three (3) months (under exceptional and justified circumstances within six (6) months).</p> <p>NOTE: Action(s) taken to correct a major nonconformity may continue over a period of time which is longer than three (3) months. However, action must be taken within the specified period which is sufficient to prevent new instances of nonconformity within the scope of the certification."</p>	<p><b>Findings</b></p> <p>When a Certification Body identifies a non-conformity the Certificate Holder is given a maximum timeframe in which to implement corrective actions. The timeframe is determined by the severity of the non-conformance, with minor non-conformities being given a maximum of one year to be corrected and major non-conformities given a maximum of three months (Clause 4.3.16, FSC-STD-20-001 V4-0). Certification Bodies can issue shorter timelines, where they are deemed appropriate.</p> <p>The General Requirements for FSC Accredited Certification Bodies (FSC-STD-20-001 V4-0) includes requirements for the grading of non-conformities as minor and major (Clause 4.3.13), which, in relation to the Certification Bodies evaluating CoC Certificate Holders due diligence systems under the Sourcing of Controlled Wood (FSC-STD-40-005), align with the description of negligible and non-negligible risk in the EUTR, respectively.</p> <p>Certification bodies define a timeframe (up to 3 months for major non-conformities and up to the next audit for minor non-conformities) in the case of initial assessments (minor non-conformities only) and surveillance audits (minor and major non-conformities). There is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months.</p> <p><b>Justification</b></p> <p>This indicator has been evaluated as Partially</p>	Partially Covered
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				<p>Covered. Requirements for non-conformities are structured in a way that there is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, wood may enter the EU market that could be interpreted as illegal or non-negligible risk.</p> <p><b>Justification</b></p> <p>This indicator has been evaluated as Partially Covered.</p>	
		<p><b>C.4.1.4</b> the Scheme shall include requirements that ensure that the decision process to certify organisations, or maintain certification of CHs, is free from conflict of interest and includes checks and balances.</p>	<p><a href="#">FSC-STD-20-001 V4-0 General requirements for FSC accredited certification bodies</a></p> <p>1.5.1 The certification body shall be responsible for ensuring that certification activities are undertaken impartially and shall not allow commercial, financial or other pressures to compromise impartiality.</p> <p>•</p>	<p><b>Findings</b></p> <p>Impartiality requirements are included in Section 1.5 of the general requirements for CBs, with Clause 1.5.1 mandating it the CB's responsibility to ensure impartiality.</p> <p><b>Justification</b></p> <p>This indicator has been evaluated as Covered.</p>	Covered

## **Annex 6: Scheme Assessment Report Sustainable Biomass Program (SBP)**

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## Executive summary

The objective of the Scheme Assessment Report of the Sustainable Biomass Program (SBP) is to create a resource of knowledge and reference for all interested and concerned parties in the forest- and wood-based products sector. It should help Competent Authorities, Operators and Monitoring Organisations covered by the EUTR in their understanding of potential benefits and shortcomings of certification, in particular in the context of the implementation of the EUTR.

The SBP is a certification scheme that accepts input from other large and well-known certification schemes (currently FSC, PEFC and PEFC endorsed schemes), as well as input sourced under the scope of its own evaluation framework. The sourcing through its own scheme is based on risk assessments for SBP's indicators. The objective is to have one system for certified biomass.

The overall finding of the assessment is that SBP is a transparent scheme that covers many critical parts of the EUTR.

It should be noted that the coverage of the SBP scheme is dependent, to a large extent, on the strength of the schemes they approve – currently FSC and PEFC endorsed schemes. Many of the Biomass Producers uses only input from these approved certification schemes. Therefore, conclusions from this report needs to be supported by strength and weaknesses from the approved schemes. Wood sourced from land not classified as forest land is included in the scope of this evaluation.

The following strengths and weaknesses have been found in the SBP scheme:

### *Main strengths:*

In general, the SBP scheme standards cover most requirements of the Assessment Framework including requirements for Certificate Holders, the Certification Bodies and the Scheme. SBP is considered relatively transparent and has public summary reports that includes most information from the audit, for example non-conformities. Also, the Supply Base Reports and Supply Base Evaluations, including risk ratings, are publicly available.

The SBP has implemented a data transfer system (DTS) for digital transactions of biomass with SBP-claims. This system must be used in order to transfer valid claims. This means that SBP or auditors can see all transactions in the supply chain and that the amount of biomass cannot be inflated further down the supply chain. SBP has also started to implement an on-line reporting portal. This portal must be used by certification bodies and certificate holders and enables increased digital monitoring of information added into the audit reports, Supply Base Reports or Supply Base Evaluations. For example, risk ratings or information used by the accreditation body will be easy to find and summarise.

### *Main weaknesses:*

Some issues have been identified that could constitute a weakness in the scheme's ability to meet important aspects of legality quality assurance.

There is no requirement within the SBP Standards to control illegal activities related to offshore trading and transfer pricing. There are two requirements that aims at covering EUTR in a general way in Standard 4 (6.1.2 and 6.1.3) and one requirement that attempts to cover all applicable laws in the country where the certificate holder conduct its business (Standard 4, 6.3.3). However, these requirements are general and not comprehensive enough to cover specific issues like offshore trading and transfer pricing without further specifications or guidelines.

There are no requirements explicitly covering payment of VAT, other sales taxes or taxes. There are requirements for control of sales invoices and for payment of any fees and duties, but VAT or other types of taxes are not explicitly mentioned in these requirements.



Therefore, this is only considered to be partially (or potentially) covered by the SBP chain of custody Standard.

SBP itself has no system or written procedures for how to approve new certification schemes. This is found to be a significant gap in the scheme, since there is no information regarding criteria for approval of schemes and many of the chain of custody requirements in the SBP Standard 4 rely on the approved CoC-scheme (e.g. requirements related to written procedures). It should be noted that SBP has not approved any new schemes after approval of FSC, PEFC and PEFC-endorsed schemes, but PEFC endorses new schemes which then also affects SBP. According to SBP, their secretariat is currently working on written procedures for approvals of other certification schemes.

If the certificate holder is not a Biomass Producer, there is no requirement for Certificate Holders to review the proper functioning of their own procedures internally and regularly (A5). However, this is not assessed as a critical gap since annual audits from an independent certification body is required.

*Performance information:*

Even though SBP is a quite young certification scheme, there are publicly available criticism of the scheme, but also criticism or impact information regarding other certification schemes that is also relevant to SBP.

The conclusion from this study is that care must be taken before implementing the findings from this report in countries with high corruption or where high risk for illegality within the forest sector exists. Extra risk mitigation measures beyond certification and the gaps found in this report should be considered in these cases. Issues raised in reports related to the SBP risk assessments and risk ratings are considered to be more important when SBP has not endorsed any Regional Risk Assessment (RRA), but the companies make their own Risk Assessment (RA). Many issues raised in publicly available sources that relates to SBP are related to concerns about sustainability issues of using woody biomass as a source of energy and do not related to legality. These issues are not addressed in this framework.

## Introduction

The objective of the Scheme Assessment Report of the Sustainable Biomass Program (SBP) is to create a resource of knowledge and reference for all interested and concerned parties in the forest- and wood-based products sector. It should help Competent Authorities, Operators and Monitoring Organisations covered by the EUTR in their understanding of potential benefits and shortcomings of certification, in particular in the context of the implementation of the EUTR. As such, one part of the overall objectives is to create an overview of existing certificates, third-party verified schemes and certifying bodies issuing certificates with regard to forests and wood-based products and to evaluate their respective strengths and weaknesses in respect to the EUTR obligations. This should, in turn, encourage stronger Standards and transparency of certification and third part verification schemes.

It should be underlined that it is NOT the intention of the study to create a compliance checklist of certification schemes. The EUTR continues to recognise third party certification as an important potential tool for Risk Assessment and risk mitigation but does not recognise certification as proof of compliance. This will not change based on this study.

As part of the above objective, this framework has been developed to allow evaluation of the differences and uniformities between certificates and certifying bodies. It includes requirements to assess to which degree different forest certification schemes provide assurance of negligible risk of 'legal non-compliance' of certified material.

The Framework aligns with the definitions and approach to certification schemes as described within the [EU Timber Regulation \(No. 995/2010\)](#) and the associated [Guidance Document](#), along with additional requirements for the use of third party certification schemes as outlined in the Commission implementing Regulation (EU) No 607/2012 and specifically Article 4 in the [Commission Implementing Regulation \(EU\) No 607/2012](#).

The Scheme Assessment Framework has been developed by Preferred by Nature as a comprehensive interpretation of the EUTR legality definition to provide the ability to evaluate in detail the different aspects of legality covered by the schemes included in this study. It should therefore be underlined that the legality definition used in the Assessment Framework is a comprehensive interpretation of the EUTR intended to expand on the five legality categories included in the Regulation.

The Framework takes into account verifiers for Article 6 in the EUTR, and documentation for Article 4 of the Implementing Regulation, as well as a wide array of sustainability Standards and benchmarks used in the areas of forest and wood-based products, among other resources identified under References.

The current report contains an evaluation of the Sustainable Biomass Program (SBP).

## Acronyms

BP	Biomass Producer
CB	Certification Body
CH	Certificate Holder
CoC	Chain of Custody
DTS	Data Transfer System
FM	Forest Management
FPIC	Free, Prior and Informed Consent
FSC	Forest Stewardship Council® (SBP-approved certification scheme)
NGO	Non-governmental organisation (i.e. non-profit organisations)
PEFC	Programme for the Endorsement of Forest Certification (SBP-approved certification scheme)
RA	Risk Assessment (company-made)
RRA	Regional Risk Assessment (SBP-endorsed)
SAF	Scheme Assessment Framework
SAP	Scheme Assessment Procedure
SBE	Supply Base Evaluation
SBR	Supply Base Report
SFI	Sustainable Forestry Initiative (SBP-approved certification scheme)
SVP	Supplier Verification Program

## 39. Overview of the SBP Certification Scheme

### Background

The Sustainable Biomass Program (SBP) is a risk-based certification scheme for sourcing of biomass that aims at accepting input from different large and well-known certification schemes, or from its own evaluation framework, in order to have one system for certified biomass. The risk-based approach means that there are no SBP-certified forests, but biomass is verified against risk assessments based on SBP criteria. If raw material for biomass (so called feedstock) is not sourced through an approved certification schemes, SBP's Standards for feedstock compliance are used instead. This means that the SBP framework for risk identification, supplier monitoring, and risk mitigation defined in these Standards must be implemented (see more details below).

SBP was founded in 2013 and was initiated by large energy producers in Europe under the name Sustainable Biomass Partnership. Today, the energy producers' role has faded in order to make SBP an independent and impartial certification scheme. At present, the board consists of three stakeholder representatives from each of the following areas: biomass end-users, Biomass Producers and civil society.

In the SBP Annual Review Report (2020), the SBP declared that by the end of 2019 they had 210 certificate holders whereof 167 were Biomass Producers, 35 traders and 8 end-users. The SBP's geographical extent of certificate holders included 25 different countries in Europe, Asia, Oceania, North and South America. The amount of certified biomass sold through the SBP system was 12 million tons (Mt) of biomass (wood chips or wood pellets).

### Global Governance

SBP are committed to following the ISEAL Codes of Good Practice for Standard-setting, assurance and impacts. The SBP Secretariat manage the Standards Development Process and support the work of the various Working Groups responsible for developing the content, with significant input from the Standards Committee, Technical Committee and Stakeholder Advisory Group, as well as Certificate Holders, Certification Bodies and Accreditation Body. All interested parties shall have the opportunity to participate in the Standard development process through getting involved in the work of the various Working Groups, public consultations, events or simply through getting in touch and providing SBP with views and ideas. However, the SBP scheme is no member organization with different stakeholder chambers that can vote and directly influence the standard development. The Standards Committee is finally approving the Standards.

The Standard committee has six representatives from commercial interests and six from civil society interests. There is a Stakeholder Advisory Group whose role is to provide a platform for stakeholder input and advice to support the work of the SBP Standards Committee in the development, implementation and maintenance of SBP Standards and related documents, and other relevant activities. Certification Bodies are doing stakeholder consultations during assessments and re-assessments of Biomass Producers. Traders applying for a certification evaluation is not exposed to stakeholder consultation.

SBP has no regional or country Standards, but implement all its Standards on an international level. Standard indicators at the forest level are addressed in such way that they shall be adapted to reflect risks and situations in specific regions where it is implemented. This is done through the risk assessment process where all indicators are evaluated in its local context (country or regional level). Risks identified in the risk assessment must be mitigated by the Biomass Producer before feedstock can be sourced from the area.

## The SBP Framework

The SBP scheme accepts input from other certification schemes and SBP implements the term “SBP-approved” scheme, system or claim. The forest management certification schemes currently approved by SBP are: FSC® and PEFC including direct sourcing from all PEFC-endorsed Forest Management Schemes (e.g. SFI). SBP also approves non-certified input from FSC, PEFC and PEFC endorsed schemes. For example, FSC Controlled Wood and PEFC Controlled Sources, and input from the SFI Fiber Sourcing Standard. There are currently no system or procedures, nor written information, relating to how SBP has approved the certification schemes to become SBP eligible input. It was decided to approve FSC and PEFC-endorsed forest management schemes back in 2015 when SBP started up. According to SBP, their secretariat is currently working on formalizing this process.

There are three ways for material to be accepted into the SBP system (i.e., physically enter the system):

1. through an SBP Supply Base Evaluation (SBE) covering the entire supply base, where risks are identified in regional Risk Assessments (see more information below)
2. through already certified material from SBP-approved schemes: FSC, PEFC and PEFC-endorsed schemes (e.g. SFI). This material must be received with valid claims from these certification schemes.
3. controlled material from SBP-approved schemes: FSC, PEFC and PEFC-endorsed schemes (e.g. SFI) that are received with valid claims or origins from the Biomass Producer's own control system in line with applicable scheme requirements for these schemes.

SBP certified (called SBP-compliant) biomass can only be accepted as compliant if it originates from one of the two first points, but can physically be mixed with, and thus also contain, SBP-controlled biomass. In other words, there is no claim to ensure the biomass only contains 100% SBP-compliant biomass, but it can always be mixed with SBP-controlled biomass.

SBP does not have its own system for controlling uncertified material, but accepts controlled material from FSC, PEFC and SFI. This means that material must be received with valid claims from respectively scheme, OR the SBP certificate holder must implement the FSC controlled wood Standard (FSC-STD-40-005), PEFC controlled sources requirements (parts of PEFC ST 2002:2013), or SFI Fiber Sourcing Standard (or the standard from other PEFC-endorsed schemes). This is then under the scope of FSC, PEFC or SFI evaluations and not the SBP evaluation. The ratio of controlled material can only be sold as SBP-controlled and is not SBP-compliant.

**Please note:** This evaluation only focuses on material certified against the SBE.

Before the material reaches its final biomass product, SBP calls the material **feedstock** (i.e. the input material). When the final product is made (e.g. wood pellets or wood chips) it is referred to as **biomass**.

Certificate Holders can be either Biomass Producers or biomass traders. The scope of traders is that they are only evaluated against Standard 4 (Chain of custody) and 5 (Collection and communication of data). Biomass producers are always evaluated against Standards 2 (Verification of SBP-compliant feedstock), 4 and 5, but if they also include feedstock that is not already certified by another scheme, they are also evaluated against Standard 1 (Feedstock compliance).

Biomass Producers can have different scopes of their certificate depending on the feedstock they source for biomass production. Either they only source already certified or controlled feedstock (i.e. feedstock with an SBP-approved claim), or they source under their own Supply Base Evaluation (SBE) and mitigate any risks related to requirements in Standard 1 (Feedstock Compliance Standard). Biomass Producers can have a

certification scope with a combination of these types of input, but always have to show compliance to Standard 4 and 5. In all cases, Biomass Producers must implement all relevant aspects of Standard 2 (Verification of SBP-compliant Feedstock) including requirements regarding determination of origin, supply base report (SBR), management system, credibility of the SBR, and comments or complaints.

Sourcing of wood origin from areas not defined as forest are also included under the scope of Standard 1 and 2 and shall be assessed in the same way as other primary feedstock.

### Biomass Producers with Supply Base Evaluation

The Supply Base Evaluation (SBE) shall be implemented by all Biomass Producers that are not only sourcing feedstock from SBP-approved certification schemes. The SBE consists of three parts: Risk Assessment (RA or RRA), Supplier Verification Programme (SVP) to assign a risk level to those indicators where the RA was inconclusive (if needed) and risk mitigation (Figure 1). These parts have to be completed for all Biomass Producers that are not only sourcing feedstock that already holds an SBP-approved certification claim.

The whole Supply Base Evaluation shall go through stakeholder consultation before the process is finished and the SBE can be accepted.

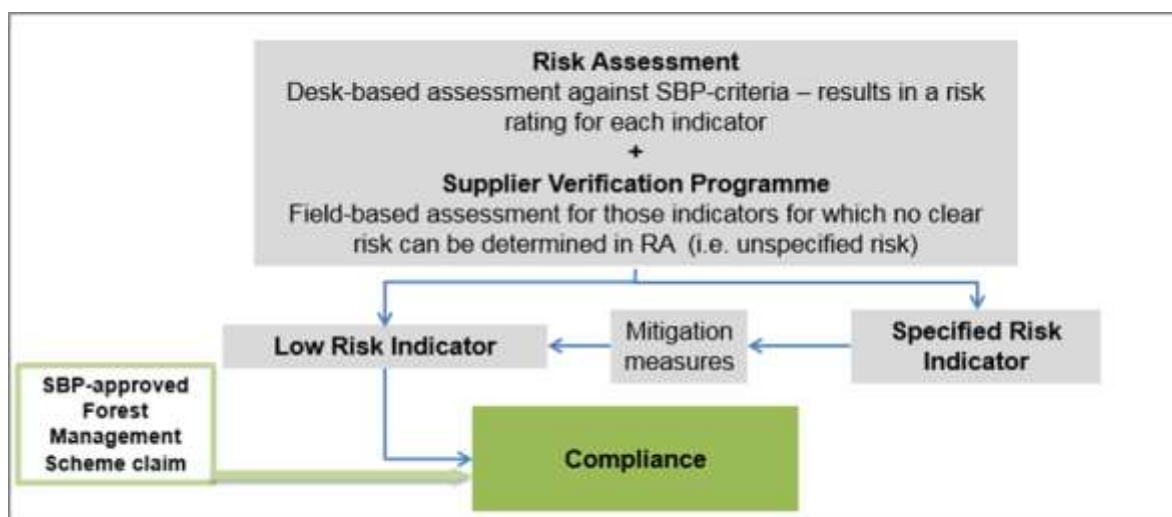


Figure 1. Flow showing the relationship between the Risk Assessment and supplier verification program within the supply base evaluation. (Figure from SBP Standard 2).

### Risk Assessments

Risk Assessments are a key tool in the SBP system and is used to assess the indicators in Standard 1. The Risk Assessment(s) must cover the entire Supply Base and the Biomass Producer must declare the Supply Base in an official Supply Base Report (SBR).

There are two types of Risk Assessments:

1. SBP-endorsed Regional Risk Assessment (RRA) and
2. “Company-made” Risk Assessments (RA).

Both must be exposed to stakeholder consultation and accepted by SBP and the certification body before it can be used. However, the SBP-endorsed RRA is stronger since all Biomass Producers must use it if it exists. Where risks are identified in the Risk Assessments, risk mitigation measures must be executed to a level that low risk can be



concluded. These measures are the focus on SBP audits at the forest level. All risk indicators in Standard 1 are evaluated if and when they are relevant, but the indicators with risk is the main focus at audits. Currently, four Regional Risk Assessments are endorsed by SBP. These are for the following countries: Denmark, Estonia, Latvia and Lithuania. According to SBP, several Regional Risk Assessments that aim to be endorsed by SBP are in development.

#### *Process for Risk Assessments*

Company-made Risk Assessments (RAs) are made in accordance with requirements specified in Standard 2. All indicators in Standard 1 must be covered and the risk rating must conclude specified risk, unspecified risk, or low risk for each indicator. Unspecified risk is only accepted in the Risk Assessments and must be re-categorized to low risk or specified risk in the Supplier Verification Program. The risk-based approach is implemented in three steps: gathering information, Risk Assessment and management of risk (i.e. risk avoidance or risk mitigation) and starts on a regional level and not at a forest level. Risk mitigation is implemented at the forest level.

The Regional Risk Assessments (RRAs) shall be made by a competent “working body” not working at the Biomass Producer and selected by a “sponsoring body” who will monitor the RRA process. SBP shall confirm the competence of the working body before the work starts. Last, the working body appoints a “co-ordinator” which facilitates and manages the process, including stakeholder consultation. The RRA has its own Stakeholder consultation arranged by the RRA Co-ordinator who shall both identify and contact relevant stakeholders and perform the consultation. All requirements for RRA is defined in RRA-procedure v 1.1 and there is a template that shall be used (Annex 2). SBP reviews the draft before it is in consultation.

Regardless of type of Risk Assessment used by the company, the company’s draft Supply Base Evaluation shall be in stakeholder consultation for at least 30 days. This report contains the company’s Risk Assessment (if no SBP-endorsed RRA) and the Supplier Verification Program.

Risks identified in the RA or RRA must be mitigated or avoided by certificate holders and proof of compliance must be provided during audits.

### **Supplier Verification Program**

The purpose of the SVP is to assign a risk level to those indicators where the RA was inconclusive (i.e. for indicators initially rated as unspecified risk). The SVP might include field-based assessments of indicators (for example, audit of the Biomass Producer’s feedstock suppliers). The purpose, extent and nature of any SVP evaluation and the associated mitigation measures shall be documented.

### **Risk mitigation**

Where an indicator is rated as specified risk, mitigation measures shall be taken to reduce the risk level to low risk. Mitigation measures shall be justified and recorded. The BP shall implement a plan to monitor the effectiveness of the mitigation measures, at least annually (i.e. every 12 months).

Where mitigation measures have not been effective in managing risk, and an indicator cannot be rated as low risk, further measures shall be implemented in order for the feedstock to be compliant with SBP Standard 1 (Feedstock Compliance Standard). If it is not possible to mitigate risks to a low risk level, the source shall be avoided, and feedstock physically excluded from SBP-certified biomass.

## Supply Base Report

Each Biomass Producer shall write a supply base report that is publicly available on their webpage. The idea with the supply base report is that Biomass Producers openly shall show where their feedstock comes from and that they have knowledge about their sourcing area.

The supply base report shall be written in a specific format and include relevant information about forest management practice, forest resource, scale of harvest, presence of CITES and IUCN red listed species within the supply base. Additionally, the Biomass Producer shall declare which type of feedstock (certified, primary, secondary or tertiary) that is sourced from the supply base and indicate how many suppliers that are used. It is acceptable to exclude company sensitive information from the supply base report.

## Feedstock types

**Primary feedstock:** Feedstock sourced directly from the forest. For example, tops and branches, small-sized trees, roundwood and degraded wood.

**Secondary feedstock:** Feedstock sourced from primary processors. For example, sawdust and cut-offs from sawmills.

**Tertiary pre-consumed feedstock:** Feedstock from secondary processors. This feedstock is usually dry. For example, sawdust and cut-offs from industries using already sawn material from secondary processors. This feedstock is not considered post-consumed.

**Tertiary post-consumed feedstock:** Feedstock from reclaimed material from consumers or commercial products. For example, wood material from demolished buildings or wood collected at a recycling facility. The Biomass Producer shall control and collect evidence for post-consumer tertiary feedstock (also called reclaimed feedstock). If all evidence is in place, this material can be considered eligible input to SBP-compliant biomass. The SBP definition is in line with the EUTR definition of reclaimed material (see Instruction Note 4A: SBP tertiary feedstock requirements).

All feedstock types that are not tertiary post-consumed feedstock must go through a supply base evaluation including risk mitigation against criteria in Standard 1 (Feedstock Compliance Standard), if they are not received with an SBP-approved certification claim.

## Data Transfer System (DTS)

In SBP, all claims are transferred digitally in order to be valid. The system used is called DTS (Data Transfer System)<sup>98</sup> and is mandatory to use when selling and buying biomass with SBP-claims. In the system, auditors can extract summaries of transactions and control volume balances.

## SBP Audit Portal

SBP has recently started up an audit portal that will be compulsory to use from the 1st of January 2021. Certification Bodies must use this portal when reporting audit results that are included in the public summary report. The public summary report will then be automatically regenerated from this system and includes details like risk ratings of indicators in Standard 1 (Feedstock Compliance Standard) and open and closed non-

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<sup>98</sup> <https://sbp-cert.org/data-transfer-system/>



conformities. The Supply Base Report and Supply Base Evaluation will also have to be submitted through this system by certificate holders.

The portal will also allow the accreditation body (ASI) to do more effective surveillance of Certification Bodies' performance. This includes more efficient desk reviews of audit reports (earlier ASI had to manually browse through PDF files), monitor audit timeliness in real time, validate that only qualified auditors are assigned to SBP audits, and allow an efficient way to monitor Certification Bodies' sampling methodology and how much time they spend on different audit parts. SBP will also assure that report templates are not modified by using this portal and will make it easy for SBP to monitor data such as risk ratings and overdue reports or non-conformities.

### **Accreditation Process**

Organisations who would like to be accredited to certify against the SBP certification standards apply to SBP's accreditation body ASI (Assurance Services International). This is a well-known international accreditation body that, among other schemes, is the accreditation body for FSC® and RSPO. ASI is a full member of ISEAL Alliance.

When the Certification Body's application to ASI is approved, the Certification Body will enter into an accreditation agreement with ASI. ASI will then follow their normal accreditation procedures. This includes a document review of e.g. the Certification Body's quality management system, head office assessment and witness assessment. After this, ASI report findings from the assessments, which is reviewed and signed off by technical reviewers. If everything is approved, the accreditation is granted. According to ASI, the process usually takes between 12-24 months.

ASI will do annual audits of accredited Certification Bodies, which includes office audits, witness audit of auditors and evaluate audit reports. More information about the process can be found on ASI's webpage (<https://www.asi-assurance.org/s/apply-for-accreditation>).

There are currently five Certification Bodies accredited to SBP certification. Different Certification Bodies may have different scope for their accreditation. Some Certification Bodies do not have Supply Base Evaluation in their scopes, and others have a limited number of countries or all countries included for Supply Base Evaluation. All currently accredited Certification Bodies and their scopes can be found on SBP's webpage (<https://sbp-cert.org/accreditations-and-certifications/accredited-certification-bodies/>).

### **Scope of this evaluation**

In this report, only SBP criteria are evaluated, meaning we are not evaluating the coverage of the SBP-approved schemes (FSC, PEFC and PEFC-endorsed schemes) in this report. Feedstock or biomass growing in areas not defined as forest are included when requirements are assessed in this report.

The FSC and PEFC schemes are covered in other assessment reports. It is important to keep in mind that in cases where weaknesses were found in the FSC or PEFC evaluation reports, this will also affect the SBP-system IF a Biomass Producer has used FSC or PEFC certified material as input to the biomass production. If other schemes have been used as SBP input (i.e. PEFC-endorsed schemes such as SFI), this is out of scope of this Assessment Framework and the input source must be evaluated separately.

## 40. Overview of the scheme Standards used for this assessment

Type	Normative	Guidance
General	<p><b>SBP Framework Standard 3:</b> Certification Systems. Requirements for Certification Bodies</p> <p>Instruction Note 3A: General Surveillance - SBP requirements for CBs</p> <p><b>Normative Interpretations,</b> September 2020</p> <p><b>SBP Certification Trademark License Agreement</b></p>	<p><a href="https://sbp-cert.org/documents/Standards-documents/Standards/">https://sbp-cert.org/documents/Standards-documents/Standards/</a></p> <p><a href="https://sbp-cert.org/documents/Standards-documents/instruction-documents/">https://sbp-cert.org/documents/Standards-documents/instruction-documents/</a></p> <p><a href="https://sbp-cert.org/documents/interpretative-documents/">https://sbp-cert.org/documents/interpretative-documents/</a></p>
Forest Management	<p><b>SBP Framework Standard 1:</b> Feedstock Compliance Standard</p> <p>Instruction Note 1A: Instructions for Biomass Producers for the development of Locally Applicable Verifiers</p> <p><b>SBP Framework Standard 2:</b> Verification of SBP-compliant Feedstock</p> <p>Instruction Note 2A: Supplier Verification Programme – Requirements for Biomass Producers</p> <p>Instruction Note 2B: Supply Base Evaluation Stakeholder Consultation – Requirements for Biomass Producers</p> <p>Instruction Note 2C: Supply Base Report – Requirements for Biomass Producers SBP Regional Risk Assessment Procedure, version 1.1</p> <p>Supply Base Report Template Version 1.3</p>	<p>Guidance mentioned in relation to Standard 1 is included in the Standard document.</p> <p><a href="https://sbp-cert.org/documents/Standards-documents/Standards/">https://sbp-cert.org/documents/Standards-documents/Standards/</a></p> <p><a href="https://sbp-cert.org/documents/Standards-documents/instruction-documents/">https://sbp-cert.org/documents/Standards-documents/instruction-documents/</a></p> <p><a href="https://sbp-cert.org/documents/interpretative-documents/">https://sbp-cert.org/documents/interpretative-documents/</a></p>
Chain of Custody	<p><b>SBP Framework Standard 4:</b> Chain of Custody</p> <p>Instruction Note 4A: SBP tertiary feedstock requirements</p>	<p><a href="https://sbp-cert.org/documents/Standards-documents/Standards/">https://sbp-cert.org/documents/Standards-documents/Standards/</a></p> <p><a href="https://sbp-cert.org/documents/Standards-documents/instruction-documents/">https://sbp-cert.org/documents/Standards-documents/instruction-documents/</a></p> <p><a href="https://sbp-cert.org/documents/interpretative-documents/">https://sbp-cert.org/documents/interpretative-documents/</a></p>

## 41. Assessment methodology

The SBP scheme is assessed against the Preferred by Nature Scheme Assessment Framework (SAF) and Scheme Assessment Procedure (SAP) in order to assess how the scheme covers relevant requirements of the EUTR, and the criteria defined by the European Commission as the basis for this Study.

For each indicator, we will have a conclusion that will show the level of conformance of the Scheme with the indicator, as follows:

Conclusion	Definition	Explanation
<b>Covered</b>	When available Scheme requirements and information - and any impacts evidence available - indicate the <i>coverage</i> of the SAF indicator.	Coverage is the ability of the Scheme to provide assurance that material traded via the Scheme has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber Regulation.
<b>Partially Covered</b>	When available Scheme requirements and information - and any impacts evidence available - indicate only <i>partial coverage</i> of the SAF indicator.  Alternatively, special concerns about Scheme Standards, credibility, rigor or coverage may exist.  NOTE: It is important to justify the partial coverage and indicate where the issues are which result in a Coverage conclusion not being given.	Partial Coverage means the Scheme is only partly able – or may be compromised in one or more ways – to provide assurance that material traded via the Scheme has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber Regulation.
<b>Not Covered</b>	When available Scheme requirements and information - and any impacts evidence available - indicate that there is <i>no coverage</i> of the SAF indicator.  NOTE: It is important to justify a no coverage conclusion.	The Scheme is not – or inadequately – able to provide assurance that material traded via the Scheme has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber Regulation.
<b>Not Applicable (N/A)</b>	When, for whichever reason, the SAF indicator does not apply.	

## 42. Overview of findings

Requirement Section	Conclusion	Summary
<b>A. Requirements for Certificate Holders</b>		
<b>A.1 Legal Requirements at the forest level</b>		
A.1.1 Rights to harvest timber within legally gazetted boundaries	Partially covered	There are no requirements related to the use of legal methods to obtain legal rights to harvest (A.1.1.2.1)
A.1.2 Payments for harvest rights and timber including duties related to timber harvesting	Partially covered	SBP does not specifically include mention of land area taxes. The indicator is considered partially covered (A.1.2.1.1)
A.1.3 Timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting	Covered	All indicators of this criterion are covered by the Scheme
A.1.4 Third parties' legal rights concerning use and tenure that are affected by timber harvesting	Partially covered	There is no mention of FPIC in the standards (A.1.4.2.1)
A.1.5 Trade and customs, in so far as the forest sector is concerned	Partially covered	There is no specific requirement regarding offshore trading and transfer pricing in the SBP Standards. Existing requirements are considered too general to catch these illegal activities. (A.1.5.3.1)
<b>A.2 Legal requirements for supply chain entities</b>		
A.2.1. Legal registration	Covered	It is not clearly required in the standards to verify the existence of legal business registration (A.2.1.1.1).
A.2.2 Taxes and fees	Partially covered	There is a requirement for payment of any fees, taxes and duties, mentioned in this requirement  There is requirement for control of sales invoices and for payment of any fees and duties, but VAT or other types of sales taxes are not explicitly mentioned in these requirements (A.2.2.2.1)
A.2.3 Trade and transport	Partially covered	transportation documentation is not explicitly mentioned in any SBP requirement (A.2.3.2.1)  There is no requirement regarding offshore trading in SBP Standards. Or There is no requirement regarding transfer pricing in SBP Standards (A.2.3.3.1)  Requirement only covers material still defined as feedstock under the SBP system. Export of biomass containing CITES species is not covered (A.2.3.3.2)
<b>A.3 Requirements for material control</b>		
A.3.1 Material control	Covered	All indicators of this criterion are covered by the Scheme
A.3.2 Recycled material	Covered	All indicators of this criterion are covered by the Scheme
<b>A.4 General requirements for Certificate Holders</b>		
A.4.1 Conflict resolution	Covered	The indicator for this criterion has been evaluated as Covered, based on the scheme normative requirements.
A.4.2 Corruption	Covered	The indicator for this criterion has been evaluated as Covered, based on the scheme normative requirements.
<b>A.5 Quality and procedural requirements for Certificate Holders</b>		
A.5.1 Internal procedures for Certificate Holders	Partially covered	There is no SBP requirement after the BP that covers written procedures for all requirements. This relies on the SBP-approved CoC-system and there are no written procedures for how SBP approves schemes. (A5.1.1)  There is a standard revision process ongoing and that the requirement to have documented procedures and internal audits for all SBP CHs is included in the draft new Standard 4. This can be checked from the documents on the SBP website: <a href="https://sbp-cert.org/documents/consultation-documents/live-consultations/rdv1-36/">https://sbp-cert.org/documents/consultation-documents/live-consultations/rdv1-36/</a>

		If the certificate holder is not a Biomass Producer, there is no requirement for Certificate Holders to review the proper functioning of their own procedures internally and regularly (A.5.1.2)
A.5.2 Qualification and competence	Covered	
A.5.3 Risk based approach to sourcing, trade or production	Partially covered	SBP has no clear procedures on how to recognize other certification schemes. This is considered a major gap since material from other schemes can enter the supply chain through the use of their own DDS (A.5.3.3) It should be mentioned that currently SBP only have endorsed FSC and PEFC.
<b>B. Requirements for Certification Bodies</b>		
B.1 General Certification Body requirements	Covered	All indicators of this criterion are covered by the Scheme
B.2 Certification Body requirements for auditing and certification	Covered	All indicators are met.
<b>C. Requirements for Certification Schemes</b>		
C.1 Transparency	Covered	All indicators of this criterion are covered by the Scheme
C.2 Scheme & Standard scope	Partially covered	In SBP Standards there are no specific requirements addressed to a specific country of harvest (C.2.1.1 and C.2.2.1).
C.3 Accreditation and oversight	Partially covered	The SBP scheme ensure ASI continuously evaluate CBs' performances, including reporting of non-conformities and timelines for follow-up on these. CB's must follow-up on non-conformities, or they get suspended. Requirements for non-conformities are structured in a way that there is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months (C.3.2.2).
C.4 Certification process	Partially covered	Requirements for non-conformities are structured in a way that there is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, wood may enter the EU market that could be interpreted as illegal or non-negligible risk ((C.4.1.2 and C.4.1.2)

### Performance information (Articles and other reliable info)

This assessment framework also included analysis of information that is publicly available and could affect the impact or credibility of the certification scheme. In general, there are not many sources mentioning SBP explicitly. One reason is likely that the scheme itself is quite young and still fairly small. Most open sources or scientific articles focuses on larger schemes such as FSC and PEFC. In many cases, this criticism or impact is also related to the SBP scheme. One reason is that these schemes are accepted as input to SBP biomass (the so called SBP-approved schemes). Secondly, the articles are often highlighting general problems such as implementation of certification requirements in countries or areas where corruption is high and many functions and legality aspects related to forest management suffers from traditions in corrupt practices. In this aspect, the SBP is as exposed to fraud or practical implementation problems as other accredited schemes. One example of a recent report highlighting certification problems in forest sectors exposed to high corruption is Earthsight's report "Complicit in Corruption - How billion-dollar firms and EU governments are failing Ukraine's forests" (2018).

Even though SBP is a relatively recent scheme, there are some publicly available criticism of the system. Most reports focus on the sustainability itself in burning biomass for heat and electricity. These types of reports are not considered for this assessment framework since the issues reported does not relate to illegality issues, but rather political aspects of energy policies.

Recently, SBP has met some criticism to implementation of its standard requirements in Estonia and Latvia where the NGO Estonian Fund for Nature (in association with the Latvian Ornithological Society) has accused SBP to accept biomass origin from protected areas such as Natura 2000. Few of the presented aspects involves illegality in this report, but most findings relate to sustainability concerns and protection of biodiversity. It should

be noted that there are several sources concluding the same criticism, but they all refer to the same report written by Estonian Fund for Nature. There are also several responses to the report available online. This report also contains criticism against the FSC and PEFC schemes.

There has also been criticism and accusations from TV2 in Denmark concerning illegal activities related to biomass production for biomass imported from Brazil to Denmark (2020). These accusations also relate to several certification schemes, but mainly one Brazilian company supplying biomass to a Danish importer.

The NRDC (Natural Resources Defense Council) and the author Debbie Hammel reported in 2017 some weaknesses related to the SBP scheme. She found several weaknesses in the scheme related to legality and sustainability. The main criticism related to on what level risk assessments were written (country level rather than a more locally adapted level) and who has written the risk assessments or made the locally adapted risk ratings (the Biomass Producer themselves). This report also highlights that some of the schemes approved for input to SBP does not have standard requirements that fully cover the SBP requirements specified in Standard 1. Thus, there is a loophole in the SBP scheme to attain the SBP-compliant Biomass status. These are still relevant potential weaknesses.

In conclusion, when using this report to mitigate risks in countries exposed to high corruption or illegal forestry activities, extra risk mitigation measures beyond certification and the gaps found in this report should be considered. Issues raised related to risk assessments and risk ratings are considered to be more important when SBP has not endorsed any Regional Risk Assessment (RRA), but the companies make their own. Many issues raised in publicly available sources that relates to SBP are related to concerns about sustainability issues and not legality.

## 43. Evaluation

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
<b>A. Requirements for Certificate Holders</b>					
Requirements applicable to the Certificate Holders. These include requirements to comply with applicable legislation, as well as requirements relevant to ensuring continued performance and integrity of the operations – as far as is related to legal compliance.					
<b>A.1 Legal Requirements at the forest level including wood growing in areas outside forest</b>					
This principle relates to how the scheme ensures that Certificate Holders comply with all applicable legislation. This section relates to requirements of the Scheme that applies to Certificate Holders - or other entities subject to the normative requirements of the Scheme (e.g. included within the scope of a certified due diligence system) - within the Country of Harvest.					
	<b>A.1.1 Rights to harvest timber within legally gazetted boundaries</b>				
<b>Trees growing in areas not defined as forest (i.e. wood from non-forest land)</b>		<p>Normative Interpretations, September 2020</p> <p>All woody feedstock, from forest and non-forest origins must meet the requirements set out in Standard 2.</p> <p>Standard 1</p> <p>2 Scope</p> <p>This document (SBP Standard 1. Feedstock Compliance Standard) sets out the principles, criteria and indicators to be met by participating Biomass Producers (BPs) as part of a Supply Base Evaluation (SBE). The requirements are applicable to woody feedstock used in the production of biomass including feedstock included in biomass</p>		<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The Normative Interpretation document states that also biomass from non-forest origins shall live up to requirements in Standard 2. Standard 1 states in its scope that the standard requirements are applicable to woody feedstock used in biomass production. Thus, all requirements regarding sourcing of biomass applies also to wood that origins from land that is not defined as forest land (e.g. short rotation forestry on agricultural land, windbreaks around agricultural land, wood from parks or gardens, roadside trees or trees in open landscapes).</p> <p>Even though some requirements in Standard 1</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>and that used for drying during the production of biomass.</p> <p>Feedstock shall not be sourced from large (&gt;1000 ha) short rotation plantations that are fully dedicated to the production of biomass and that were established after 1 January 2015.</p>	<p>states “forest” the requirements are interpreted to also include non-forest land based on the Normative Interpretation and the indicators and guidelines in Standard 1. When criteria states “forest” the indicator does not specify that it is limited to forest land. For example:</p> <p>Criterion 1.2: The forest owner and manager hold legal use rights to the <b>forest</b>.</p> <p>Indicator 1.2.1: The BP has implemented appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base.</p> <p>Means of verification and guidance: Existing legislation, Levels of enforcement, Documents demonstrating that the BP is a legally defined entity, Documentation showing legal ownership patterns in the region, level of enforcement, records of disputes over land tenure, etc. (in situations where customary rights govern use and access, these rights are clearly identifiable), and long-term unchallenged use.</p> <p><b>Justification</b></p> <p>Even though some requirements in Standard 1 states “forest” the requirements are interpreted to also include non-forest land based on the Normative Interpretation and the indicators and guidelines in Standard 1. When criteria states “forest” the indicator does not specify that it is limited to forest land. Therefore, all requirements assessed in this framework also include feedstock or biomass that</p>	



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				origin from non-forest land and the same conclusions can be applied to this source of wood.	
A.1.1.1	Land tenure and management rights	A.1.1.1.1. The Scheme shall include requirements that ensure compliance with legislation covering land tenure rights, including customary rights as well as management rights.	<p>Standard 1</p> <p>Principle 1: Biomass feedstock is legally sourced</p> <p>Criterion 1.2: The forest owner and manager hold legal use rights to the forest.</p> <p>Indicator 1.2.1: The BP has implemented appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base.</p> <p>Criterion 1.3: There is compliance with the requirements of local, national and applicable international laws, and the laws applicable to Forest Management.</p> <p>Indicator 1.3.1: The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The first requirement in SBP Standard 1 is that the Biomass Producer (BP) knows and has defined their supply base, which means that they must know where the feedstock to biomass comes from (1.1). Then, the BP is obliged to know that the forest owner and manager hold the legal use rights to the forest (1.2).</p> <p>Feedstock for biomass must also be compliant with local, national and applicable international laws, and applicable forest management laws (1.3).</p> <p>These requirements are evaluated first through a Risk Assessment where risks are identified, and then, through risk mitigation measures. The BP must show that risks are mitigated during audits and have to control and monitor (internal audit) that suppliers implement risk mitigation measures as intended.</p> <p>Means of verification and guidance: Existing legislation, Level of enforcement, Interviews with key staff show a good knowledge of relevant forestry legislation, BPs have an up-to-date forest legislation/regulations registry, BPs make use of public information on legal non-compliance, provided by regulatory authorities, Payments for harvest rights and timber, including duties related to</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>timber harvesting, and Third parties' legal rights concerning use and tenure that are affected by timber harvesting.</p> <p><b>Justification</b></p> <p>The Standard has clear requirements related to legislation covering land tenure rights. The means of verification and guidance covers the practical implementation of the Standard requirements. The Risk Assessments investigate where risks are and where risk mitigation measures must be put in place.</p>	
		<p><b>A.1.1.1.2.</b> The Scheme shall include requirements to ensure that licenses, right of tenure and management rights, have been issued:</p> <p>i) according to the legally prescribed procedure,</p> <p>ii) in compliance with third parties' legal rights concerning tenure,</p> <p>iii) specifying the legally-gazetted boundaries, and;</p> <p>iv) with absence of</p>	<p>Standard 1</p> <p>Principle 1: Biomass feedstock is legally sourced</p> <p>Criterion 1.2: The forest owner and manager hold legal use rights to the forest.</p> <p>Indicator 1.2.1: The BP has implemented appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base.</p> <p>Criterion 1.3: There is compliance with the requirements of local, national and applicable international laws, and the laws applicable to Forest Management.</p> <p>Indicator 1.3.1: The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The indicator 1.2.1 requires that "Legality of ownership and land use can be demonstrated for the Supply Base". If this indicator is not classed as low risk in relevant Risk Assessment, the risk must be mitigated, and the measure demonstrated at the audit.</p> <p>Examples of means of verifications are presented in the SBP indicator and guidance, and are:</p> <ul style="list-style-type: none"> <li>• Existing legislation</li> <li>• Levels of enforcement</li> <li>• Documents demonstrating that the BP is a legally defined entity</li> <li>• Documentation showing legal ownership patterns in the region, level of enforcement, records of disputes over land</li> </ul>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		corrupt practices.	<p>requirements.</p> <p>Criterion 1.4: All applicable royalties and taxes have been paid.</p> <p>Indicator 1.4.1: The BP has implemented appropriate control systems and procedures to verify that payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date.</p>	<p>tenure, etc. In situations where customary rights govern use and access, these rights are clearly identifiable</p> <ul style="list-style-type: none"> <li>• Long term unchallenged use</li> <li>• Payments for harvest rights and timber, including duties related to timber harvesting</li> <li>• There should be evidence that systems are in place to ensure forestry operations are legal</li> </ul> <p>The indicator that mostly relates to forest legislation is 1.3.1. In the guidance this indicator states:</p> <p>“Applicable legislation includes that in force in the country of harvest, covering the following aspects: Rights to harvest timber within legally gazetted boundaries, Payments for harvest rights and timber, including duties related to timber harvesting, and Third parties’ legal rights concerning use and tenure that are affected by timber harvesting”.</p> <p>Indicator 1.3.1 also mention that “Risks of non-compliance are greater in areas with high levels of corruption relating to the granting of harvesting permits and other aspects of the harvesting and wood trade.” This must be taken into account when risks are assessed and described for this (and other) indicator. For example, Transparency International’s Corruption Perception Index (CPI) is explicitly mentioned in Standard 2 where risk ratings for Risk Assessments of indicators in Standard 1 are described (Standard 2, requirement 11.2).</p> <p>Payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>harvesting, are complete and up to date. (1.4.1)</p> <p>Examples of means of verifications: "BPs should show records of payments and correspondence with revenue authorities to show payments are complete and up to date."</p> <p>However, SBP point out in their guidance that certification is not a legal compliance audit.</p> <p><b>Justification</b></p> <p>SBP does not specify all documents that needs to be controlled during an audit, but the purpose of the Risk Assessment is that risks are pointed out for the relevant supply base and the BPs can demonstrate that these risks are mitigated in their supply chains. Problems related to corruption is built into the conclusions in the Risk Assessment.</p>	
		<b>A.1.1.1.3</b> The Scheme shall include requirements that ensure the existence of legal business registration, and other relevant legally required licenses.	<p>Standard 1</p> <p>Principle 1: Biomass feedstock is legally sourced</p> <p>Criterion 1.2: The forestowner and manager hold legal use rights to the forest</p> <p>Indicator 1.2.1: The BP has implemented appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base.</p> <p>Criterion 1.3: There is compliance with the requirements of local, national and applicable international laws, and the laws applicable to</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Indicator 1.2.1 requires that "Legality of ownership and land use can be demonstrated for the Supply Base". If this indicator is not classed as low risk in relevant Risk Assessment, the risk must be mitigation and the measure demonstrated at the audit.</p> <p>Examples of means of verifications presented in the SBP indicator and guidance are:</p> <ul style="list-style-type: none"> <li>• Levels of enforcement</li> <li>• Documents demonstrating that the BP is a</li> </ul>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>Forest Management.</p> <p>Indicator 1.3.1: The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.</p> <p>SBP Certification Trade Mark Licence Agreement</p>	<p>legally defined entity</p> <p>Requirements regarding that feedstock shall be legally harvested and supplied and is in compliance with EUTR legality requirements (1.3.1) also covers the legality of legally registered businesses. There should be evidence that systems are in place to ensure forestry operations are legal.</p> <p>The Certification Trademark Licence Agreement must be signed by all certificate holders before certificates are issued. This document contains the business registration number and details about the legal entity.</p> <p><i>Direct interviews / discussions / Stakeholder input</i></p> <p>SBP response: The SBP scheme requires all Certificate Holders to enter into a Trade Mark Licence Agreement with SBP (Standard 3 clause 13.4) and certification agreement with a Certification Body (Standard 3 section 13). Signing both documents include verification of a Certificate Holder's legal registration and hence SBP is compliant in this regard.</p> <p><b>Justification</b></p> <p>The Risk Assessments investigate where risks are and where risk mitigation measures must be put in place. The means of verification and guidance covers the practical implementation of the Standard requirements. There is no clear requirement related to of legal business registration, but this is indirectly included in Standard 1 (see indicators in findings)</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				for BPs. For all certificate holders, SBP informs that they control that all certificate holders are legally registered when signing the trademark license agreement. The certification bodies most likely do the same when signing certification agreements with certificate applicants.	
<b>A.1.1.2</b>	Concession licenses	<b>A.1.1.2.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating procedures for the issuing of concession licenses, including use of legal methods to obtain concession licenses and that licenses are covering only legally gazetted areas	<p>Standard 1</p> <p>Principle 1: Biomass feedstock is legally sourced</p> <p>Criterion 1.2: The forest owner and manager hold legal use rights to the forest.</p> <p>Indicator 1.2.1: The BP has implemented appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base.</p> <p>Criterion 1.3: There is compliance with the requirements of local, national and applicable international laws, and the laws applicable to Forest Management.</p> <p>Indicator 1.3.1: The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.</p> <p>Criterion 1.4: All applicable royalties and taxes have been paid.</p> <p>Indicator 1.4.1: The BP has implemented appropriate control systems and procedures to</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Legality of ownership and land use can be demonstrated for the Supply Base. (1.2.1) Guidance example:</p> <ul style="list-style-type: none"> <li>• Payments for harvest rights and timber, including duties related to timber harvesting</li> </ul> <p>Feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements. (1.3.1) There should be evidence that systems are in place to ensure forestry operations are legal. Guidance: Applicable legislation includes that in force in the country of harvest, covering the following aspects:</p> <ul style="list-style-type: none"> <li>• Rights to harvest timber within legally gazetted boundaries</li> <li>• Payments for harvest rights and timber, including duties related to timber harvesting</li> </ul> <p>Payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date. (1.4.1) Indicator: BPs should show records of</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			verify that payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date.	<p>payments and correspondence with revenue authorities to show payments are complete and up to date.</p> <p><b>Justification</b></p> <p>SBP does not specify all documents that needs to be controlled during an audit, but the purpose of the Risk Assessment is that risks are pointed out for the relevant supply base and the BPs can demonstrate that these risks are mitigated in their supply chains.</p>	
<b>A.1.1.3</b>	Management and harvesting planning	<b>A.1.1.3.1</b> The Scheme shall include requirements that ensure compliance with legislation and legal obligations for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring.	<p>Standard 1</p> <p>Principle 1: Biomass feedstock is legally sourced</p> <p>Criterion 1.3: There is compliance with the requirements of local, national and applicable international law s, and the law s applicable to Forest Management</p> <p>Indicator 1.3.1: The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.</p> <p>Principle 2: Biomass feedstock is sustainably sourced</p> <p>Criterion 2.2: Management of the forest ensures that ecosystem function is assessed and maintained, through both the conservation/set-aside of key ecosystems or habitats in their</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>1.3.1: There should be evidence that systems are in place to ensure forestry operations are legal</p> <p>Guidance examples are the following aspects are covered if applicable in the country of harvest: Environmental impacts (water and soil protection).</p> <p>Guidance for 2.2.2: "Potential impacts of feedstock harvesting on soil should be identified, with mitigation measures implemented in the field as necessary. Impacts should be monitored and there should be a mechanism to feed monitoring results back into operational practice."</p> <p>2.3.1 "Management of the forest ensures that productivity is maintained. Analysis shows that feedstock harvesting does not exceed the long-term production capacity of the forest, avoids significant</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>natural state, and the maintenance of existing ecosystem functions throughout the forest</p> <p>2.2.2: The BP has implemented appropriate control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality</p> <p>Criterion 2.3: Management of the forest ensures that productivity is maintained</p> <p>Indicator 2.3.1: Analysis shows that feedstock harvesting does not exceed the long-term production capacity of the forest, avoids significant negative impacts on forest productivity and ensures long-term economic viability. Harvest levels are justified by inventory and growth data.</p>	<p>negative impacts on forest productivity and ensures long-term economic viability. Harvest levels are justified by inventory and growth data.”</p> <p>The SBP does not specifically require forest management plans, inventories, etc., but that the carbon stock is maintained over time, which indicates that forest stands are regenerated, and the forest is not overused. There are also several indicators related to biodiversity and environmental considerations in Standard 1.</p> <p><b>Justification</b></p> <p>In supply bases where forest management plans are required by the legislation, this is covered by the SBP requirements. If there is a risk of this not being well-implemented, it should be detected during the Risk Assessment and risk mitigation measures must be put in place to control the risk. Where pollution control, use of pesticides/herbicides and emissions to air/water is a legal requirement during forest operations, this is covered under indicator 1.3.1. Soil erosion, is covered as described above under indicators 1.3.1 and 2.2.2.</p>	
		<b>A.1.1.3.2</b> The Scheme shall include requirements that all legally required planning documents have been approved prior to implementation	<p>Standard 1</p> <p>Principle 1: Biomass feedstock is legally sourced</p> <p>Criterion 1.3: There is compliance with the requirements of local, national and applicable international laws, and the laws applicable to</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Laws applicable to forest management is covered by SBP requirements. If specific risk is raised for this indicator, the BP must show method and result</p>	Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		of forest harvesting activities.	<p>Forest Management</p> <p>Indicator 1.3.1: The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.</p>	<p>for risk mitigation.</p> <p>The guidance for indicator 1.3.1 states “applicable legislation includes that in force in the country of harvest and also acknowledge the higher risks in areas with a high level of corruption”.</p> <p>Guidance: “There should be evidence that systems are in place to ensure forestry operations are legal”. Aspects of “timber harvesting, including forest management and silvicultural activities” are included as examples of applicable legislation for this indicator.</p> <p><b>Justification</b></p> <p>In countries where forest management plans including documentation of it is required by law, this is covered by the Risk Assessment and Standard. This would include all necessary approvals prior to harvest.</p>	
A.1.1.4	Harvesting permits	A.1.1.4.1 The Scheme shall include requirements that ensure compliance with legislation regulating the issuing of harvesting permits, licenses or other legal documents required for specific harvesting operations.	<p>Standard 1</p> <p>Principle 1: Biomass feedstock is legally sourced</p> <p>Criterion 1.2: The forest owner and manager hold legal use rights to the forest.</p> <p>Indicator 1.2.1: The BP has implemented appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Legality of ownership and land use can be demonstrated for the Supply Base. (1.2.1)</p> <p>Guidance: For example, “payments for harvest rights and timber, including duties related to timber harvesting”.</p> <p>Feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>Criterion 1.3: There is compliance with the requirements of local, national and applicable international laws, and the laws applicable to Forest Management.</p> <p>Indicator 1.3.1: The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.</p> <p>Criterion 1.4: All applicable royalties and taxes have been paid.</p> <p>Indicator 1.4.1: The BP has implemented appropriate control systems and procedures to verify that payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date.</p>	<p>(1.3.1) There should be evidence that systems are in place to ensure forestry operations are legal. Guidance: Applicable legislation includes that in force in the country of harvest, covering the following aspects:</p> <ul style="list-style-type: none"> <li>• Rights to harvest timber within legally gazetted boundaries</li> <li>• Payments for harvest rights and timber, including duties related to timber harvesting</li> </ul> <p>Indicator 1.3.1 also mention that "Risks of non-compliance are greater in areas with high levels of corruption relating to the granting of harvesting permits and other aspects of the harvesting and wood trade." This must be taken into account when risks are assessed and described for this (and other) indicator. For example, Transparency International Corruption Perception Index (CPI) is explicitly mentioned in Standard 2 where risk ratings for Risk Assessments of indicators in Standard 1 are described.</p> <p>Payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date. (1.4.1) Indicator: BPs should show records of payments and correspondence with revenue authorities to show payments are complete and up to date.</p> <p>SBP recognizes that "Risks of non-compliance are greater in areas with high levels of corruption relating to the granting of harvesting permits and other aspects of the harvesting and wood trade." This would be included in the Risk Assessment</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>and risk mitigation measures shall be in place during audits.</p> <p><b>Justification</b></p> <p>"applicable local, national and international legislation on forest management, including but not limited to forest management practices" could not possibly avoid including harvesting licenses, therefore we conclude the requirement is covered.</p>	
	<b>A.1.2 Payments for harvest rights and timber including duties related to timber harvesting</b>				
A.1.2.1	Payment of royalties and harvesting fees	A.1.2.1.1 The Scheme shall include requirements that ensure compliance with legislation covering payment of all legally required forest harvesting-specific fees such as royalties, stumpage fees and other volume-based fees, as well as land area taxes or fees.	<p>Standard 1</p> <p>Principle 1: Biomass feedstock is legally sourced</p> <p>Criterion 1.2: The forest owner and manager hold legal use rights to the forest.</p> <p>Indicator 1.2.1: The BP has implemented appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base.</p> <p>Criterion 1.3: There is compliance with the requirements of local, national and applicable international laws, and the laws applicable to Forest Management.</p> <p>Indicator 1.3.1: The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Legality of ownership and land use can be demonstrated for the Supply Base (1.2.1). Guidance example: "payments for harvest rights and timber, including duties related to timber harvesting".</p> <p>Feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements (1.3.1). There should be evidence that systems are in place to ensure forestry operations are legal. Guidance: Applicable legislation includes that in force in the country of harvest, covering the following aspects:</p> <ul style="list-style-type: none"> <li>• Rights to harvest timber within legally gazetted boundaries</li> <li>• Payments for harvest rights and timber,</li> </ul>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>supplied and is in compliance with EUTR legality requirements.</p> <p>Criterion 1.4: All applicable royalties and taxes have been paid.</p> <p>Indicator 1.4.1: The BP has implemented appropriate control systems and procedures to verify that payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date.</p>	<p>including duties related to timber harvesting</p> <p>The BP is responsible to have a control system to control that payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date.</p> <p>Indicator 1.4.1: BPs should show records of payments and correspondence with revenue authorities to show payments are complete and up to date.</p> <p>SBP recognizes that “Risks of non-compliance are greater in areas with high levels of corruption relating to the granting of harvesting permits and other aspects of the harvesting and wood trade.” This would be included in the Risk Assessment and risk mitigation measures shall be in place and controlled at audits.</p> <p><b>Justification</b></p> <p>SBP does not specifically include mention of land area taxes. The indicator is considered partially covered.</p>	
A.1.2.2	Value-added taxes and other sales taxes	A.1.2.2.2 The Scheme shall include requirements that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold, including selling material as growing	<p>Standard 1</p> <p>Principle 1. Biomass feedstock is legally sourced</p> <p>Criterion 1.3: There is compliance with the requirements of local, national and applicable international laws, and the laws applicable to Forest Management.</p> <p>Indicator 1.3.1: The BP has implemented</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Indicator 1.3.1 deals with compliance to local and national legislation which covers all relevant aspects to sales and purchases of feedstock. The indicator refers to supplied feedstock in a general way but refer to EUTR which covers VAT and</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		forest (standing stock sales).	<p>appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.</p> <p>Criterion 1.4: All applicable royalties and taxes have been paid.</p> <p>Indicator 1.4.1: The BP has implemented appropriate control systems and procedures to verify that payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date.</p>	<p>sales taxes.</p> <p>Indicator 1.4.1 deals with taxes and duties in a general way. There are no specific requirement or guidance related to VAT and sales taxes.</p> <p>Examples of means of verification: "Records of payments and correspondence with revenue authorities show payments are complete and up to date."</p> <p><b>Justification</b></p> <p>The feedstock compliance standard (1) has a risk-based approach. The Risk Assessment for relevant region should have specified any risks related to different types of sales taxes. If risks are identified, risks must be mitigated by the BP.</p>	
	<b>A.1.3 Timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting</b>				
<b>A.1.3.1</b>	Timber harvesting regulations	<b>A.1.3.1.1</b> The Scheme shall include requirements that ensure compliance with legal obligations for harvesting techniques and technology including timing of	<p>Standard 1</p> <p>Principle 1: Biomass feedstock is legally sourced</p> <p>Criterion 1.3: There is compliance with the requirements of local, national and applicable international law s, and the law s applicable to Forest Management.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements (1.3.1).</p> <p>Guidance: There should be evidence that systems</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		<p>harvest, selective cutting, shelter wood regeneration, clear felling, transport of timber from felling sites and seasonal limitations etc.</p> <p>This includes the mis-use of salvaging permits or other specific ministerial permits, with the intention of circumventing harvest regulations</p>	<p>Indicator 1.3.1: The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.</p> <p>Principle 2: Biomass feedstock is sustainably sourced</p> <p>Criterion 2.3: Management of the forest ensures that productivity is maintained</p> <p>Indicator 2.3.1: Analysis shows that feedstock harvesting does not exceed the long-term production capacity of the forest, avoids significant negative impacts on forest productivity and ensures long-term economic viability. Harvest levels are justified by inventory and growth data.</p>	<p>are in place to ensure forestry operations are legal. Applicable legislation includes that in force in the country of harvest, covering the following aspects:</p> <ul style="list-style-type: none"> <li>• Rights to harvest timber within legally gazetted boundaries</li> <li>• Payments for harvest rights and timber, including duties related to timber harvesting</li> <li>• Timber harvesting, including forest management and silvicultural activities</li> </ul> <p>This should be verified through, for example, “existing legislation, interviews with key staff show a good knowledge of relevant forestry legislation, BPs have an up-to-date forest legislation/regulations registry, and level of enforcement”.</p> <p>Examples of means of verification for 2.3.1: “Harvesting records, inventory and growth data and yield calculations demonstrate that biomass feedstock harvesting rates are not having significant negative impacts on forest productivity and long-term economic viability, and Documentation of Operational Practice.”</p> <p><b>Justification</b></p> <p>The Risk Assessment for relevant region should have specified any risks related to legal obligations related to different types of forest management systems. If risks are identified, risks must be mitigated by the BP.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				Misuse of salvaging permits or other specific ministerial permits are results of corruption and shall be included when rating risks related to the indicators above in the Risk Assessment.	
		<b>A.1.3.1.2</b> The Scheme shall include requirements to control potential illegal activities by third parties within the area managed by the operation.	<p>Standard 1</p> <p>Principle 2: Biomass feedstock is sustainably sourced</p> <p>Criterion 2.4: Management of the forest ensures that forest ecosystem health and vitality is maintained</p> <p>2.4.3: The BP has implemented appropriate control systems and procedures for verifying that there is adequate protection of the forest from unauthorised activities, such as illegal logging, mining and encroachment</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>2.4.3 Guidance: "Where the forest owner or management organisation is not legally able to protect the forest fully, there must be a system for working with appropriate regulatory bodies to identify, report, control and discourage unauthorised activity within the forest.</p> <p>Where illegal/unauthorised activities are detected, appropriate action should be taken.</p> <p>Control systems and procedures must firstly stipulate the adequate protection measures for the particular forest type and region, and secondly, verify that these are being implemented.</p> <p><b>Justification</b></p> <p>The Risk Assessment for relevant region should have specified risks related to unauthorised activities in the area. There is no specified area managed by the operation in the SBP system, but a supply base where feedstock is sourced from. If risks are identified in the supply base, risks must be</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				mitigated by the BP.	
A.1.3.2	Protected sites and species	A.1.3.2.1 The Scheme shall include requirements that ensure compliance with legislation related to protected areas as well as protected, rare, or endangered species, including their habitats and potential habitats.	<p>Standard 1</p> <p>Principle 1: Biomass feedstock is legally sourced</p> <p>Criterion 1.3: There is compliance with the requirements of local, national and applicable international laws, and the laws applicable to Forest Management.</p> <p>Indicator 1.3.1: The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.</p> <p>Principle 2: Biomass feedstock is sustainably sourced</p> <p>Criterion 2.2: Management of the forest ensures that ecosystem function is assessed and maintained, through both the conservation/set-aside of key ecosystems or habitats in their natural state, and the maintenance of existing ecosystem functions throughout the forest</p> <p>Indicator 2.2.1: The BP has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>1.3.1 SBP means of verification can be: "Level of enforcement of existing legislation, public information, interview with key staff related to relevant legislation, up-to-date register of regulations", etc.</p> <p>SBP guidance suggest: "Biodiversity conservation, (including rare, threatened and endangered species and ecosystems)".</p> <p>Examples of Means of Verification (2.2.1 and 2.2.3): "Regional Best Management Practices, Supply contracts, Assessment of potential impacts at operational level, Assessment of measures to minimise impacts, Monitoring results, and Publicly available information on protecting the values identified, Maps, Standard Operating Procedures, Codes of Practice and monitoring records indicate that appropriate safeguards are implemented."</p> <p><b>Justification</b></p> <p>In countries where this requirement is applicable and exposed to risks this would be addressed in the Risk Assessment. After this, any risks would need a system for mitigation measures that would be</p>	Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>minimise them.</p> <p>Indicator 2.2.3: The BP has implemented appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state.</p>	<p>controlled and accepted during audits. To protect cultural/historical remnants would be included under 1.3.1 if defined by relevant laws.</p>	
		<p><b>A.1.3.2.2</b> Requirements that ensure compliance with legislation related to protected areas and habitats, shall include that the identification of protected areas is conducted according to the legal requirements.</p>	<p>Standard 1</p> <p>Principle 2: Biomass feedstock is sustainably sourced</p> <p>Criterion 2.1: Management of the forest ensures that features and species of outstanding or exceptional value are identified and protected</p> <p>Indicator 2.1.1: The BP has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation value in the Supply Base are identified and mapped.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Examples of means of verification (2.1.1):            "Internet research, GIS maps of HCV areas, Interviews, Regional, publicly available data from a credible third party, and The existence of a strong legal framework in the region."</p> <p>Guidance on sources of information: "The High Conservation Value Network (<a href="http://www.hcvnetwork.org/">http://www.hcvnetwork.org/</a>), IUCN (<a href="http://www.iucnredlist.org/">http://www.iucnredlist.org/</a>), SFI Section 6: Guidance to SFI 2015-2019 Standard, January 6. 2014 Forests with Exceptional Conservation Value (<a href="http://www.sfiprogram.org/files/pdf/draftsfi-2015-2019-Standard-section-6/">http://www.sfiprogram.org/files/pdf/draftsfi-2015-2019-Standard-section-6/</a>), NatureServe (<a href="http://www.natureserve.org/">http://www.natureserve.org/</a>), and The Global Forestry Risk Register (<a href="http://www.globalforestregistry.org/">http://www.globalforestregistry.org/</a>).</p> <p><b>Justification</b></p> <p>The Risk Assessment for relevant region shall</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				specify risks related to areas with high conservation values. If risks are identified in the supply base, risks must be mitigated by the BP.	
<b>A.1.3.3</b>	Environmental requirements	<b>A.1.3.3.1</b> The Scheme shall include requirements that ensure compliance with legislation related to environmental impact assessment in connection with harvesting, acceptable levels of damage and disturbance of buffer resources, establishment of buffer zones (e.g. along watercourses, open areas, breeding sites), maintenance of retained trees on felling sites, seasonal limitations on harvesting, and environmental requirements for forest machinery.	<p>Standard 1</p> <p>Principle 1: Biomass feedstock is legally sourced</p> <p>Criterion 1.3: There is compliance with the requirements of local, national and applicable international laws, and the laws applicable to Forest Management.</p> <p>Indicator 1.3.1: The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.</p> <p>Principle 2: Biomass feedstock is sustainably sourced</p> <p>Criterion 2.2: Management of the forest ensures that ecosystem function is assessed and maintained, through both the conservation/set-aside of key ecosystems or habitats in their natural state, and the maintenance of existing ecosystem functions throughout the forest</p> <p>Indicator 2.2.1: The BP has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Guidance 1.3.1: "There should be evidence that systems are in place to ensure forestry operations are legal". Applicable legislation covers, for example, "Environmental impacts (water and soil protection)".</p> <p>Examples of means of verification for 2.2.1: "Regional Best Management Practices, Supply contracts, Assessment of potential impacts at operational level, Assessment of measures to minimise impacts, Monitoring results."</p> <p>Guidance includes what happens outside of the area of operation, e.g. downstream.</p> <p>Guidance on 2.2.2: "Potential impacts of feedstock harvesting on soil should be identified, with mitigation measures implemented in the field as necessary. Impacts should be monitored and there should be a mechanism to feed monitoring results back into operational practice.</p> <p>BPs may require suppliers and forest owners to adopt specific Best Management Practices and to be certified for certain tasks. These should be specified in purchasing or procurement policies."</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>impacts, and planning, implementation and monitoring to minimise them.</p> <p>Indicator 2.2.2: The BP has implemented appropriate control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality.</p>	<p><b>Justification</b></p> <p>The Risk Assessment for relevant region shall specified risks related to environmental impact in connection to harvest. If risks are identified in the supply base, risks must be mitigated by the BP, but BPs must always follow the requirements in Standard 1 even though they are classified as low risk.</p>	
A.1.3.4	Health and safety	A.1.3.4.1 The Scheme shall include requirements that ensure compliance with Health & Safety legislation.	<p>Standard 1</p> <p>Principle 2: Biomass feedstock is sustainably sourced</p> <p>Criterion 2.8: Appropriate safeguards are in place to protect the health and safety of forest workers</p> <p>Indicator 2.8.1: The BP has implemented appropriate control systems and procedures for verifying that appropriate safeguards are put in place to protect the health and safety of forest workers.</p> <p>Criterion 2.7: The basic labour rights of forest workers are safeguarded</p> <p>Indicator 2.7.1: The BP has implemented appropriate control systems and procedures for verifying that Freedom of Association and the effective recognition of the right to collective</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Examples of means of verification (2.8.1): Existing legislation, Course curricula from safety trainings, Training records, Personal Protective Equipment available to workers at job sites, Records of BPs' field inspections and Safety Risk Assessments.</p> <p>In addition, the ILO conventions are mentioned in several places in Standard 1. For example, in relation to indigenous and tribal peoples' rights (Criterion 2.5), and requirements relayed to the basic labour rights of forest workers (Criterion 2.7).</p> <p>The SBP Standard 1 covers all types of forest workers. Guidance for indicator 2.7.1: "In this Standard the term "forest workers" includes contractors."</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			bargaining are respected.	<p><b>Justification</b></p> <p>The Risk Assessment for relevant region shall specified risks related to health and safety legislation. If risks are identified in the supply base, risks must be mitigated by the BP.</p>	
A.1.3.5	Legal employment	A.1.3.5.1 The Scheme shall include requirements that ensure compliance with legislation for employment of personnel involved in harvesting (and in-forest processing) activities including but not limited to requirements for: contracts and working permits, obligatory insurances, certificates of competence and other training requirements, and payment of social and income taxes.	<p>Standard 1</p> <p>Principle 2: Biomass feedstock is sustainably sourced</p> <p>Criterion 2.7: The basic labour rights of forest workers are safeguarded</p> <p>Indicator 2.7.1: The BP has implemented appropriate control systems and procedures for verifying that Freedom of Association and the effective recognition of the right to collective bargaining are respected.</p> <p>Indicator 2.7.2: The BP has implemented appropriate control systems and procedures for verifying that feedstock is not supplied using any form of compulsory labour.</p> <p>Indicator 2.7.3: The BP has implemented appropriate control systems and procedures to verify that feedstock is not supplied using child labour.</p> <p>Indicator 2.7.4: The BP has implemented appropriate control systems and procedures for verifying that feedstock is not supplied using</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>All legislation regarding employment is covered by criteria under 2.7 and any risks should be caught in the Risk Assessment.</p> <p>Guidance examples: Minimum requirements for pay and employment conditions should be based on local best practice (as defined and ratified by relevant employers' associations and trade unions) even if this exceeds legal minimum levels.</p> <p>Examples of means of verifications: Existing legislation, Level of enforcement, Employment contracts, Company policies, Interviews with HR, Interviews with staff, Supply contracts, Records of BPs field inspections, and Payroll records.</p> <p><b>Justification</b></p> <p>Although many of the requirements pointed out under this criterion are not explicitly mentioned in the SBP indicator guidance, risks related to legal</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			labour which is discriminated against in respect of employment and occupation.  Indicator 2.7.5: The BP has implemented appropriate control systems and procedures for verifying that feedstock is supplied using labour where the pay and employment conditions are fair and meet, or exceed, minimum requirements.	employment are covered by criterion 2.7. The Risk Assessment shall address any risks related to this within the supply base and these risks must be mitigated by the BP.	
		<b>A.1.3.5.2</b> The Scheme shall include requirements that ensure compliance with legislation for minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labour, and discrimination and legislation allowing for freedom of association.	Standard 1  Principle 2: Biomass feedstock is sustainably sourced  Criterion 2.7: The basic labour rights of forest workers are safeguarded  Indicator 2.7.1: The BP has implemented appropriate control systems and procedures for verifying that Freedom of Association and the effective recognition of the right to collective bargaining are respected.  Indicator 2.7.2: The BP has implemented appropriate control systems and procedures for verifying that feedstock is not supplied using any form of compulsory labour.  Indicator 2.7.3: The BP has implemented appropriate control systems and procedures to verify that feedstock is not supplied using child labour.  Indicator 2.7.4: The BP has implemented appropriate control systems and procedures for	<b>Findings</b>  <i>Scheme info</i>  <u>Minimum age:</u>  Indicator 2.7.3: The BP has implemented appropriate control systems and procedures to verify that feedstock is not supplied using child labour.  Guidance: ILO Convention 138 & Recommendation 146 (Minimum Age and Recommendation).  <u>Forced and compulsory labour:</u>  Indicator 2.7.2: The BP has implemented appropriate control systems and procedures for verifying that feedstock is not supplied using any form of compulsory labour.  Guidance: ILO Conventions 29 and 105 (Forced & Bonded Labour)  <u>Discrimination:</u>  Indicator 2.7.4: The BP has implemented	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			verifying that feedstock is not supplied using labour which is discriminated against in respect of employment and occupation.	<p>appropriate control systems and procedures for verifying that feedstock is not supplied using labour which is discriminated against in respect of employment and occupation.</p> <p>Guidance: ILO Conventions 100 (Equal remuneration for male and female workers for work of equal value) and 111 (Discrimination)</p> <p><u>Freedom of association:</u></p> <p>Indicator 2.7.1: The BP has implemented appropriate control systems and procedures for verifying that Freedom of Association and the effective recognition of the right to collective bargaining are respected.</p> <p>Guidance (2.7.1): ILO Declaration on Fundamental Principles and Rights at Work (1998) based on the eight ILO Core Labour Conventions, ILO Convention 98 (Right to Collective Bargaining), ILO Convention 87 (Freedom of Association), and ILO Convention 135 (Workers Representatives Convention).</p> <p>Means of verification for 2.7.1-2.7.4: Existing legislation, Level of enforcement, Employment contracts, Company policies, Interviews with HR, Interviews with staff Supply contracts, Records of BPs field inspections, Monitoring records, Operational assessment of measures designed to minimise impacts on the values identified, Payroll records and Company policies indicating that the requirements are met.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>Guidance for 2.7.1-2.7.4: The following ILO conventions have not been ratified in all countries. The Indicator must be met in all countries, whether the ILO conventions are ratified or not.</p> <p><b>Justification</b></p> <p>The Risk Assessment for relevant region shall specified risks related to employment legislation. If risks are identified in the supply base, risks must be mitigated by the BP.</p>	
	<b>A.1.4 Third parties' legal rights concerning use and tenure that are affected by timber harvesting</b>				
A.1.4.1	Customary rights	A.1.4.1.1 The Scheme shall include requirements that ensure compliance with respect for customary tenure rights relevant to forest harvesting activities.	<p>Standard 1</p> <p>Principle 2: Biomass feedstock is sustainably sourced</p> <p>Criterion 2.5: Management of the forest ensures that legal, customary and traditional tenure and use rights of indigenous peoples and local communities related to the forest, are identified, documented and respected.</p> <p>Indicator 2.5.1: The BP has implemented appropriate control systems and procedures for verifying that legal, customary and traditional tenure and use rights of indigenous people and local communities related to the forest, are identified, documented and respected.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Means of verification for indicator 2.5.1: Customary and traditional tenure and use rights are identified and documented, Interviews with indigenous peoples, local communities and other stakeholders, indicate that their rights are being respected, Appropriate mechanisms exist to resolve disputes, and Agreements exist regarding these rights.</p> <p>Means of verification for indicator 2.5.2: Interviews with local communities and other stakeholders indicate that subsistence needs are not endangered, and Agreements exist on resource rights, where these impact on the needs</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			Indicator 2.5.2: The BP has implemented appropriate control systems and procedures for verifying that production of feedstock does not endanger food, water supply or subsistence means of communities, where the use of this specific feedstock or water is essential for the fulfilment of basic needs.	<p>of communities</p> <p><b>Justification</b></p> <p>The Risk Assessment for relevant region shall specified risks related to customary tenure rights. If risks are identified in the supply base, risks must be mitigated by the BP.</p>	
		<b>A.1.4.1.2</b> The Scheme shall include requirements that ensure compliance with legal obligations concerning benefit sharing they have negotiated with communities or customary users. E.g. social agreements or social responsibility agreements or cahier de charges, dependent on the country.	<p>Standard 1</p> <p>Principle 2: Biomass feedstock is sustainably sourced</p> <p>Criterion 2.5: Management of the forest ensures that legal, customary and traditional tenure and use rights of indigenous peoples and local communities related to the forest, are identified, documented and respected.</p> <p>Indicator 2.5.1: The BP has implemented appropriate control systems and procedures for verifying that legal, customary and traditional tenure and use rights of indigenous people and local communities related to the forest, are identified, documented and respected.</p> <p>Indicator 2.5.2: The BP has implemented appropriate control systems and procedures for verifying that production of feedstock does not endanger food, water supply or subsistence means of communities, where the use of this specific feedstock or water is essential for the fulfilment of</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Means of verification for indicator 2.5.1: Customary and traditional tenure and use rights are identified and documented, Interviews with indigenous peoples, local communities and other stakeholders, indicate that their rights are being respected, Appropriate mechanisms exist to resolve disputes, and agreements exist regarding these rights.</p> <p>Guidance: "Indigenous people's and local communities' legal rights concerning use and tenure, which are affected by timber harvesting, must be identified, and mechanisms put in place to ensure these rights are respected. The requirement includes ILO convention 169, which relates to the rights of indigenous and tribal peoples.</p> <p>Appropriate mechanisms should be in place to allow: Resolution of disputes over tenure claims and use rights, and Indigenous peoples and local communities to be fully compensated for appropriation of traditional community knowledge or</p>	Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			basic needs.	<p>intellectual property.</p> <p>Substantial disputes involving multiple interests will normally prevent this Indicator from being considered low risk.”</p> <p>Means of verification for indicator 2.5.2: Interviews with local communities and other stakeholders indicate that subsistence needs are not endangered, and Agreements exist on resource rights, where these impact on the needs of communities</p> <p><b>Justification</b></p> <p>The Risk Assessment for relevant region shall specified risks related to indigenous peoples’ and local communities’ rights. If risks are identified in the supply base, risks must be mitigated by the BP.</p> <p>If agreements with affected indigenous peoples and local communities are required by legislation, this is included in indicator 1.3.1.</p>	
A.1.4.2	Free, Prior and Informed Consent	A.1.4.2.1 The Scheme shall include requirements that ensure compliance with the internationally adopted principles of 'Free, Prior and Informed Consent' in connection with	<p>Standard 1</p> <p>Principle 1: Biomass feedstock is legally sourced</p> <p>Criterion 1.3: There is compliance with the requirements of local, national and applicable international laws, and the laws applicable to Forest Management.</p> <p>Indicator 1.3.1: The BP has implemented</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Indicator 1.3.1 covers applicable forest legislation. Guidance covers applicable legislation related to: “Third parties’ legal rights concerning use and tenure that are affected by timber harvesting”.</p> <p>Examples of means of verification for indicator</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		granting rights to forest management.	<p>appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.</p> <p>Principle 2: Biomass feedstock is sustainably sourced</p> <p>Criterion 2.5: Management of the forest ensures that legal, customary and traditional tenure and use rights of indigenous peoples and local communities related to the forest, are identified, documented and respected.</p> <p>Indicator 2.5.1: The BP has implemented appropriate control systems and procedures for verifying that legal, customary and traditional tenure and use rights of indigenous people and local communities related to the forest, are identified, documented and respected.</p> <p>Criterion 2.6: Appropriate mechanisms are in place for resolving grievances and disputes, including those relating to tenure and use rights, to Forest Management practices and to work conditions.</p> <p>Indicator 2.6.1: The BP has implemented appropriate control systems and procedures for verifying that appropriate mechanisms are in place for resolving grievances and disputes, including those relating to tenure and use rights, to forest management practices and to work conditions.</p>	<p>2.5.1: Customary and traditional tenure and use rights are identified and documented, Interviews with indigenous peoples, local communities and other stakeholders, indicate that their rights are being respected, Appropriate mechanisms exist to resolve disputes, and Agreements exist regarding these rights.</p> <p>Examples of means of verification for indicator 2.6.1: Existing legal systems, Level of enforcement, Regional Best Management Practices, Supply contracts, Records of grievances and the outcomes from internal investigations, Interviews with stakeholders and local community members, and Interviews with staff.</p> <p><b>Justification</b></p> <p>The Risk Assessment for relevant region shall specified risks related to indigenous peoples' and local communities' rights. If risks are identified in the supply base, risks must be mitigated by the BP. However, the standard does not mention FPIC.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
A.1.4.3	Indigenous and traditional peoples' rights	A.1.4.3.1 The Scheme shall include requirements that ensure compliance with national legislation and international conventions ratified that respect the tenure rights of indigenous and tribal peoples to forest land as well as their right to FPIC.	<p>Standard 1</p> <p>Principle 1: Biomass feedstock is legally sourced</p> <p>Criterion 1.3: There is compliance with the requirements of local, national and applicable international law s, and the law s applicable to Forest Management.</p> <p>Indicator 1.3.1: The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.</p> <p>Principle 2: Biomass feedstock is sustainably sourced</p> <p>Criterion 2.5: Management of the forest ensures that legal, customary and traditional tenure and use rights of indigenous peoples and local communities related to the forest, are identified, documented and respected.</p> <p>2.5.1: The BP has implemented appropriate control systems and procedures for verifying that legal, customary and traditional tenure and use rights of indigenous people and local communities related to the forest, are identified, documented and respected.</p> <p>2.5.2: The BP has implemented appropriate control systems and procedures for verifying that</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Guidance 1.3.1: Third parties' legal rights concerning use and tenure that are affected by timber harvesting.</p> <p>Examples of means of verification for indicator 2.5.1: "Customary and traditional tenure and use rights are identified and documented, Interview s with indigenous peoples, local communities and other stakeholders, indicate that their rights are being respected, Appropriate mechanisms exist to resolve disputes, and Agreements exist regarding these rights."</p> <p>Guidance: "In particular, rights should be identified, documented and respected in relation to: Trade and customs, Legal, customary and traditional tenure and use. The requirement includes ILO convention 169, which relates to the rights of indigenous and tribal peoples."</p> <p>Examples of means of verification for indicator 2.5.2: Interview s with local communities and other stakeholders indicate that subsistence needs are not endangered, and Agreements exist on resource rights, where these impact on the needs of communities.</p> <p><b>Justification</b></p> <p>The Risk Assessment for relevant region shall specified risks related to tenure rights of indigenous</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			production of feedstock does not endanger food, water supply or subsistence means of communities, where the use of this specific feedstock or water is essential for the fulfillment of basic needs.	and tribal peoples' rights. If risks are identified in the supply base, risks must be mitigated by the BP. The ILO convention related to this area is adopted.	
	<b>A.1.5 Trade and customs, in so far as the forest sector is concerned</b>				
A.1.5.1	Classification of species, quantities, qualities	A.1.5.1.1 The Scheme shall include requirements that ensure compliance with legislation regulating how harvested material is classified in terms of species, quantities and qualities in connection with trade and transport.	<p>Standard 1</p> <p>Principle 1: Biomass feedstock is legally sourced</p> <p>Criterion 1.1: The Supply Base is defined</p> <p>Indicator 1.1.2: Feedstock can be traced back to the defined Supply Base.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Means of verification for indicator 1.1.2: Feedstock inputs, including species and volumes, are consistent with the defined Supply Base, and Transport documentation and goods-in records are consistent with the defined Supply Base.</p> <p>Guidance: Feedstock claimed to have originated from the Supply Base can be traced back to that Supply Base.</p> <p><b>Justification</b></p> <p>The Risk Assessment for relevant region shall specified risks related to classification of quantities and species. However, species that are sourced shall be available in the BP's supply base report. If risks are identified in the supply base, risks must be mitigated by the BP.</p>	Covered
A.1.5.2	Trade and transport	A.1.5.2.1 The Scheme shall include requirements that	<p>Standard 1</p> <p>Principle 1: Biomass feedstock is legally sourced</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		ensure compliance with legally required trading permits as well as legally required transport documents that accompany transport of wood from forest operations.	<p>Criterion 1.3: There is compliance with the requirements of local, national and applicable international laws, and the laws applicable to Forest Management.</p> <p>Indicator 1.3.1: The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.</p> <p>Means of verification 1.1.2: Feedstock can be traced back to the defined Supply Base. includes:</p> <ul style="list-style-type: none"> <li>-Feedstock inputs, including species and volumes, are consistent with the defined Supply Base</li> <li>-Transport documentation and goods-in records are consistent with the defined Supply Base</li> </ul>	<p>Means of verification for indicator 1.3.1: Existing legislation, Level of enforcement, etc.</p> <p>Guidance: Applicable legislation includes that in force in the country of harvest, covering the following aspects: Trade and customs, in so far as the forest sector is concerned.</p> <p>See also findings in A.1.5.1.1 above.</p> <p><b>Justification</b></p> <p>The Risk Assessment for relevant region shall specified risks related to legally required trade and transport documents from forest operations. If risks are identified in the supply base, risks must be mitigated by the BP. However, no mention of transport documents and trading permits.</p>	
A.1.5.3	Offshore trading and transfer pricing	A.1.5.3.1 The Scheme shall include requirements that ensure compliance with legislation regulating offshore trading and transfer pricing.	<p>Standard 4</p> <p>6.1 EUTR compliance</p> <p>6.1.2 SBP certificate holders exporting SBP-certified biomass to countries under the scope of the EUTR shall exercise due diligence to ensure that these feedstock do not contain illegally harvested timber.</p> <p>6.1.3 SBP certificate holders shall support their customers in applying their due diligence systems, as required in the EUTR.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>There is no requirement within the SBP Standards to control illegal activities related to offshore trading and transfer pricing. There are two requirements that aims at covering EUTR in a general way in Standard 4 (6.1.2 and 6.1.3) and one requirement that attempts to cover all applicable laws in the country where the certificate holder conduct its business (Standard 4, 6.3.3). However, these requirements are</p>	Not Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			6.3.3 The legal owner shall determine and implement effective arrangements to comply with all applicable laws, rules and regulations in countries where it conducts business activities.	<p>general and not comprehensive enough to cover specific issues like offshore trading and transfer pricing without further specifications or guidelines.</p> <p><i>Direct interviews / discussions / Stakeholder input</i></p> <p>SBP response: Clauses 6.1.2, 6.1.3 and 6.3.3 in Standard 4 cover all applicable EUTR requirements. In our opinion it would be redundant to copy and paste each EUTR clause into the SBP normative documents and hence SBP is compliant in this regard.</p> <p><b>Justification</b></p> <p>Available Standard requirements are too general to be considered to cover specific issues like offshore trading and transfer pricing without further specifications or guidelines.</p>	
A.1.5.4	Customs regulations	A.1.5.4.1 The Scheme shall include requirements that ensure compliance with legislation covering areas such as export/import licenses, and product classification related to customs (codes, quantities, qualities and species).	<p>Standard 4</p> <p>6.1 EUTR compliance</p> <p>6.1.4: SBP certificate holders shall comply with all trade and customs requirements including payment of any fees and duties.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Requirement 6.1.4 addresses “all trade and customs requirements” which would include information such as HS-codes, quantities, qualities and species.</p> <p>Species that are sourced shall be available in the BP’s supply base report. Traders shall know who they bought biomass from and should find this report on SBP’s or the BP’s websites.</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<b>Justification</b>  There is a requirement addressing trade and customs requirements.	
A.1.5.5	CITES	A.1.5.5.1 The Scheme shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).	Standard 1  Criterion 1.5: There is compliance with the requirements of CITES  Indicator 1.5.1: The BP has implemented appropriate control systems and procedures to verify that feedstock is supplied in compliance with the requirements of CITES.	<b>Findings</b>  <i>Scheme info</i>  Means of verification for indicator 1.5.1: List of species purchased by BP, Records of field inspections, Assessment of risk that CITES species may be mixed in with non-CITES species in the supply chain, Interviews demonstrate that the CITES requirements are understood, CITES species are known and identified, Where relevant, the operation possesses permits for harvest and trade in any CITES species.  Guidance: It should be verified that tree species purchased by BPs are not listed in CITES or have been purchased with the appropriate permits and approvals.  CITES and IUCN red listed species present in the supply base must be declared in the BP's supply base report.  <b>Justification</b>  The Risk Assessment for relevant region shall specify risks related to CITES and the documentation needed if CITES are sourced. If risks are identified in the supply base, risks must be mitigated by the BP.	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
A.1.5.6	Legislation requiring due diligence / due care procedures	A.1.5.6.1 The scheme shall include requirements that ensure compliance with legislation covering due diligence/due care procedures, including e.g. due diligence/due care systems, declaration obligations, and /or the keeping of trade related documents, legislation establishing procedures to prevent trade in illegally harvested timber and products derived from such timber, etc.	<p>Standard 4</p> <p>6.1 EUTR compliance</p> <p>6.1.1: All inputs downstream of the biomass production process where mixing of SBP-compliant biomass with non-SBP compliant biomass takes place, shall have been determined to be EUTR compliant and shall have been subjected to 'due diligence'.</p> <p>Note: The core of the 'due diligence' notion is that legal owners undertake a risk management exercise so as to minimise the risk of placing illegally harvested timber, or, timber products containing illegally harvested timber on the EU market.</p> <p>The three key elements of the 'due diligence system' are:</p> <ul style="list-style-type: none"> <li>• Information: The legal owner must have access to information describing the timber and timber products, country of harvest, species, quantity, details of the supplier and information on compliance with national legislation.</li> <li>• Risk Assessment: The legal owner should assess the risk of illegal timber in his supply chain, based on the information identified above and taking into account criteria set out in the regulation.</li> <li>• Risk mitigation: When the assessment shows that there is a risk of illegal timber in the supply chain that the risk can be mitigated by requiring additional information and verification from the</li> </ul>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Requirements under 6.1 (Standard 4) covers the important parts of a due diligence system (DDS) for all biomass not classified as SBP-compliant (i.e. SBP-controlled).</p> <p>SBP-compliant biomass is controlled through all Standard requirements in Standard 1 and must have a high level of traceability. It also relates to a Risk Assessment and risk mitigation measures must be implemented where risks are detected. Procedures are covered in the BP's management system and supplier verification program.</p> <p>Guidance for indicator 1.1.2 (Standard 1): Feedstock claimed to have originated from the Supply Base can be traced back to that Supply Base.</p> <p><b>Justification</b></p> <p>There is a requirement related to DDS. SBP-compliant biomass is considered to cover this requirement through all requirements in Standard 1. SBP-controlled biomass is subject to all requirements under 6.1 EUTR compliance, which covers this requirement.</p>	Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>supplier.</p> <p>6.1.2 SBP certificate holders exporting SBP-certified biomass to countries under the scope of the EUTR shall exercise due diligence to ensure that these feedstock do not contain illegally harvested timber.</p> <p>6.1.3 SBP certificate holders shall support their customers in applying their due diligence systems, as required in the EUTR.</p> <p>Standard 1</p> <p>Principle 1: Biomass feedstock is legally sourced</p> <p>Criterion 1.1: The Supply Base is defined</p> <p>Indicator 1.1.2: Feedstock can be traced back to the defined Supply Base.</p>		
<b>A.2 Legal requirements for supply chain entities</b> <p>This section shall apply to Certificate Holders - or other entities subject to the normative requirements of the Scheme (e.g. included within the scope of a certified due diligence system) - within the Country of Harvest.</p>					
	A.2.1. Legal registration				
A.2.1.1	Legal Registration	A.2.1.1.1 The scheme shall include requirements that ensure the existence of legal business	<p>Standard 1</p> <p>Principle 1: Biomass feedstock is legally sourced</p> <p>Criterion 1.2: The forest owner and manager hold</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>In the country of harvest when sourcing feedstock,</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		registration, and other relevant legally required licenses.	<p>legal use rights to the forest.</p> <p>Indicator 1.2.1: The BP has implemented appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base.</p> <p>Criterion 1.3: There is compliance with the requirements of local, national and applicable international laws, and the laws applicable to Forest Management.</p> <p>Indicator 1.3.1: The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.</p> <p>SBP Certification Trade Mark Licence Agreement</p>	<p>the same findings as in A.1.1.1.3 above applies.</p> <p>For all certificate holders, the Certification Trademark Licence Agreement must be signed before certificates are issued. This document contains the business registration number and details about the legal entity.</p> <p>No requirement regarding legal business registration or and other relevant legally required licenses is found in the SBP Standards.</p> <p><i>Direct interviews / discussions / Stakeholder input</i></p> <p>SBP response: The SBP scheme requires all Certificate Holders to enter into a Trade Mark Licence Agreement with SBP (Standard 3 clause 13.4) and certification agreement with a Certification Body (Standard 3 section 13). Signing both documents include verification of a Certificate Holder's legal registration and hence SBP is compliant in this regard.</p> <p><b>Justification</b></p> <p>The Risk Assessments investigate where risks are and where risk mitigation measures must be put in place. The means of verification and guidance covers the practical implementation of the Standard requirements. These indicators also include other relevant legally required licenses.</p> <p>For all certificate holders, SBP informs that they control that all certificate holders are legally registered when signing the trademark license</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				agreement. The certification bodies most likely do the same when signing certification agreements with certificate applicants. The indicator is partially covered.	
	A.2.2 Taxes and fees				
A.2.2.1	Payment of taxes, royalties and fees	A.2.2.1.1 The Scheme shall include requirements that ensure compliance with legislation covering payment of all legally required taxes, royalties and fees.	<p>Standard 4</p> <p>6.1 EUTR compliance</p> <p>6.1.4: SBP certificate holders shall comply with all trade and customs requirements including payment of any fees and duties.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Requirement 6.1.4 is applicable for all certificate holders.</p> <p><i>Direct interviews / discussions / Stakeholder input</i></p> <p>SBP response: Clause 6.1.4 in Standard 4 regarding all applicable trade and customs requirements requires the Certificate Holder to pay all relevant taxes and hence SBP is compliant in this regard.</p> <p><b>Justification</b></p> <p>There is a requirement for payment of any fees and duties, but taxes are not explicitly mentioned in this requirement.</p>	Partially Covered
A.2.2.2	Value-added taxes and other sales taxes	A.2.2.2.1 The Scheme shall include requirements that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold,	<p>Standard 1</p> <p>Criterion 1.4: All applicable royalties and taxes have been paid</p> <p>1.4.1 The BP has implemented appropriate control systems and procedures to verify that payments for harvest rights and timber, including</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Standard 1 (1.4.1) covers that duties, fees and taxes shall be paid on the forest level up to the BP. The CoC Standard (4) requires control of incoming and outgoing invoices but does not</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		including selling material as growing forest (standing stock sales).	<p>duties, relevant royalties and taxes related to timber harvesting, are complete and up to date.</p> <p>Standard 4</p> <p>5.4 Outputs</p> <p>5.4.1 Biomass supplied with an SBP claim shall, in addition to meeting the requirements specified in the SBP-approved CoC system being implemented, be supplied with the following information:</p> <p>a) The name and address of the buyer;</p> <p>b) The date on which the invoice was issued;</p> <p>c) A description of the product – this must correspond to the description of the product given in the input and output records</p> <p>d) The quantity of the products sold with specific batch data</p> <p>6.1 EUTR compliance</p> <p>6.1.4: SBP certificate holders shall comply with all trade and customs requirements including payment of any fees and duties.</p>	<p>reference VAT or other types of sales taxes. Quantities shall be controlled on invoices. There is a requirement for payment of any fees and duties, but VAT or other types of sales taxes are not explicitly mentioned in this requirement.</p> <p><i>Direct interviews / discussions / Stakeholder input</i></p> <p>SBP response: Clause 6.1.4 in Standard 4 regarding all applicable trade and customs requirements requires the Certificate Holder to pay all relevant taxes and hence SBP is compliant in this regard.</p> <p><b>Justification</b></p> <p>The CoC Standard requires control of incoming and outgoing invoices and payment of any fees and duties, but does not explicitly refer to VAT or other types of sales taxes. Since there are no scheme guidance that would further indicate that VAT and other sales taxes are fully covered by requirements in Standard 4, this requirement is considered to be partially (or potential) covered.</p>	
	<b>A.2.3 Trade and transport</b>				
<b>A.2.3.1</b>	Classification of species,	<b>A.2.3.1.1</b> The Scheme shall include	Standard 4	<b>Findings</b>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
	quantities, qualities	requirements that ensure compliance with legislation regulating how products are classified in terms of species, volumes and qualities in connection with trade and transport.	<p>5.4 Outputs</p> <p>5.4.1 Biomass supplied with an SBP claim shall, in addition to meeting the requirements specified in the SBP-approved CoC system being implemented, be supplied with the following information:</p> <p>a) The name and address of the buyer;</p> <p>b) The date on which the invoice was issued;</p> <p>c) A description of the product – this must correspond to the description of the product given in the input and output records</p> <p>d) The quantity of the products sold with specific batch data</p> <p>Standard 5</p> <p>Instruction Document 5E: Collection and Communication of Energy and Carbon Data</p> <p>5.1 Transaction Claim requirements</p> <p>5.1.1 All transactions shall be recorded in the DTS.</p>	<p><i>Scheme info</i></p> <p>The CoC Standard requires control of incoming and outgoing invoices, including quantities/volumes and a description of the product (Standard 4: 5.4.1). Quantities/volumes with SBP-claims must be transferred through SBPs Data Transfer System (DTS) (5E: 5.1.1), and traders can only sell the same amount as they purchased even though it can be split to different customers.</p> <p>Transportation documents are not explicitly mentioned.</p> <p>Species that are sourced shall be available in the BP's supply base report. Traders shall know who they bought biomass from and should find this report on SBPs or the BP's websites.</p> <p><b>Justification</b></p> <p>SBP Standard 4 and 5 covers relevant parts of this requirement. Although transportation documentation is not explicitly mentioned in any requirement, the Data Transfer System (DTS) is a system that ensure trades can be traced and monitored.</p>	
A.2.3.2	Trade and transport	A.2.3.2.1 The Scheme shall include requirements that ensure compliance with required trading permits as well as legally	<p>Standard 4</p> <p>6.1 EUTR compliance</p> <p>6.1.1: All inputs downstream of the biomass production process where mixing of SBP-compliant</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>For transport of wood from the forest to the BP, see 1.5.1.1 above (Standard 1, Criterion 1.1, Indicator</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		required transport documents that accompany transport of wood.	<p>biomass with non-SBP compliant biomass takes place, shall have been determined to be EUTR compliant and shall have been subjected to 'due diligence'.</p> <p>Note: The core of the 'due diligence' notion is that legal owners undertake a risk management exercise so as to minimise the risk of placing illegally harvested timber, or, timber products containing illegally harvested timber on the EU market.</p> <p>The three key elements of the 'due diligence system' are:</p> <ul style="list-style-type: none"> <li>• Information: The legal owner must have access to information describing the timber and timber products, country of harvest, species, quantity, details of the supplier and information on compliance with national legislation.</li> <li>• Risk Assessment: The legal owner should assess the risk of illegal timber in his supply chain, based on the information identified above and taking into account criteria set out in the regulation.</li> <li>• Risk mitigation: When the assessment shows that there is a risk of illegal timber in the supply chain that the risk can be mitigated by requiring additional information and verification from the supplier.</li> </ul> <p>Standard 5</p> <p>Instruction Document 5E: Collection and</p>	<p>1.1.2). In this requirement feedstock claimed to have originated from the Supply Base can be traced back to that Supply Base.</p> <p>Regarding the supply chain after the BP, Standard 4 has requirements relating to EUTR compliance, which indirectly would cover trade and transport.</p> <p><b>Justification</b></p> <p>From the forest to the BP: The Risk Assessment for relevant region shall specified risks related to trade and transport from the forest to the BP. If risks are identified in the supply base, risks must be mitigated by the BP.</p> <p>Trades between BPs and customers: SBP Standard 4 and 5 covers relevant parts of this requirement. Although transportation documentation is not explicitly mentioned in any SBP requirement, the Data Transfer System (DTS) monitor and control trades with SBP-claims.</p> <p>The SBP standard does not directly mention any legally required documents.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>Communication of Energy and Carbon Data</p> <p>5.1 Transaction Claim requirements</p> <p>5.1.1 All transactions shall be recorded in the DTS.</p>		
A.2.3.3	Offshore trading and transfer pricing	A.2.3.3.1 The Scheme shall include requirements that ensure compliance with legislation regulating offshore trading.	<p>Standard 4</p> <p>6.1 EUTR compliance</p> <p>6.1.2 SBP certificate holders exporting SBP-certified biomass to countries under the scope of the EUTR shall exercise due diligence to ensure that these feedstocks do not contain illegally harvested timber.</p> <p>6.1.3 SBP certificate holders shall support their customers in applying their due diligence systems, as required in the EUTR.</p> <p>6.3.3 The legal owner shall determine and implement effective arrangements to comply with all applicable laws, rules and regulations in countries where it conducts business activities.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>There is no requirement within the SBP Standards to control illegal activities related to offshore trading and transfer pricing. There are two requirements that aims at covering EUTR in a general way in Standard 4 (6.1.2 and 6.1.3) and one requirement that attempts to cover all applicable laws in the country where the certificate holder conduct its business (Standard 4, 6.3.3). However, these requirements are general and not comprehensive enough to cover specific issues like offshore trading and transfer pricing without further specifications or guidelines.</p> <p><i>Direct interviews / discussions / Stakeholder input</i></p> <p>SBP response: Clauses 6.1.2, 6.1.3 and 6.3.3 in Standard 4 cover all applicable EUTR requirements. In our opinion it would be redundant to copy and paste each EUTR clause into the SBP normative documents and hence SBP is compliant in this regard.</p>	Not Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<b>Justification</b>  Available Standard requirements are too general to be considered to cover specific issues like offshore trading and transfer pricing without further specifications or guidelines.	
		<b>A.2.3.3.2</b> The Scheme shall include requirements that ensure compliance with legislation regulating transfer pricing.	<b>Standard 4</b>  6.1 EUTR compliance  6.1.2 SBP certificate holders exporting SBP-certified biomass to countries under the scope of the EUTR shall exercise due diligence to ensure that these feedstock do not contain illegally harvested timber.  6.1.3 SBP certificate holders shall support their customers in applying their due diligence systems, as required in the EUTR.  6.3.3 The legal owner shall determine and implement effective arrangements to comply with all applicable laws, rules and regulations in countries where it conducts business activities.	<b>Findings</b>  <i>Scheme info</i>  There is no requirement within the SBP Standards to control illegal activities related to offshore trading and transfer pricing. There are two requirements that aims at covering EUTR in a general way in Standard 4 (6.1.2 and 6.1.3) and one requirement that attempts to cover all applicable laws in the country where the certificate holder conduct its business (Standard 4, 6.3.3). However, these requirements are general and not comprehensive enough to cover specific issues like offshore trading and transfer pricing without further specifications or guidelines.  <i>Direct interviews / discussions / Stakeholder input</i>  SBP response: Clauses 6.1.2, 6.1.3 and 6.3.3 in Standard 4 cover all applicable EUTR requirements. In our opinion it would be redundant to copy and paste each EUTR clause into the SBP normative documents and hence SBP is compliant in this regard.  <b>Justification</b>	Not Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				Available Standard requirements are too general to be considered to cover specific issues like offshore trading and transfer pricing without further specifications or guidelines.	
A.2.3.4	Customs regulations	A.2.3.4.1 The Scheme shall include requirements that ensure compliance with legislation covering areas such as export/import licenses, and product classification related to customs (codes, quantities, qualities and species).	Standard 4  6.1 EUTR compliance  6.1.4: SBP certificate holders shall comply with all trade and customs requirements including payment of any fees and duties.	<b>Findings</b>  <i>Scheme info</i>  The requirement 6.1.4 covers export/import licenses, and product classification related to customs.  <b>Justification</b>  There is a requirement related to customs applicable to the supply chain.	Covered
A.2.3.5	CITES	A.2.3.5.1 The Scheme shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).	Standard 1  Criterion 1.5: There is compliance with the requirements of CITES.  Indicator 1.5.1: The BP has implemented appropriate control systems and procedures to verify that feedstock is supplied in compliance with the requirements of CITES.	<b>Findings</b>  <i>Scheme info</i>  Means of verification for indicator 1.5.1: List of species purchased by BP, Records of field inspections, Assessment of risk that CITES species may be mixed in with non-CITES species in the supply chain, Interviews demonstrate that the CITES requirements are understood, CITES species are known and identified. Where relevant, the operation possesses permits for harvest and trade in any CITES species.  Guidance: It should be verified that tree species purchased by BPs are not listed in CITES or have been purchased with the appropriate permits and	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>approvals.</p> <p><b>Justification</b></p> <p>The Risk Assessment has defined where risks are at the forest level. These must be mitigated by Biomass Producers. However, there is no requirement in Standard 4 that covers export or import of biomass containing CITES species.</p>	
A.2.3.6	Legislation requiring due diligence / due care procedures	<p><b>A.2.3.6.1</b> The scheme shall include requirements that ensure compliance with legislation covering due diligence/due care procedures, including e.g. due diligence/due care systems, declaration obligations, and /or the keeping of trade related documents, legislation establishing procedures to prevent trade in illegally harvested timber and products derived from such timber, etc.</p>	<p>Standard 4</p> <p>6.1 EUTR compliance</p> <p>6.1.1: All inputs downstream of the biomass production process where mixing of SBP-compliant biomass with non-SBP compliant biomass takes place, shall have been determined to be EUTR compliant and shall have been subjected to 'due diligence'.</p> <p>Note: The core of the 'due diligence' notion is that legal owners undertake a risk management exercise so as to minimise the risk of placing illegally harvested timber, or, timber products containing illegally harvested timber on the EU market.</p> <p>The three key elements of the 'due diligence system' are:</p> <ul style="list-style-type: none"> <li>• Information: The legal owner must have access to information describing the timber and timber products, country of harvest, species, quantity, details of the supplier and information on compliance with national legislation.</li> </ul>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Requirement 6.1.1 covers biomass that are SBP-controlled, while requirement 6.1.2 covers SBP-certified biomass that are exported a country that implements the EUTR. It is not clear from requirements 6.1.2 if certificate holders only have to exercise due diligence to ensure that timber was legally harvested, or if they have to include all EUTR requirements related to trade and transport, health and safety, etc. Most of these requirements would, however, already be covered for certified biomass.</p> <p><b>Justification</b></p> <p>There are requirements that covers that both SBP-controlled and SBP-complain biomass must be exposed to due diligence if exported to a country under the scope of EUTR.</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<ul style="list-style-type: none"> <li>• Risk Assessment: The legal owner should assess the risk of illegal timber in his supply chain, based on the information identified above and taking into account criteria set out in the regulation.</li> <li>• Risk mitigation: When the assessment shows that there is a risk of illegal timber in the supply chain that the risk can be mitigated by requiring additional information and verification from the supplier.</li> </ul> <p>6.1.2 SBP certificate holders exporting SBP-certified biomass to countries under the scope of the EUTR shall exercise due diligence to ensure that these feedstock do not contain illegally harvested timber.</p> <p>6.1.3 SBP certificate holders shall support their customers in applying their due diligence systems, as required in the EUTR.</p>		
<b>A.3 Requirements for material control</b>					
	A.3.1 Material control				
A.3.1.1	Material origin and identification	A.3.1.1.1 The Scheme shall require systematic processes to enable the identification of the country of harvest of the material, and where applicable to a higher level of detail, such as the sub-national region or concession level.	<p>Standard 1</p> <p>Standard 2</p> <p>Standard 4</p> <p>Standard 5</p> <p>Instruction Document 5E: Collection and Communication of Energy and Carbon Data</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Standard 1 &amp; 2: The BP must know where the feedstock comes from through mapping the supply base in a Supply Base Report. SBP defines the supply base as the area “encompassing all places where pre-consumer feedstock was harvested from (i.e. the location of the tree stump).”</p> <p>This should also cover prospective future harvesting</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>areas in order to cover areas that is currently not yet in the supply base, but can be in the future.</p> <p>This means that the BP must be able to show to auditors where all biomass was harvested.</p> <p>Standard 4 &amp; 5: When biomass is sold, the only way to make valid transactions is through the Data Transfer System (DTS). Transactions also require a Production Batch ID which relates to the production data for the biomass. This Batch ID relates to a specific period of processing at the BP and the BP should therefore be able to show its supply base for that period retrospectively.</p> <p><b>Justification</b></p> <p>SBP uses an electronic transaction system which minimizes risk of false claims. The BP declare its supply base including areas down to similar risks. The Supply Base Report is always available on the BP's web page.</p> <p>Auditors check the traceability during audits and have access to all transactions in DTS.</p>	
		<b>A.3.1.1.2</b> The Scheme shall require systematic processes to enable the identification of the species included in materials or products included in the scope of certification.	<p>Standard 2</p> <p>7 Supply Base Report</p> <p>7.3 The SBR shall be completed using the latest version of the SBR template, which is available from the SBP website.</p> <p>"Supply-Base-Report-Template-for-BPs-v1.3-Apr20-FINAL"</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Standard 2: The BP must declare species mix in its supply base report.</p> <p>Standard 4 &amp; 5: When biomass is sold, the only way to make valid transactions is through the Data Transfer System (DTS). Transactions also require a</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>Production Batch ID which relates to the production data for the biomass. This Batch ID relates to a specific period of processing at the BP and the BP should therefore be able to show its supply base for that period retrospectively.</p> <p><b>Justification</b></p> <p>The BP declare its supply base including species mix in a Supply Base Report which is always available on the BP's web page.</p> <p>Auditors check the traceability during audits and have access to all transactions in DTS.</p>	
		<b>A.3.1.1.3</b> The Scheme shall include clear and effective measures to prevent material from non-negligible risk, unverified or potentially illegal sources from entering the supply chain and mixed with conforming material.	<p>Standard 1</p> <p>Standard 2</p> <p>Standard 4</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>SBP trusts input from the "SBP-approved CoC system" (FSC, PEFC and SFI), including their system for controlling uncertified material.</p> <p>Specified risks in terms of the SBP requirements in Standard 1 (including illegal harvest) is detected and mitigated under Standard 1 and 2 and its related Risk Assessment. The mitigation measures for risks are addressed in the BP's Supplier Verification Programme and is audited.</p> <p>Mixing other biomass with SBP-compliant or SBP-controlled biomass is not allowed.</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<b>Justification</b>  The Risk Assessment and Supplier Verification Programme has been through stakeholder consultation and is considered robust enough to justify that this requirement is covered.	
		<b>A.3.1.1.4</b> Where applicable, the Scheme shall require the segregation and tracking of certified (according to each individual claim type) or verified legal wood along the supply chain, using appropriate inventory methods and documented controls where necessary to ensure that risks of mixing are identified, managed and mitigated.	Standard 1  Standard 2  Standard 4  Standard 5  Instruction Document 5E: Collection and Communication of Energy and Carbon Data	<b>Findings</b>  <i>Scheme info</i>  Standard 1 & 2: The BP must know where the feedstock comes from through mapping the supply base. SBP defines the supply base as the area “encompassing all places where pre-consumer feedstock was harvested from (i.e. the location of the tree stump).”  This should also cover prospective future harvesting areas in order to cover areas that is currently not yet in the supply base, but can be in the future.  This means that the BP must be able to show where all biomass was harvested through a traceability system.  Also for secondary feedstock (e.g. saw dust from a saw mill), the BP needs to show traceability back to the forest of origin.  There are two types of tertiary feedstock: 1) pre-consumed tertiary feedstock (e.g. saw dust from secondary processing) should be treated as primary or secondary feedstock and show compliance against all indicators in Standard 1 and the location	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>of the tree stump must be known to be within the supply base, and 2) post-consumed tertiary feedstock must follow the requirements in Instruction Note 4A and be proven to be post-consumed.</p> <p>SBP-biomass and feedstock shall always be separated from non-SBP biomass or feedstock, but can physically contain both SBP-compliant or SBP-controlled biomass/feedstock. The ratio of different type of biomass that is mixed must be shown at all times (similar to a credit system), but there is no claim that ensures that the biomass contains 100% SBP-compliant biomass. The SBP-controlled biomass comes from SBP-approved certification schemes and is out of scope for this evaluation.</p> <p>Standard 4 &amp; 5: When biomass is sold, the only way to make valid transactions is through the Data Transfer System (DTS). Transactions also require a Production Batch ID which relates to the production data for the biomass. This Batch ID relates to a specific period of processing at the BP. The BP should therefore be able to show its supply base for that period retrospectively.</p> <p><b>Justification</b></p> <p>SBP uses an electronic transaction system which minimizes risk of false claims. The BP declare its supply base including areas down to similar risks. The supply base report is always available on the</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>BP's webpage.</p> <p>Auditors check the traceability for all types of feedstock during audits and have access to all transactions in DTS. SBP-compliant biomass can physically contain SBP-controlled biomass. This biomass comes from SBP-approved certification schemes and is out of scope for this evaluation.</p>	
	<b>A.3.2 Recycled material</b>				
<b>A.3.2.1</b>	Waste material	<b>A.3.2.1.1</b> The Scheme shall have a definition of waste material which at least covers the definition of waste material as described by the EUTR Guidance document.	<p>Standard 4</p> <p>Instruction document 4A: SBP tertiary feedstock requirement</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>SBP separate post-consumed and pre-consumed tertiary feedstock. Only post consumed feedstock is included in this instruction document.</p> <p>The BP must verify that biomass that is claimed as post-consumed tertiary feedstock also is post-consumed and not pre-consumed.</p> <p>Visual inspection of the feedstock is required upon receipt. Evidence must be kept to audits.</p> <p><b>Justification</b></p> <p>Instruction note 4A cover the part that there must be evidence to prove that the feedstock is post-consumed. This is in line with EUTR guidance. This material can be mixed with SBP-biomass, but verification of it is needed during audit.</p>	Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		<b>A.3.2.1.2</b> The Scheme shall require systematic processes to enable the identification of waste material that has completed its life cycle and to differentiate this material from virgin or material that are by-products of a manufacturing process which has not completed its lifecycle as defined by the EUTR.	Standard 4  Instruction document 4A: SBP tertiary feedstock requirement	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>SBP separate post-consumed and pre-consumed tertiary feedstock. Only post consumed feedstock is included in this instruction document.</p> <p>The BP must verify that biomass that is claimed as post-consumed tertiary feedstock also is post-consumed and not pre-consumed.</p> <p>Visual inspection of the feedstock is required upon receipt. Evidence must be kept to audits.</p> <p><b>Justification</b></p> <p>Instruction note 4A cover the part that there must be evidence to prove that the feedstock is post-consumed. This is in line with EUTR guidance. This material can be mixed with SBP-biomass, but verification of it is needed during audit.</p>	Covered
		<b>A.3.2.1.3</b> The Scheme shall include clear and effective measures to prevent “timber products of a kind covered by the Annex of the EUTR”, produced from i) reclaimed material that has NOT completed its lifecycle and would otherwise have been discarded as waste”, ii) unverified or iii) virgin	Standard 4  Instruction document 4A: SBP tertiary feedstock requirement	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>SBP separate post-consumed and pre-consumed tertiary feedstock. Only post consumed feedstock is included in this instruction document.</p> <p>The BP must verify that biomass that is claimed as post-consumed tertiary feedstock also is post-consumed and not pre-consumed.</p> <p>Visual inspection of the feedstock is required</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		material (as defined by the EUTR) from, entering the supply chain.		<p>upon receipt. Evidence must be kept to audits.</p> <p><b>Justification</b></p> <p>Instruction note 4A cover the part that there must be evidence to prove that the feedstock is post-consumed. This is in line with EUTR guidance. This material can be mixed with SBP-biomass, but verification of it is needed during audit.</p>	
<b>A.4 General requirements for Certificate Holders</b>					
A.4.1	Conflict resolution	<p><b>A.4.1.1</b> The Scheme shall include requirements that ensure that disputes are identified, recorded and managed, in a way that:</p> <p>i) ensures there is a transparent ongoing process to address the issue</p> <p>ii) requires for the exclusion from the scope of the certificate situations or areas or forest where the legality of tenure or management/harvesting is not defined or is unclear and disputed.</p> <p>iii) ensures respect for legally-enshrined customary tenure rights</p>	<p>Standard 2</p> <p>20 Comments or complaints</p> <p>20.1: The BP shall ensure that all comments or complaints regarding any aspect of the SBR, SBE and SBP certification are documented and promptly investigated, with remedial action being taken where appropriate.</p> <p>20.2: The BP shall inform SBP of any substantiated complaints within 30 days of the completion of the BP's analysis of the complaint.</p> <p>Standard 4</p> <p>6.4 Complaints</p> <p>6.4.1: The legal owner shall determine and implement effective arrangements for communicating in relation to feedback, including</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Depending on the scope of the certificate, the certificate holder must have one or two complaints procedures. For BPs, requirements from Standard 2 must be fulfilled.</p> <p>For traders, only requirements from Standard 4 is applicable. How this requirement shall be addressed depends on which SBP-approved certification system the certificate holder use as basis for its SBP certification (FSC, PEFC or SFI). For example, if a certificate holder relies on its FSC-certification, the complaints procedures must live up to requirement 1.5 in FSC-STD-40-004 V3-0 (and the biomass type registered as a product group under the FSC scheme).</p> <p><b>Justification</b></p> <p>All certificate holders must be certified under FSC, PEFC and SFI and have the biomass product group</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		of local communities.	customer and third-party complaints.	included in that certificate. This means that their complaint system needs to live up to the requirements specified in that schemes.  BPs must have a more extensive procedure related to their sourcing of biomass (SBE and SBR).	
	Corruption	<b>A.4.1.2</b> The scheme shall include requirements to ensure that certificate holders do not engage in corrupt practices related to illegal harvesting.	Standard 4  6.3 Business integrity, social, health and safety requirements in CoC  6.3.2: The legal owner shall determine and implement effective arrangements against corruption, proportionate to the nature and the scale of organisation.  SBP Certification Trade Mark Licence Agreement	<b>Findings</b>  <i>Scheme info</i>  Requirement 6.3.2 usually results in a company corruption policy.  SBP also have several points in their Trademark License Agreement (that all certificate holder need to sign) that take the certificate holder's behaviour and reputation in to account.  For example, it is stated that "The Licensee shall not do, or omit to do, or permit to be done, any act that will or may weaken, damage or be detrimental to the Certification Mark or the reputation or goodwill associated with the Certification Mark or the Licensor or any member of the Licensor's Group, or that may invalidate or jeopardise any registration of the Certification Mark."  <b>Justification</b>  The SBP scheme relies on certificate holder's own policies related to corruption, which should reflect the activities the certificate holder works within. In addition, SBP's Trademark license agreement need	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				to be signed by all certificate holders and this agreement contains points related to reputational behaviour and complying with applicable legislation.	
<b>A.5 Quality and procedural requirements for Certificate Holders</b>					
<b>A.5.1</b>	Internal procedures for Certificate Holders	<b>A.5.1.1</b> The Scheme shall include requirements for the Certificate Holders to have in place - and implement - systems and procedures covering all requirements of the Scheme.	<p>Standard 2</p> <p>15 Management system</p> <p>15.1 The BP shall implement a management and monitoring system to maintain compliance with the requirements of this and all other relevant SBP Standards, together with a process of review and feedback into planning (CPET S6b1).</p> <p>Standard 4</p> <p>5.1 CoC system requirements</p> <p>5.1.1 The legal owner shall be certified against an SBP-approved Chain of Custody (CoC) system and hold a valid certificate.</p> <p>5.1.2 The legal owner shall implement all aspects of the SBP-approved CoC system requirements for the SBP feedstock and biomass. Where there is a conflict between the requirements in the SBP-approved CoC system requirements and those specified in the SBP standards, the SBP standards shall have precedence.</p> <p>Note: SBP feedstock or biomass will not necessarily enter into the scope of the SBP-approved CoC</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>It is specified that BPs must have a management system (i.e. procedures), to maintain compliance to all relevant SBP Standards.</p> <p>No similar requirement can be found for the rest of the supply chain in Standard 4, but the SBP-approved certification schemes should all have this requirement included. The certificate holders must implement all applicable CoC-requirements from the SBP-approved certification schemes it basis its SBP system on. All SBP products must be include the SBP-product group and in the product group of the SBP-approved CoC-scheme the certificate holder is certified to. The SBP has in that way made sure all requirements for the SBP-approved certification schemes must be applied on the SBP scope. However, since SBP is missing written procedures for how they approve other certification schemes, this requirement cannot be considered fully covered, but one need to look at the requirement of the approved scheme the specific certificate holder is implementing.</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			system certification, but the SBP-approved CoC system CoC processes and requirements shall extend to SBP feedstock and biomass.	<b>Justification</b>  This requirement is covered for BPs through Standard 2. For traders there is a gap in the SBP systems, since SBP is missing written procedures for how they approve other certification schemes (see C.2.4.1 below). This means one need to look at the requirement of the approved scheme a specific certificate holder is implementing before this requirement can be considered fully covered.	
		<b>A.5.1.2</b> The Scheme shall include requirements for the Certificate Holders to regularly review the proper functioning of their own procedures.	Standard 2  15 Management system  Instruction Note 2A: Supplier Verification Programme – Requirements for Biomass Producers  1.1.2: Annual or more frequent monitoring visits to a sample of suppliers to verify their continuing compliance with all requirements of the applicable SBP Standards, and with any additional requirements stipulated by the BP.  Instruction Note 2C: Supply Base Report – Requirements for Biomass Producers  Standard 4  5.3 Chain of Custody control system	<b>Findings</b>  <i>Scheme info</i>  For BPs with a Supplier Verification Program in scope (i.e. Standard 1 in scope), the BP must monitor and control its suppliers (requirement 1.1.2).  For BPs in general: All Supply Base reports must be updated annually (2C: 5.1), and the BP shall implement a management review system, which has the authority to make appropriate improvements to the management system (2: 15.6).  No other requirements for internal audits or controls are specified in the SBP Standards, but Standard 4 relies on the SBP-approved CoC systems (FSC or PEFC-endorsed schemes) which may require more. (See FSC and PEFC assessments for more information).	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<b>Justification</b>  There is no requirement for Certificate Holders to internally regularly review the proper functioning of their own procedures if the certificate holder is not a BP. However, annual audits are performed by the certification body so the certificate holder's compliance with the SBP Standards will be evaluated annually.	
A.5.2	Qualification and competence	A.5.2.1 The Scheme shall include requirements that ensure that certified organisations have personnel with sufficient qualifications and competencies to consistently and effectively implement Scheme requirements.	Standard 2  12 Competence to undertake Supply Base Evaluations	<b>Findings</b>  <i>Scheme info</i>  SBP has a number of requirements for personnel that undertakes the supply base evaluation (i.e. Risk Assessment and Supplier Verification Programme). These include local knowledge, languages, knowledge within laws/regulations and forest ecosystems, etc. (12.1).  A justification of the skills and evaluation team shall be provided to the CB (12.3).  There are no specified requirements for Personnel involved in CoC.  <b>Justification</b>  Reasonable skills are required for personnel covering the critical part of an SBP evaluation.	Covered
A.5.3	Risk based approaches to sourcing, trade or production	A.5.3.1 If the Scheme includes an option to implement a risk based approach to sourcing non-		<b>Finding and Justification</b>  There is no way for non-certified or controlled material to enter the SBP-system, apart from what is included in the SBP certification. Post-consumed	Not Applicable

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		certified material (Due Diligence System), it shall: i) contain clear requirements and ii) ensure consistent implementation of the Due Diligence System, for all activities, materials and suppliers included within the scope of the certification.		tertiary feedstock must be verified as such. Pre-consumed tertiary feedstock is accepted as input if controlled or certified under another SBP-approved scheme.	
		<b>A.5.3.2</b> The Scheme shall include requirements that ensure that whenever there is a change in the risk related to illegal harvest, trade or transport in a supply chain – or a supply chain covered by a DDS – the risk shall be assessed and mitigated prior to shipping and sale.	<p>Standard 2</p> <p>17 Supply Base Evaluation interval</p> <p>17.1 The SBE shall be undertaken at least every five years and the SBR reviewed for accuracy and completeness prior to each annual audit.</p> <p>17.2 The SBE shall be modified in accordance with changes in the SB.</p> <p>17.3 Any significant changes likely to affect the SBE shall result in an immediate review, and, if required, revision of the SBE by the BP, to ensure that the SBE risk rating remains accurate.</p> <p>Standard 4</p> <p>6.1 EUTR compliance</p> <p>6.1.2 SBP certificate holders exporting SBP-certified biomass to countries under the scope of the EUTR</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>For material sourced under the SBP-scheme (i.e. Standard 1 is applicable), Risk Assessments are the base for sourcing risks. Risks must be mitigated. The Supply Base Evaluation (SBE), which includes the Risk Assessment, must be reviewed at least every five years (before re-certification). The Supply Base Report (SBR) must be reviewed annually (before annual audits). The SBE must cover the Supply Base. When there are significant changes in risks, the SBE must be revised accordingly.</p> <p>In Standard 4, certificate holders must implement a DDS of the SP-biomass if the biomass is exported to the EU.</p> <p><b>Justification</b></p> <p>The SBP scheme require DDS and changes when regional risk profiles or supply bases changes. All</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			shall exercise due diligence to ensure that these feedstock do not contain illegally harvested timber.	certificate holders need to conduct DDS of material exported to the scope of EUTR.	
		<p><b>A.5.3.3</b> In cases where other 3<sup>rd</sup> party schemes permitted to be used by the due diligence system as meeting specific due diligence requirements, the scheme shall include requirements that ensure that it is clear:</p> <p>i) on what basis recognition is made and;</p> <p>ii) how it is verified that other Schemes ensure conformance with the specific due diligence requirements.</p>	<p>Standard 2</p> <p>8 Determining the need for a Supply Base Evaluation</p> <p>8.2 The following types of feedstock may be excluded from a SBE:</p> <ul style="list-style-type: none"> <li>• Feedstock received with an SBP-approved Forest Management Scheme claim.</li> <li>• Feedstock received with an SBP-approved Forest Management Scheme partial claim.</li> <li>• Feedstock received with an SBP-approved Chain of Custody (CoC) System claim.</li> <li>• Feedstock received with an SBP-approved Controlled Feedstock System claim.</li> <li>• Feedstock received with an SBP-approved recycled claim.</li> <li>• Feedstock sourced within the scope of the BP's own SBP-approved Chain of Custody (CoC) System certification, for example, non-certified reclaimed feedstock sourced in compliance with FSC-STD-40-007: FSC Standard for Sourcing Reclaimed Material for Use in FSC.</li> <li>• Feedstock sourced within the scope of the BP's own SBP-approved Controlled Feedstock System certification, for example, non-certified feedstock</li> </ul>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Feedstock from the following schemes mentioned in requirement 8.2 are exempt from Supply Base Evaluation (SBE) and thus are their systems recognized as sufficient to mitigate risks and traceability: FSC, PEFC and PEFC-endorsed certification schemes.</p> <p>There are no written procedures for how SBP recognize other certification schemes, but according to SBP this will be done in the near future. Since SBP first recognized other schemes in 2015, there has only been recognition of FSC, PEFC and PEFC-endorsed certification schemes. According to SBP, no other schemes are currently under review.</p> <p>However, all material exported to a country under the scope of EUTR must perform due diligence (Standard 4, requirements under 6.1).</p> <p><i>Direct interviews / discussions / Stakeholder input</i></p> <p>SBP response: SBP acceptance of FSC and PEFC certification scheme claims was part of the SBP standard-setting process in 2014, including the public consultation and standard-setting process that applied to the full standards, and followed requirements now specified in the ISEAL</p>	Not Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>sourced in compliance with the FSC® Standard for Company Evaluation of FSC® Controlled Wood, FSC-STD-40-005.</p> <ul style="list-style-type: none"> <li>• Post-consumer tertiary feedstock sourced following the requirements of Instruction Note 4A, SBP tertiary feedstock requirements.</li> </ul> <p>Standard 4</p> <p>6.1 EUTR compliance</p> <p>6.1.1: All inputs downstream of the biomass production process where mixing of SBP-compliant biomass with non-SBP compliant biomass takes place, shall have been determined to be EUTR compliant and shall have been subjected to 'due diligence'.</p> <p>Note: The core of the 'due diligence' notion is that legal owners undertake a risk management exercise so as to minimise the risk of placing illegally harvested timber, or, timber products containing illegally harvested timber on the EU market.</p> <p>The three key elements of the 'due diligence system' are:</p> <ul style="list-style-type: none"> <li>• Information: The legal owner must have access to information describing the timber and timber products, country of harvest, species, quantity, details of the supplier and information on compliance with national legislation.</li> </ul>	<p>Standard-Setting Code v6 – Interpretation of 6.4.3 Final Version 1 – February, 2016. The relevant ISEAL interpretation reads as follows:</p> <p><i>“Scenario 1 (applies to recognition of global and local standards)</i></p> <p><i>Where the standard-setting organisation incorporates part or all of an existing standard directly into its standard, these activities take place during the regular standard-setting or revision process. As such, any decision to reference another standard will be subject to the same standard-setting consultation and decision-making procedures normally used by the standard-setting organisation. Therefore, no additional steps are required to ensure equivalence. Care should be taken to abide by any copyright restrictions that arise from the referencing or integration of another standard.”</i></p> <p>As part of the current standard development process, SBP will consider options for developing equivalence requirements and revising the list of recognised schemes and claims in line with ISEAL requirements.</p> <p><b>Justification</b></p> <p>SBP has no clear procedures on how to recognize other certification schemes. This is considered a major gap since material from other schemes can enter the supply chain through the use of their own DDS.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<ul style="list-style-type: none"> <li>• Risk Assessment: The legal owner should assess the risk of illegal timber in his supply chain, based on the information identified above and taking into account criteria set out in the regulation.</li> <li>• Risk mitigation: When the assessment shows that there is a risk of illegal timber in the supply chain that the risk can be mitigated by requiring additional information and verification from the supplier.</li> </ul> <p>6.1.2 SBP certificate holders exporting SBP-certified biomass to countries under the scope of the EUTR shall exercise due diligence to ensure that these feedstock do not contain illegally harvested timber.</p>		
		<p><b>A.5.3.4</b> The Scheme shall include requirements to ensure that the DDS comprises, at a minimum, the following elements: i) a quality management system, ii) procedures for obtaining access to information pertinent to the identification of risk; iii) Risk Assessments, and iv) the implementation of mitigations measures when risks are identified.</p>	<p>Standard 4</p> <p>6.1 EUTR compliance</p> <p>6.1.1: All inputs downstream of the biomass production process where mixing of SBP-compliant biomass with non-SBP compliant biomass takes place, shall have been determined to be EUTR compliant and shall have been subjected to 'due diligence'.</p> <p>Note: The core of the 'due diligence' notion is that legal owners undertake a risk management exercise so as to minimise the risk of placing illegally harvested timber, or, timber products containing illegally harvested timber on the EU market.</p> <p>The three key elements of the 'due diligence</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>All important elements are included in requirement 6.1.1. However, it is not clear if material exported to a country under the scope of EUTR (6.1.2) also must implement 6.1.1. For SBP-compliant biomass, the requirement only include that DDS shall be exercised.</p> <p><b>Justification</b></p> <p>The level of information regarding a due diligence system is considered sufficient. The due diligence system itself is considered a quality system.</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>system' are:</p> <ul style="list-style-type: none"> <li>• Information: The legal owner must have access to information describing the timber and timber products, country of harvest, species, quantity, details of the supplier and information on compliance with national legislation.</li> <li>• Risk Assessment: The legal owner should assess the risk of illegal timber in his supply chain, based on the information identified above and taking into account criteria set out in the regulation.</li> <li>• Risk mitigation: When the assessment shows that there is a risk of illegal timber in the supply chain that the risk can be mitigated by requiring additional information and verification from the supplier.</li> </ul> <p>6.1.2 SBP certificate holders exporting SBP-certified biomass to countries under the scope of the EUTR shall exercise due diligence to ensure that these feedstock do not contain illegally harvested timber.</p>		
<b>B. Requirements for Certification Bodies</b> <p>Scheme requirements for Certification Bodies shall be clear and unambiguous and allow the Scheme owner to verify the level of conformance of each Certification Body to these requirements.</p>					
<b>B.1 General Certification Body requirements</b>					
B.1.1	Competence and qualifications	B.1.1.1 The Scheme shall have mechanisms to ensure that auditors, and other relevant	<p>Standard 3</p> <p>8 Competences</p> <p>8.2: The personnel shall be competent for the</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>SBP requires that personnel involved in the audit</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		personnel of the Certification Body, are qualified and competent to evaluate organisations' compliance with specific Scheme requirements.	<p>functions they perform, including making required technical judgments, defining policies and implementing them.</p> <p>8.3: The CB shall implement the requirements of ISO/IEC 17065:2012(E) section 6.1.2 Management of competence for personnel involved in the certification process.</p> <p>8.4: The CB shall ensure that the audit team undertaking an audit of a BP has the combined necessary knowledge and experience to evaluate against the SBP Feedstock Compliance Standard in the local context of the Supply Base (SB), including:</p> <ul style="list-style-type: none"> <li>• Knowledge of ecological and social values associated with the SB</li> <li>• Knowledge of applicable laws and regulations</li> <li>• Knowledge of business management practices</li> <li>• Knowledge of operation of suppliers, including management systems and products</li> <li>• Knowledge of the local forest resource</li> <li>• Language skills appropriate to all stakeholders</li> </ul> <p>8.5: The CB shall ensure that the audit team undertaking an audit against any SBP Standard has the combined necessary knowledge and experience to evaluate against that Standard.</p> <p>8.6: Lead auditors and personnel in the review and certification decision-making process shall be</p>	<p>or review process has relevant skills, at least on an audit team level.</p> <p>SBP implements the ISO requirements from 17065:2012, which also includes both auditors and reviewers.</p> <p><b>Justification</b></p> <p>SBP requires that personnel involved in the audit or review process has relevant skills, at least on an audit team level.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			approved by SBP for their tasks at the time of undertaking those tasks.		
		<b>B.1.1.2</b> If the Scheme includes an option for the Certificate Holder to implement a Due Diligence System, the scheme shall ensure that the auditors and other relevant personnel of the Certification Body are qualified and competent to evaluate organisations' compliance with related Scheme requirements.	<p>Standard 3</p> <p>8 Competences</p> <p>8.3: The CB shall implement the requirements of ISO/IEC 17065:2012(E) section 6.1.2 Management of competence for personnel involved in the certification process.</p> <p>8.5: The CB shall ensure that the audit team undertaking an audit against any SBP Standard has the combined necessary knowledge and experience to evaluate against that Standard.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Auditors must have the combined skills to evaluate Standards under the certificate scope. Personnel involved in the certification decision-making process and review are also included in the ISO requirements from 17065:2012.</p> <p><b>Justification</b></p> <p>There are qualification requirements regarding on skills relevant to evaluate due diligence, since SBP requires that personnel involved in the audit or review process has relevant skills, at least on an audit team level.</p>	Covered
B.1.2	Impartiality	<b>B.1.2.1</b> The scheme shall include requirements to ensure that auditors, and other personnel relevant to the conformance evaluation of an organisation shall be impartial to the entity(-ies) under evaluation.	<p>Standard 3</p> <p>5 Accreditation requirements</p> <p>5.3 CBs shall operate SBP certification in compliance with the requirements of ISO/IEC 17065:2012 Conformity assessment – Requirements for bodies certifying products, processes and services.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>CB shall implement all relevant requirements from ISO/IEC 17065:2012. This Standard includes requirements for impartiality (requirement 5.2 “Mechanism for safeguarding impartiality”).</p> <p><b>Justification</b></p> <p>Impartiality requirements are covered through Standard ISO/IEC 17065:2012.</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		<b>B.1.2.2</b> The Scheme shall include requirements that ensure that the certification decision process is; i) well defined and; ii) ensures that the decision on certification is conducted by positions/bodies that are impartial to the auditee.	Standard 3  Instruction Note 3A: General Surveillance - SBP requirements for CBs  2: The CB shall assign one or more persons who were independent of the audit to decide whether to continue, suspend or withdraw certification based on their review of surveillance activities.	<b>Findings</b>  <i>Scheme info</i>  Personnel that were independent of the audit process shall be assigned the review and decision-making.  <b>Justification</b>  Reviewer / decision-maker shall be independent from the audit itself.	Covered
<b>B.2 Certification Body requirements for auditing and certification</b>					
B.2.1	Auditing process	<b>B.2.1.1</b> The Scheme shall include requirements that ensure that Certification Bodies apply a documented methodology for the evaluation (assessments and audits) of clients.	Standard 3  10 Certification Body reporting  10.2: CBs shall download and use the current version of reporting templates as listed by SBP on the SBP website.  Note: The listing of a reporting template on the SBP website shall mean that its use is mandatory.  7 Basic principles  7.2 In order to provide such an assurance, the CB shall:  b) Confirm that the organisation's management system is capable of ensuring that all requirements of the Standards are implemented across the entire	<b>Findings</b>  <i>Scheme info</i>  SBP creates and updates the report template that all CB shall use. All relevant requirements must be evaluated and recorded in this template.  The CB shall analyse and describe all relevant requirements when auditing a certificate holder. This includes "to confirm that the organisation's management system is capable of ensuring that all requirements of the Standards are implemented across the entire scope of the evaluation" (7.2 b).  <b>Justification</b>  SBP decides the documented format CBs shall	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			scope of the evaluation.	report their audit findings in.	
		<p><b>B.2.1.2</b> As a minimum, this methodology shall include procedures for the following activities:</p> <p>i) Evaluation of conformity of organisations to the Schemes (e.g. audit of sites, or inspection of records or of self-assessment declarations);</p> <p>ii) Review and certification decision;</p> <p>iii) Issuance of a certificate; and</p> <p>iv) Periodic re-assessment.</p>	<p>Standard 3</p> <p>7 Basic principles</p> <p>7.2 In order to provide such an assurance, the CB shall:</p> <p>c) Conduct adequate and appropriate sampling and review of sites, documents, management records, interviews, consultations with stakeholders and direct observations, in order to verify that there is full conformance with the performance thresholds specified in the applicable Standards.</p> <p>Instruction Note 3A</p> <p>2 The CB shall assign one or more persons who were independent of the audit to decide whether or not to continue, suspend or withdraw certification based on their review of surveillance activities.</p> <p>Instruction Note 3C</p> <p>1.2 The CB shall carry out a surveillance evaluation to monitor the certificate-holder's continued compliance with the applicable requirements of the relevant SBP certification Standard(s) at least annually.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Evaluation of conformity (i):</p> <p>Included in the basic principles: The CB shall analyse and describe all relevant requirements when auditing a certificate holder including: Conducting adequate and appropriate sampling and review of sites, documents (including records), and other relevant aspects of the scope of the audit (7.2 c).</p> <p>Review and certification decision (ii):</p> <p>Review shall be done of all audit reports by person that is independent of the audits process (3A: 2).</p> <p>Issuance of a certificate (iii):</p> <p>Certificates are issued and re-issued every five years.</p> <p>Periodic re-assessment (iv):</p> <p>Surveillance evaluation of the relevant SBP certification Standard(s) must be done at least annually (3C: 1.2).</p> <p><b>Justification</b></p> <p>The methodology described for CBs to conduct</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				audits covers requirements i-iv.	
		<p><b>B.2.1.3</b> The Scheme shall include requirements that ensure that Certification Bodies have in place - and implement – specific procedures for audits that include at least the following:</p> <p>i) frequency of audits; (no longer than every 12 months);</p> <p>ii) requirements for on-site (field) visits where applicable;</p> <p>iii) sampling protocol for audits (if applicable);</p> <p>iv) structure and competencies of the audit team;</p> <p>v) the minimum set of aspects that need to be checked in every audit;</p> <p>vi) minimum content of audit reports, including non-conformances, clarification of scope, audit process and evaluation findings.</p> <p>vii) ability for unannounced or short-notice audits in case of</p>	<p>Standard 3</p> <p>5 Accreditation requirements</p> <p>5.3 CBs shall operate SBP certification in compliance with the requirements of ISO/IEC 17065:2012 Conformity assessment – Requirements for bodies certifying products, processes and services.</p> <p>7 Basic principles</p> <p>7.1 An SBP certificate issued by a CB provides a credible assurance that there is no major failure in conformance with the requirements of the applicable SBP Standard across the entire scope of the certificate.</p> <p>7.2 In order to provide such an assurance, the CB shall:</p> <p>a) Analyse and describe any and all of the following that apply to the organisation:</p> <ul style="list-style-type: none"> <li>• Structure, operation, inputs and outputs</li> <li>• CoC system</li> <li>• Critical control points</li> <li>• Greenhouse gas (GHG) data collection</li> <li>• The Supply Base Evaluation (SBE), including SBE</li> </ul>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Frequency of audits (i):</p> <p>Surveillance evaluation of the relevant SBP certification Standard(s) must be done at least annually (3C: 1.2).</p> <p>Requirements for on-site (field) visits (ii):</p> <p>CB shall visit BPs annually (i.e. every 12 months) (3A: 1). Certificate holders without physical possession can be made desk-based. Surveillance audits can be waived if no SBP-activities has taken place (i.e. no production, labelling or sale of biomass) (3C: 1.2.2).</p> <p>Sampling protocol for audits (iii):</p> <p>CB shall “conduct adequate and appropriate sampling and review of sites, documents, management records, interviews, consultations with stakeholders and direct observations, in order to verify that there is full conformance with the performance thresholds specified in the applicable Standards” (7.2 c).</p> <p>Content of audit reports (iv):</p> <p>See B.1.1.1 above. SBP requires that personnel involved in the audit or review process has relevant</p>	Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		substantiated claims or for other reasons.	<p>scope</p> <ul style="list-style-type: none"> <li>• Implementation of the Instructions for Biomass Producers for the development of Locally Applicable Verifiers.</li> <li>• Risk scoring of each Indicator at both Risk Assessment (RA) and Supplier Verification Programme (SVP) stages</li> <li>• Effectiveness of any mitigation measures implemented as part of the SBE</li> <li>• Staff competence in meeting SBP requirements</li> <li>• Competence of the organisation responsible for conducting the SBE (whether internal or external).</li> </ul> <p>b) Confirm that the organisation's management system is capable of ensuring that all requirements of the Standards are implemented across the entire scope of the evaluation.</p> <p>c) Conduct adequate and appropriate sampling and review of sites, documents, management records, interviews, consultations with stakeholders and direct observations, in order to verify that there is full conformance with the performance thresholds specified in the applicable Standards.</p> <p>Instruction Note 3A</p> <p>2 The CB shall assign one or more persons who</p>	<p>skills, at least on an audit team level.</p> <p>Aspects that need to be checked in every audit (v):</p> <p>Described in Standard 3 under "7 Basic principles". See also B.2.1.2 above. The methodology described for CBs to conduct audits covers relevant aspects of an audit.</p> <p>vi) See B.2.1.1 above. All requirements in vi is included in the SBP template and must be completed before the audit report is considered finished.</p> <p>vii) In ISO 17065 it is addressed that CBs have the ability to make unannounced or short-notice audits (5.3).</p> <p><b>Justification</b></p> <p>The requirements described for CBs to conduct audits covers requirements i-vii. The accreditation body ASI will confirm the sampling method during CB audits.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>were independent of the audit to decide whether or not to continue, suspend or withdraw certification based on their review of surveillance activities.</p> <p>Instruction Note 3C</p> <p>1.2 The CB shall carry out a surveillance evaluation to monitor the certificate-holder's continued compliance with the applicable requirements of the relevant SBP certification Standard(s) at least annually.</p> <p>1.2.2 Surveillance evaluations may be waived for operations that have not produced, labelled or sold any biomass with an SBP-claim since the previous audit.</p>		
B.2.2	Stakeholder consultation	<p><b>B.2.2.1</b> The Scheme shall include mechanisms to ensure that Certification Bodies conduct consultation with stakeholder (including rights holders) as appropriate in relation to audits (only applicable where necessary** for evaluating compliance of certificate holders).</p> <p>The scheme shall ensure that the certification holder has a proper stakeholder</p>	<p>Standard 3</p> <p>9 Certification Body stakeholder consultation</p> <p>9.1 During the main audit of the BP and the re-certification audit, the CB shall undertake a stakeholder consultation process.</p> <p>9.2 During the stakeholder consultation process, the CB shall identify relevant individuals and organisations interested in and affected by the operation of the applicant BP. CBs are not expected to identify and consult all possible stakeholders, but shall consult with a sufficient number of affected stakeholders in order to verify that management systems (documented or undocumented) are working effectively and consistently under the full range of conditions present in the area under</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The Certification Body must conduct stakeholder consultation for BPs for the main assessment and re-certification.</p> <p>Stakeholders shall have at least 1 month's notice for comments and all submissions must be recorded and actions must be documented.</p> <p>Any stakeholder comments received during surveillance audits must be recorded, but there is no requirement to conduct stakeholder consultations for annual audits.</p> <p>BPs with Supply Base Evaluations shall also involve stakeholders at least 1 month before the end of the</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		consultation process in place.	<p>evaluation.</p> <p>9.3 The CB shall consult with stakeholders included in the BPs SBE consultation and the Locally Applicable Verifiers (LAVs) process. As a part of the CB consultation the CB shall determine if stakeholders' comments were adequately addressed by the BP.</p> <p>9.4 The CB shall give stakeholders at least one month's notice of the audit. Notification shall include adequate information to enable stakeholders to make informed comments, but shall not include sensitive or commercially confidential information.</p> <p>9.5 The CB shall encourage stakeholders to submit relevant information to the CB, in order to evaluate compliance of the BP with SBP requirements.</p> <p>9.6 During the audit process, the CB shall review all submissions and evaluate those that are relevant. All submissions shall be recorded and the CB shall document actions taken in relation to relevant submissions, and the conclusions of the CB regarding compliance of the BP with the Standards.</p> <p>9.7 CBs are not required to undertake a stakeholder consultation process during surveillance audits. However, all submissions received by the CB regarding the compliance of a certified BP, shall be recorded. If submissions contain information relevant to compliance with SBP requirements, the CB shall evaluate the comments as they affect the certification, during or prior to the next audit, as</p>	<p>initial Supply Base Evaluation process and at re-evaluation (13.1). FSC-STD-20-006 (V3-0) EN are recommended as good practice (2B: 13.3).</p> <p>BPs shall follow the requirements in Instruction Note 2B.</p> <p><b>Justification</b></p> <p>Consultation of relevant stakeholders are required for all BPs. When BPs are sourcing directly from the forest (i.e. when Standard 1 and Supply Base Evaluations (SBE) are in scope of the certificate), additional stakeholder consultation is required for the SBE and SBR.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>appropriate.</p> <p>9.8 Records of evaluations and outcomes of all stakeholder consultations shall be maintained for at least five years.</p> <p>Standard 2</p> <p>13 Stakeholder consultation</p> <p>13.1 Stakeholder consultation is required at the initial SBE and at the five-yearly re-evaluation.</p> <p>Instruction Note 2B: Supply Base Evaluation Stakeholder Consultation – Requirements for Biomass Producers</p> <p>1 General Requirements</p> <p>1.1 The BP shall proactively and transparently engage affected stakeholders in its SBE planning and monitoring processes, proportionate to the scale, intensity and risk of management activities. It shall engage interested stakeholders on request.</p> <p>1.2 Affected stakeholders shall be notified in advance of the SBE if feedstock harvesting is likely to negatively impact on them. They shall also be provided with opportunities for engagement in order to identify ways to avoid or reduce any negative impacts.</p>		

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>1.3 Interested stakeholders shall be notified at least one month in advance of the end of the SBE, and shall be provided with opportunities for engagement in management planning and monitoring processes likely to impact on their interests.</p> <p>Adapted from Reference Source: FSC-STD-20-002 (V3-0) EN. Structure, content and local adaptation of Generic Forest Stewardship Standards</p> <p>2 Stakeholder Concerns</p> <p>2.1 The BP is not required to reach a consensus with stakeholders, but shall consider relevant stakeholder concerns.</p> <p>3 Records</p> <p>3.1 The BP shall keep the following records:</p> <p>a) Lists of individuals/organisations invited to comment</p> <p>b) Copies of any correspondence and comments received.</p>		
B.2.2	Corruption	<b>B.2.2.2</b> The Scheme shall include mechanisms to identify (or for the Certification Body to do so) companies sanctioned for engagement in corrupt practices	<p>SBP Standard 4 includes clause about following the laws and also having mechanisms against corruption.</p> <p>6.3.2 The legal owner shall determine and implement effective arrangements against corruption, proportionate to the nature and the scale of organisation.</p> <p>6.3.3 The legal owner shall determine and</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Requirement 6.3.2 usually results in a company corruption policy.</p> <p><b>Justification</b></p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		relevant to the forest sector.	implement effective arrangements to comply with all applicable laws, rules and regulations in countries where it conducts business activities.  In case there is a violation of these requirements, SBP has the right to suspend or terminate the Trade Mark License Agreement	SBP directly includes evaluation of the risk of corrupt practices..	
<b>C. Requirements for Certification Schemes</b>					
<b>C.1 Transparency</b>					
C.1.1	Transparency	<b>C.1.1.1</b> Scheme requirements for both Certificate Holders and Certification Bodies shall be publicly available online.	SBP's website	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>All the SBP Standards, Instruction Notes, guidance documents and templates are available on SBP's website: <a href="https://sbp-cert.org/documents/">https://sbp-cert.org/documents/</a></p> <p>In addition, all public summary reports are available on SBP's website. These include main results, evaluation process, any stakeholder consultations that has taken place, and any open non-conformities.</p> <p><b>Justification</b></p> <p>All SBP Standards and requirements are available on SBP's website.</p>	Covered
		<b>C.1.1.2</b> Schemes shall include requirements that ensure that	SBP's website	<p><b>Findings</b></p> <p><i>Scheme info</i></p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		<p>relevant information about the following is freely available:</p> <p>i) development and content of the Scheme;</p> <p>ii) how the system is governed;</p> <p>iii) who is evaluated and under what process;</p> <p>iv) impact information and the various ways in which stakeholders can engage.</p>		<p>i) Available on SBP's website: <a href="https://sbp-cert.org/Standards-development/about-the-process/">https://sbp-cert.org/Standards-development/about-the-process/</a></p> <p>ii) Available on SBP's website: <a href="https://sbp-cert.org/about-us/how-we-operate/">https://sbp-cert.org/about-us/how-we-operate/</a></p> <p>iii) All current, terminated and suspended certificate holders are available on the SBP website: <a href="https://sbp-cert.org/accreditations-and-certifications/certificate-holders/">https://sbp-cert.org/accreditations-and-certifications/certificate-holders/</a></p> <p>iv) How to get involved as a stakeholder can be found on SBP's website: <a href="https://sbp-cert.org/Standards-development/get-involved/">https://sbp-cert.org/Standards-development/get-involved/</a></p> <p>SBP tries to include impact information in their Annual SBP reports: <a href="https://sbp-cert.org/documents/annual-reviews/">https://sbp-cert.org/documents/annual-reviews/</a></p> <p><b>Justification</b></p> <p>Relevant information about the SBP scheme is freely available on SBP's website.</p>	
		<p><b>C.1.1.3</b> The Scheme shall include requirements that ensure that an up-to-date register of certified/verified organisations is publicly available.</p>	SBP's website	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>All current, terminated and suspended certificate holders are available on the SBP website: <a href="https://sbp-cert.org/accreditations-and-certifications/certificate-holders/">https://sbp-cert.org/accreditations-and-certifications/certificate-holders/</a></p> <p>This includes, certification code, certificate scope, overview of the organization, its biomass activities</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>and the certificate validity period.</p> <p>The supply base report is also available on this website, which declare the sourcing area, number of suppliers, type of biomass sources and relevant forest resource information relevant for that area.</p> <p><b>Justification</b></p> <p>Relevant information about certificate holders is available on SBP's website. As soon as a certificate is not active, the (previous) certificate holder will not be able to transfer SBP-claims in DTS. According to SBP, the website is updated within two days.</p>	
		<b>C.1.1.4</b> The Scheme shall make summaries (or full reports) with relevant findings from audits available on the internet.	SBP's website	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>All certificate holders have the latest public summary report available on SBP's website. These include main results, evaluation process, any stakeholder consultations that has taken place, and any open non-conformities.</p> <p>The supply base report is also available on this website, which declare the sourcing area, number of suppliers, type of biomass sources and relevant forest resource information relevant for that area. There is no full list of sites, but the supply base report declares the sourcing areas. SBP is a product certification and not bound to specific sites. The sites that are used to source SBP biomass is</p>	Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>sampled during audits.</p> <p>The status and scope are also available directly on-line, without having to open any reports.</p> <p><a href="https://sbp-cert.org/accreditations-and-certifications/certificate-holders/">https://sbp-cert.org/accreditations-and-certifications/certificate-holders/</a></p> <p><b>Justification</b></p> <p>Public summary reports and Supply Base Reports are available on-line on SBP's website.</p>	
C.1.2	Impartiality	<b>C.1.2.1</b> Procedures for handling complaints and grievances shall be in place, made publicly available and implemented. The procedures shall be clearly publicized, making it easy for stakeholders to submit comments or complaints where applicable.	<p>Standard 2</p> <p>20 Comments or complaints</p> <p>20.1: The BP shall ensure that all comments or complaints regarding any aspect of the SBR, SBE and SBP certification are documented and promptly investigated, with remedial action being taken where appropriate.</p> <p>20.2: The BP shall inform SBP of any substantiated complaints within 30 days of the completion of the BP's analysis of the complaint.</p> <p>Standard 3</p> <p>Instruction Note 3B</p> <p>1.1.5 The CB shall have documented procedures for surveillance which include:</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>SBP has complaints requirements in several Standards. For BPs (2), certificate holders implementing the CoC-Standard (4) and in the Standard for certification bodies (3).</p> <p>Depending on the scope of the certificate, the certificate holder must have one or two complaints procedures.</p> <p>For BPs, requirements from Standard 2 must be fulfilled.</p> <p>For traders, only requirements from Standard 4 is applicable. How this requirement shall be addressed depends on which SBP-approved certification system the certificate holder use as basis for its SBP certification (FSC, PEFC or SFI). For example, if a certificate holder relies on its FSC-certification, the complaints procedures must live up to requirement</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>b) Review of any complaints or allegations of non-compliance with any aspect of the applicable SBP Standards</p> <p>1.2 Review of documentation and records</p> <p>1.2.1 The CB shall review:</p> <p>c) Complaints received</p> <p>Instruction Note 3C</p> <p>1.3 Surveillance evaluations shall include:</p> <p>b) Review of any complaints, disputes or allegations of non-compliance regarding any applicable aspect of the relevant SBP certification Standard(s)</p> <p>Standard 4</p> <p>6.4 Complaints</p> <p>6.4.1: The legal owner shall determine and implement effective arrangements for communicating in relation to feedback, including customer and third party complaints.</p>	<p>1.5 in FSC-STD-40-004 V3-0 (and the biomass type registered as a product group under the FSC scheme).</p> <p>All certificate holders must implement Standard 4 and the complaints requirement in this Standard is not very specific and rely on the implemented SBP-approved CoC scheme (FSC, PEFC or SFI):</p> <p>The CB must review any complains or allegations during surveillance audits (3B: 1.1.5b &amp; 1.2.1c, and 3C: 1.3b).</p> <p>SBP has a way on their webpage to get in contact with them in case of any comments on Standard development or a specific topic:  <a href="https://sbp-cert.org/Standards-development/get-involved/">https://sbp-cert.org/Standards-development/get-involved/</a></p> <p><b>Justification</b></p> <p>All certificate holders must be certified under FSC, PEFC and SFI and have the biomass product group included in that certificate. This means that their complaint system needs to live up to the requirements specified in that schemes.</p> <p>BPs must have a more extensive procedure related to their sourcing of biomass (SBE and SBR).</p> <p>SBP has a way to get in contact and leave comments to them.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
C1.3	Conflict of interest and corruption	C.1.3.1 The Certification Scheme shall have in place requirements at all levels of the scheme (normative requirements for CHs, requirements for CBs, and for the scheme functioning) to manage risks of corruption and conflict of interest.	<p>Standard 2</p> <p>11 Rating of risk</p> <p>11.2 The evaluation of risk begins with an evaluation of regional rather than at an individual forest level or land unit. Credible information of low - risk is required and this should include regulatory requirements and evidence of compliance with regulatory requirements. The Transparency International corruption perception index <a href="http://www.transparency.org/">http://www.transparency.org/</a> will be one important information source.</p> <p>Standard 4</p> <p>6.3 Business integrity, social, health and safety requirements in CoC</p> <p>6.3.2: The legal owner shall determine and implement effective arrangements against corruption, proportionate to the nature and the scale of organisation.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>For certificate holders:</p> <p>Corruption in the Supply Base shall be considered in the risk rating in the Risk Assessment included in the Supply Base Evaluation (Standard 2).</p> <p>For corruption within CBs, the external accreditation body should monitor this.</p> <p><b>Justification</b></p> <p>There are requirements for management of risk of corruption both for Certificate Holders and CBs. However, for CBs, there are no requirement in SBP Standards, but this will be monitored by the accreditation body (ASI).</p>	Covered
<b>C.2 Scheme &amp; Standard scope</b>  Note: section C2 is not specifically referring to EUTR issues but has been included as part of the evaluation of schemes to understand scheme structures.					
C.2.1	Standard adaptation to the national or subnational context	C.2.1.1 International Standards shall be adapted to the national or subnational context in which they are being implemented and contain a list of	<p>Standard 1</p> <p>Principle 1. Biomass feedstock is legally sourced.</p> <p>Criterion 1.3: There is compliance with the requirements of local, national and applicable international laws, and the laws applicable to Forest</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>For BPs, the Supply Base Evaluation including risk rating of all the parameters in Standard 1, is done</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		applicable legislation, or the Scheme shall enable/require detailed evaluation of applicable legislation in a national context.	<p>Management</p> <p>Instruction Note 1A: Instructions for Biomass Producers for the development of Locally Applicable Verifiers</p> <p>3.1 The BP will review the SBP Feedstock Compliance Standard (SBP Standard 1) to:</p> <p>c) Add specific indicators (with appropriate means of verification, if required) and/or cross-references to appropriate documentation, in order to conform with relevant national and local forest laws or administrative requirements.</p>	<p>for each country or region with different legislation.</p> <p>The locally applicable verifiers are created to catch differences between countries and regions where the indicators in Standard 1 are not addressed in an adequate way (Instruction Note 1A). Criterion 1.3 in Standard 1 also refers to local, national and applicable international laws applicable to Forest Management, meaning they have to be locally adapted.</p> <p>The SBP Standards themselves are international and the same for all countries, but the Risk Assessments, risk ratings and supplier verification programme where risk mitigation takes place depends on the country and to applicable legislation in that country (or region).</p> <p>The BPs shall have access to applicable legislation and CBs are auditing relevant parts of this.</p> <p>Not all certificate holders have Standard 1 in scope, but then relies on rules in SBP-approved CoC-system (FSC/PEFC/SFI).</p> <p><b>Justification</b></p> <p>The SBP Standards are international, but laws referred to in requirements (especially on forest level) are adapted to the region context in the case of risk assessments. However, for Supply Base Evaluations where there is no risk assessment, SBP does not provide the BP with a list of applicable legislations, but the list is developed by the BP to</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				develop that list using Standard 1.	
C.2.2	International conventions and treaties	<b>C.2.2.1</b> The Scheme shall include a list of the relevant international conventions to which the country has ratified, and which hold legal force in the country.	Standard 1	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Different ILO conventions shall be adopted by Certificate Holders of indicators in Standard 1. See also A.1.3.4.1.</p> <p>The SBP scheme leaves it to the Risk Assessment and BP to have access to relevant legislation or legally binding conventions within the supply base. There is no specific country of harvest, but the BP must adapt the SBE to the circumstances in that specific country/region.</p> <p><b>Justification</b></p> <p>In SBP Standards there are no specific country of harvest, but area within the scope of certification depends on the BP's supply base. The SBE must be adapted to this supply base which may include one or more countries/regions. The SBP does not specifically list other international conventions that must be included other than ILO.</p>	Partially Covered
C.2.3	Use of contractors	<b>C.2.3.1</b> The requirements for forest managers and supply chain entities shall be applicable to the organisation's contractors and outsourcing facilities.	<p>Standard 1</p> <p>Criterion 2.7: The basic labour rights of forest workers are safeguarded</p> <p>2.7.1: The BP has implemented appropriate control systems and procedures for verifying that Freedom of Association and the effective recognition of the right to collective bargaining</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Labour rights of forest workers:</p> <p>Standard 1, Guidance 2.7.1: In this Standard the term "forest workers" includes contractors. Thus, the Risk Assessments and indicators in Standard 1</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			are respected.	<p>covers this on the forest level.</p> <p>In SBP, outsourcing can look very different than in many other forest related business. For example, the whole biomass production can be outsourced. It would then fall under the normal scope of the certificate and be fully included in the evaluation.</p> <p>When storage or re-packing take place, the SBP-approved CoC requirements for outsourcing must be implemented (including outsourcing agreements).</p> <p>Visits of ports where biomass is stored is part of the scope of SBP (sample-based visits).</p> <p><b>Justification</b></p> <p>The requirements applicable to BPs and supply chain entities also covers any forest contractors or outsourcing facilities.</p>	
C.2.4	Endorsing and recognising of other Schemes and systems	<b>C.2.4.1</b> If the Scheme includes the recognition or endorsement of other schemes or systems, it shall ensure coverage and consistent implementation of EUTR requirements at all levels.		<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The SBP first recognized other schemes in 2015. Since then, there has only been recognition of FSC, PEFC and PEFC-endorsed certification schemes. According to SBP, no other schemes are currently under review.</p> <p>However, there are currently no written procedures on how SBP approves other certification schemes. According to SBP, the scheme is currently working on development of a</p>	Not Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>scheme benchmarking methodology and process to meet ISEAL Assurance Code requirements. This process is planned to be completed in 2021, but is not yet in place.</p> <p><i>Direct interviews / discussions / Stakeholder input</i></p> <p>SBP response: SBP acceptance of FSC and PEFC certification scheme claims was part of the SBP standard-setting process in 2014, including the public consultation and standard-setting process that applied to the full standards, and followed requirements now specified in the ISEAL Standard-Setting Code v6 – Interpretation of 6.4.3 Final Version 1 – February, 2016. The relevant ISEAL interpretation reads as follows:</p> <p><i>“Scenario 1 (applies to recognition of global and local standards)</i></p> <p><i>Where the standard-setting organisation incorporates part or all of an existing standard directly into its standard, these activities take place during the regular standard-setting or revision process. As such, any decision to reference another standard will be subject to the same standard-setting consultation and decision-making procedures normally used by the standard-setting organisation. Therefore, no additional steps are required to ensure equivalence. Care should be taken to abide by any copyright restrictions that arise from the referencing or integration of another standard.”</i></p> <p>As part of the current standard development</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>process, SBP will consider options for developing equivalence requirements and revising the list of recognised schemes and claims in line with ISEAL requirements.</p> <p><b>Justification</b></p> <p>SBP has no clear procedures on how to recognize other certification schemes and the conclusion is therefore that this requirement is not covered.</p>	
<b>C.3 Accreditation and oversight</b>					
C.3.1	Accreditation	<b>C.3.1.1</b> The Scheme shall include a system for accreditation or oversight of Certification Bodies to ensure that CBs have in place the required procedures, capacity and competencies.	<p>Standard 3</p> <p>5 Accreditation requirements</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Certification bodies must be accredited by an accreditation body. The accreditation body may depend on the scope of certification provided by the certification body. I.e. not all certification bodies are accredited against supply base evaluations (Standard 1 in scope), and the geographical scope of Supply Base Evaluations can be limited.</p> <p>The certification body must have all applicable forest management and/or CoC accreditations to become accredited to SBP. ASI is the accreditation body for SBP.</p> <p><b>Justification</b></p> <p>SBP has included requirements for accreditation and which accreditation body that shall be used. ASI is the accreditation body for SBP. ASI follows their</p>	Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				procedures when evaluating CBs.	
		<b>C.3.1.2</b> The Scheme shall ensure that the requirements and process for accreditation is publicly available.	Standard 3	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Standard 3 is the accreditation Standard describing the requirements for certification bodies. This Standard is available on-line for free. Accredited certification bodies and their scope is available on SBP's website: <a href="https://sbp-cert.org/accreditations-and-certifications/accredited-certification-bodies/">https://sbp-cert.org/accreditations-and-certifications/accredited-certification-bodies/</a></p> <p><b>Justification</b></p> <p>Requirements and process for accreditation is publicly available.</p>	Covered
		<b>C.3.1.3</b> The Scheme shall make publicly available, an up-to-date list and details of all accredited Certification Bodies	SBP's website	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Accredited certification bodies and their scope is available on SBP's website: <a href="https://sbp-cert.org/accreditations-and-certifications/accredited-certification-bodies/">https://sbp-cert.org/accreditations-and-certifications/accredited-certification-bodies/</a></p> <p>There are currently 5 certification bodies accredited for various parts of SBP scheme.</p> <p><b>Justification</b></p> <p>Accredited certification bodies and their scope are</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				publicly available.	
		<b>C.3.1.4</b> The Accreditation Body shall have mechanisms to ensure that relevant personnel are qualified and competent to evaluate Certification Body's performance in relation to Scheme requirements.	ASI's webpage:  "Competence" [February 23, 2017]: <a href="http://www.asi-assurance.org/s/post/a1J1H000002Jea3UAC/p0164">http://www.asi-assurance.org/s/post/a1J1H000002Jea3UAC/p0164</a>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>ASI has established internal procedures describing the qualification, experience, and competence requirements of ASI staff and contractors. These documents also describe the processes for recruitment, initial training, mentoring, ongoing training and ongoing performance monitoring through self-evaluation and peer monitoring. Additionally, ASI maintains a documented quality management system that contains competence criteria of different assessment scopes per accredited program.</p> <p><b>Justification</b></p> <p>ASI has procedures in place to specify, maintain and monitor relevant qualification requirements of their assessors. These are accessed to be sufficient to classify this requirement as covered.</p>	Covered
C.3.2	Oversight mechanism	<p><b>C.3.2.1</b> The Scheme shall ensure that the competence and consistent performance of Certification Bodies is regularly evaluated.</p> <p>Performance shall employ both desk-</p>	<p>ASI Accreditation requirements</p> <p>Standard 3</p> <p>7 Basic principles</p> <p>7.2 In order to provide such an assurance, the CB shall:</p> <p>c) Conduct adequate and appropriate sampling and</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Certification bodies performance is assessed annually by the accreditation body. There are 3 witness audits of CB auditors and 1 office-audit.</p> <p>It includes the certifications body's performance in stakeholder consultancy, auditor field performance</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		based AND field approaches, including: i) Stakeholder consultation ii) In-field evaluation of the performance of the Certification Body, whether via on-site inspections of certified forests/supply chain entities or witness audits of audit personnel.	<p>review of sites, documents, management records, interview s, consultations with stakeholders and direct observations, in order to verify that there is full conformance with the performance thresholds specified in the applicable standards.</p> <p><a href="#">ASI Accreditation Procedure:ASI-PRO-20-101-Accreditation-V5.0</a></p> <p>"14.2 Upon receipt of the completed checklists and documentation, ASI shall conduct three types of Assessments, in the sequence specified below: 1) Desk Review of the CAB application and documentation ... 2) Office Assessment(s) (Head Office (HO) and Affiliate Office (AO)) ... 3) Witness Assessment(s) for each Scope of Accreditation."</p> <p>"17.1 To ensure that an accredited CAB continues to operate in compliance with the Accreditation Requirements, ASI monitors and evaluates the CAB's competence and Conformity throughout the five-year Accreditation Cycle via surveillance Assessments."</p> <p>"17.4 Annual surveillance includes: 1) Assessment of HO and a sample of AOs; 2) Witness and/or Compliance Assessment(s); 3) Any other Assessments such as Desk Review, incident follow-up and NC verification as considered necessary by ASI to confirm that the CAB is operating in accordance with the Accreditation Requirements."</p> <p>"17.7 ASI publishes announcements of surveillance Assessments for accredited CABs on its website and carries out Stakeholder consultation for some Assessment types. If Stakeholder comments are</p>	<p>(in the forest and at BP's facilities), and auditor competence assurances such as witness audits.</p> <p>It should be noted that forest inspections would be of suppliers or different sites harvested by the BP itself since there is no certified forest in the SBP system. Biomass already certified by an SBP-approved certification system is controlled under that scheme and is not part of the SBP scope (except purchase documents and proof of certification status of the certified material).</p> <p>The accreditation body set deadlines for non-conformances and accept/reject any follow-up the certification body implements to address these.</p> <p>The basic principles section in Standard 3 includes requirements for certification bodies to control during audits (7). For example, review of sites, documents, management records, interview s, consultations with stakeholders and direct observations (7.2c).</p> <p><b>Justification</b></p> <p>The SBP scheme ensure that the competence and consistent performance of Certification Bodies is regularly evaluated through ASI audits. ASI conduct both office (documented) audits and field assessments of certification bodies annually.</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>received, they are considered by ASI during the Assessment and responded to in the Assessment Report while ensuring Stakeholder confidentiality."</p> <p>"17.8 ASI may conduct Extra Assessments in addition to the ASI surveillance Assessment program to investigate Incidents and/or Complaints or the outcome of an earlier Assessment or under other circumstances as deemed necessary by ASI."</p> <p>"17.9 ASI may conduct Unannounced Assessments as part of or outside of its surveillance Assessment program in order to address heightened risk or allegations of serious violations or negligence of Accreditation Requirements."</p> <p>Procedure for Witness and Compliance Assessments: ASI-PRO-20-111-Witness &amp; Compliance Assessments-V2.1</p> <p>7.2 Prior to any assessment, ASI may request stakeholder to submit comments about the CAB and the CH and may inform them about the assessment date, type and location as mandated by SO requirements or at the discretion of ASI.</p>		
		<p><b>C.3.2.2</b> The Scheme shall include requirements that ensure that the oversight mechanism applies a clear basis for:</p> <p>i) establishing conformance;</p> <p>ii) raising corrective actions for non-conformance, and</p>	<p>Standard 3</p> <p>Instruction Note 3D: Non-compliance – SBP requirements for CBs</p> <p>1.3 The CB shall identify and evaluate each non-compliance to determine whether it constitutes a minor or major non-compliance. Non-compliances shall result in corrective action requests, and, in some cases, suspension or withdrawal of the certificate.</p>	<p><b>Findings</b></p> <p>The basis for establishing conformance is not detailed, however, Clause 7.2 of ASI's Findings procedure (ASI-PRO-20-106) notes that objective evidence shall be recorded.</p> <p>ii) ASI has a clear procedure for communicating findings with Certification Bodies (ASI-PRO-20-106). This includes audit findings and findings from other sources, such as 'Complaint, Integrity and Traceability' investigations. Section 11</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		ensuring closure within timeframes to avoid legal non-compliance, and; iii) certification issue (or maintenance) decision making.	<p>1.5 A non-compliance may be considered minor if:</p> <p>a) It is a temporary lapse OR</p> <p>b) It is unusual/non-systemic OR</p> <p>c) The impacts of the non-compliance are limited in their scale and duration AND</p> <p>d) It does not result in failure to meet the relevant requirement.</p> <p>1.6 A non-compliance shall be considered major if, either alone or in combination with further noncompliances, it results in, or is likely to result in, a fundamental failure to meet the relevant requirement(s) for operation(s) within the scope of the evaluation.</p> <p>Such failure shall be indicated by non-compliance(s) which:</p> <p>a) Continue over a long period of time, OR</p> <p>b) Are repeated or systematic, OR</p> <p>c) Affect a wide range of the production, OR</p> <p>d) Are not corrected or adequately addressed by the responsible managers, once they have been identified.</p> <p>1.7 The CB shall consider the impact of a non-compliance on the integrity of the affected SBP-certified products and the credibility of the SBP trademarks, when evaluating whether a non-</p>	<p>details the timelines associated with corrective actions: CBs normally have three months for addressing Major nonconformities and 12 months for Minors (Clause 11.2).</p> <p>Certification bodies shall define a timeframe (up to 3 months for major non-conformities and up to the next audit for minor non-conformities) in the case of initial assessments (minor non-conformities only) and surveillance audits (minor and major non-conformities). There is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months.</p> <p>iii) Section 10 of ASI's Accreditation Procedure (ASI-PRO-20-101) covers 'Accreditation Decisions', setting out the process by which an Accreditation Committee (Clause 10.1) bases their decision on an Accreditation Report prepared by ASI (Clause 10.2). To gain accreditation a Certification Body must comply with all relevant requirements and any identified nonconformities shall be closed (Clause 15.2). Regarding maintenance of accreditation: Section 21 covers 'Sanctions', which are issued for noncompliance and breach of contract (Clause 21.1). A table is included (Table 1) giving examples of situations leading to Sanctions, of which two refer to corrective actions. Suspension and withdrawal decisions are also made by the Accreditation Committee based on recommendations made in ASI reports (Clauses</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>compliance results in, or is likely to result in, a fundamental failure to meet the relevant requirement.</p> <p><u>ASI Findings: ASI-PRO-20-106-ASI Findings-V6.1</u></p> <p>“6.1 ASI findings may be identified during Assessments (irrespective of the scope evaluated) or as a result of other sources of information (for example Complaint, Integrity and Traceability investigations).”</p> <p>“6.2 ASI findings shall be raised if objective evidence of Conformity with an Accreditation Requirement is not provided by the CAB when requested.”</p> <p>“7.2 For each NC, the following information shall be recorded in the SOF:</p> <p>7.2.1 The specific Accreditation Requirement that the CAB was not able to demonstrate conformity with.</p> <p>7.2.2 An informative subject that refers directly to the issue in question.</p> <p>7.2.3 Proposed grading of the finding.</p> <p>7.2.4 Description of how the CAB has failed to demonstrate Conformity with the Accreditation Requirement cited.</p> <p>7.2.5 Objective Evidence that demonstrates how the CAB was not able to demonstrate Conformity with the Accreditation Requirement (including a grading justification in the case of Major NCs).</p> <p>7.2.6 Timelines within which the CAB must address the NC.”</p> <p>“11.2 The default timeline within which ASINCs must be addressed and closed shall be 3 months for Major NCs and 12 months for Minor NCs from the date the final Assessment Report is shared with the CAB.”</p>	<p>10.1, 10.2, 22.6 and 23.2).</p> <p><b>Justification</b></p> <p>The SBP scheme ensure ASI continuously evaluate CBs' performances, including reporting of non-conformities and timelines for follow-up on these. CB's must follow-up on non-conformities, or they get suspended.</p> <p>This indicator has been evaluated as Partially Covered. Requirements for non-conformities are structured in a way that there is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months</p>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p><u>ASI Accreditation Procedure: ASI-PRO-20-101-Accreditation-V5.0</u></p> <p>“10.1 Accreditation Decisions (decisions Granting, renewing, Extending and Reducing technical Scope, Suspending and/or Withdrawing Accreditation for all or part of the requested Scope) are made by the ASI Accreditation Committee (AC) unless otherwise specified in this Accreditation Procedure. When making an Accreditation Decision, the AC acts as a representative of ASI, and the decision is consequently attributed to ASI. No legal or contractual relationship is established between the AC (or any subset thereof) and a CAB. The AC shall have access to all Assessment Reports and Nonconformities (NCs) issued, including ASI and CAB responses to these.”</p> <p>“10.2 An Accreditation Decision made by the AC is based on an Accreditation Report prepared by ASI for the AC. The Accreditation Report may include a recommendation on how to decide, but any such recommendation is non-binding for the AC. The decision-making process starts with the preparation of the Accreditation Report.”</p> <p>“15.1 If, after the completion of the initial Accreditation Assessments, ASI concludes that the CAB's Certification system meets all Accreditation Requirements, including closure of all major NCs, ASI prepares an Accreditation Report for the AC, recommending initial Accreditation.”</p> <p>“21.1 If a CAB fails to comply with the Accreditation Requirements or is/has been in breach of the terms of the ASI Service Agreement, ASI can impose Sanctions on the CAB. ASI further reserves the right to exercise any rights provided by the law or by the Service Agreement or any other agreement concluded with the CAB.”</p>		

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>"22.6 For each Suspension decision (except for non-payment of fees - see section 24), ASI shall prepare an Accreditation Report for the AC explaining the reasons leading to Suspension, a justification of the scope (technical and/or geographical) proposed for Suspension, the conditions for lifting the Suspension and any other relevant information considered material for the recommendation."</p> <p>"23.2 ASI shall prepare an Accreditation Report for the AC explaining the reasons leading to Withdrawal and any other relevant information considered material for the recommendation."</p>		
		<b>C.3.2.3</b> The Scheme shall specify the approach to be used in oversight, ensuring that the oversight mechanism is independent of the Certification Bodies being assessed.	<p>Standard 3</p> <p>5 Accreditation requirements</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>SBP has delegated the work of oversight of certification bodies to its accreditation body ASI. This means that the monitoring of certification bodies is independent and SBP is not involved in the process.</p> <p><b>Justification</b></p> <p>Monitoring of certification bodies is independent and SBP is not involved in the process.</p>	Covered
		<b>C.3.2.4</b> The Scheme shall define the frequency of oversight or the procedure for determining the frequency, applicable in the case of risk-based oversight.	<p>ASI Procedure on Surveillance &amp; Sampling: ASI-PRO-20-105-Surveillance &amp; Sampling-V6.4</p> <p>5.1.1 At least once per calendar year, ASI shall review all assessment results and other relevant information (e.g. complaints, incidents, stakeholder input, business profile, etc.) for each CAB, since the date of the previous review .</p> <p>5.1.2 ASI shall modify and adjust the annual</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The accreditation Body Assurance Services International (ASI) (full member of the ISEAL Alliance) is the accreditation body for SBP certification. Their procedures can be found here:</p> <p><a href="#">ASI Procedure on Surveillance &amp; Sampling: ASI-PRO-20-105-Surveillance &amp; Sampling-V6.4</a></p>	Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>sampling plan based on the results of the CAB Performance Review .</p> <p>5.2.1 Following the CAB Performance Review , ASI shall prepare an assessment plan for the forthcoming year for each CAB, following the sampling design described in this procedure.</p>	<p>Certification Bodies performance is assessed annually by the accreditation body. There are 3 witness audits of CB auditors and 1 office-audit. The frequency is decided by the accreditation body.</p> <p><b>Justification</b></p> <p>There are procedures for determining the frequency of oversight, but these are decided by ASI and not SBP. Since ASI is a well-known accreditation body, this is seen as acceptable.</p>	
<b>C.4 Certification process</b>					
C.4.1	Compliance evaluation	<p><b>C.4.1.1</b> The Scheme shall include requirements that ensure that the Certification Bodies applies a clear basis for:</p> <p>i) establishing conformance;</p> <p>ii) raising corrective actions for non-compliance, and;</p> <p>iii) certification decision making.</p>	<p>Standard 3</p> <p>Instruction Note 3D: Non-compliance – SBP requirements for CBs</p> <p>1.3 The CB shall identify and evaluate each non-compliance to determine whether it constitutes a minor or major non-compliance. Non-compliances shall result in corrective action requests, and, in some cases, suspension or withdrawal of the certificate.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>This is ensured through requirements in the accreditation Standard 3.</p> <p>Non-conformances shall be addressed and the process for it is described in Instruction Note 3D. This Note describes how the level of non-conformances shall be set, timeframes for corrective actions and if the actions are adequately addressed. The effect of non-conformances on the certificate is also described in this Instruction Note. See, for example, requirement 1.3 in Instruction Note 3D.</p> <p><b>Justification</b></p> <p>The accreditation Standard addresses how CBs shall control certificate holder's conformance to</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				relevant Standards, issuing non-compliance and evaluate corrective actions. It is also described how certification decisions shall be made.	
		<b>C.4.1.2</b> The Scheme requirements for establishing conformance should enable comparison with the definition of negligible and non-negligible risk as outlined in the EUTR and associated guides.	<p>Standard 3</p> <p>7 Basic principles</p> <p>7.2 In order to provide such an assurance, the CB shall:</p> <p>c) Conduct adequate and appropriate sampling and review of sites, documents, management records, interviews, consultations with stakeholders and direct observations, in order to verify that there is full</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Both the performance of certificate holders and how they have built up their management system is evaluated in the SBP scheme. Any non-conformances are recorded in the evaluation report and all open non-conformances at the closure of the annual audit can be found in the public summary report on SBP's website under each certificate holder.</p> <p>For BPs with supply base evaluations in scope, their risk rating and supplier verification program including risk mitigation measures is monitored by the certification body.</p> <p>The basic principles section (7) in Standard 3 includes requirements for certification bodies to control during audits. For example, "review of sites, documents, management records, interviews, consultations with stakeholders and direct observations" (7.2c).</p> <p>Certification bodies define a timeframe (up to 3 months for major non-conformities and up to the next audit for minor non-conformities) in the case of initial assessments (minor non-conformities only) and surveillance audits (minor and major non-conformities). There is a potential risk that a</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>non-conformity may represent an infringement of legislation and that, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months.</p> <p><b>Justification</b></p> <p>This indicator has been evaluated as Partially Covered. Requirements for non-conformities are structured in a way that there is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, wood may enter the EU market that could be interpreted as illegal or non-negligible risk.</p>	
		<p><b>C.4.1.3</b> The Scheme shall include requirements that ensure that the above requirements are in line with the requirements of the EUTR to prohibit illegal material or material with a non-negligible risk category being placed on the EU market.</p>	<p>Standard 4</p> <p>6.1 EUTR compliance</p> <p>6.1.2 SBP certificate holders exporting SBP-certified biomass to countries under the scope of the EUTR shall exercise due diligence to ensure that these feedstock do not contain illegally harvested timber.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The SBP scheme has, in several places, requirements related to legality in harvest related activities. For example, in several indicators in Standard 1. Requirement 6.1.2 in Standard 4 is the most general requirement and includes all biomass exported to a country that implements the EUTR. This requirement is also applicable to all certificate holders.</p> <p>Certification bodies define a timeframe (up to 3 months for major non-conformities and up to the next audit for minor non-conformities) in the case of initial assessments (minor non-conformities only) and surveillance audits (minor and major</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>non-conformities). There is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months.</p> <p><b>Justification</b></p> <p>This indicator has been evaluated as Partially Covered. Requirements for non-conformities are structured in a way that there is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, non-negligible wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months.</p>	
		<b>C.4.1.4</b> The Scheme shall include requirements that ensure that the decision process to certify organisations, or maintain certification of CHs, is free from conflict of interest and includes checks and balances.	<p>Standard 4</p> <p>Standard 5</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Material balances are monitored through the DTS where claims of biomass are transferred. Biomass balances are also controlled during audits at BPs. They must report losses due to drying of biomass or other reason. The production of biomass is compared to be consistent with inputs.</p> <p>Purchase and sales documents are also controlled, but the place where this shall be recorded is in DTS. This system gives auditors a good overview and is simple to summaries in relevant ways.</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>Conflict of interest is accessed by the certification body before the auditor assess a certificate holder. This is an accreditation requirement (ISO/IEC 17065:2012).</p> <p><b>Justification</b></p> <p>The SBP system includes requirements that ensure the decision-making process is not affected by conflicts of interests. Transactions of SBP-biomass is always made through DTS and balances controlled during audits.</p>	

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## **Annex 7: International Standard Assessment Report ISO 38200:2018**



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## Executive summary

The standard “*ISO 38200:2018 Chain of custody of wood and wood-based products*” sets requirements for a chain of custody system to enable the exchange and tracking of information on wood and wood-based products throughout a supply chain.

It includes traceability measures (CoC) as well as due diligence requirements to ensure that only legal input material is included in the CoC system.

ISO 38200 is an international standard and not a forest certification scheme. This means there are no normative requirements developed for the accreditation of certification bodies certifying against the standard, and it is important to note, that the standard is not intended for certification only. The Standard is intended to be used for several purposes:

- facilitate business-to-business communications by providing a common framework that allows businesses to “speak the same language” when describing their chain of custody system (regardless of company size)
- For purchasers to evaluate the information they receive from suppliers to help identify suitable input material
- For other standards and certification schemes to use the ISO 38200:2018 as a reference regarding chain of custody systems

The due diligence system of ISO 38200 shall include the elements of information gathering, risk assessment and mitigation measures. The organization must develop documented procedures, as well as document and keep records of their implemented mitigation measures. Annexes with guidance on applicable legislation, risk indicators and description of CoC is included, but are not mandatory to follow.

All input material covered by the chain of custody system of ISO 38200 will have to be assessed following the requirements of the standard and the ones established by the organisation responsible for the CoC. Input material shall be classified as verified (by the due diligence system, certified, specified (verified material classified following additional requirements established by the organisation), as well as recycled material. For recycled material it shall be verified that it is material that has been recovered from the waste stream, either from the manufacturing process [i.e. post-industrial recycled materials, but not in-house scrap] or after consumer use.

Considering that ISO adopts the neutrality principle when it comes to conformity assessment, its International Standards, such as ISO 38200, must allow that 1st, 2nd and 3rd parties are able to evaluate their implementation. In practice this means that an organization can claim compliance with the standard without a 3rd party conformity assessment. Certification against the standard can only be issued by a 3rd party, but the accreditation of the certification body, although a normal practice worldwide, is not required.

### Overall findings

ISO 38200 generally partially cover the indicators of the evaluation framework. 48 indicators of the evaluation framework are partially covered, while 11 are covered, 25 are not covered. Below is a written summary of the evaluation findings split into requirements for the certificate holders, which will also apply for non-certified companies claiming compliance with the Standard.

Information, such as common name of tree species (or scientific name if needed), country of harvest, and evidence that applicable legal requirements are fulfilled shall be collected for input material, except recycled and certified material. There are clear requirements for DDS to be conducted when information is changed. According to the EUTR certified

material is not exempt from the requirement of applying due diligence, including the requirement to gather information on species and origin or evidence of legal compliance. However, this information is not required to be collected for certified material under the ISO 38200 standard. So, while information to be collected for non-certified material is in conformance with the EUTR, this is not the case for certified material.

The standard is clear in requiring that only legally harvested and legally procured material can enter the chain of custody system of a company. To avoid illegally harvested and procured material a risk assessment shall be developed based on relevant risk indicators, and illegal harvesting of CITES listed or nationally protected species are specifically mentioned. Other relevant categories of law are listed in annexes that provide general guidance on identifying applicable legislation. The legality definition of Annex E of the standard is a replication of the definition of applicable legislation found in the EU Timber Regulation (Regulation 995/2010). However, these annexes are informative and therefore not mandatory to follow.

The organisation must identify the legal requirements applicable to their supply chain and document how the requirements are addressed. The coherence of these processes is checked during audits. The risk assessment process itself is generally in compliance with the EUTR, but it is unclear how it is implemented in practice, as there is little guidance in place for organisations (and for certification bodies) on how to interpret legislation, evaluate risks and apply risk mitigation.

In the following sections, this executive summary highlights only areas of significant strength in the scheme or areas where significant gaps or areas of lower coverage were identified.

It should be noted that this report reflects an evaluation that has only considered the normative and guidance documents relevant to the scheme. Consideration of impact studies and other information relating to the performance of certification schemes in general, are included in a Meta-report which brings together findings in relation to all five schemes.

### **Coverage by the scheme of legal requirements at the forest level**

For users inside the EU it is expected that they meet legal requirements (also the EUTR) according to Section 5.3.2 of the standard, and therefore use the definition of legality of the EUTR. However, for ISO 38200 certificates originating outside the EU, different definitions of the applicable legislation may have been used in the due diligence system, which means that there cannot be made a firm conclusion on the legality definition being applied on material sourced outside the EU under an ISO 38200 certification. Also, there is no requirement in the standard for the organisation buying material certified to ISO 38200 to evaluate the legality definition being used by suppliers.

This fact constitutes a potential gap in the ISO 38200:2018 certified supply chain, that could allow material with an inadequate legality definition in the due diligence system, to enter the EU market with a certified claim. The standard leaves room for companies to define the categories of relevant legislation against which they evaluate legality risks under their due diligence system that are not necessarily in conformance with the categories of law defined under the EUTR.

Thus, to know which legislation is evaluated under a company's due diligence system it is necessary to look into each organisation's specific due diligence system.

The main issue in making an overall conclusion on what the scope will cover and how the standard is implemented relate to lack of specification of the mandatory requirements on what types of legislation shall be considered under the due diligence system, as well as detailed guidance to interpret the standard and the requirements. The Technical

Committee ISO PC 287 is currently working on developing further guidance related to the due diligence implementation.

The scheme has a definition of recycled material that correspond with the EUTR and there are requirements in place to ensure that evidence is collected to show that input is recycled material and has been legally procured. The definition and handling of recycled material are considered to be in conformance with the EUTR.

### **System requirements**

The system requirements for certificate holders (or companies in compliance with the Standard) that are considered fully covered by the standard relates to having a CoC system (including a due diligence system) in place to ensure compliance with the requirements of the standard. The organisation shall carry out annual audits to make sure that both the requirements of the standard and the organisations own requirements are well in place. Also, the organisation shall have the competence needed across all relevant personnel and suppliers.

if sourcing certified material from 3rd party systems, it must be confirmed that the certification scheme has requirements to evaluate legality in forest management that is broad enough to cover the organization's DDS. Evaluation of supply chain risks are not mentioned, and it is therefore unclear how supply chain risks on trade and taxes are to be covered by certification.

The risk assessment process is generally in compliance with the EUTR but it is unclear how it is implemented in practice as there is a lack of detailed requirements/guidance on the evaluation of risks and applying the risk assessment process.

The standard does not specifically mention that the organisation shall avoid getting involved in corruption, or handling of disputes and conflicts. However, there are clear requirements for the company to operate legally.

### **Requirements for Certification Bodies and Certification Schemes**

ISO 38200 is a standard and not a scheme, and there is therefore no mechanism with normative requirements in place related to the ISO 38200 standard on how certification bodies are accredited and managed. It should be underlined that the ISO 38200 was not developed with the purpose of certification of wood-based products, but as an international standard that can be used for several purposes, including use by certification schemes as a reference to CoC systems, and for companies to communicate in the same language.

As ISO 38200:2018 is no scheme, there is no mechanism with normative requirements in place related to the ISO 38200 standard on how certification bodies are accredited and managed. Certification bodies can operate without an accreditation. Also, it is voluntary for accreditation bodies to accredit against ISO standards on conformity assessments. This means that there is no streamlined approach for the implementation of ISO 38200, and it is not possible to evaluate the global application/implementation of the standard through publicly available documents. Therefore, there can be differences in the requirement for accreditation and for CBs certifying against ISO 38200, both from country to country, as well as between certification bodies within one country.

This can allow for a more flexible use of the standard and provides for alternatives to companies who want an alternative to other CoC certification schemes.

The standard considers outsourcing in terms of the organisations CoC system and clear identification of the material being handled under outsourcing. Beyond that, there are no mandatory scheme requirements in place to manage the process of certification. According to the Technical Committee, certification bodies commonly use ISO standards

for developing their systems, but it is not possible to make such conclusion based on this standard evaluation.

There is no international oversight mechanism of the ISO 38200 standard implementation. ISO 38200 does not define an overall system in place to monitor the overall implementation, and there is no list of CBs or certificate holders available at an international level.

The lack of guidelines and limited information on applying the standard means that it is not possible to make an overall conclusion on the overall implementation of the standard related to this evaluation framework. This also relate to how competence of certification - and accreditation bodies are ensured.

## Introduction

The objective of the Study is to create a resource of knowledge and reference for all interested and concerned parties in the forest and wood-based products sector. It should help Competent Authorities, Operators and Monitoring Organisations covered by the EUTR in their understanding of potential benefits and shortcomings of certification, in particular in the context of the implementation of the EUTR. As such, one part of the overall objectives is to create an overview of existing certificates, third-party verified schemes and certifying bodies issuing certificates with regard to forests and wood-based products and to evaluate their respective strengths and weaknesses in respect to the EUTR obligations. This should, in turn, encourage stronger standards and transparency of certification and third party verification schemes.

It should be underlined that it is NOT the intention of the study to create a compliance checklist of certification schemes. The EUTR continues to recognise third party certification as an important potential tool for risk assessment and risk mitigation but does not recognise certification as proof of compliance. This will not change based on this study.

As part of the above objective, this framework has been developed to allow evaluation of the differences and uniformities between certificates and certifying bodies. It includes requirements to assess to which degree different forest certification schemes provide assurance of low (negligible) risk of 'legal non-compliance' of certified material.

The Framework aligns with the definitions and approach to certification schemes as described within the [EU Timber Regulation \(No. 995/2010\)](#) and the associated [Guidance Document](#), along with additional requirements for the use of third party certification schemes as outlined in the Commission implementing Regulation (EU) No 607/2012 and specifically Article 4 in the [Commission Implementing Regulation \(EU\) No 607/2012](#).

The Framework takes into account verifiers for Article 6 in the EUTR, and documentation for Article 4 of the Implementing Regulation, as well as a wide array of sustainability standards and benchmarks used in the areas of forest and wood-based products, among other resources identified under References.

The Framework aligns with the definitions and approach to certification schemes as described within the EU Timber Regulation (No. 995/2010) and the associated Guidance Document, along with additional requirements for the use of third party certification schemes as outlined in the Commission implementing Regulation (EU) No 607/2012 and specifically Article 4 in the Commission Implementing Regulation (EU) No 607/2012. The Scheme Assessment Framework has been developed by Preferred by Nature as a comprehensive interpretation of the EUTR legality definition to provide the ability to evaluate in detail the different aspects of legality covered by the schemes included in this study.

It should therefore be underlined that the legality definition used in the Assessment Framework is a comprehensive interpretation of the EUTR intended to expand on the five legality categories included in the Regulation.

The current report contains an assessment of the ISO 38200 Chain of custody of wood and wood-based products, and related standards.

Note: ISO standards are copywrite protected and owned by ISO. It is prohibited to copying of it in whole or in parts without the permission from ISO. In this report, relevant indicators and headings of the standards evaluated have been listed. Only direct replication from the evaluated ISO standards is the description of input material from ISO 38200:2018, 3 Terms and definitions used in "Overview of ISO", p. 14 and in indicator A.3.1.1.3. The level of replication is considered fair use.

## Acronyms

CB	Certification body
CASCO	Committee on Conformity Assessment
CoC	Chain of Custody
COPOLCO	Committee on consumer policy
CPAG	Commercial Policy Advisory Group
CSC/SP	Council Standing Committee on Strategy and Policy
CSC/FIN	Council Standing Committee on Finance
CSC/NOM	Council Standing Committee for Review of Nominations
CSC/OVE	Council Standing Committee on Oversight
DEVCO	Committee on developing country matters
ISO	International Organization for Standardization
ITSAG	Information Technology Strategy Advisory Group
TMB	Technical management Board



## 44. Overview of ISO

ISO is the International Organization for Standardization. It was set up in 1947 and is located in Geneva, Switzerland. Its purpose is to facilitate and support national and international trade and commerce by developing standards that people everywhere would recognize and respect.

ISO develops standards that can be applied on a voluntary basis. Standards are developed for different kinds of goods, services and systems through the different technical committees that constitutes of experts within the field for which they are developing standards (iso.org, N.Y(e)). ISO is not a certification scheme.

### Governance of ISO

ISO achieves this purpose through the participation and support of its members. These members come from 165 national standards bodies.

ISO standards are developed by technical committees. The people who serve on these technical committees come from national standards organizations. Consequently, ISO standards tend to have worldwide support. Currently, ISO has 250 active technical committees, 510 subcommittees, and 2478 working groups.

The General Assembly is the overarching organ and ultimate authority of ISO (ISO.org, N.Y(c)). The ISO Council is the core governance body of the Organization and reports to the General Assembly where the member organizations meet annually. A Technical Management Board (TMB) is responsible for the technical committees that lead the standard development and reports to the Council. The Central Secretariat in Geneva, Switzerland coordinates the ISO system and runs day-to-day operations.

There are three member categories within ISO. Each has a different level of access and influence over the ISO system (Copied from ISO.org, N.Y(b)).

- *“Full members (or member bodies) influence ISO standards development and strategy by participating and voting in ISO technical and policy meetings. Full members sell and adopt ISO International Standards nationally. Full members are referred to as national standards bodies. There is only one national standards body per country, and the NSB will be appointed by the respective government.*
- *Correspondent members observe the development of ISO standards and strategy by attending ISO technical and policy meetings as observers. Correspondent members that are national entities sell and adopt ISO International Standards nationally. Correspondent members in the territories that are not national entities sell ISO International Standards within their territory.*
- *Subscriber members keep up to date on ISO’s work but cannot participate in it. They do not sell or adopt ISO International Standards nationally.”*

Companies and individual persons cannot become ISO members, but it is possible for these groups to contribute to the standard development by contacting the technical committees through their national standards bodies (NSB), as well as to participate in stakeholder consultation iso.org, N.Y(d). Standards in consultation are published online, and access can be obtained for a fee or through the NSB's consultation platforms. To provide stakeholder comments the stakeholder’s national member shall be contacted (iso.org, N.Y(d)).



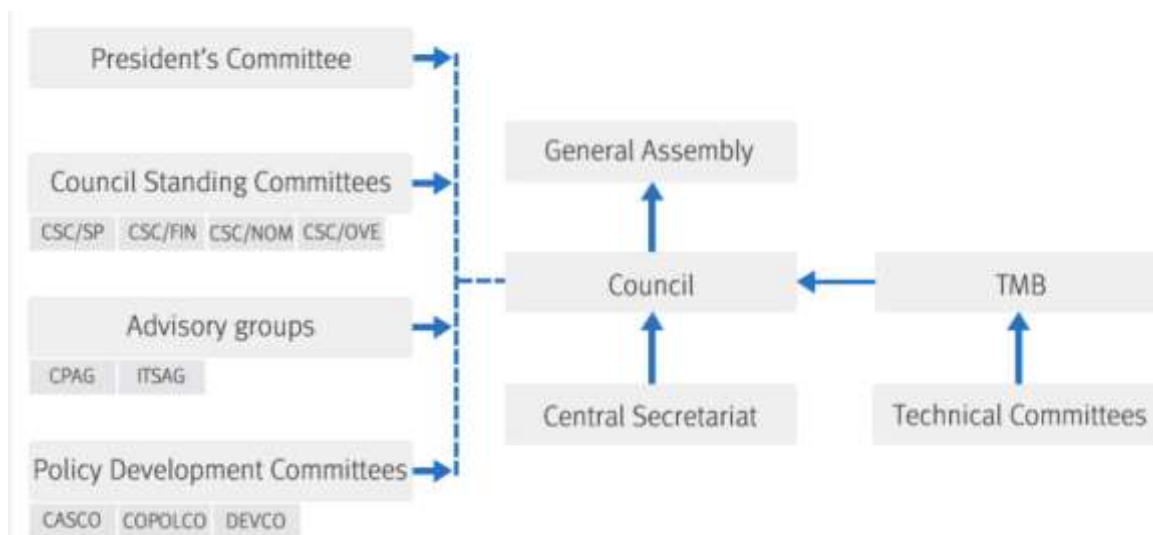


Figure1: Overview of the ISO governance structure. Source: ISO, Structure and Governance. Available at ISO.org, N.Y(c): <https://www.iso.org/structure.html>

The national standards bodies can adopt and sell ISO International Standards nationally. If and how a standard is adopted nationally is decided by the stakeholders. Such approach must be transparent and conducted with the participation of stakeholders, the adoption of a standard takes place after the document is approved on a public consultation process. (ISO Call-5/11/2020 - Representative Project Committee ISO/PC 287).

### The Chain of custody of wood and wood-based products: ISO Standard 38200:2018

ISO 38200:2018 Chain of custody of wood and wood-based products was developed by the technical committee ISO PC 287 and was published in 2018. The International Standard provides a set of requirements for a chain of custody system to enable the exchange and tracking of information on wood and wood-based products throughout a supply chain. ISO 38200 requires the implementation of a due diligence system based on risk management practices to ensure that materials entering the CoC has a legal origin.

#### ISO 38200:2018 overview

ISO 38200 was designed to provide a consistent basis against which the chain of custody of wood and wood-based products can be assessed. It includes traceability measures (CoC) as well as due diligence requirements to ensure that only legal input material is included in the CoC system. The Standard is intended to be used for several purposes (based on the ISO 38200:2018 Introduction and section 1. Scope):

- facilitate business-to-business communications by providing a common framework that allows businesses to “speak the same language” when describing their chain of custody system (regardless of company size)
- For purchasers to evaluate the information they receive from suppliers to help identify suitable input material
- For Other standards and certification schemes to use the ISO 38200:2018 as a reference regarding chain of custody systems

ISO 38200:2018 sets requirements for setting up a CoC and due diligence system. The due diligence system shall include the elements of information gathering, risk assessment

and mitigation measures. The organization has to develop documented procedures, as well as document and keep records of their implemented mitigation measures. Annexes with guidance on applicable legislation, risk indicators and description of CoC is included, but are not mandatory to follow.

### ***Certification against the ISO standard 38200***

Considering that ISO adopts the neutrality principle when it comes to conformity assessment, its International Standards must allow that such processes are conducted by 1st, 2nd and 3rd parties. In practice this means that an organization can claim compliance with the standard without a 3rd party conformity assessment, but to claim certification against ISO 38200 requires a 3rd party assessment by a certification body. It is however, not required for the certification body to be accredited by an accreditation body to certify against ISO 38200. Even if the CB is accredited, the accreditation body will not have to follow the ISO standards on conformity assessment for accreditation and certification bodies (e.g. ISO/IEC 17011:2017 (Conformity assessment – Requirements for accreditation bodies accreditation conformity assessment bodies), and ISO/IEC 17065:2012 (Conformity assessment – Requirements for bodies certifying products, processes and services)).

In other words, it is voluntary for a CB to follow an accreditation process. Therefore, it is possible that a 3rd party certification can be done by CBs without an accreditation and without using CASCO standards (ISO/IEC 17000 standards). According to ISO, non-accreditation does not necessarily mean a CB is not reputable, but an accreditation will provide independent confirmation of competence. An organisation can find an accredited CB by contacting the national accreditation body in the applicable country or visit the International Accreditation Forum ([www.iaf.nu](http://www.iaf.nu)). <https://www.iso.org/certification.html>. The system requirement standards are developed by ISO as general standard for all certification process, but not embedded in ISO 38200. Because of this there can be differences in the system requirements for accreditation and for CBs certifying against ISO 38200, both from country to country, as well as between certification bodies within one country.

ISO 38200 can be applied under the following scenarios<sup>99</sup>:

- 1st party conformance evaluation. An organization can claim compliance with ISO 38200 based on 1st party evaluation.
- 2nd party conformance evaluation; e.g. the purchaser/or interested party who want to evaluate the ISO 38200 compliance of an organisation.
- 3rd party evaluation (certification)
  - Certified by a non-accredited CB. There is no independent confirmation of competence.
  - Certified by a CB with accreditation from an organisation that does not accredit against the ISO 17000 standards. Again, this does not necessarily mean that the accreditation body is not competent, but requirements of the CB and accreditation body will have to be evaluated on an individual basis.
  - Certified by a CB that is accredited by an accreditation body following ISO/IEC 17000 standards. This approach ensures that the supporting scheme around the certification process are in line with international recognized standards for accreditation and certification.

It is up to the organization wanting to get certified to look into the CB and the accreditation process and it is up to a buyer to evaluate how a supplying organisation are considered to be in compliance with ISO 38200. Certification against the ISO 38200 can be issued, but an organisation cannot claim that its products are ISO 38200 certified, since the standard

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<sup>99</sup> More information about conformity assessment can be found: <https://casco.iso.org/attestations-of-conformity.html>

establishes requirements for the implementation of a CoC system. The document, however, when used in conjunction with a framework providing specific requirements for the characteristics of inputs/outputs, can be used to communicate particular aspects of a product.

There is no international oversight mechanism of the ISO 38200 standard implementation, CBs or certificate holders.

While the implementation of the ISO 38200 standard is done at national level, the technical committee *ISO/TC 287 Sustainable processes for wood and wood-based products*<sup>100</sup>, continues to work on the standard. The committee is overseeing the technical aspects of the document, and currently (end 2020), the technical committee is doing an assessment of the standard, and improvements are being discussed (this includes the due diligence system and guidance for the implementation, as well as implementation of CoC). (ISO Call-5/11/2020. Representative Project Committee ISO/PC 287).

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<sup>100</sup> Webpage of ISO/TC 287 Sustainable processes for wood and wood-based products:  
<https://www.iso.org/committee/4952370.html>

**Box 1: Due diligence and legality in the ISO standard 38200**

The standard contains two specific section addressing legality:

In 5.3.2 the standard requires organisations to implement a procedure to “identify legal requirements applicable to the chain of custody” and “to determine how these requirements apply to the chain of custody”, and “document how these legal requirements are addressed”.

Further to this annexes A, B and C includes informative guidance on which areas legislation could cover in the supply chain related to social welfare and employment, environment and trade and customs.

The second place where legal requirements are addressed is in the due diligence part of the standard (7 Due Diligence System). Here there are requirements on information, where it is required in 7.2, f), that there shall be “evidence that the applicable legal requirements are fulfilled, including that applying to legally harvested material”. Here a reference is given to Annex E, which outlines and informative guidance to which legal categories could be considered:

“..

- Rights to harvest material within legally gazetted boundaries
- Payment for harvest rights of material including duties related to harvesting of material.
- Environmental and forest legislation, including that covering forest management and biodiversity conservation, directly related to harvesting material.
- Third parties’ rights concerning use and tenure that are affected by harvesting of material; and
- Trade and customs, in so far as the forest sector is concerned.”

As can be seen the above legality definition is an exact replication of the definition of applicable legislation found in the EU Timber Regulation (Regulation 995/2010).

It is underlined that the definitions in Annexes A, B, C and E are only guiding and informative. ISO defined informative information as: “additional information that complements the user’s understanding (ISO, How to Write Standards, 2016, p. 13). It is therefore not required to include the legality definition of the annex in a due diligence system in order to become certified.

This would mean that the definition of the legal framework applicable to the forest harvesting activities that are to be evaluated under the due diligence system is based on the interpretation of the organisation using the standard. –

It is expected that users meet legal requirements according to Section 5.3.2, and therefore for users within the EUTR the definition of legality shall be in line with the EUTR. However, for ISO 38200 certificates originating outside the EU, different definitions of the applicable legislation may have been used, which means that there cannot be made a firm conclusion on the legality definition being applied on material sourced outside the EU with an ISO 38200 B2B claim. Also, there is no requirement in the standard for the organisation buying ISO 38200 certified material to evaluate the legality definition being used by suppliers.

This fact constitutes a potential gap in the certified supply chain, that could allow material with an (according to the EUTR) inadequate legality definition in the due diligence system, to enter the EU market with a certified claim. As such this gap is reflected throughout the below evaluation as the potential gap is relevant for all aspects of the definition of legality.

All input material going into the CoC standard will have to be verified. Verification of material shall be done in accordance with the organization's own procedures and set requirements.

The organization implementing the standard will have to define the scope of the due diligence system and classify input material as one of the following categories:

- **certified material;** *verified material received with a certification status and meets the requirements of a particular certification scheme for which the organization can provide evidence of third-party certification to that scheme (3.9).* It shall be verified that certification bodies are independent, that the scheme has requirements to evaluate legality in forest management and is in conformance with the scope of the organization's DDS, and that the certification has CoC requirements in place.
- **verified material;** *material for which the organization can provide evidence of compliance with the requirements of the Due Diligence System (3.11)*
- **specified material;** *A classification of verified material that meets publicly available documented specific requirements, set by organization(s) within a CoC and for which the organization provide information regarding the requirements as well as evidence of compliance (3.10).* Organizations can set up their own requirements for specified materials, but all input material will have to be assessed in accordance with the Due diligence system requirements of the ISO 38200 standard (clause 7). The specific requirements for specified material shall be documented and publicly available.

The purpose of the specified material category is to allow companies to make clear communication about the product and conformity level (ISO Call-5/11/2020 - Representative Project Committee ISO/PC 287)

- **recycled material;** *material that has been recovered, or otherwise diverted, from the waste stream, either from the manufacturing process [i.e. post-industrial recycled materials, but not in-house scrap] or after consumer use (i.e. post-consumer recycled materials), that is reused in the manufacture of new product, and for which the organization can provide evidence of compliance with the requirements of the Due Diligence System (excluded are by-products such as sawmilling by-products (e.g. sawdust, chips, bark) or forestry residues (e.g. bark, chips from branches, roots)).* Evidence shall be collected to verify that material is recycled and has been legally procured, but an actual risk assessment will not have to be conducted.

## Scope of this evaluation

In this report, only ISO 38200:2018 criteria are evaluated. We are not evaluating any potential gaps of third-party certification systems, which may be used as certified material. It is important to keep in mind that in the case weaknesses are found in such certification systems, this will also be a potential weakness in the due diligence system IF an organization has used certified material as input to the CoC system. The standard does require the organization to evaluate the certification scheme and only to include material that is in conformance with their own COC/DD scope, but there are no requirements as to how this is evaluated, so it is not possible to assess as part of this evaluation.

ISO 38200 is a standard and not a scheme. There is no mechanism with normative requirements in place under the ISO 38200 standard on how certification bodies are accredited and managed. As in line with the ISO system, a standard can be applied through 1st, 2nd and 3rd party conformity assessment, and certification bodies can operate without an accreditation. Also, accreditation bodies will not have to accredit against ISO standards on conformity assessments. This means that there is no streamlined approach for the implementation of ISO 38200, and it is not possible to evaluate the global

application/implementation of the standard through publicly available documents. Therefore, the indicators on accreditation and CB requirements (B and C) can only be partly covered.

The ISO 38200:2018 standard is still a newly developed standard and have, at the point of evaluation, not been widely implemented. It has not been possible to evaluate the impact of the standard based on what is currently available in the public domain.

## 45. Overview of the certification standards used for this analysis

Type	Normative	Guidance
<b>General</b>	<i>There are no normative references in the standard</i>	ISO/IEC 17011:2017 Conformity assessment — Requirements for accreditation bodies accrediting conformity assessment bodies  ISO/IEC 17065:2012 Conformity assessment — Requirements for bodies certifying products, processes and services
<b>Chain of Custody</b>	ISO 38200:2018 Chain of custody of wood and wood-based products	N/A

Note: ISO 38200 is an international standard and not a certification scheme. There are therefore no normative standards in place for the implementation and auditing of the standard.

It is likely that the ISO management Quality management and Conformity assessment standards are applied for accredited certification bodies and accreditation bodies, and therefore additional standards can be relevant for the report sections B and C. However, as these standards are not normative, it is not a requirement to follow the standard requirements under ISO 38200<sup>101</sup>. We have therefore not applied a full evaluation of the ISO standards, but evaluated a few selected standards (ISO/IEC 17011:2017 and ISO 17065:2012) to exemplify the ISO system on conformity assessment.

<sup>101</sup> Note: As ISO 38200 is not a scheme Conformity Assessment standards cannot be normatively referenced in ISO 38200. This is against the ISO/IEC Directives and applicable to all ISO standards. The system works is that the standard will be picked up by the market that will build schemes around, which can then specify any requirements placed on CABs and any specific applications or interpretations of requirements, where applicable as well as any specific applications or additions of ISO/IEC 17011, if applicable.



## 46. Evaluation methodology

The Standard is evaluated against Scheme Assessment Framework (SAF) and Scheme Assessment Procedure (SAP) in order to assess how the ISO Standard covers relevant requirements of the EUTR, and the criteria defined by the European Commission as the basis for this Study.

For each indicator, we will have a conclusion that will show the level of conformance of the Standard with the indicator:

Conclusion	Definition	Explanation
<b>Covered</b>	When available Standard requirements and information - and any impacts evidence available - indicate the <i>coverage</i> of the SAF indicator.	Coverage is the ability of the Standard to provide assurance that material traded via the Standard has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber Regulation.
<b>Partially Covered</b>	When available Standard requirements and information - and any impacts evidence available - indicate only <i>partial coverage</i> of the SAF indicator.  Alternatively, special concerns about Standard standards, credibility, rigor or coverage may exist.  NOTE: It is important to justify the partial coverage and indicate where the issues are which result in a Coverage conclusion not being given.	Partial Coverage means the Standard is only partly able – or may be compromised in one or more ways – to provide assurance that material traded via the Standard has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber Regulation.
<b>Not Covered</b>	When available Standard requirements and information - and any impacts evidence available - indicate that there is <i>no coverage</i> of the SAF indicator.  NOTE: It is important to justify a no coverage conclusion.	The Standard is not – or inadequately – able to provide assurance that material traded via the Standard has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber Regulation.
<b>Not Applicable (NA)</b>	When, for whichever reason, the SAF indicator does not apply.	

## 47. Overview of findings

The below table includes an overview of the findings from the detailed assessment of the ISO 38200 and other relevant ISO standards against the Scheme Assessment Framework, as outlined in the following section of this report.

It is highlighted here that the assessors of ISO have identified that the ISO standard 38200 partially cover many of the legality requirements in section A of the Scheme Assessment Framework, mainly for the reasons outlined in Box 1. It is found that the fact that the ISO legality definition is only included as informative, may signify that supply chain entities upstream may have defined legality in a manner that is not consistent with the EUTR, and therefore could constitute a gap in the ability for an EU operator to evaluate risk of illegality for these specific issues.

Requirement Section	Conclusion	Summary
<b>A. Requirements for Certificate Holders</b>		
<b>A.1 Legal Requirements at the forest level</b>		Generally, indicators are considered partially covered as there are requirements in place to identify applicable legislation and only to source legal material. However, the identification of the specific material is guidance only and are not detailed.
A.1.1 Rights to harvest timber within legally gazetted boundaries	Partially covered	Seven indicators are partially covered. Indicators are covered by guidance material but not required to obtain certification.
A.1.2 Payments for harvest rights and timber including duties related to timber harvesting	Partially covered	Two indicators are partially covered. Indicators are covered by guidance material but not required to obtain certification.
A.1.3 Timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting	Partially covered	Six indicators are partially covered, two indicators are not covered. Requirements to control potential illegal activities by third parties within the forest area managed by the operation are not included in ISO 38200, and neither is examples of legal employment related specifically to the forest sector. Examples of legal employment relate to minimum working age, forced and compulsory labour, and discrimination and freedom of association.  All other indicators are covered by guidance material but guidance is general and not mandatory to follow to obtain certification.
A.1.4 Third parties' legal rights concerning use and tenure that are affected by timber harvesting	Partially covered	Two indicators are not covered, while two indicators are partially covered. There are no requirements or guidance material on benefit sharing or FPIC.  Two indicators are covered by guidance material, but guidance is general and not mandatory to follow to obtain certification.
A.1.5 Trade and customs, in so far as the forest sector is concerned	Partially covered	One indicator is fully covered, two indicators are not covered, and three indicators are partially covered. There are normative requirements in place to comply with CITES. There are no normative requirements, nor guidance for classification of material, nor offshore trading, and transfer pricing.  All other indicators are covered by guidance material but there are not mandatory to follow to obtain certification.
<b>A.2 Legal requirements for supply chain entities</b>		
A.2.1. Legal registration	Partially covered	Indicators are covered by guidance material but not required to obtain certification.
A.2.2 Taxes and fees	Partially covered	Indicators are covered by guidance material, but guidance is general and not mandatory to follow to obtain certification
A.2.3 Trade and transport	Partially covered	Three indicators are not covered. Three indicators are partially covered, and one is fully covered.  There is no normative requirement, nor guidance for classification of material, offshore trading, and transfer pricing.



		<p>There are requirements in place to assess the prevalence of supplies of material harvested illegally according to restrictions and limitations set by CITES.</p> <p>All other indicators are covered by guidance material, but guidance is general and not mandatory to follow to obtain certification</p>
<b>A.3 Requirements for material control</b>		
A.3.1 Material control	Partially covered	<p>Four indicators are partially covered due to:</p> <ul style="list-style-type: none"> <li>• Lack of information on species and origin for certified material</li> <li>• The risk assessment process is generally in compliance with the EUTR but it is unclear how it is implemented in practice and difficult to conclude fully covered at this point.</li> <li>• Identification of applicable legislation to be defined by the organization. Risk of legislation which is applicable under the EUTR is not included in the DDS scope of the organization.</li> </ul>
A.3.2 Recycled material	Covered	<p>Three indicators are covered.</p> <p>The definition of recycled material in the ISO 38200 follows the EUTR definition. Collecting evidence of recycled material is required and are to be verified or covered by the requirement of the due diligence system.</p>
<b>A.4 General requirements for Certificate Holders</b>		
A.4.1 Conflict resolution	Not covered	There is no reference to dispute management, and how to address these.
A.4.2 Corruption	Not Covered	There is no reference to corruption of the certificate holder, in the standard.
<b>A.5 Quality and procedural requirements for Certificate Holders</b>	Partially covered	<p>Five indicators are covered, two indicators are partially covered.</p> <p>A CoC system, which a DDS shall be in place, and annual audits shall be conducted. Risks shall be reassessed if there is a change in risk in the supply chain. Staff shall have competence in place.</p> <p>The risk assessment process for DDS is generally in compliance with the EUTR but it is unclear how it is implemented in practice, as there is a lack of detailed requirements/guidance on the evaluation of risks and risk assessment. See eval A.1</p> <p>Certification schemes to be included in the DDS are required only to have competence to evaluate risks at forest level and it is therefore unclear how supply chain risks on trade and taxes are to be covered by certification</p>
A.5.1 Internal procedures for Certificate Holders	Covered	
A.5.2 Qualification and competence	Covered	
A.5.3 Risk based approaches to sourcing, trade or production	Partially covered	The risk assessment process is generally aligned with the EUTR but it is unclear how it is implemented in practice, as there is a lack of detailed requirements/guidance on the evaluation of risks and risk assessment
<b>B. Requirements for Certification Bodies</b>		There are no requirements for certification bodies in ISO 38200:2018
B.1 General Certification Body requirements	Partially covered	<p>Four indicators are covered under ISO 17065. General CB requirements are in place in ISO 17065, but the standard is not mandatory to be followed by CBs as not embedded in the ISO 38200.</p> <p>If it can be confirmed that an organisation is certified by a CB operating after ISO 17065 general certification body requirements can be considered to be covered.</p>
B.2 Certification Body requirements for auditing and certification	Partially covered	<p>Two indicators are partially covered, three indicators are not covered. No detailed procedures in place for audits. And there is no requirement for stakeholder consultation and organizations sanctioned for corruption.</p> <p>A documented methodology shall for evaluation shall be applied by CBs, as well as having a methodology in place for evaluation of conformity, Review and certification decision, issuance of a certificate, and periodic surveillance.</p> <p>It should be noted that the three indicators Not covered by ISO 17065 or 17011 could be covered by other CASCO standards. 17065 and 17011 were evaluated only to exemplify the ISO CASCO standards.</p>
<b>C. Requirements for Certification Schemes</b>		
C.1 Transparency	Partially	Four indicators are not covered, two indicators are partly covered.

	covered	<p>There are no normative scheme requirements for certification and accreditation bodies. It is possible to find public information about the development of ISO 38200.</p> <p>There are no overview of certified organization, summaries of full audit reports, it is unclear who deals with complains.</p> <p>There is no overall system to manage risk of corruption and conflict of interest in ISO 17076, 17011 or 38200.</p> <p>However, the way the system operates are sufficient to consider this indicator to be covered for certification conducted by CBs accredited in conformance with CASCO conformity assessment standards.</p>
C.2 Scheme & standard scope	Partially covered	<p>Two indicators are not covered, one indicator is partially covered, one indicator is covered.</p> <p>Applicable legislation is not defined by ISO 38200:2018; accreditation body or certification body.</p> <p>The standard considers outsourcing in terms of the organisations CoC system and clear identification of the material being handled under outsourcing.</p>
C.3 Accreditation and oversight	Partially covered	<p>Four indicators are partially covered, four indicators are not covered.</p> <p>As there are no normative requirements for certification and accreditation bodies and there is no overall oversight mechanism. There is no list of accredited certification bodies.</p> <p>If an accreditation body accredit against ISO 17000 conformance standards information of the accreditation body and process shall be public, requirements on competence, regularly evaluate the CBs, and the indicator would be considered to be covered.</p> <p>Under ISO 38200 However, this is not required and therefore not possible to conclude that the indicator is fulfilled without evaluating the applicable accreditation bodies system requirements.</p>
C.4 Certification process	Partially covered	<p>One indicator is not covered, three indicators are covered.</p> <p>There is a lack of thresholds for establishing conformance, and lack of scheme evaluation approach and decision making.</p> <p>According to ISO 17065 there are mechanism in place to ensure impartiality during the decision process, and there are requirements in place for auditors not to evaluate their own work.</p> <p>It is not possible to evaluate whether the actual use of low and high risk enable comparison with the negligible and non-negligible risk terms used in the EUTR</p> <p>The categories of applicable legislation are not defined in the document as normative.</p>

## 48. Evaluation

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
<b>A. Requirements for Certificate Holders</b> Requirements applicable to the Certificate Holders. These include requirements to comply with applicable legislation, as well as requirements relevant to ensuring continued performance and integrity of the operations – as far as is related to legal compliance.					
<b>A.1 Legal Requirements at the forest level</b> This principle relates to how the scheme ensures that Certificate Holders comply with all applicable legislation. This section relates to requirements of the Scheme that applies to Certificate Holders - or other entities subject to the normative requirements of the Scheme (e.g. included within the scope of a certified due diligence system) - within the Country of Harvest.					
	<b>A.1.1 Rights to harvest timber within legally gazetted boundaries</b>				
A.1.1.1	Land tenure and management rights	A.1.1.1.1. The Scheme shall include requirements that ensure compliance with legislation covering land tenure rights, including customary rights as well as management rights.	ISO 38200:2018, 4 general requirements ISO 38200:2018, 7 Due Diligence System; ISO 38200:2018, 7.2. general information required ISO 38200:2018, 7.5 Risk assessment process ISO 38200:2018, Annex E (informative) Guidance related to legally harvested material ISO 38200:2018, Annex F (informative) Examples of low and high risk indicators	<b>Findings</b> <p>There are clear requirements to implement a due diligence system to ensure that material source and included in a company CoC system is legal (ISO 38200:2018, 4 General requirements).</p> <p>Harvesting rights and Third parties' rights concerning use and tenure are examples of applicable legislation according to Annex E.</p> <p>Annex E is informative, meaning that it is additional information that complements the user's understanding (<a href="#">ISO - How to Write Standards, 2016</a>, p. 13). It is therefore not normative to include the examples of the annex in a due diligence system to become certified (<i>ISO Call-5/11/2020 - Representative Project Committee ISO/PC 287</i>).</p> <p>Some guidance has been provided on low and high-risk indicators in annex F. A low-risk indicator can be a harvest licence (provided that procedures conducted to obtain the licence are transparent, legal and open)" (F.1. f). The annex F is also informative and no further guidance is provided to evaluate land tenure rights.</p> <p><i>Direct interviews/ discussions / Stakeholder input</i></p> <p>It is not specifically stated which types of law shall be identified as applicable legislation, but all legislation relevant to the CoC shall be identified. All organizations will have to comply with legal requirements applicable for their organization. If an organisation is within the EU, it will be covered by the</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>requirements of the EUTR, and it was clarified by Project Committee representative that the EUTR applicable legislation in such case will be applicable shall be identified as applicable legislation under the ISO 38200 scope (ISO Call - 5/11/2020 - Representative Project Committee ISO/PC287).</p> <p><b>Justification</b></p> <p>There are normative requirements in place to ensure that evidence is to be collected and recorded to ensure material is legally sourced in compliance with applicable legislation.</p> <p>However, the applicable legislation is to be identified by the organization, and the identified legislation can therefore differ and there is a risk that not all categories of law as defined by the EUTR are included. While it is clarified by ISO that organizations based within the EU will have to follow the categories of applicable legislation defined by the EU, this is not applicable to organizations outside the EU. Material sourced as certified under ISO 38200 can enter the supply chain without having identified applicable legislation in conformance with the EUTR.</p> <p>There are requirements to identify applicable legislation and guidance is in place to address land tenure rights, including customary rights as well as management rights the indicator is considered to be partially covered.</p> <p>However, it cannot be concluded that land tenure rights, including customary rights as well as management rights are automatically covered by an organisation's DDS under the ISO 38200, since the definition of applicable legislation in Annex E is informative only.</p> <p>The key issues which result in a full Coverage conclusion not being given relate to:</p> <ul style="list-style-type: none"> <li>• The applicable legislation is to be identified by an organization, and the identified legislation can therefore differ and there is a risk that not all categories of law as defined by the EUTR are included. While it is clarified by ISO that organizations based within the EU will have to follow the categories of applicable legislation defined by the EU, this is not applicable to organizations outside the EU. Material sourced as certified under ISO 38200 can enter the supply chain without having identified applicable legislation in conformance with the EUTR.</li> <li>• Also, the guidance provided is rather general and it can be a challenge</li> </ul>	

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				for a company to apply a due diligence system with strong risk conclusion and mitigation without detailed guidance/requirements.	
		<p><b>A.1.1.1.2.</b> The Scheme shall include requirements to ensure that licenses, right of tenure and management rights, have been issued:</p> <ul style="list-style-type: none"> <li>i) according to the legally prescribed procedure,</li> <li>ii) in compliance with third parties' legal rights concerning tenure,</li> <li>iii) specifying the legally-gazetted boundaries, and;</li> <li>iv) with absence of corrupt practices.</li> </ul>	<p>ISO 38200:2018, Annex E (informative) Guidance related to legally harvested material</p> <p>ISO 38200:2018, Annex F (informative) Examples of low and high risk indicators</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Annex E and F (both informative)</p> <p>i) Harvest licence is considered a low risk indicator (annex F) provided that procedures conducted to obtain the licence are transparent, legal and open."</p> <p>ii) legislation related to Third parties' legal rights concerning use and tenure that are affected by harvesting shall be considered. It is not further explained how this shall be considered.</p> <p>iii) Annex E states that applicable legislation includes that rights to harvest shall be within legally gazetted boundaries.</p> <p>iv) It is stated that perception of corruption is a high-risk indicator in annex F. However, it is not clarified how it should be evaluated in the risk assessment process.</p> <p><b>Justification</b></p> <p>There are no normative requirements in place to ensure that licenses, right of tenure and management rights, have been issued legally. In the guidance (annex E and F) is included the relevant points related to licenses, right of tenure and management rights. However, the guidance is quite vague, and it is not clear how to evaluate the perception of corruption. The guidance only specifies third parties' rights to be considered when legislation is in place, and there is no guidance on how to consider conflicts with customary law.</p> <p>Therefore, the indicator is partly covered.</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<u>See also A.1.1.1.1, which relates to the same issue.</u>	
		<b>A.1.1.1.3</b> The Scheme shall include requirements that ensure the existence of legal business registration, and other relevant legally required licenses.	ISO 38200:2018, Annex F (informative) Examples of low and high risk indicators; F.1 Low risk indicators	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>A harvesting licence is mentioned as a low risk indicator in Annex F.</p> <p><b>Justification</b></p> <p>A harvesting licence is mentioned as a low-risk guidance indicator. But otherwise there is no reference to legal business registration and legally required licenses.</p> <p><u>See also A.1.1.1.1, which relates to the same issue.</u></p>	Partially Covered
<b>A.1.1.2</b>	Concession licenses	<b>A.1.1.2.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating procedures for the issuing of concession licenses, including use of legal methods to obtain concession licenses and that licenses are covering only legally gazetted areas	ISO 38200:2018, Annex E (informative) Guidance related to legally harvested material	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The standard does not specifically mention concession licenses.</p> <p><b>Justification</b></p> <p>Concessions are not specifically mentioned in the standard. However, it is mentioned in the guidance that applicable legislation includes Rights to harvest material within legally gazetted boundaries. This can be considered to apply also to concessions - See A.1.1.1 above. The indicator is therefore considered to be partially covered.</p> <p><u>See also A.1.1.1.1, which relates to the same issue.</u></p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
A.1.1.3	Management and harvesting planning	A.1.1.3.1 The Scheme shall include requirements that ensure compliance with legislation and legal obligations for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring.	ISO 38200:2018, 7.5 Risk assessment process ISO 38200:2018, Annex E (informative) Guidance related to legally harvested material	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>See A.1.1.1.1.</p> <p>A short reference to forest management is given in Annex E.</p> <p><b>Justification</b></p> <p>The standard refers to a general requirement to have evidence that applicable legal requirements related to forest management are fulfilled (7.5). There is specific mentioning of forest management in Annex E, and management planning can be considered as part of general forest management.</p> <p>The indicator is partly covered, as no detailed guidance or normative requirements are in place for this indicator.</p> <p><u>See also A.1.1.1.1, which relates to the same issue.</u></p>	Partially Covered
		A.1.1.3.2 The Scheme shall include requirements that all legally required planning documents have been approved prior to implementation of forest harvesting activities.		<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>There is no mentioning of the need to have planning documents in place prior to harvesting activities.</p> <p>See also A.1.1.1.1</p> <p><b>Justification</b></p> <p>The standard refers to a general requirement to have evidence that applicable legal requirements related to forest management are fulfilled (7.5). There is specific mentioning of forest management in Annex E, and management planning can be considered as part of general forest management. If so, this can also cover planning documents.</p> <p>The indicator is considered to be partly covered, as no detailed guidance or normative requirements are in place for this indicator.</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<u>See also A.1.1.1.1, which relates to the same issue.</u>	
A.1.1.4	Harvesting permits	A.1.1.4.1 The Scheme shall include requirements that ensure compliance with legislation regulating the issuing of harvesting permits, licenses or other legal documents required for specific harvesting operations	ISO 38200:2018, Annex F (informative) Examples of low and high risk indicators; F.1 Low risk indicators	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Annex F Low risk indicators (informative – guidance) refer to harvesting permits as a low risk indicator, if procedures conducted to receive the licence are transparent, legal and open.</p> <p>See also A.1.1.1.1</p> <p><b>Justification</b></p> <p>There is no explicit standard requirement on harvesting permits, but the standard mentions harvesting permits as part of Annex F Low risk indicators (informative - guidance).</p> <p>Harvesting permits are low risk indicators, provided that procedures conducted to obtain the licence are transparent, legal and open.</p> <p>Reference to other permits or documents are not specifically mentioned.</p> <p>As the reference to harvesting permits are included only as guidance material and not required to obtain certification, the indicator is evaluated to be partly covered.</p> <p><u>See also A.1.1.1.1, which relates to the same issue.</u></p>	Partially Covered
	<b>A.1.2 Payments for harvest rights and timber including duties related to timber harvesting</b>				
A.1.2.1	Payment of royalties and harvesting fees	A.1.2.1.1 The Scheme shall include requirements that ensure compliance with legislation covering payment of all legally required forest harvesting-specific fees such as royalties, stumpage fees	<p>ISO 38200:2018, Annex C (informative) Trade and customs</p> <p>ISO 38200:2018, Annex E (informative) Guidance related to legally harvested material</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Annex E mention that the payment of duties related to harvested material is part of the applicable legislation to consider.</p> <p>Payment of taxes and royalties are mentioned as a low-risk indicator in Annex F.</p>	Partially Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		and other volume-based fees, as well as land area taxes or fees.	ISO 38200:2018, Annex F (informative) Examples of low and high risk indicators	<p>(F.1, h)).</p> <p>See also A.1.1.1.1</p> <p><b>Justification</b></p> <p>As the reference to payment of royalties are included only as guidance material and not required to obtain certification, the indicator is evaluated to be partly covered.</p> <p><u>A.1.1.1.1, which relates to the same issue.</u></p>	
A.1.2.2	Value-added taxes and other sales taxes	A.1.2.2.2 The Scheme shall include requirements that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales).	<p>ISO 38200:2018, Annex C (informative) Trade and customs</p> <p>ISO 38200:2018, Annex E (informative). Guidance related to legally harvested material.</p> <p>ISO 38200:2018, Annex F (informative) Examples of low and high risk indicators</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Payment of taxes and royalties are mentioned as a low-risk indicator in Annex F. (F.1, h)). But the types of taxes are not specified. Guidance on applicable legislation (Annex E) does not cover general taxes and sales taxes but relate only to duties related to harvesting of material.</p> <p>See also A.1.1.1.1</p> <p><b>Justification</b></p> <p>The payment of taxes is mentioned in the informative annexes, but there are no clear guidance of payment of value added taxes and other sales taxes are to be included as a low risk indicator.</p> <p>Compliance with these annexes is not required in order to obtain certification and the indicator is evaluated to be partly covered.</p>	Partially Covered
	<b>A.1.3 Timber harvesting, including environmental and forest legislation</b>				

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
	<b>including forest management and biodiversity conservation, where directly related to timber harvesting</b>				
A.1.3.1	Timber harvesting regulations	<p><b>A.1.3.1.1</b> The Scheme shall include requirements that ensure compliance with legal obligations for harvesting techniques and technology including timing of harvest, selective cutting, shelter wood regeneration, clear felling, transport of timber from felling sites and seasonal limitations etc.</p> <p>This includes the mis-use of salvaging permits or other specific ministerial permits, with the intention of circumventing harvest regulations</p>	ISO 38200:2018, Annex E (Guidance related to legally harvested material)	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The standard states that applicable legal requirements shall be fulfilled, and in annex E it is stated that applicable legislation include environmental and forest legislation, including that covering forest management and biodiversity conservation, directly related to harvesting of material.</p> <p>See also A.1.1.1.1</p> <p><b>Justification</b></p> <p>There are normative requirements in place to ensure that evidence is to be collected and recorded to ensure material is legally sourced in compliance with applicable legislation.</p> <p>However, it cannot be concluded that legal obligations for harvesting techniques and technology are automatically covered by an organisation's DDS under the ISO 38200.</p> <p>Therefore, the indicator is partly covered.</p> <p><u>See also, the justification in A.1.1.1.1, which relates to the same issue.</u></p>	Partially Covered
		<b>A.1.3.1.2</b> The Scheme shall include requirements to control potential illegal activities by third parties within the area managed by the operation.		<p><b>Justification</b></p> <p>There is no specific mentioning of this requirement and the indicator is considered not covered.</p>	Not Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
A.1.3.2	Protected sites and species	A.1.3.2.1 The Scheme shall include requirements that ensure compliance with legislation related to protected areas as well as protected, rare, or endangered species, including their habitats and potential habitats.	ISO 38200:2018, Annex B (informative) Environment  ISO 38200:2018, Annex E (informative) Guidance related to legally harvested material	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The standard states that applicable legal requirements shall be fulfilled. Annex B specifies that applicable legislation relate to management of biodiversity and natural habitat and annex E include legislation related to biodiversity conservation directly related to harvesting of material.</p> <p>See also A.1.1.1.1</p> <p><b>Justification</b></p> <p>There are normative requirements in place to ensure that evidence is to be collected and recorded to ensure material is legally sourced in compliance with applicable legislation.</p> <p>Protection of areas can be considered relevant as part of the management of biodiversity and natural habitats. However, it cannot be concluded that legal obligation for protected sites and species are automatically covered by an organisation's DDS under the ISO 38200.</p> <p>Therefore, the indicator is partly covered.</p> <p><u>See also, the justification in A.1.1.1.1, which relates to the same issue.</u></p>	Partially Covered
		A.1.3.2.2 Requirements that ensure compliance with legislation related to protected areas and habitats, shall include that the identification of protected areas is conducted according to the legal requirements.	ISO 38200:2018, Annex B (informative) Environment  ISO 38200:2018, Annex E (informative) Guidance related to legally harvested material	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The is no specific mentioning of identification of protected areas. However, the standard states that applicable legal requirements shall be fulfilled, and identification of legislation related to management of biodiversity and natural habitats.</p> <p><b>Justification</b></p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>There are normative requirements in place to ensure that evidence is to be collected and recorded to ensure material is legally sourced in compliance with applicable legislation.</p> <p>Protection of areas can be considered relevant as part of the management of biodiversity and natural habitats. However, it cannot be concluded that legal obligation for protected sites and species are automatically covered by an organisation's DDS under the ISO 38200.</p> <p>Therefore, the indicator is partly covered.</p> <p><u>See also, the justification in A.1.1.1.1, which relates to the same issue.</u></p>	
A.1.3.3	Environmental requirements	A.1.3.3.1 The Scheme shall include requirements that ensure compliance with legislation related to environmental impact assessment in connection with harvesting, acceptable levels of damage and disturbance of soil resources, establishment of buffer zones (e.g. along watercourses, open areas, breeding sites), maintenance of retained trees on felling sites, seasonal limitations on harvesting, and environmental requirements for forest machinery.	<p>ISO 38200:2018, Annex B (informative) Environment</p> <p>ISO 38200:2018, Annex E (informative) Guidance related to legally harvested material</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The scheme requires the organization to establish, implement and maintain procedures that include identification of legal requirements applicable to the CoC and how these apply.</p> <p>There is no specific mentioning of environmental impact assessment. However, annex B states that applicable legislation can include legislation related to pollution, including management of hazardous wastes, resource efficiency and risk management and emergency response. According to annex E environmental legislation is relevant to consider.</p> <p>See also A.1.1.1.1</p> <p><b>Justification</b></p> <p>If an environmental impact assessment is relevant in the applicable country, this is assumed to be relevant under the types of legislation identified in the informative annexes of the ISO 38200 standard.</p> <p><u>See also the justification in A.1.1.1.1, which relates to the same issue.</u></p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
A.1.3.4	Health and safety	A.1.3.4.1 The Scheme shall include requirements that ensure compliance with Health & Safety legislation.	ISO 38200:2018, Annex A (informative) Social welfare and employment	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The scheme requires the organization to establish, implement and maintain procedures that include identification of legal requirements applicable to the CoC and how these apply.</p> <p>Health and Safety is mentioned in Annex A, as part of the guidance on social welfare and employment. According to the annex the relevant legislation is including, not limited to working conditions endangering safety or health. There is no further definition of relevant legislation related to H&amp;S.</p> <p>See also A.1.1.1.1</p> <p><b>Justification</b></p> <p>The Scheme notes that relevant legislation relates to working conditions endangering safety and health. However, there is no further guidance, and whether H&amp;S will be fully covered by a CoC under ISO 38200 certification depend on the interpretation of the certified organization and CB and therefore the indicator can be considered as only partially covered.</p> <p><u>See also the justification in A.1.1.1.1, which relates to the same issue.</u></p>	Partially Covered
A.1.3.5	Legal employment	A.1.3.5.1 The Scheme shall include requirements that ensure compliance with legislation for employment of personnel involved in harvesting (and in-forest processing) activities including but not limited to requirements for: contracts and working permits, obligatory insurances, certificates of competence and other training requirements, and payment of	ISO 38200:2018, Annex A (informative) Social welfare and employment	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>There is no reference to legislation on legal employment specifically related to the forest sector.</p> <p>Examples given on applicable legislation are all covered by A1.3.6 below.</p> <p><b>Justification</b></p>	Not Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		social and income taxes.		<p>There are normative requirements in place to ensure that evidence is to be collected and recorded to ensure material is legally sourced in compliance with applicable legislation.</p> <p>The examples of legal employment do not cover the examples of this indicator. The guidance on addressing legislation on employment is including and not limited to. It is uncertain if an organisation will be able to identify the legislation covering the indicator without such guidance.</p> <p><u>See also, the justification in A.1.1.1.1, which relates to the same issue.</u></p>	
		<b>A.1.3.5.2</b> The Scheme shall include requirements that ensure compliance with legislation for minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labour, and discrimination and legislation allowing for freedom of association.	ISO 38200:2018, Annex A (informative) Social welfare and employment	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Guidance (annex A) related to applicable legislation in relation to legal employment cover minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labour, and discrimination and freedom of association.</p> <p><b>Justification</b></p> <p>There are normative requirements in place to ensure that evidence is to be collected and recorded to ensure material is legally sourced in compliance with applicable legislation.</p> <p><u>See also, the justification in A.1.1.1.1, which relates to the same issue.</u></p>	Partially Covered
	<b>A.1.4 Third parties' legal rights concerning use and tenure that are affected by timber harvesting</b>				
<b>A.1.4.1</b>	Customary rights	<b>A.1.4.1.1</b> The Scheme shall include requirements that ensure compliance with respect for customary tenure rights relevant to forest harvesting activities.	ISO 38200:2018, Annex E (informative) Guidance related to legally harvested material	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Annex E specifies that applicable legal requirements include third parties' rights concerning use and tenure that are affected by harvesting of material.</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>Customary rights are not mentioned specifically.</p> <p><b>Justification</b></p> <p>Customary rights are not mentioned specifically, but can be considered as covered under third parties' rights</p> <p>There are normative requirements in place to ensure that evidence is to be collected and recorded to ensure material is legally sourced in compliance with applicable legislation.</p> <p><u>See also, the justification in A.1.1.1.1, which relates to the same issue.</u></p>	
		<b>A.1.4.1.2</b> The Scheme shall include requirements that ensure compliance with legal obligations concerning benefit sharing they have negotiated with communities or customary users. E.g. social agreements or social responsibility agreements or cahier de charges, dependent on the country.		<p><b>Findings</b></p> <p>There is no reference to this in ISO 38200:2018 and the indicator is considered Not covered.</p>	Not Covered
<b>A.1.4.2</b>	Free, Prior and Informed Consent	<b>A.1.4.2.1</b> The Scheme shall include requirements that ensure compliance with the internationally adopted principles of 'Free, Prior and Informed Consent' in connection with granting rights to forest management.		<p><b>Findings</b></p> <p>There is no reference to this in ISO 38200:2018 and the indicator is considered Not covered.</p>	Not Covered
<b>A.1.4.3</b>	Indigenous and traditional peoples' rights	<b>A.1.4.3.1</b> The Scheme shall include requirements that ensure compliance with national legislation and international conventions ratified that respect the tenure rights of indigenous and tribal	ISO 38200:2018, Annex E (informative) Guidance related to legally harvested material	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Annex E specifies that applicable legal requirements include Third parties' rights concerning use and tenure that are affected by harvesting of material.</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		people to forest land as well as their right to FPIC.		<p>FPIC is not covered in ISO 38200:2018</p> <p>See also A.1.1.1.1</p> <p><b>Justification</b></p> <p>Customary rights are not mentioned specifically, but can be considered as covered under third parties' rights</p> <p>There are normative requirements in place to ensure that evidence is to be collected and recorded to ensure material is legally sourced in compliance with applicable legislation.</p> <p><u>See also the justification in A.1.1.1.1, which relates to the same issue.</u></p>	
	<b>A.1.5 Trade and customs, in so far as the forest sector is concerned</b>				
<b>A.1.5.1</b>	Classification of species, quantities, qualities	<b>A.1.5.1.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating how harvested material is classified in terms of species, Quantities and qualities in connection with trade and transport.		<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>There is no reference to classification of species, quantities, qualities and the indicator is considered Not covered.</p>	Not Covered
<b>A.1.5.2</b>	Trade and transport	<b>A.1.5.2.1</b> The Scheme shall include requirements that ensure compliance with legally required trading permits as well as legally required transport documents that accompany transport of wood from forest operations.	<p>ISO 38200:2018, Annex C (informative) Trade and customs</p> <p>ISO 38200:2018, Annex F (informative) Examples of low and high risk indicators</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>In annex C it is stated applicable legislation to consider are requirements related to export licences, as well as official authorization required for import and export.</p> <p>In annex F it is stated that compliance with trade and customs legislation is a low risk indicator</p> <p><b>Justification</b></p>	Partially Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>Documentation related to import/export is required, as well as a requirement to comply with legislation related to trade.</p> <p>There are normative requirements in place to ensure that evidence is to be collected and recorded to ensure material is legally sourced in compliance with applicable legislation.</p> <p>The key issues which result in a full Coverage conclusion not being given relate to:</p> <ul style="list-style-type: none"> <li>• There is no mentioning of identifying and assessing risks related to transport documents</li> <li>• The applicable legislation is to be identified by an organization, and the identified legislation can therefore differ and there is a risk that not all categories of law as defined by the EUTR are included. While it is clarified by ISO that organizations based within the EU will have to follow the categories of applicable legislation defined by the EU, this is not applicable to organizations outside the EU. Material sourced as certified under ISO 38200 can enter the supply chain without having identified applicable legislation in conformance with the EUTR.</li> <li>• Also, the guidance provided is rather general and it can be a challenge for a company to apply a due diligence system with strong risk conclusion and mitigation without detailed guidance.</li> </ul>	
A.1.5.3	Offshore trading and transfer pricing	A.1.5.3.1 The Scheme shall include requirements that ensure compliance with legislation regulating offshore trading and transfer pricing.		<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>There is no reference to offshore trading and transfer pricing in ISO 38200:2018</p>	Not Covered
A.1.5.4	Customs regulations	A.1.5.4.1 The Scheme shall include requirements that ensure compliance with legislation covering areas such as export/import licenses, and product classification related to customs (codes, quantities, qualities and species).	<p>ISO 38200:2018, Annex C (informative) Trade and customs</p> <p>ISO 38200:2018, Annex F (informative) Examples of low and high risk indicators</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>In annex C it is stated applicable legislation to consider are requirements related to export licences, as well as official authorization required for import and export.</p> <p>There is no specific mentioning of product classification, but in annex F it is stated that compliance with trade and customs legislation is a low risk indicator.</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>See also A.1.1.1.1</p> <p><b>Justification</b></p> <p>There are normative requirements in place to ensure that evidence is to be collected and recorded to ensure material is legally sourced in compliance with applicable legislation.</p> <p>Licenses related to import/export are given as examples of applicable legislation, as well legislation related to trade and customs are considered low risk indicator. The legislation to be identified are not limited to the examples provided.</p> <p>The indicator is considered partially covered.</p> <p>The key issues which result in a full Coverage conclusion not being given relate to:</p> <ul style="list-style-type: none"> <li>• There is no mentioning of identifying and assessing risks related to product classification.</li> <li>• The applicable legislation is to be identified by an organization, and the identified legislation can therefore differ and there is a risk that not all categories of law as defined by the EUTR are included. While it is clarified by ISO that organizations based within the EU will have to follow the categories of applicable legislation defined by the EU, this is not applicable to organizations outside the EU. Material sourced as certified under ISO 38200 can enter the supply chain without having identified applicable legislation in conformance with the EUTR.</li> <li>• Also, the guidance provided is rather general and it can be a challenge for a company to apply a due diligence system with strong risk conclusion and mitigation without detailed guidance.</li> </ul>	
A.1.5.5	CITES	A.1.5.5.1 The Scheme shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild	<p>ISO 38200:2018, 7.5 Risk assessment process</p> <p>ISO 38200:2018, Annex F (informative) Examples of low and high risk indicators</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>A risk assessment shall be conducted on whether there is risk of illegal logging in relation to CITES (7.5). Also supplies in compliance with CITES regulation is provided as a low-risk indicator.</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		Fauna and Flora, also known as the Washington Convention).		<b>Justification</b>  There are normative requirements in place to ensure that evidence is to be collected and recorded to ensure material is legally sourced in compliance with applicable legislation.  The indicator is considered to be covered.	
A.1.5.6	Legislation requiring due diligence / due care procedures	A.1.5.6.1 The scheme shall include requirements that ensure compliance with legislation covering due diligence/due care procedures, including e.g. due diligence/due care systems, declaration obligations, and /or the keeping of trade related documents, legislation establishing procedures to prevent trade in illegally harvested timber and products derived from such timber, etc.	ISO 38200:2018, Annex F (informative) Examples of low and high risk indicators	<b>Findings</b>  <i>Scheme info</i>  Verification or licensing mechanism, such as FLEGT licences, other than forest certification programmes are recognized as a low risk indicator.  <b>Justification</b>  There is no explicit information about what a due diligence system shall contain in order to be approved under the certification scope of ISO 38200. As there are varying degree of implementation of due diligence it is important with transparency in scope and approach for the material covered by the DDS.  the guidance provided is rather general and it can be a challenge for a company to apply a due diligence system with strong risk conclusion and mitigation without detailed guidance.  Therefore, the indicator is considered to be partially covered.	Partially Covered
<b>A.2 Legal requirements for supply chain entities</b> This section shall apply to Certificate Holders - or other entities subject to the normative requirements of the Scheme (e.g. included within the scope of a certified due diligence system) - within the Country of Harvest.					
	<b>A.2.1. Legal registration</b>				
A.2.1.1	Legal Registration	A.2.1.1.1 The scheme shall include requirements that ensure the existence of legal	ISO 38200:2018, 4 General requirements	<b>Findings</b>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		business registration, and other relevant legally required licenses.	ISO 38200:2018, 5.1 General  ISO 38200:2018, 7 Due Diligence System 7.1 general requirements	<i>Scheme info</i>  There is no reference to legal business registration, or registration of businesses in the supply chain.  However, the standard does require for the certificate holder to be in compliance with legal requirements.  See also A.1.1.1.1  <b>Justification</b>  The certificate holder is to be in compliance with legal requirements and it can therefore be concluded that the indicator is in place for the certificate holder.  However, there is no clear reference to legal conformance of the operation of supply chain entities besides ensuring that the material is traded legally. Therefore, this indicator is considered only partly covered.	
	<b>A.2.2 Taxes and fees</b>				
<b>A.2.2.1</b>	Payment of taxes, royalties and fees	<b>A2.2.1.1</b> The Scheme shall include requirements that ensure compliance with legislation covering payment of all legally required taxes, royalties and fees.	ISO 38200:2018, 4 General requirements  ISO 38200:2018, Annex C (informative) Trade and customs  ISO 38200:2018, Annex F (informative) Examples of low and high risk indicators	<b>Findings</b>  <i>Scheme info</i>  Guidance material (annex C) refer to payment of taxes and duties related to export of materials, and payment of taxes and fees are considered as a low risk indicator.  <b>Justification</b>  The certificate holder will have to comply with applicable legislation related to tax payment, as they are to comply with legislation, and the informative annexes also refer to taxes, duties and royalties.  <i>The key issues which result in a full Coverage conclusion not being given relate to:</i> <ul style="list-style-type: none"><li>As the standard does not clearly state that the legislation to be identified relate to supply chain entities</li><li>Also, the guidance provided is rather general and it can be a challenge for a company to apply a due diligence system with strong risk</li></ul>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				conclusion and mitigation without detailed guidance	
A.2.2.2	Value-added taxes and other sales taxes	<b>A2.2.2.1</b> The Scheme shall include requirements that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales).	ISO 38200:2018, 4 General requirements  ISO 38200:2018, Annex C (informative) Trade and customs  ISO 38200:2018, Annex F (informative) Examples of low and high risk indicators	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Guidance material (annex C) refer to payment of taxes, royalties and fees as examples of applicable legislation applicable for the supply chain.</p> <p>See also A.1.1.1.1</p> <p><b>Justification</b></p> <p>There is no clarification on how payment of taxes shall be assessed. The standard does note that this shall be in place for the supply chain, but it is unclear if it relates to the operations of the supply chain entities or only to the trade/transfer of the product. Whether it is in place for supply chain entities will have to be defined by the scope of the CoC and due diligence system.</p> <p>The certificate holder will have to comply with applicable legislation related to tax payment, as they are to comply with legislation.</p> <p><i>The key issues which result in a full Coverage conclusion not being given relate to:</i></p> <ul style="list-style-type: none"> <li>the standard does not clearly state that the legislation is to be identified for supply chain entities</li> <li>Also, the guidance provided is rather general and it can be a challenge for a company to apply a due diligence system with strong risk conclusion and mitigation without detailed guidance</li> </ul>	Partially Covered
<b>A.2.3 Trade and transport</b>					
A.2.3.1	Classification of species, quantities, qualities	<b>A.2.3.1.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating how products are classified in terms of species, volumes and qualities in connection with trade and transport.		<p><b>Findings</b></p> <p>There is no reference to classification of species, quantities, qualities and the indicator is considered not covered.</p>	Not Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
A.2.3.2	Trade and transport	A.2.3.2.1 The Scheme shall include requirements that ensure compliance with required trading permits as well as legally required transport documents that accompany transport of wood.	ISO 38200:2018, Annex C (informative) Trade and customs  ISO 38200:2018, Annex F (informative) Examples of low and high risk indicators	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>There is guidance material in place related to export licenses, as well as other documentation related to import/export, but there is no reference to other trade and transport permits.</p> <p>However, Annex C does provide guidance to identify legislation related to trade.</p> <p><b>Justification</b></p> <p>As there is guidance in place to note that legislation related to trade should be considered, the indicator is considered to be partly covered</p> <p>The key issues which result in a full Coverage conclusion not being given relate to:</p> <ul style="list-style-type: none"> <li>• there are no normative references in place to ensure that trade permits and other trade documents are included in an organisation's due diligence system,</li> <li>• the guidance provided is rather general and it can be a challenge for a company to apply a due diligence system with strong risk conclusion and mitigation without detailed guidance</li> </ul>	Partially Covered
A.2.3.3	Offshore trading and transfer pricing	A.2.3.3.1 The Scheme shall include requirements that ensure compliance with legislation regulating offshore trading.		There is no reference to offshore trading and transfer pricing	Not Covered
		A.2.3.3.2 The Scheme shall include requirements that ensure compliance with legislation regulating transfer pricing.		There is no reference to offshore trading and transfer pricing in the standard.	Not Covered
A.2.3.4	Customs regulations	A.2.3.4.1 The Scheme shall include requirements that ensure compliance with legislation covering areas	ISO 38200:2018, Annex C (informative) Trade and customs  ISO 38200:2018, Annex F	<p><b>Findings</b></p> <p><i>Scheme info</i></p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		such as export/import licenses, and product classification related to customs (codes, quantities, qualities and species).	(informative) Examples of low and high risk indicators	<p>Legislation on customs and import/export licenses are referred to as applicable legislation under annex C.</p> <p><b>Justification</b></p> <p>As there is guidance in place to note that legislation related to custom should be considered, the indicator is considered to be partly covered.</p> <p>The key issues which result in a full Coverage conclusion not being given relate to:</p> <ul style="list-style-type: none"> <li>• <i>there are no normative references in place to ensure that trade permits and other trade documents are included in an organisations due diligence system</i></li> <li>• the guidance provided is rather general and it can be a challenge for a company to apply a due diligence system with strong risk conclusion and mitigation without detailed guidance</li> </ul>	
A.2.3.5	CITES	A.2.3.5.1 The Scheme shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).	<p>ISO 38200:2018, 7.5 Risk assessment process</p> <p>ISO 38200:2018, Annex F (informative) Examples of low and high risk indicators</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The scheme has normative requirements in place to ensure that a risk assessment is conducted on prevalence of illegal harvesting of specific tree species according to the restrictions or limitations set by CITES or applicable national listing of illegal harvesting. Also guiding annex F notes that a low risk indicator can be that supplies are in compliance with CITES regulation.</p> <p><b>Justification</b></p> <p>As there are normative requirements in place to assess the prevalence of supplies of material harvested illegally according to restrictions and limitations set by CITES the indicator is considered to be covered.</p>	Covered
A.2.3.6	Legislation requiring due diligence / due care procedures	A.2.3.6.1 The scheme shall include requirements that ensure compliance with legislation covering due diligence/due care procedures, including e.g. due diligence/due care systems,	ISO 38200:2018, Annex F (informative) Examples of low and high risk indicators	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Verification or licensing mechanism, such as FLEGT licences, other than forest certification programmes are recognized as a low-risk indicator.</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		declaration obligations, and /or the keeping of trade related documents, legislation establishing procedures to prevent trade in illegally harvested timber and products derived from such timber, etc.		<p>If the certificate holder is based within a country with legislation in place covering due diligence, this is required to be implemented as in compliance with that legislation.</p> <p><b>Justification</b></p> <p>There is no explicit information about what a due diligence system shall contain in order to be approved under the certification scope of ISO 38200. In Europe it is common for companies not to have diligence systems in place as required by the EUTR, and the quality and efficiency of due diligence systems vary greatly between companies. It is important with transparency in scope and approach for the material covered by the DDS.</p> <p>the guidance provided is rather general and it can be a challenge for a company to apply a due diligence system with strong risk conclusion and mitigation without detailed guidance.</p> <p>Therefore, the indicator is considered to be partially covered.</p>	
<b>A.3 Requirements for material control</b>					
	<b>A.3.1 Material control</b>				
<b>A.3.1.1</b>	Material origin and identification	<b>A.3.1.1.1</b> The Scheme shall require systematic processes to enable the identification of the country of harvest of the material, and where applicable to a higher level of detail, such as the sub-national region or concession level.	ISO 38200:2018, 7.2. general information required	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The scheme requires the country of harvest to be declared, and if necessary, also the sub-national region and/or concession of harvest.</p> <p>The information shall be collected as part of the company's DDS before the material is used and repeated annually or when any information is changed.</p> <p>However, information on country of harvest are to be collected for non-certified material. However, certified material and recycled material is exempt from this requirement.</p> <p><b>Justification</b></p>	Partially Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>Information on country of harvest is to be collected for input material, but certified material is exempt from this requirement. Therefore, the indicator is considered only partly covered.</p> <p>Recycled material is exempt as well, which is in compliance with the EUTR. However, the origin of material shall be known also for certified material according to the EUTR.</p>	
		<b>A.3.1.1.2</b> The Scheme shall require systematic processes to enable the identification of the species included in materials or products included in the scope of certification.	ISO 38200:2018, 7.2. general information required	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Species - or potential species in the case where input contain mix species - shall be collected annually. If needed the species scientific name shall be declared.</p> <p>However, it is not required to identify species if material is sourced as recycled or certified.</p> <p>Note: the certified material is accepted only to be included in the DDS if the certification scheme is in compliance with the requirements under the standard indicator 7.4 on information required for certified material. This includes certification scheme requirements for evaluating forest management legality, with a scope that covers the organisation's due diligence system requirements. Also, a chain of custody system must be in place.</p> <p><b>Justification</b></p> <p>Information of species are to be collected for input material, but certified material is exempt from this requirement. Therefore, the indicator is considered only partly covered.</p> <p>Recycled material is exempt as well, which is in compliance with the EUTR. However, the origin of material shall be known also for certified material according to the EUTR.</p>	Partially Covered

		<p><b>A.3.1.1.3</b> The Scheme shall include clear and effective measures to prevent material from non-negligible risk, unverified or potentially illegal sources from entering the supply chain and mixed with conforming material.</p>	<p>ISO 38200:2018, 3 Terms and definitions</p> <p>ISO 38200:2018, 6 Input material, 6.1 categories of input material</p> <p>ISO 38200:2018, 7.2 General information required</p> <p>ISO 38200:2018, 7.4 Information required for certified material</p> <p>ISO 38200:2018, 9.3 Output material declaration</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>“All input material within the scope of the organization’s chain of custody shall be assessed in accordance with the Due Diligence System described in Clause 7</p> <p>There are four categories of input material.</p> <ul style="list-style-type: none"> <li>- <b>certified material:</b> <i>verified material received with a certification status and meets the requirements of a particular certification scheme for which the organization can provide evidence of third-party certification to that scheme (3.9).</i> It shall be verified that certification bodies are independent, that the scheme has requirements to evaluate legality in forest management and is in conformance with the scope of the organization’s DDS, and that the certification has CoC requirements in place.</li> <li>- <b>verified material;</b> <i>material for which the organization can provide evidence of compliance with the requirements of the Due Diligence System (3.11)</i></li> <li>- <b>specified material;</b> <i>A classification of verified material that meets publicly available documented specific requirements, set by organization(s) within a CoC and for which the organization provide information regarding the requirements as well as evidence of compliance (3.10).</i> Organizations can set up their own requirements for specified materials, but all input material will have to be assessed in accordance with the Due diligence system requirements of the ISO 38200 standard (clause 7). The specific requirements for specified material shall be documented and publicly available.</li> <li>- The purpose of the specified material category is to allow companies to make clear communication about the product and conformity level (ISO Call - 5/11/2020 - Representative Project Committee ISO/PC 287)</li> <li>- <b>recycled material;</b> <i>material that has been recovered, or otherwise diverted, from the waste stream, either from the manufacturing process [i.e. post-industrial recycled materials, but not in-house scrap] or after consumer use (i.e. post-consumer recycled materials), that is reused in the manufacture of new product, and for which the organization can provide evidence of compliance with the requirements of the Due Diligence System (excluded are by-products such as sawmilling by-products (e.g. sawdust, chips, bark) or forestry residues (e.g. bark, chips from branches, roots).</i> Evidence shall be collected to verify that material is recycled and has been legally procured, but an actual risk assessment will not have to be conducted.</li> </ul> <p>Iso 38200 provides three examples of levels of assurance of output information (9.3):</p>	Partially Covered
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				<ul style="list-style-type: none"> <li>- first part (e.g. self-declaration),</li> <li>- second party (e.g. customer assessment) or</li> <li>- third party (e.g. certification).</li> </ul> <p>Certified material can only be included in the organizations DDS if it can be verified that the certification bodies of the certification scheme are independent; that there are requirements in place to evaluate legality in the forest management and that the scope is broad enough to cover the organizations own DDS requirements; and lastly that there are a CoC in place related to the product.</p> <p><b>Justification</b></p> <p>As such the organization shall ensure that all material is verified under their own DDS or certified under a certification scheme that will ensure that the DDS is in place, but there are some gaps in the verification of material which means the indicator is only partially covered.</p> <p>The key issues which result in a full Coverage conclusion not being given relate to.</p> <ul style="list-style-type: none"> <li>• The risk assessment process is generally in compliance with the EUTR but it is unclear how it is implemented in practice. E.g. the level of assurance can according to 9.3 be self-declaration, but it is unclear if it is up to the organization to base their entire DDS on self-declaration. This can be a potential gap</li> <li>• Identification of applicable legislation to be defined by the organization. There is risk of legislation which is applicable under the EUTR is not included in the DDS scope of the organization.</li> </ul>	
		<p><b>A.3.1.1.4</b> Where applicable, the Scheme shall require the segregation and tracking of certified (according to each individual claim type) or verified legal wood along the supply chain, using appropriate inventory methods and documented controls where necessary to ensure that risks of</p>	<p>ISO 38200:2018, 8 Chain of custody control methods; 8.1 Principles and requirements</p> <p>ISO 38200:2018, 9.1 General</p> <p>ISO 38200:2018, 9.2 Output categories</p> <p>ISO 38200:2018, 9.3 Output material declaration</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>There is no requirement of tracking of material through the entire supply chain.</p> <p>However, there shall be measures in place to ensure the tracking of material within the organisation, as well as recording of amount of input and output material use for production, as well as conversion factors, if relevant. There are CoC measures in place to track the material within the organization through physical separation, percentage method and credit method.</p> <p><b>Justification</b></p> <p>All material is to be verified under the DDS before used as input material (see A</p>	Partially Covered

		mixing are identified, managed and mitigated.		<p>3.1.1.3).</p> <p>The certificate holder will have to keep track of input and output material and the amounts in their own organization.</p> <p>However, there is no requirement of validation of volumes along the supply chain. This is considered as a gap in the system and can allow for mixing of material in the supply chain of material covered by the CoC-system.</p>	
<b>A.3.2 Recycled material</b>					
<b>A.3.2.1</b>	Waste material	<b>A.3.2.1.1</b> The Scheme shall have a definition of waste material which at least covers the definition of waste material as described by the EUTR Guidance document.	<p>ISO 38200:2018, 3 Terms and definitions; 3.12 recycled material definition; 3.13 in-house scrap</p> <p>ISO 38200:2018, 7.3. Information required for recycled material.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The standard excludes recycled material from the requirement to collect information on species, origin and evidence of compliance with legal requirements.</p> <p>Recycled material is defined as material that has been recovered, or otherwise diverted, from the waste stream, either from the manufacturing process [i.e. post-industrial materials, but not <i>in-house scrap</i>] or after consumer use [i.e. post-consumer recycled materials), that is reused in the manufacture of new products, and for which the organization can provide evidence of compliance with the requirements of the Due Diligence System.</p> <p>The following resources are available from the European Commission in relation to reclaimed material:</p> <ul style="list-style-type: none"> <li>• <a href="#">EU Timber Regulation (995/2010)</a></li> <li>• EUTR Guidance document on <a href="#">Recycled timber and timber products</a></li> </ul> <p>The EUTR exempts material which has completed its lifecycle and would otherwise be disposed of as waste, fitting a definition close to post-consumer waste. This is demonstrated in the EUTR definition of timber and timber products, which excludes <i>“timber products or components of such products manufactured from timber or timber products that have completed their lifecycle and would otherwise be disposed of as waste”<sup>[1]</sup></i>.</p> <p>The EUTR Guidance document on <a href="#">Recycled timber and timber products</a> reinforces the</p>	Covered

<sup>[1]</sup> Directive 2008/98/EC Article 3(1) defines 'waste' as "any substance or object which the holder discards or intends or is required to discard"

				<p>EUTR's exemption for post-consumer reclaimed material, by describing that this exemption:</p> <ul style="list-style-type: none"> <li>• <b>applies</b> to timber products of a kind covered by the Annex, produced from material that <b>has completed its lifecycle and would otherwise have been disposed of as waste</b> (e.g. recycled paper, timber retrieved from dismantled buildings, or products made from waste wood).</li> <li>• <b>does not apply to by-products of a manufacturing process</b> that involves material <b>which has not completed its lifecycle and would otherwise have been discarded</b><sup>[2]</sup>.</li> </ul> <p>Material deemed a by-product of a manufacturing process, fitting a definition closer to pre-consumer waste, is not exempt from the EUTR.</p> <p>The EUTR Guidance document on Recycled timber and timber products describes that: "By-products" from another production are not waste but are to be regarded as a raw material in the production. Material in a regulated timber product is not recycled material if the material is the by-product of a manufacturing process. Example: Sawdust or off-cuts from sawn timber used to make particle board or medium density fibreboard.</p> <p><b>Justification</b></p> <p>The definition of recycled material in the ISO 38200 follows the EUTR definition.</p>	
		<p><b>A.3.2.1.2</b> The Scheme shall require systematic processes to enable the identification of waste material that has completed its lifecycle and to differentiate this material from virgin or material that are by-products of a manufacturing process</p>	<p>ISO 38200:2018, 7.3. Information required for recycled material.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The scheme require evidence to be collected to show that material is recycled and legally purchased. Information collected shall be verified.</p> <p>Recycled material shall be covered by the CoC and is considered as a separate category.</p> <p><b>Justification</b></p>	Covered

<sup>[2]</sup> EUTR Guidance document on [Recycled timber and timber products](#): "By-products" from another production are not waste but are to be regarded as a raw material in the production. Material in a regulated timber product is not recycled material if the material is the by-product of a manufacturing process. Example: Sawdust or off-cuts from sawn timber used to make particle board or medium density fibreboard.

		which has not completed its lifecycle as defined by the EUTR.		A systematic process for collecting evidence of recycled material is required and the indicator is covered.	
		<b>A.3.2.1.3</b> The Scheme shall include clear and effective measures to prevent “timber products of a kind covered by the Annex of the EUTR”, produced from i) reclaimed material that has NOT completed its lifecycle and would otherwise have been discarded as waste”, ii) unverified or iii) virgin material (as defined by the EUTR) from, entering the supply chain.	ISO 38200:2018, 3 Terms and definitions 3.12 <i>recycled material definition</i>  3.13 <i>in-house scrap</i> ISO 38200:2018, 6.1 Categories of input material	<b>Findings</b>  <i>Scheme info</i>  All input material to the CoC system shall be covered by the DDS and be verified before being included into the system.  <b>Justification</b>  There are clear requirements for all input material to be included into the CoC system to be verified or covered by the requirement of the due diligence system. The indicator is therefore covered.	Covered
<b>A.4 General requirements for Certificate Holders</b>					
<b>A.4.1</b>	Conflict resolution	<b>A.4.1.1</b> The Scheme shall include requirements that ensure that disputes are identified, recorded and managed, in a way that:  i) ensures there is a transparent ongoing process to address the issue ii) requires for the exclusion from the scope of the certificate situations or areas or forest where the legality of tenure or		<b>Findings</b>  <i>Scheme info</i>  There is no reference to dispute management, and how to address these.	Not Covered

		management/harvesting is not defined or is unclear and disputed. iii ensures respect for legally-enshrined customary tenure rights of local communities.			
	Corruption	<b>A.4.1.2</b> The scheme shall include requirements to ensure that certificate holders do not engage in corrupt practices related to illegal harvesting.		<b>Findings</b>  <i>Scheme info</i>  There is no reference to corruption of the certificate holder, in the standard.	Not Covered
<b>A5 Quality and procedural requirements for Certificate Holders</b>					
<b>A.5.1</b>	Internal procedures for Certificate Holders	<b>A.5.1.1</b> The Scheme shall include requirements for the Certificate Holders to have in place - and implement - systems and procedures covering all requirements of the Scheme.	ISO 38200:2018, 5 Organizational requirements	<b>Findings</b>  <i>Scheme info</i>  A CoC system (incl. a due diligence system) shall be in place to ensure that the document (ISO 38200:2018) is in place.  <b>Justification</b>  The indicator is considered to be covered.	Covered
		<b>A.5.1.2</b> The Scheme shall include requirements for the Certificate Holders to regularly review the proper functioning of their own procedures.	ISO 38200:2018, 5.4. Internal audit.	<b>Findings</b>  <i>Scheme info</i>  The organization shall at least annually conduct internal audits with the aim to evaluate whether the CoC system confirms with the standard and the organisation's own procedures.  <b>Justification</b>  The indicator is considered to be fully covered by the requirement of an annual audit on the CoC system.	Covered

A.5.2	Qualification and competence	A.5.2.1 The Scheme shall include requirements that ensure that certified organisations have personnel with sufficient qualifications and competencies to consistently and effectively implement Scheme requirements.	ISO 38200:2018, 5.2.1 Roles and responsibilities  ISO 38200:2018, 5.2.2 Top management	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The Scheme sets requirements for defining the competence needed for all personnel that affect the performance of the CoC system. There are requirements of education, training and/or experience, as well as communication of the CoC requirements to the relevant personnel.</p> <p>Competence and training records shall be maintained.</p> <p>Top management are to allocate the adequate and appropriate resources to ensure competence and training of personnel.</p> <p><b>Justification</b></p> <p>Requirements on qualification and competence is in place and the indicator is considered to be covered.</p>	Covered
A.5.3	Risk based approaches to sourcing, trade or production	A.5.3.1 If the Scheme includes an option to implement a risk based approach to sourcing non-certified material (Due Diligence System), it shall: i) contain clear requirements and ii) ensure consistent implementation of the Due Diligence System, for all activities, materials and suppliers included within the scope of the certification.	ISO 38200:2018, 7.1 General requirements	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The Scheme requires that a due diligence system is implemented to include or exclude input material based on defined requirements.</p> <p>The due diligence system shall comply with the standard and for any additional requirements set by the organization, procedures shall be established.</p> <p>Risk criteria shall be broken down into indicators by the organisation to help identify low or high risk. Examples have been given in the standard (Annex F),</p> <p>The steps to collect due diligence are in place:</p> <ul style="list-style-type: none"> <li>a) Information required (see 7.2, 7.3 and 7.4);</li> <li>b) Risk assessment process (see 7.5);</li> <li>c) Risk mitigation (see 7.6).</li> </ul> <p><i>Direct interviews/ discussions / Stakeholder input</i></p> <p>Currently there are no guidance on how to evaluate risks.</p>	Partially Covered



				<p><b>Justification</b></p> <p><i>The general due diligence system requirements are well in place. However, the indicator is considered to be only partially covered.</i></p> <p>The key issues which result in a full Coverage conclusion not being given relate to:</p> <ul style="list-style-type: none"> <li>The risk assessment process is generally aligned with the EUTR but it is unclear how it is implemented in practice, as there is a lack of detailed requirements/guidance on the evaluation of risks and risk assessment</li> </ul>	
		<p><b>A.5.3.2</b> The Scheme shall include requirements that ensure that whenever there is a change in the risk related to illegal harvest, trade or transport in a supply chain – or a supply chain covered by a DDS – the risk shall be assessed and mitigated prior to shipping and sale.</p>	ISO 38200:2018, 7.2. General information required	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The standard requires DD (incl. information, risk assessment and risk mitigation) to be conducted prior to use of the material, annually and whenever information related to the product is changed. The information collected refer to origin, species and evidence that the applicable legal requirements are fulfilled.</p> <p><b>Justification</b></p> <p>There are clear requirements for DDS to be conducted when information is changed and the indicator is therefore considered to be covered.</p>	Covered
		<p><b>A.5.3.3</b> In cases where other 3rd party schemes permitted to be used by the due diligence system as meeting specific due diligence requirements, the scheme shall include requirements that ensure that it is clear:</p> <p>i) on what basis recognition is made and;</p> <p>ii) how it is verified that</p>	<p>ISO 38200:2018, 7.2. General information required</p> <p>ISO 38200:2018, 7.4 Information required for certified material.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>It is recognised that if sourcing certified material from 3<sup>rd</sup> party systems, it must be confirmed that the certification scheme has requirements to evaluate legality in forest management that is broad enough to cover the organization's DDS.</p> <p>Recognition is done based on the CB being independent, that there are requirements to ensure legality at FM level, and the definition should be broad enough to cover the DDS of the organization, and CoC should be in place.</p> <p><b>Justification</b></p> <p>There are clear requirements to ensure that certification schemes are in conformance with the organizations Due Diligence scope. The indicator is</p>	Partially Covered

		other Schemes ensure conformance with the specific due diligence requirements.		considered to be partly covered.  The key issues which result in a full Coverage conclusion not being given relate to: <ul style="list-style-type: none"> <li>The certification scheme shall have requirements to evaluate risks at forest level and it is therefore unclear how supply chain risks on trade and taxes are to be covered by certification</li> </ul>	
		<b>A.5.3.4</b> The Scheme shall include requirements to ensure that the DDS comprises, at a minimum, the following elements: i) a quality management system, ii) procedures for obtaining access to information pertinent to the identification of risk; iii) risk assessments, and iv) the implementation of mitigations measures when risks are identified.	ISO 38200:2018, 5 organizational requirements  ISO 38200:2018, 7.1, General requirements	<b>Findings</b>  <i>Scheme info</i>  ISO 38200 has the elements in place to cover; <ul style="list-style-type: none"> <li>i) quality management, as well as</li> <li>ii) information required</li> <li>iii) risk assessment process</li> <li>iv) risk mitigation</li> </ul> <b>Justification</b>  The elements in question are in place and the indicator is considered to be covered.	Covered

## B. Requirements for Certification Bodies

Scheme requirements for Certification Bodies shall be clear and unambiguous and allow the Scheme owner to verify the level of conformance of each Certification Body to these requirements.

### B.1 General Certification Body requirements

B.1.1	Competence and qualifications	<b>B.1.1.1</b> The Scheme shall have mechanisms to ensure that auditors, and other relevant personnel of the Certification Body, are qualified and competent to evaluate organisations' compliance with specific Scheme requirements.	ISO/IEC 17065:2012, 6.1.2 Management of competence for personnel involved in certification process; 6.1.2.1, 6.1.2.2  ISO/IEC 17065:2012, 7.3 Application review; 7.3.4  ISO/IEC 17065:2012, Annex A (informative) Principles for product certification bodies and their	<b>Findings</b>  <i>Scheme info</i>  ISO's Committee on Conformity Assessment (CASCO) has developed several standards on conformity assessment to be used in a certification process, including ISO/IEC 17065 (Conformity assessment – Requirements for bodies certifying products, processes and services). According to ISO 17065 personnel of a CB shall have competences to perform the certification activity, considering the requirement of the scheme. ISO 17065 is a standard specifying general practices for CBs when conducting certification activities. When defining the need for competencies and	Partially Covered
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			certification activities; A.3 Competence	<p>training the CB shall take into account the requirement of the scheme (see ISO 17065:2012, 6.1.2.1 a).</p> <p>However, there is no scheme supporting the implementation of the ISO 38200 standard and it is voluntary for a CB to comply with ISO 17065 when certifying against ISO 38200.</p> <p><b>Justification</b></p> <p>ISO 17065 has clear requirements to have competences in place to certify against a standard's requirements. However, ISO 38200 does not require CBs to base their certification system on ISO 17065. There is no requirement for an oversight mechanism that ensures competence is in place. It is therefore not possible to conclude that the indicator is fulfilled without evaluating the applicable certification body's system requirements.</p> <p>In cases where the certification body is accredited by an accreditation body that base their systems on the ISO 17000 standards, there are requirements for having applicable competence in place. However, there is no specific guidance describing the competence needed for certification bodies to evaluate the 38200 requirements. It is therefore unclear how this will be managed in practice. To be able to state that the indicator is fully covered an evaluation of the applicable CB's system will have to be conducted.</p> <p>If the systems of the CB are based on/and accredited against ISO 17000 conformance standards there will be some requirements on competence, as well as oversight mechanism, and the indicator is therefore considered partially covered.</p>	
		<b>B.1.1.2</b> If the Scheme includes an option for the Certificate Holder to implement a Due Diligence System, the scheme shall ensure that the auditors and other relevant personnel of the Certification Body are qualified and competent to evaluate organisations'	ISO/IEC 17065:2012, 6.1.2 Management of competence for personnel involved in certification process; 6.1.2.1	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>There are requirements on place under ISO 17065 to ensure competence within the applicable scheme, but there is no reference to due diligence systems.</p> <p>See also B.1.1.1</p> <p><b>Justification</b></p> <p>ISO 17065 has clear requirements to have competences in place to certify against a standard's requirements. However, ISO 38200 does not require CBs to base their certification system on ISO 17065. There is no requirement for an oversight</p>	Partially Covered

		compliance with related Scheme requirements.		<p>mechanism that ensures competence is in place. It is therefore not possible to conclude that the indicator is fulfilled without evaluating the applicable certification bodies system requirements.</p> <p>In cases where the certification body is accredited by an accreditation body that base their systems on the ISO 17000 standards, the requirements for having competence to certify an organisation against the standard requirements is in place. <u>However, there is no specific guidance describing the competence needed for certification bodies to evaluate the 38200 requirements, including the due diligence system.</u> It is unclear how this will be managed in practice. To be able to state that the indicator is fully covered an evaluation of the applicable CBs system will have to be conducted.</p> <p>If the systems of the CB are based on/and accredited against ISO 17000 conformance standards there will be some requirements on competence, as well as oversight mechanism, and the indicator is therefore considered partially covered.</p>	
B.1.2	Impartiality	<b>B.1.2.1</b> The scheme shall include requirements to ensure that auditors, and other personnel relevant to the conformance evaluation of an organisation shall be impartial to the entity(-ies) under evaluation.	<p>ISO/IEC 17065: 2012, 4.2 Management of impartiality; 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11, 4.2.12</p> <p>ISO/IEC 17065: 2012, 5 Mechanism for safeguarding impartiality; 5.2.1, 5.2.2, 5.2.3, 5.2.4</p> <p>ISO/IEC 17065: 2012, 6.1.3 Contract with the personnel</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>ISO's Committee on Conformity Assessment (CASCO) has developed several standards on conformity assessment to be used in a certification process, including ISO/IEC 17065 (Conformity assessment – Requirements for bodies certifying products, processes, and services). ISO 17065 has elaborate requirements on impartiality.</p> <p>However, it is not required for a CB to comply with ISO 17065 when certifying against ISO 38200.</p> <p><b>Justification</b></p> <p>ISO 17065 has clear requirements on impartiality.</p> <p>However, ISO 38200 does not require CBs to base their certification system on ISO 17065. There is no requirement for an oversight mechanism that ensures impartiality is in place. It is therefore not possible to conclude that the indicator is fulfilled without evaluating the applicable certification bodies system requirements.</p> <p>In cases where the certification body is accredited by an accreditation body that base their systems on the ISO 17000 standards, the requirements for impartiality, as well as oversight mechanism will be in place. In that case, the indicator would be covered.</p>	Partially Covered

				However, it will have to be verified that the CB and the accreditation body is operating in conformance with ISO 17065:2012. Therefore, the indicator is considered partially covered.	
		<b>B.1.2.2</b> The Scheme shall include requirements that ensure that the certification decision process is; i) well defined and; ii) ensures that the decision on certification is conducted by positions/bodies that are impartial to the auditee.	IEC/ISO 17065:2012, 4.2 Management of impartiality; 4.2.8, 4.2.10  IEC/ISO 17065:2012, 4.4. Non-discriminatory conditions  IEC/ISO 17065:2012, 7.6 Certification decision; 7.6.1, 7.6.2, 7.6.3, 7.6.4, 7.6.5, 7.6.6	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>ISO's Committee on Conformity Assessment (CASCO) has developed several standards on conformity assessment to be used in a certification process, including ISO/IEC 17065 (Conformity assessment – Requirements for bodies certifying products, processes and services). ISO/IEC 17065 has clear requirements in place that personnel of the CB shall be impartial in the certification-decision making. And the certification body shall confine requirements for decisions related to the scope of the certification.</p> <p>However, it is voluntary for a CB to comply with ISO 17065 when certifying against ISO 38200.</p> <p><b>Justification</b></p> <p>ISO 17065 has requirements for impartiality in the decision-making process, as well as for the CB to set requirements for decision making.</p> <p>However, ISO 38200 does not require CBs to base their certification system on ISO 17065. It is therefore not possible to conclude that the indicator is fulfilled without evaluating the applicable certification body system requirements.</p> <p>In cases where the certification body is accredited by an accreditation body that bases their systems on the ISO 17000 standards, the requirements for decision making, as well as oversight mechanism will be in place. In that case, the indicator would be covered.</p> <p>However, it will have to be verified that the CB and the accreditation body is operating in conformance with ISO 17065:2012. Therefore, the indicator is considered partially covered.</p>	Partially Covered
<b>B.2 Certification Body requirements for auditing and certification</b>					
B.2.1	Auditing process	<b>B.2.1.1</b> The Scheme shall include requirements that ensure that Certification	ISO/IEC 17065:2012, 4.6 Publicly available information  ISO/IEC 17065:2012, 7.1 General;	<p><b>Findings</b></p> <p><i>Scheme info</i></p>	Partially Covered

		Bodies apply a documented methodology for the evaluation (assessments and audits) of clients.	<p>7.1.2.</p> <p>ISO/IEC 17065:2012, 8.2 General management system documentation</p> <p>ISO/IEC 17065, Annex A (informative) Principles for product certification bodies and their certification activities; A.4.3 Openness</p>	<p>ISO's Committee on Conformity Assessment (CASCO) has developed several standards on conformity assessment to be used in a certification process, including ISO/IEC 17065 (Conformity assessment – Requirements for bodies certifying products, processes and services). ISO 17065 have requirements in place to make the evaluation setup public. Procedures shall be in place to ensure the standard and other normative documents are in place.</p> <p>However, it is voluntary for a CB to comply with ISO 17065 when certifying against ISO 38200.</p> <p><b>Justification</b></p> <p>ISO 17065 has requirements on having a documented methodology for the evaluation.</p> <p>However, ISO 38200 does not require CBs to base their certification system on ISO 17065. There is no requirement for an oversight mechanism that ensures that the methodology is documented. It is therefore not possible to conclude that the indicator is fulfilled without evaluating the applicable certification body system requirements.</p> <p>If the accreditation and requirements follow the ISO 17065 requirements, then indicator is covered. However, it will have to be verified that the CB and the accreditation body is operating in conformance with ISO 17065:2012. Therefore, the indicator is considered partially covered.</p>	
		<p><b>B.2.1.2</b> As a minimum, this methodology shall include procedures for the following activities:</p> <p>i) Evaluation of conformity of organisations to the Schemes (e.g. audit of sites, or inspection of records or of self-assessment declarations);</p> <p>ii) Review and certification decision;</p> <p>iii) Issuance of a certificate; and</p> <p>iv) Periodic re-</p>	<p>ISO/IEC 17065:2012, 7.4 Evaluation</p> <p>ISO/IEC 17065:2012, 7.5 Review</p> <p>ISO/IEC 17065:2012, 7.6 Certification decision</p> <p>ISO/IEC 17065:2012, 7.7. Certification documentation</p> <p>ISO/IEC 17065:2012, 7.9 Surveillance</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>ISO's Committee on Conformity Assessment (CASCO) has developed several standards on conformity assessment to be used in a certification process, including ISO/IEC 17065 (Conformity assessment – Requirements for bodies certifying products, processes, and services). The standard touches upon the relevant points of this indicator.</p> <p>However, it is voluntary for a CB to comply with ISO 17065 when certifying against ISO 38200.</p> <p><b>Justification</b></p> <p>ISO 17065 has requirements on having a methodology in place for evaluation of conformity, Review and certification decision, issuance of a certificate; and periodic</p>	Partially Covered

		assessment.		<p>surveillance.</p> <p>However, ISO 38200 does not require CBs to base their certification system on ISO 17065. There is no requirement for an oversight mechanism that ensures that the methodology covers the relevant points. It is therefore not possible to conclude that the indicator is fulfilled without evaluating the applicable certification bodies system requirements.</p> <p>If the accreditation and CB requirements follow the ISO 17065 requirements, then the indicator is covered. However, it will have to be verified that the CB and the accreditation body is operating in conformance with ISO 17065:2012. Therefore, the indicator is considered partially covered.</p>	
		<p><b>B.2.1.3</b> The Scheme shall include requirements that ensure that Certification Bodies have in place - and implement - specific procedures for audits that include at least the following:</p> <ul style="list-style-type: none"> <li>i) frequency of audits; (no longer than every 12 months);</li> <li>ii) requirements for on-site (field) visits where applicable;</li> <li>iii) sampling protocol for audits (if applicable);</li> <li>iv) structure and competencies of the audit team;</li> <li>v) the minimum set of aspects that need to be checked in every audit;</li> <li>vi) minimum content of audit reports, including non-conformances, clarification of scope, audit process and</li> </ul>	ISO 17065:2012, 7.9 Surveillance; 7.9.1	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>ISO's Committee on Conformity Assessment (CASCO) has developed several standards on conformity assessment to be used in a certification process, including ISO/IEC 17065 (Conformity assessment – Requirements for bodies certifying products, processes and services). ISO 17065 has requirements on surveillance requirements but does not fully cover the indicator. It is noted that surveillance requirements shall be defined by the certification scheme.</p> <p>However, there is no scheme supporting the implementation of the ISO 38200 standard and it is voluntary for a CB to comply with ISO 17065 when certifying against ISO 38200.</p> <p><b>Justification</b></p> <p>Requirements in ISO 17065 and ISO 38200 do not cover the specific point of the indicator related to audit procedures. The indicator is therefore considered not to be covered.</p>	Not Covered

		evaluation findings. vii) ability for unannounced or short-notice audits in case of substantiated claims or for other reasons.			
B.2.2	Stakeholder consultation	<p><b>B.2.2.1</b> The Scheme shall include mechanisms to ensure that Certification Bodies conduct consultation with stakeholder (including rights holders) as appropriate in relation to audits (only applicable where necessary** for evaluating compliance of certificate holders).</p> <p>The scheme shall ensure that the certification holder has a proper stakeholder consultation process in place.</p>		<p><b>Findings</b></p> <p>Requirements in ISO 17065 and ISO 38200 does not cover the specific point of the indicator related stakeholder consultation. The indicator is therefore considered not to be covered.</p>	Not Covered
B.2.2	Corruption	<p><b>B.2.2.2</b> The Scheme shall include mechanisms to identify (or for the Certification Body to do so) companies sanctioned for engagement in corrupt practices relevant to the forest sector.</p>		<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>There is no specific mentioning of identification of companies sanctioned for involvement in corrupt practices relevant for the forest sector. Perception of corruption is mentioned as a high-risk indicator, but this is not directly related to the sanction of a specific company.</p> <p><b>Justification</b></p> <p>The indicator is not covered.</p>	Not Covered



<b>C. Requirements for Certification Schemes</b>					
<b>C.1 Transparency</b>					
C.1.1	Transparency	<b>C.1.1.1</b> Scheme requirements for both Certificate Holders and Certification Bodies shall be publicly available online.		<b>Findings</b>  <i>Scheme info</i>  All ISO standards are available for a fee.  <b>Justification</b>  The ISO 38200:2018 standard is not supported by a scheme, and it is not possible to get a full overview of the scheme requirements for certificate holders and certification bodies. The systems implemented by certification bodies and accreditation bodies might differ between organisations, as there are no requirements specified related to the implementation of ISO 38200:2018.	Not Covered
		<b>C.1.1.2</b> Schemes shall include requirements that ensure that relevant information about the following is freely available: i) development and content of the Scheme; ii) how the system is governed; ii) who is evaluated and under what process; iv) impact information and the various ways in which stakeholders can engage.		<b>Findings</b>  <i>Scheme info</i>  ISO 38200 is an international standard and not a certification scheme. As such there are no requirements defined by ISO 38200 related to this indicator. However, ISO 38200 is developed and managed as other ISO standards. It is possible to obtain the relevant information from the ISO webpage.  There is no Impact Information available on ISO 38200.  <b>Justification</b>  The indicator is considered to be partially covered, as most of the information is available through ISO webpage.  See also the overview section of this report for more information on the development and content of the Scheme; how ISO is governed; who is evaluated and under what process and the various ways in which stakeholders can engage.	Partially Covered

		<b>C.1.1.3</b> The Scheme shall include requirements that ensure that an up-to-date register of certified/verified organisations is publicly available.		<b>Findings</b>  <i>Scheme info</i>  There is no complete online register for organisations certified under ISO 38200 ( <i>ISO email response-27/10/2020 – Representative Project Committee ISO/PC287</i> ).  <b>Justification</b>  The indicator is not covered.	Not Covered
		<b>C.1.1.4</b> The Scheme shall make summaries (or full reports) with relevant findings from audits available on the internet.		<b>Findings</b>  <i>Scheme info</i>  There is no requirement to make summaries (or full reports) with relevant findings from audits available.  <b>Justification</b>  The indicator is not covered.	Not Covered
C.1.2	Impartiality	C.1.2.1 Procedures for handling complaints and grievances shall be in place, made publicly available and implemented. The procedures shall be clearly publicized, making it easy for stakeholders to submit comments or complaints where applicable.		<b>Findings</b>  <i>Scheme info</i>  ISO 38200 is not a scheme. It is unclear who are to deal with complaints related to the standard and the implementation of the standard.  <b>Justification</b>  The indicator is considered Not Covered, as the complaints related to the implementation of the standard.	Not Covered
C1.3	Conflict of interest and corruption	C.1.3.1 The Certification Scheme shall have in place requirements at all levels of the scheme	ISO/IEC 17065: 2012, 4.2 Management of impartiality; 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11,	<b>Findings</b>  <i>Scheme info</i>  ISO 38200 does not address the issue of corruption within the CH, but legal	Partially Covered

		(normative requirements for CHs, requirements for CBs, and for the scheme functioning) to manage risks of corruption and conflict of interest.	4.2.12  ISO/IEC 17065: 2012, 5 Mechanism for safeguarding impartiality; 5.2.1, 5.2.2, 5.2.3, 5.2.4  ISO/IEC 17065: 2012, 6.1.3 Contract with the personnel	requirements will have to be complied with by the CH.  ISO's Committee on Conformity Assessment (CASCO) has developed several standards on conformity assessment to be used in a certification process, including ISO/IEC 17065 (Conformity assessment – Requirements for bodies certifying products, processes and services). ISO 17065 has requirements in place to managing and safeguarding impartiality for CBs. However, it is voluntary for a CB to comply with ISO 17065 when certifying against ISO 38200.  <b>Justification</b>  There is no overall system to manage risk of corruption and conflict of interest in ISO, neither as a standard setting body or in the requirements for CH's or CBs. But the way the system operates are sufficient to consider this indicator to be covered for certification conducted by CBs accredited in conformance with CASCO conformity assessment standards.  However, as ISO 38200 does not require CBs to base their certification system on ISO 17065, it will have to be verified that the CB and the accreditation body is operating in conformance with ISO 17065:2012. Therefore, the indicator is considered partially covered.	
<b>C.2 Scheme &amp; standard scope</b> Note: section C2 is not specifically referring to EUTR issues but has been included as part of the evaluation of schemes to understand scheme structures.					
C.2.1	Standard adaptation to the national or subnational context	<b>C.2.1.1</b> International standards shall be adapted to the national or subnational context in which they are being implemented and contain a list of applicable legislation, or the Scheme shall enable/require detailed evaluation of applicable legislation in a national context.	ISO 38200:2018, 5.3.2 Recording of legal requirements	<b>Findings</b>  <i>Scheme info</i>  The certificate holder will have to identify legislation applicable to their supply chain (depending of origin and scope of CoC/DDS).  <i>Direct interviews/ discussions/ Stakeholder input</i>  The standard is an international standard, that has general requirements which can be applied to organisations at national level without being adapted to specific national conditions. The standard will be adopted at national level by national standards bodies, but national legislation is not to be identified by the NSB.	Not Covered

				<b>Justification</b>  The standard is not to be adapted to national and subnational context, as the approach for CoC and due diligence will be similar regardless of where a company is based.  The certificate holder is to identify the applicable legislation. This can become complex if the material sources originate from many countries. Neither ISO, the CB or national standards bodies are to identify the list of applicable legislation that are relevant for the implementation of ISO38200.  This is a gap that is likely to result in an uneven implementation of the DDS under the ISO 38200 standard	
C.2.2	International conventions and treaties	<b>C.2.2.1</b> The Scheme shall include a list of the relevant international conventions to which the country has ratified, and which hold legal force in the country.		<b>Findings</b>  List of international conventions to which a country has ratified is not defined as part of ISO 38200. See indicator C.2.1 for evaluation of the identified applicable legislation.	Not Covered
C.2.3	Use of contractors	<b>C.2.3.1</b> The requirements for forest managers and supply chain entities shall be applicable to the organisation's contractors and outsourcing facilities.	ISO 38200:2018, Introduction  ISO 38200:2018, 5.6 Outsourcing  ISO 38200:2018, Annex D (informative) Internal audits	<b>Findings</b>  <i>Scheme info</i>  ISO 38200 is not applicable to forest management.  The organization shall ensure that the contractor has a documented control system in place that ensures that material related to the CoC is clearly identifiable. An outsourcing agreement shall be in place that shall allow the organization /or representative to gain access to the contractor's operations in order to ensure that the CoC system or the requirements of ISO38200 is met.  <b>Justification</b>  The standard consider outsourcing in terms of the organisations CoC system and clear identification of the material being handled under outsourcing.	Covered

C.2.4	Endorsing and recognising of other Schemes and systems	<b>C.2.4.1</b> If the Scheme includes the recognition or endorsement of other schemes or systems, it shall ensure coverage and consistent implementation of EUTR requirements at all levels.	ISO 38200:2018, 7.4 Information required for certified material.	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Certified material can be included as input material into the DDS. They shall be in compliance with the organization's procedures and comply with due diligence.</p> <p>The ISO 38200 standard does allow certified material from external certification systems to be included in the scope of the CoC system.</p> <p>The requirements do not as include a formal recognition or endorsement of the external certification schemes, but allow the organisation using the ISO 38200 standard to include certified material as an input category.</p> <p><b>Justification</b></p> <p>The scheme does not endorse specific certification schemes but set criteria for schemes holder to evaluate the certification scheme before accepting material as valid input material. It is not needed to collect tree species and origin of material sources as certified if it is found that the CH finds the scheme to be in compliance with their scope, nor evidence that applicable legislation are fulfilled. This means that the requirement of the EUTR to collect information on species and origin is not fulfilled.</p> <p>Also, the ISO 38200 does not specify the normative law categories in conformance with the EUTR to be identified. The scheme does therefore not guarantee that an organization's procedure will cover all relevant law categories, and therefore the recognized certified material might not be in line with the EUTR. This will have to be assessed on an individual basis.</p>	Partially Covered
<b>C.3 Accreditation and oversight</b>					
C.3.1	Accreditation	<b>C.3.1.1</b> The Scheme shall include a system for accreditation or oversight of Certification Bodies to ensure that CBs have in place the required procedures, capacity and competencies.		<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>ISO's Committee on Conformity Assessment (CASCO) has developed several standards on conformity assessment to be used in a certification process, including ISO/IEC 17011 (Conformity assessment – Requirements for accreditation bodies accrediting conformity assessment bodies).</p>	Not Covered

				<p><i>Direct interviews/discussions/Stakeholder input</i></p> <p>The accreditation of CBs is done at national level. There is no requirement in the ISO 38200 standard for the accreditation of CBs. ISO has developed procedures on accreditation, which is usually applied, but there can be national differences that mean that there can be differences to the accreditation standard.</p> <p>ISO does not have the overview of certification bodies (<i>ISO Call-5/11/2020 - Representative Project Committee ISO/PC 287</i>).</p> <p><b>Justification</b></p> <p>Based on the above the indicator is not covered.</p>	
		<p><b>C.3.1.2</b> The Scheme shall ensure that the requirements and process for accreditation is publicly available.</p>	<p>ISO/IEC 17011:2017, 8.2 Publicly available information; 8.2.1</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>ISO/IEC 17011 Conformity assessment – Requirements for accreditation bodies accrediting conformity assessment bodies can be accessed by a fee. It can be purchased from a national standard body.</p> <p>ISO's Committee on Conformity Assessment (CASCO) has developed several standards on conformity assessment to be used in a certification process, including ISO/IEC 17011 (Conformity assessment – Requirements for accreditation bodies accrediting conformity assessment bodies). ISO 17011 requires information related to accreditation body and process to be made public.</p> <p>However, it is voluntary for an accreditation to comply with ISO 17011 when accrediting CBs to certify against ISO 38200.</p> <p><b>Justification</b></p> <p>If an accreditation body accredit against ISO 17000 conformance standards there will be to make information of the accreditation body and process public, and the indicator would be covered.</p> <p>If an accreditation body accredit against ISO 17000 conformance standards there will be to make information on certification bodies public, and the indicator would be considered to be covered. However, this is not required and therefore not possible to conclude that the indicator is fulfilled without evaluating the applicable accreditation</p>	<p>Partially Covered</p>

				<p>bodies/system requirements.</p> <p>Therefore, this indicator is considered to be partially covered.</p>	
		<p><b>C.3.1.3</b> The Scheme shall make publicly available, an up-to-date list and details of all accredited Certification Bodies</p>	<p>ISO/IEC 17011:2017, 8.2 Publicly available information; 8.2.2</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>ISO's Committee on Conformity Assessment (CASCO) has developed several standards on conformity assessment to be used in a certification process, including ISO/IEC 17011 (Conformity assessment – Requirements for accreditation bodies accrediting conformity assessment bodies). ISO 17011 requires a publicly available list of CBs.</p> <p>However, it is voluntary for an accreditation to comply with ISO 17011 when accrediting CBs to certify against ISO 38200.</p> <p><b>Justification</b></p> <p>If an accreditation body accredit against ISO 17000 conformance standards there will be to make information on certification bodies public, and the indicator would be considered to be covered. However, this is not required and therefore not possible to conclude that the indicator is fulfilled without evaluating the applicable accreditation bodies/system requirements.</p> <p>Therefore, this indicator is considered to be partially covered.</p>	<p>Partially Covered</p>
		<p><b>C.3.1.4</b> The Accreditation Body shall have mechanisms to ensure that relevant personnel are qualified and competent to evaluate Certification Body's performance in relation to Scheme requirements.</p>	<p>ISO/IEC 17011:2017, 6 Resource requirements;</p> <ul style="list-style-type: none"> <li>6.1.1 General</li> <li>6.1.2 Determination of competence criteria; 6.1.2.1, 6.1.2.3, 6.1.2.4, 6.1.2.5, 6.1.2.6, 6.1.2.8, 6.1.2.9.</li> <li>6.1.3 Competence management; 6.1.3.1</li> </ul>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>ISO's Committee on Conformity Assessment (CASCO) has developed several standards on conformity assessment to be used in a certification process, including ISO/IEC 17011 (Conformity assessment – Requirements for accreditation bodies and accrediting conformity assessment bodies). ISO 17011 requires the personnel carrying out the accreditation has the skills and competence needed.</p> <p>However, it is voluntary for an accreditation to comply with ISO 17011 when accrediting CBs to certify against ISO 38200.</p> <p><i>Direct interviews/ discussions / Stakeholder input</i></p>	<p>Partially Covered</p>

				<p>Certification bodies are accredited at a national level. Most will base their accreditation on ISO 17011, but there might be national differences (<i>ISO Call-5/11/2020 - Representative Project Committee ISO/PC287</i>).</p> <p><b>Justification</b></p> <p>In cases where the accreditation body base their systems on the ISO 17000 standards, there are requirements for having mechanisms to ensure competence in place. However, there is no specific guidance / scheme documents describing the competence needed for the accreditation body to accredit against the 38200 requirements. It is therefore unclear how this will be managed in practice. To be able to state that the indicator is fully covered an evaluation of the applicable accreditation bodies system will have to be conducted.</p> <p>If the systems of the accreditation body are based on ISO 17000 conformance standards there will be some requirements on competence, and the indicator is therefore considered partially covered.</p>	
C.3.2	Oversight mechanism	<p><b>C.3.2.1</b> The Scheme shall ensure that the competence and consistent performance of Certification Bodies is regularly evaluated.</p> <p>Performance shall employ both desk-based AND field approaches, including:</p> <ul style="list-style-type: none"> <li>i) Stakeholder consultation</li> <li>ii) In-field evaluation of the performance of the Certification Body, whether via on-site inspections of certified forests/ supply chain entities or witness audits of audit personnel.</li> </ul>	ISO 17011:2017, 7.9 Accreditation cycle; 7.9.1, 7.9.3, 7.9.4	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>ISO's Committee on Conformity Assessment (CASCO) has developed several standards on conformity assessment to be used in a certification process, including ISO/IEC 17011 (Conformity assessment – Requirements for accreditation bodies and accrediting conformity assessment bodies). ISO 17011 requires the evaluation of CBs at a regular basis, and that onsite evaluation does not exceed every two years. A re-assessment shall not exceed 5 years. There is no mentioning on the need for stakeholder consultation.</p> <p>However, it is voluntary for an accreditation to comply with ISO 17011 when accrediting CBs to certify against ISO 38200.</p> <p><b>Justification</b></p> <p>If an accreditation body accredit against ISO 17000 conformance standards there will requirement to regularly evaluate the CBs, and the indicator would be considered to be covered. However, this is not required and therefore not possible to conclude that the indicator is fulfilled without evaluating the applicable accreditation bodies system requirements.</p>	Partially Covered



				Therefore, this indicator is considered to be partially covered.	
		<p><b>C.3.2.2</b> The Scheme shall include requirements that ensure that the oversight mechanism applies a clear basis for:</p> <ul style="list-style-type: none"> <li>i) establishing conformance;</li> <li>ii) raising corrective actions for non-conformance, and ensuring closure within timeframes to avoid legal non-compliance, and;</li> <li>iii) certification issue (or maintenance) decision making.</li> </ul>	<p>ISO/IEC 17011:2017, 7.7 Accreditation decision-making</p> <p>ISO/IEC 17011:2017, 9.5 Nonconformities and corrective actions</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <ul style="list-style-type: none"> <li>a) The requirement of establishment of conformance is not defined in ISO 17011</li> <li>i) corrective actions shall be appropriate to the impact of the problems encountered and shall be implemented in a timely manner.</li> <li>ii) The accreditation body shall describe its process for all types of accreditation decisions, and the standard specified the information to be provided to the reviewer.</li> </ul> <p><i>Direct interviews/ discussions / Stakeholder input</i></p> <p>ISO International have not implemented an oversight mechanism that cover the implementation of the standard at national level (<i>ISO Call-5/11/2020 - Representative Project Committee ISO/PC 287</i>).</p> <p><b>Justification</b></p> <p>Not covered</p> <p>i-iii) This will have to be evaluated at a national basis, as CBs are accredited at national level and national standards bodies or accreditation bodies specify requirements for their national certification bodies</p>	Not Covered
		<p><b>C.3.2.3</b> The Scheme shall specify the approach to be used in oversight, ensuring that the oversight mechanism is independent of the Certification Bodies being assessed.</p>	<p>ISO 17011:2017, 7 Process requirements; 7.1. Accreditation requirements</p>	<p><b>Findings</b></p> <p>i-iii) This will have to be evaluated at a national basis, as CBs are accredited at national level and national standards bodies or accreditation bodies specify requirements for their national certification bodies</p>	Not Covered
		<p><b>C.3.2.4</b> The Scheme shall define the frequency of oversight</p>		<p><b>Findings</b></p> <p>i-iii) This will have to be evaluated at a national basis, as CBs are accredited at</p>	Not Covered

		or the procedure for determining the frequency, applicable in the case of risk-based oversight.		national level and national standards bodies or accreditation bodies specify requirements for their national certification bodies	
<b>C.4 Certification process</b>					
C.4.1	Compliance evaluation	<b>C.4.1.1</b> The Scheme shall include requirements that ensure that the Certification Bodies applies a clear basis for: i) establishing conformance; ii) raising corrective actions for non-compliance, and; iii) certification decision making.		<b>Findings</b>  <i>Scheme info</i>  <b>Justification</b>  The threshold for establishing conformance, raising corrective actions, and making certification decisions has not been identified. There is no guidance providing a uniform threshold applied between CBs and countries. The indicator is therefore not covered	Not Covered
		<b>C.4.1.2</b> The Scheme requirements for establishing conformance should enable comparison with the definition of negligible and non-negligible risk as outlined in the EUTR and associated guides.	ISO 38200:2018, 5.3.2 recording of legal requirements  ISO 38200:2018, 7.5 Risk assessment process	<b>Findings</b>  <i>Scheme info</i>  ISO 38200 operates with low or high risk.  The standard requires risk assessment procedures and to conduct risk assessment to establish the risk level - guidance is found in Annex F.  <b>Justification</b>  The use of low and high risk enable comparison with the negligible and non-negligible risk terms used in the EUTR. However, the risk assessment process and thresholds have not been defined. It is not possible to conclude that low or high-risk indicators chosen by the organisation under evaluation against the ISO 38200 standard is necessarily aligned with the EUTR definition of legality and the definition of negligible risk.	Partially Covered

		<b>C.4.1.3</b> The Scheme shall include requirements that ensure that the above requirements are in line with the requirements of the EUTR to prohibit illegal material or material with a non-negligible risk category being placed on the EU market.	ISO 38200:2018, 4 General requirements, a)  ISO 38200:2018, 7 Due Diligence System	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>ISO 38200 includes a due diligence system in line with the EUTR steps on information required (information gathering), risk assessment and mitigation. As the scheme is voluntary there are only requirements to cover the material within the scope of the CoC and DDS certified under ISO 38200.</p> <p><b>Justification</b></p> <p>The categories of applicable legislation are not defined in the document as normative, and even though there is guiding material (Annex E and F), this cannot guarantee that all applicable legislation is identified and assessed across all countries.</p>	Partially Covered
		<b>C.4.1.4</b> the Scheme shall include requirements that ensure that the decision process to certify organisations, or maintain certification of CHs, is free from conflict of interest and includes checks and balances.	ISO 17065: 2012, 4.2 Management of impartiality; 4.2.8, 4.2.9, 4.2.10  ISO 17065: 2012, 5.2 Mechanism for safeguarding impartiality; 5.2.1.  ISO 17065: 2012, 8.6 Internal audits (A); 8.6.4  ISO 17065: 2012, Annex A (informative) Principles for product certification bodies and their certification activities A.2 Impartiality	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>ISO's Committee on Conformity Assessment (CASCO) has developed several standards on conformity assessment to be used in a certification process, including ISO/IEC 17065 (Conformity assessment – Requirements for bodies certifying products, processes and services). According to ISO 17065 there are mechanism in place to ensure impartiality during the decision process, and there are requirements in place for auditors not to evaluate their own work.</p> <p>However, there is no scheme supporting the implementation of the ISO 38200 standard and it is voluntary for a CB to comply with ISO 17065 when certifying against ISO 38200.</p> <p><b>Justification</b></p> <p>ISO 17065 has clear requirements on impartiality.</p> <p>However, ISO 38200 does not require accredited CBs to base their certification system on ISO 17065. There is no requirement for an oversight mechanism that ensures impartiality is in place. It is therefore not possible to conclude that the indicator is fulfilled without evaluating the applicable certification bodies system requirements.</p> <p>In cases where the certification body is accredited by an accreditation body that base their systems on the ISO 17000 standards, the requirements for impartiality in the</p>	Partially Covered

				<p>decision-making process, as well as oversight mechanism will be in place. In that case, the indicator would be covered.</p> <p>However, it will have to be verified that the CB and the accreditation body is operating in conformance with ISO 17065:2012. Therefore, the indicator is considered partially covered.</p>	
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## Annex 1. References

- ISO, 2016: How to write standards. Available at:  
<https://www.iso.org/files/live/sites/isoorg/files/archive/pdf/en/how-to-write-standards.pdf>. Brochure, International Organization for Standardization.
- ISO webpage:
  - iso.org, N.Y(a): <https://www.iso.org/about-us.html>
  - iso.org, N.Y(b): <https://www.iso.org/members.html>
  - iso.org, N.Y(c): <https://www.iso.org/structure.html>
  - iso.org, N.Y(d): <https://www.iso.org/get-involved.html>
  - iso.org, N.Y(e): <https://www.iso.org/who-develops-standards.html>
- ISO Call-5/11/2020 - Representative Project Committee ISO/PC 287
- ISO email response-27/10/2020 – Representative Project Committee ISO/PC 287

**Annex 8: Scheme Assessment Report  
Bureau Veritas Origine et Légalité des Bois  
(OLB)**

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## Executive summary

The objective of the Scheme Assessment Report of the BV OLB (*Origine de la Legalité des Bois*) scheme is to create a resource of knowledge and reference for all interested and concerned parties in the forest- and wood-based products sector. It should help Competent Authorities, Operators and Monitoring Organisations covered by the EUTR in their understanding of potential benefits and shortcomings of certification, in particular in the context of the implementation of the EUTR.

The evaluation has been made using the indicators of the Scheme Assessment Framework (SAF), developed by Preferred by Nature in the context of the assessment of forestry certification schemes against the EU Timber Regulation (EUTR) requirements.

The BV OLB (*Origine et Légalité des Bois*) verification scheme was developed in 2004 by Bureau Veritas Certification (BV), an international independent certification body headquartered in Paris, France. The OLB System is managed directly by BV and does not have external oversight or accreditation.

The general purpose of the OLB certification is to certify that a forest is managed legally, the origin of forest products is controlled, and the transfer of certificate claims along the supply chain is ensured. Chain of custody certification aims to ensure that the certification claim is transferred along the value chain.

The system is based on two main standards:

- a forest management (FM) standard for forest enterprises, and
- a chain of custody (CoC) standard for supply chain entities (processors and trade activity companies)

Both the OLB FM and COC standards have been reviewed and updated by BV and are at the final approval phase at the time of writing this report. These new versions have been used in this evaluation.

### Overall findings

The BV OLB scheme is assessed to be a comprehensive scheme that covers many critical parts of the EU Timber Regulation. Both the FM and the COC standard are aligned with the language and requirements of the EUTR.

In total, out of the 84 indicators of the scheme assessment framework evaluated within the study, 55 were concluded as Covered, 15 as Partially Covered and 6 as Not Covered. 8 indicators were concluded as Not Applicable.

In the following sections, this executive summary highlights only areas of significant strength in the scheme or areas where significant gaps or areas of lower coverage were identified.

It should be noted that this report reflects an evaluation that has only considered the normative and guidance documents relevant to the scheme. Consideration of impact studies and other information relating to the performance of certification schemes in general, are included in a Meta-report which brings together findings in relation to all five schemes.

### Coverage by the scheme of legal requirements at the forest level

The Forest Management (FM) standard is comprehensive and adapted at the country level. Most SAF indicators at the FM level are covered. Only “requirements to comply with legal obligations concerning benefit sharing” are not fully addressed.



The Supplier Evaluation Program, used by companies implementing a credit system in their chain of custody management, is less exhaustive and detailed as the OLB FM standard, and does not fully address the following areas:

- It does not include requirements to control potential illegal activities by third parties within the area managed by the operation.
- Organisations are not required to have procedures in place to ensure absence of corrupt practices or potential misuse of salvaging permits or other specific ministerial permits, with the intention of circumventing harvest regulations.
- Protection of rare or endangered species, including their habitats and potential habitats is not explicitly included.
- It is not specified regulation related to acceptable levels of damage and disturbance of soil resources, establishment of buffer zones.
- It is not required to check obligatory insurances, certificates of competence and other training requirements, and payment of social and income taxes.
- Legislation against discrimination and legislation allowing for freedom of association are not mentioned
- Requirements to comply with legal obligations concerning benefit sharing are not included.
- The terminology 'Free, Prior and Informed Consent' in connection with granting rights to forest management is not explicitly.
- There are not specific requirements to comply with legislation regulating how harvested material is classified in terms of species, quantities and qualities in connection with trade and transport.
- It is not detailed how to prove compliance with offshore trading and transfer pricing and other customs regulations.

This Supplier Verification Program is implemented by certificate holders themselves. Even though the OLB standard requires minimum documentation checks and onsite audits by qualified (as defined by the own company) staff, the quality and robustness of these assessments may vary. Also, it is not possible from the claim on verified material to identify which material is from 100% certified areas and which include material from non-verified sources.

### **Coverage by the scheme of legal requirements at the supply chain level**

At the chain of custody level, the robustness of the OLB system may be potentially discredited by the fact that the COC system allows – like other forestry certification systems – mixing OLB and non OLB inputs. Non OLB inputs may be:

- 1) certified against other approved or acceptable schemes (i.e., FSC, PEFC and PEFC-endorsed schemes, NEPCon LegalSource and BV DDS). In this case, we refer to the PEFC and FSC Scheme Assessment Reports.
- 2) not certified, but evaluated as part of a “Supplier Evaluation Program”. The conclusions of the coverage of this program have been included in this evaluation.  
Note: this option is only allowed for companies implementing a credit system.

### **Material control**

The Chain of Custody standard does not use a B2B volume reconciliation system, thus indicating a gap in the ability to track volumes through the supply chain.

Another gap at the chain of custody level is the endorsement of inputs certified against other certification schemes (FSC and some PEFC endorsed schemes), without performing a full assessment of the requirements of these certification systems compared to the EUTR. This may represent a risk that BV does not identify potential lack of alignment.

**Other requirements of the Certification scheme**

The owner and only certification body of the OLB scheme, Bureau Veritas (BV) is a well-established independent certification body that requires their auditors a satisfactory level of competence, and has procedures in place to cover scheme related indicators such as Conflict resolution, Corruption , Certification Body requirements for auditing and certification and Scheme & standard scope.

Since the scheme does not include accreditation of other certification bodies, most of the indicators related to Accreditation and oversight are not applicable, but the lack of external oversight represents a weakness. BV has worked on internal procedures to fill this gap partly.

## Introduction

The objective of the Study is to create a resource of knowledge and reference for all interested and concerned parties in the forest- and wood-based products sector. It should help Competent Authorities, Operators and Monitoring Organisations covered by the EUTR in their understanding of potential benefits and shortcomings of certification schemes, in the context of the implementation of the EUTR. As such, one part of the overall objectives is to create an overview of existing certificates, third-party verified schemes and certifying bodies issuing certificates with regard to forests and wood-based products and to evaluate their respective strengths and weaknesses in respect to the EUTR obligations. This should, in turn, encourage stronger standards and transparency of certification and third part verification schemes.

It should be underlined that it is NOT the intention of the study to create a compliance checklist of certification schemes. The EUTR continues to recognise third party certification as an important potential tool for risk assessment and risk mitigation, but does not recognise certification as proof of compliance. This will not change based on this study.

As part of the above objective, this framework has been developed to allow evaluation of the differences and uniformities between certificates and certifying bodies. It includes requirements to assess to which degree different forest certification schemes provide assurance of low (negligible) risk of 'legal non-compliance' of certified material.

The Framework aligns with the definitions and approach to certification schemes as described within the [EU Timber Regulation \(No. 995/2010\)](#) and the associated [Guidance Document](#), along with additional requirements for the use of third party certification schemes as outlined in the Commission implementing Regulation (EU) No 607/2012 and specifically Article 4 in the [Commission Implementing Regulation \(EU\) No 607/2012](#).

The Scheme Assessment Framework has been developed by Preferred by Nature as a comprehensive interpretation of the EUTR legality definition to provide the ability to evaluate in detail the different aspects of legality covered by the schemes included in this study.

It should therefore be underlined that the legality definition used in the Assessment Framework is a comprehensive interpretation of the EUTR intended to expand on the five legality categories included in the Regulation.

The Framework takes into account verifiers for Article 6 in the EUTR, and documentation for Article 4 of the Implementing Regulation, as well as a wide array of sustainability standards and benchmarks used in the areas of forest and wood-based products, among other resources identified under References.

The current report contains an evaluation of BV OLB.

## Acronyms

ATFS:	Australian Timber Forestry Standard (endorsed by PEFC)
BV DDS:	Bureau Veritas Due Diligence System
BV:	Bureau Veritas
CB:	Certification Body
CERFLOR:	Certification Florestal (endorsed by PEFC)
CERFOAR:	Certificacion Forestal Argentina (endorsed by PEFC)
CERTFOR:	Certification Forestal (Chile) (endorsed by PEFC)
CFCC:	China Forest Certification Council (endorsed by PEFC)
CH:	Certificate Holder
CITES:	The Convention on International Trade in Endangered Species of Wild Fauna and Flora
CoC:	Chain of Custody
DDS:	Due Diligence System
EUTR:	EU Timber Regulation
FM:	Forest Management
FPIC:	Free, Prior and Informed Consent
FSC:	Forest Stewardship Council
IFCC:	Indonesian Forestry Certification Cooperation (endorsed by PEFC)
ILO:	International Labour Organisation (BIT – Bureau International du travail)
KoFPI :	Korea Forest Certification Council (endorsed by PEFC)
MTCC :	Malaysian Timber Certification Council (endorsed by PEFC)
NCCF :	Network for Certification and Conservation of Forests (endorsed by PEFC)
NZFCA:	New Zealand Forest Certification Association (endorsed by PEFC)
OIBT:	Organisation internationale des bois tropicaux
OLB:	Origine et Légalité des Bois (The timber legality verification system of Bureau Veritas)
PAFC:	Pan-African Forest Certification (endorsed by PEFC)
PEFC:	The Programme for the Endorsement of Forest Certification Schemes
SAFAS:	South African Forestry Assurance Scheme (endorsed by PEFC)
SFI:	Sustainable Forestry Initiative (endorsed by PEFC)
SGEC:	PEFC Japan (endorsed by PEFC)

## 49. Overview of Certification Scheme

The **BV OLB (*Origine et Légalité des Bois*)** verification scheme was developed in 2004 by Bureau Veritas Certification (BV), an international independent certification body listed on the Euronext Paris stock exchange. BV provides Testing, Inspection and Certification (TIC) services in a range of fields to help clients around the world meet quality, safety, environmental protection, and social responsibility requirements.

The Forestry Department of Bureau Veritas Certification France, an independent certification organisation and a subsidiary of Bureau Veritas Certification Holding, developed and manages the OLB system. The OLB System is managed directly by Bureau Veritas (BV) and does not have external oversight or accreditation.

The general purpose of the OLB certification is to certify that a forest is managed legally, the origin of forest products is controlled, and the transfer of certificate claims along the supply chain is ensured. Chain of custody certification aims to ensure that the certification claim is transferred along the value chain.

The system is based on two main standards:

- a forest management (FM) standard for forest enterprises, and
- a chain of custody (CoC) standard for supply chain entities (processors and trade activity companies)

For multi-site companies, there is an additional standard to cover specific requirements.

### Forest Management

The version of the OLB FM standard currently implemented by forest enterprises dates from 2010 (RF03 OLB EF Version 3.3). This version has gone through several revisions that have not been published to date. At the date of writing this report, the most recent review (v.3.4) is its final version before publishing, and it is expected to replace version 3.3 sometime in 2021.

The findings in this report are based on the evaluation of version 3.4, which is not operational yet.

The 3.4. version has been coordinated by BV Douala and has gone through two stakeholder consultations in 2018. The main purpose of the revision is to be aligned with the new developments in the forest sector, and more precisely Due Diligence requirements of regulations such as the EU Timber Regulation (EUTR).

The criteria and indicators listed in the standard are applicable to forests located in all geographies.

### Chain of Custody (COC)

The version of the OLB COC standard currently implemented by Supply Chain entities dates from 2010 (RF03 OLB CdC v3.5). Companies that want to comply with additional requirements related to social and environmental aspects, may implement the OLB + standard (RF03 OLB+ COC v1.0). As with the FM standard, the COC standard has been entirely reviewed and updated to be more aligned with recent developments in the forest sector, namely regulations such as the EUTR. At the date of writing this report, the most recent review (v.3.6) is its final version before publishing and it is expected to replace version 3.5 sometime in 2021. The requirements of OLB + are now incorporated in the new version to come of the main COC standard. OLB+ will therefore disappear.

The findings in this report are based on version 3.6, which is not operational yet.

*It should be noted that Bureau Veritas has developed their own Due Diligence System that may be implemented by companies that seek to fulfill the Due Diligence requirements of the EUTR. This is a different standard (BV DDS) and has not been evaluated in this assessment.*

#### I. Verification of Legal Compliance at the Forest Level

Forest Enterprises that seek to sell their products as OLB certified must comply with the requirements listed in the standard RF03 OLB EF Version 3.4, once adopted, which will be applicable also to subcontracted entities.

Conformity with these requirements must be evaluated in the field.

This standard cover traceability up to the first point of sale or primary processing. Forest enterprises may then sell their products as OLB certified (the claim OLB certified, and the company's OLB certificate number are included on the sales invoices).

#### II. Verification of Legal Compliance at the Supply Chain Level

Supply Chain entities that seek to sell their products as OLB certified must guarantee the chain of custody of the materials by complying with the requirements listed in the standard RF03 OLB CdC v3.6, once adopted.

Supply Chain entities have 2 segregation options to guarantee the traceability of OLB products:

- 1) **Physical separation:** OLB certified inputs are separated from non-certified inputs throughout the process of transformation and/or commercialization. This is the recommended option, and it is mandatory for trade activity companies (i.e. companies that do not transform or process wood).

There are three physical separation methods:

- Separation in time
- Separation in space
- Individual identification

In a physical separation system, two kinds of inputs may be used:

- i. OLB certified wood
- ii. Wood certified against other recognised certification schemes (*recognised certification schemes are listed in Annex2*). These are:
  - The Dutch Keurhout Legality and/ or Sustainability system
  - FSC
  - PEFC – Germany, Australia, Austria, Belarus, Belgium, Czech Republic, Denmark, Spain, Estonia, Finland, France, Hungary, Ireland, Italy, Latvia, Luxembourg, Norway, Netherlands, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, Sweden, Switzerland, UK, Uruguay
  - SFI – Canada - USA
  - ATFS - USA
  - MTCC – Malaysia
  - CERFOAR - Argentina
  - CERFLOR - Brazil
  - CERTFOR - Chile
  - CFCC - China
  - PAFC - Gabon
  - NCCF - India

- IFCC – Indonesia
- SGEC - Japan
- NZFCA – New Zealand
- KoFPI – Republic of Korea
- SAFAS – South Africa

2) **Credit System:** It consists of ensuring an equivalence between the volume of OLB raw materials purchased and the volumes of OLB products sold.

In this system, the organization can sell a proportion of the products with the OLB claim equivalent to the volumes of OLB raw materials that have entered the production. OLB entries can also be accumulated as OLB credits on a credit account. When producing OLB product lines, OLB wood and acceptable raw materials can be used.

*For example: A company buys 1,000 m<sup>3</sup> of OLB wood in June and processes the raw material with a 50% conversion factor for the species concerned in the last 12 months (July to June). The company can then sell the equivalent of 500 m<sup>3</sup> of OLB finished products in July.*

In a credit system, four kinds of inputs can be used:

- i. OLB certified wood
- ii. Wood certified against other recognised certification schemes (*recognised certification schemes are listed in Annex 2, see II. 1.ii*).
- iii. Wood verified against other acceptable certification schemes (acceptable verification schemes are listed in Annex 2). These are:
  - Legalsource
  - BV DDS
- iv. Wood coming from acceptable sources (*as evaluated using the framework described in the “Supplier Evaluation Program” in Annex 1 of the CoC standard*)

Inputs that do not fall under one of the four categories above cannot enter the OLB chain of custody system and must be kept separated. This is a major change compared to the previous version of the standard, where unacceptable sources could potentially enter the OLB supply chain.

Only OLB certified inputs and Wood certified against other recognised certification systems (categories i. and ii. above) qualify as OLB credits.

The outputs in all cases, regardless of the segregation system in place, are OLB certified products (the claim OLB and the company’s OLB certificate number are included on the sales invoices).

There are no different claims to differentiate OLB products made from wood coming from an OLB certified forest compared to OLB products that have gone through a credit system and therefore may come from acceptable sources and not necessarily an OLB certified forest. The robustness of the Supplier Evaluation Program is therefore a critical point in the credibility of the OLB chain of custody certification.

### III. Supplier Evaluation Program

The Supplier Evaluation Program is described in Annex 1 of the Chain of Custody standard and can only be used as part of a credit system to qualify inputs as “acceptable” (do not qualify as OLB credits).



It is based on the verification of a set of criteria to be assessed at the forest level. It is therefore required that the company implementing the Supplier Evaluation Program is close enough to the forest or that it can prove traceability from the intermediaries to the forest level.

Only a list of criteria is provided in the standard, without clear indicators or guidance to ensure that it is consistently implemented by Certificate Holders and objectively evaluated by Bureau Veritas auditors.

For the sake of this assessment, the Supplier Evaluation Program has been evaluated and treated as a separate standard, both at the Forest Management level and at the supply chain level.

#### OLB claims and labels

The FM and COC standards include requirements to ensure that wood products sold as OLB certified are correctly identified as such, and invoices and transport documentation shall be clearly linked to the products and include, among other information, "The number and validity period of the OLB certificate" (as stated in section 5 of RF03 OLB EF Version 3.4 and 1.4 of RF03 OLB CoC v3.6\_FR).

At the chain of custody level, there are no different OLB claims to differentiate OLB outputs from a physical separation system or a credit system.

Companies also have the possibility of using the OLB logo, in which case they must follow the rules stated in the documents "OLB Trademark Use Regulations" and "GRAPHIC charter of the OLB Logo".

For the use of the OLB trademarks, the conditions and rules are explained in the procedures document GP01 CdC OLB (sections 17, 18 and 19).

OLB and BV trademark uses must be approved by Bureau Veritas Douala for prior approval. The accompanying invoices to products carrying the OLB or BV logo must include the species, quantity, OLB product type (product description) and certificate reference (e.g. OLB-CERT/FC-00000000).

On product OLB trademark use must include the certificate reference and the following statement (unless the timber product is marked directly through a stencil or by paperwork): "Origin and Legality of these timber products are certified by an independent organization, according to OLB standards".

Off product OLB trademark use (i.e. promotional or commercial documents) must also include the certificate reference, in addition to the following statement: "This forestry organization received certification from an independent certification organization, according to OLB standards, which guarantee the traceability and legality of timber until their first processing (and so on)".

Other specific claims can be authorised by Bureau Veritas Douala for specific trademark use.



## 50. Report Structure

The structure of this report is based on the Scheme Assessment Report (SAR).

To allow the evaluation of non-certified inputs entering the credit system of OLB COC certified companies ("Supplier Evaluation Program"), sections A1 and A2 of this report are split into two pieces:

A.1a Legal Requirements at the forest level – Forest management certification

A.1b Legal Requirements at the forest level – COC Standard Annex 1: Supplier Evaluation Program

A.2a Legal Requirements for supply chain entities – COC standard (main text)

A.2b Legal Requirements for supply chain entities – COC Standard Annex 1: Supplier Evaluation Program

B. Requirements for Certification Bodies

C. Requirements for certification schemes

## 1.1 Overview of the certification standards used for this analysis

Type	Normative	Guidance
General		<ul style="list-style-type: none"> <li>• OLB Certification Standard setting specific instruction Ref.: SI OLB standard setting Version: 1.0</li> <li>• <a href="#">OLB certification process for Forestry Companies - GP01 OLB FC 1.2 version, 22 March 2013</a> (FR)</li> <li>• <a href="#">OLB certification process for Chain of Custody GP01 CoC Version 2.3</a> (EN)</li> <li>• Specific Instructions OLB: Chain of Custody and Forestry Companies Certification process Ref.: SI OLB process v10 [10 12 10]</li> <li>• Manuel des Procédures de Certification OLB: PL-CAM-015</li> </ul>
Forest Management	<ul style="list-style-type: none"> <li>• REFERENTIEL A L'INTENTION DES ENTREPRISES FORESTIERES (Forest Management Enterprises standard, in French) : Référentiel RF03 OLB EF Version 3.4</li> <li>• SF03 OLB FM Documents légalité</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluation Checklist OLB standard for Forestry Companies</li> <li>• DO 100902 Legislation Chart</li> </ul>
Chain of Custody	<ul style="list-style-type: none"> <li>• REFERENTIEL DE CHAINE DE CONTROLE (Chain of Custody standard, in French) : Réf: RF03 OLB CdC v3.6</li> <li>• Multisite standard RF03 OLB Multi-site v1, 10 December 2010. RF03 OLB+ COC v1.0, September 2010</li> </ul>	<ul style="list-style-type: none"> <li>• Checklist OLB Chain of Custody Standard</li> </ul>

## 51. Evaluation methodology

The scheme is evaluated against the Scheme Assessment Framework (SAF) by use of the Scheme Assessment Procedure (SAP) in order to assess how the scheme covers relevant requirements of the EUTR, and the criteria defined by the European Commission as the basis for this Study.

For each indicator, we will have a conclusion that will show the level of conformance of the Scheme with the indicator:

Conclusion	Definition	Explanation
<b>Covered</b>	When available Scheme requirements and information - and any impacts evidence available - indicate the <i>coverage</i> of the SAF indicator.	Coverage is the ability of the Scheme to provide assurance that material traded via the Scheme has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber Regulation.
<b>Partially Covered</b>	When available Scheme requirements and information - and any impacts evidence available - indicate only <i>partial coverage</i> of the SAF indicator.  Alternatively, special concerns about Scheme standards, credibility, rigor or coverage may exist.  NOTE: It is important to justify the partial coverage, and indicate where the issues are which result in a Coverage conclusion not being given.	Partial Coverage means the Scheme is only partly able – or may be compromised in one or more ways – to provide assurance that material traded via the Scheme has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber Regulation.
<b>Not Covered</b>	When available Scheme requirements and information - and any impacts evidence available - indicate that there is <i>no coverage</i> of the SAF indicator.  NOTE: It is important to justify a no coverage conclusion.	The Scheme is not – or inadequately – able to provide assurance that material traded via the Scheme has a low (negligible) risk of being illegally harvested, traded in line with the legality definition of the EU Timber Regulation.
<b>Not Applicable (NA)</b>	When, for whichever reason, the SAF indicator does not apply.	

## 52. Overview of findings

Requirement Section	Conclusion	Summary	Conclusion	Summary
<b>A. Requirements for Certificate Holders</b>				
<b>A.1 Legal Requirements at the forest level</b>		<b>A – Forest management certification</b>		<b>B – Input from non-certified forests</b>
A.1.1 Rights to harvest timber within legally gazetted boundaries	Partially covered	There is no specific requirement related to legally gazetted areas. The standard requires that the organisation has the official legal rights and valid authorisations for the management and harvesting of the forest management area but does not mention the requirement of having procedures to ensure the use of legal methods to obtain these.	Partially Covered	Gaps identified in the following areas <ul style="list-style-type: none"> <li>- Organisations are not required to have procedures in place to ensure absence of corrupt practices (part of indicator A.1b.1.1.2)</li> <li>- Organisations are not required to have procedures in place to ensure the use of legal methods to obtain official authorisations (part of indicator A.1b.1.2.1)</li> <li>- It is not explicitly mentioned that legally required planning documents have been approved prior to implementation of forest harvesting activities (part of indicator A.1b.1.3.2)</li> </ul>
A.1.2 Payments for harvest rights and timber including duties related to timber harvesting	Covered	All indicators are covered	Partially covered	All indicators of this criterion are covered. There are no mention of land area taxes or sales taxes. (A.1b.2.1.1 and A.1b.2.2.2)
A.1.3 Timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting	Covered	All indicators of this criterion are covered	Partially Covered	The scheme does not include requirements to control potential illegal activities by third parties within the area managed by the operation (A.1b.3.1.2)  In addition, there are gaps in the following areas: <ul style="list-style-type: none"> <li>- There are no specific requirements to assess the potential mis-use of salvaging permits or other specific ministerial permits, with the intention of circumventing harvest regulations (part of indicator A.1b.3.1.1)</li> <li>- Protection of rare or endangered species, including their habitats and potential habitats is not included (part of indicator A.1b.3.2.1)</li> <li>- Identification of protected areas is conducted according to the legal requirements is not required for non-mandatory forestry operation planning document (part of indicator A.1b.3.2.2)</li> <li>- It is not specified regulation related to acceptable levels of damage and disturbance of soil resources, establishment of buffer zones (part of indicator A.1b.3.3.1)</li> <li>- It is not required to check obligatory insurances, certificates of competence and other training requirements, and payment of social and income taxes (part of indicator A.1b.3.5.1)</li> <li>- Legislation against discrimination and legislation allowing for freedom of association are not mentioned (part of indicator A.1b.3.5.2)</li> </ul>

Requirement Section	Conclusion	Summary	Conclusion	Summary
A.1.4 Third parties' legal rights concerning use and tenure that are affected by timber harvesting	Partially Covered	Requirements to comply with legal obligations concerning benefit sharing are not clearly defined (A.1a.4.1.2)	Partially Covered	There are gaps in the following areas: - Requirements to comply with legal obligations concerning benefit sharing are not included (part of indicator A.1b.4.1.2) - The terminology 'Free, Prior and Informed Consent' in connection with granting rights to forest management is not explicitly mentioned (part of indicator A.1b.4.2.1) - It is not required to prove respect the tenure rights of indigenous and tribal people to forest land as well as their right to FPIC (part of indicator A.1b.4.3.1)
A.1.5 Trade and customs, in so far as the forest sector is concerned	Partially Covered	There are no requirements ensuring that certificate holders implement a due diligence system, where applicable. (A.1.a.5.6.1).	Partially Covered	There are gaps in the following areas: - There are not specific requirements to comply with legislation regulating how harvested material is classified in terms of species, quantities and qualities in connection with trade and transport (part of indicator A.1b.5.1.1) - It is not detailed how to prove compliance with offshore trading and transfer pricing (part of indicator A.1b.5.3.1) - It is not detailed how to prove compliance with customs regulations (part of indicator A.1b.5.4.1) - There are no requirements ensuring that certificate holders implement a due diligence system, where applicable (A.1.b.5.6.1)
<b>A.2 Legal requirements for supply chain entities</b>				
A.2.1. Legal registration	Covered	All indicators of this criterion are covered	Covered	All indicators of this criterion are covered
A.2.2 Taxes and fees	Covered	All indicators of this criterion are covered	Covered	All indicators of this criterion are covered
A.2.3 Trade and transport	Partially Covered	It is not detailed the requirement of having import/export licenses, or product classification related to customs (A.2a.3.4.1).  CITES specific requirements for OLB inputs are not included in the chain of custody standard (A.2a.3.5.1).  Requirements for COC companies to comply with declaration obligations in the context of a Due Diligence/Due Care legislation are not included (A.2a.3.6.1).	Partially Covered	Offshore trading and transfer pricing is not included in the Supplier Evaluation Program.  In addition, there are gaps in the following areas: - There are not specific requirements to comply with legislation regulating how harvested material is classified in terms of species, quantities and qualities in connection with trade and transport (part of indicator A.2b.3.1.1) - It is not detailed how to prove compliance with offshore trading and transfer pricing (indicator A.2b.3.3.1) - It is not detailed how to prove compliance with customs regulations (part of indicator A.2.3.4.1)

Requirement Section	Conclusion	Summary
<b>A.3 Requirements for material control</b>		
A.3.1 Material control	Partially covered	Even though OLB does include a CoC system, it does not include any B2B volume control or reconciliation, which is considered a gap in terms of securing volume control along the supply chain (A.3.1.1.4)
A.3.2 Recycled material	Not covered	OLB does not include any mention of recycled or reclaimed material
<b>A.4 General requirements for Certificate Holders</b>		
A.4.1 Conflict resolution	Partially covered	There is no requirement to excluded areas where tenure is disputed (point ii).
A.4.2 Corruption	Covered	All indicators of this criterion are covered
<b>A.5 Quality and procedural requirements for Certificate Holders</b>		
A.5.1 Internal procedures for Certificate Holders	Partially covered	The Scheme does not include requirements for the Certificate Holders to regularly review the proper functioning of their own procedures (A.5.1.2)
A.5.2 Qualification and competence	Covered	
A.5.3 Risk based approaches to sourcing, trade or production	Partially Covered	There are not clear indicators and/or guidance to recognised material certified under other certification schemes. (A.5.3.3).
<b>B. Requirements for Certification Bodies</b>		
B.1 General Certification Body requirements	Covered	All applicable indicators of this criterion are covered
B.2 Certification Body requirements for auditing and certification	Partially covered	It is required that the organisation is not involved in controversial activities or practices that may impair its legal integrity. But it does not directly require auditors to evaluate if companies have been sanctioned or otherwise involved in corrupt practices (B.2.2.1)

Requirement Section	Conclusion	Summary
<b>C. Requirements for Certification Schemes</b>		
C.1 Transparency	Partially covered	There are gaps in the following areas: - The procedure explaining various ways in which stakeholders can engage is not freely available (C.1.1.2) - A public version of the FM report is available, but only upon request (not directly available on the internet). COC reports are not publicly available (C.1.1.4).
C.2 Scheme & standard scope	Covered	All applicable indicators of this criterion are covered
C.3 Accreditation and oversight	Partially covered	Requirements for non-conformities are structured in a way that there is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months (C.3.2.2).  OLB does not apply independent accreditation and oversight (C.3.2.3).
C.4 Certification process	Partially covered	Requirements for non-conformities are structured in a way that there is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months (C.4.1.2).  Non OLB sources used in the credit system go through a Supplier Verification Program less comprehensive than the OLB FM standard and is implemented by the certificate holders themselves (C.4.1.3)

## 53. Evaluation

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
<b>A. Requirements for Certificate Holders</b>  <b>Requirements applicable to the Certificate Holders. These include requirements to comply with applicable legislation, as well as requirements relevant to ensuring continued performance and integrity of the operations – as far as is related to legal compliance.</b>					
<b>A.1a Legal Requirements at the forest level – <u>FM STANDARD</u></b>  This principle relates to how the scheme ensures that Certificate Holders comply with all applicable legislation. This section relates to requirements of the Scheme that applies to Certificate Holders - or other entities subject to the normative requirements of the Scheme (e.g. included within the scope of a certified due diligence system) - within the Country of Harvest.					
	<b>A.1a.1 Rights to harvest timber within legally gazetted boundaries</b>				
<b>A.1a.1.1</b>	Land tenure and management rights	<b>A.1a.1.1.1.</b> The Scheme shall include requirements that ensure compliance with legislation covering land tenure rights, including customary rights as well as management rights	RF03 OLB EF Version 3.4  1.2 - L'entreprise doit démontrer le respect des lois nationales, des règlements d'application et autres exigences administratives concernant les opérations forestières.  1.2.1 - L'entreprise doit fournir la preuve que la zone forestière exploitée est légalement classée comme forêt exploitable*  Note : un processus de classement administratif en cours peut être accepté (si l'entreprise apporte les justificatifs nécessaires).  1.2.2 - L'entreprise détient les droits légaux et les autorisations officielles et valides pour la gestion et l'exploitation des surfaces forestières évaluées.  1.3 : L'entreprise doit démontrer le respect des lois nationales, des	<b>Findings</b>  <i>Scheme info</i>  The standard requires that national legislation and other administrative requirements be respected and requires proof that the forest area is legally classified as exploitable at that the FME has the rights to manage and harvest the forest management area.  Section 1.3 (1.3.4-1.3.7) lists the requirements related to the respect of national legislation and other administrative requirements related social aspects (communities impacted by forest	Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>règlements d'application et autres exigences administratives concernant les aspects sociaux.</p> <p>Exigences relatives aux communautés concernées par les activités forestières (1.3.4-1.3.7)</p>	<p>management activities).</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	
		<p><b>A.1a.1.1.2.</b> The Scheme shall include requirements to ensure that licenses, right of tenure and management rights have been issued:</p> <p>i) according to the legally prescribed procedure,</p> <p>ii) in compliance with third parties' legal rights concerning tenure,</p> <p>iii) specifying the legally-gazetted boundaries, and;</p> <p>iv) with absence of corrupt practices.</p>	<p>RF03 OLB EF Version 3.4</p> <p>1.2.2 - L'entreprise détient les droits légaux et les autorisations officielles et valides pour la gestion et l'exploitation des surfaces forestières évaluées.</p> <p>4.3.2: - Concernant les enregistrements relatifs à la légalité, les documents officiels ont été obtenus des autorités compétentes de façon transparente.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The standard requires that legal rights and authorisations be "official and valid".</p> <p>In addition, in section 4 -Fonctionnement du système, it is required that: "official documents have been obtained from the competent authorities in a transparent manner".</p> <p>There is no specific requirement related to legally gazetted areas.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is partially covered by the standard.</p>	Partially Covered
<b>A.1a.1.2</b>	Concession licenses	<b>A.1a.1.2.1</b> The Scheme shall include requirements that ensure compliance with legislation	<p>RF03 OLB EF Version 3.4</p> <p>1.2.2 - L'entreprise détient les droits légaux et les autorisations officielles et valides pour la gestion et l'exploitation des surfaces</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The standard requires that the organisation has the official legal rights and valid authorisations for</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		regulating procedures for the issuing of concession licenses, including use of legal methods to obtain concession licenses and that licenses are covering only legally gazetted areas	forestières évaluées.	<p>the management and harvesting of the forest management area but does not mention the requirement of having procedures to ensure the use of legal methods to obtain these.</p> <p><i>Direct interviews/ discussions / Stakeholder input</i></p> <p>In reaction to the original conclusion 'partially covered' and the justification "Part of the indicator is not met: Organisations are not required to have procedures in place to ensure the use of legal methods to obtain official authorisations.", BV points out:</p> <p>1.1.4. in the OLB EF standard states: "The company is not involved in controversial activities or practices that may impair its legal integrity".</p> <p><b>Justification</b></p> <p>BV's input has been taken into consideration and based on the above this indicator is partially covered.</p>	
<b>A.1a.1.3</b>	Management and harvesting planning	<b>A.1a.1.3.1</b> The Scheme shall include requirements that ensure compliance with legislation and legal obligations for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring.	<p>RF03 OLB EF Version 3.4</p> <p>1.2.3 - L'entreprise doit élaborer et mettre en œuvre un document de planification des opérations forestières ou d'un plan d'aménagement/gestion forestier si celui-ci est requis par la réglementation locale*:</p> <p>i. Ce document doit décrire les coupes prévues et leur emplacement, les volumes de bois prélevés, le diamètre minimum d'exploitation (si applicable) et les essences prélevées.</p> <p>ii. Ce document doit définir un plan de coupe annuel qui décrit clairement les zones d'exploitation et les volumes prévus par coupe.</p> <p>iii. Les normes d'inventaires forestiers sont respectées (si elles existent), et les travaux d'inventaires sont validés par l'autorité</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Indicators 1.2.3, 1.2.4 and 1.2.5 list the requirements for organisations to comply with legislation and legal obligations for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>compétente le cas échéant</p> <p>iv. Si un plan d'aménagement/gestion est requis par la réglementation locale, il doit être approuvé par l'autorité compétente.</p> <p>1.2.4 - L'entreprise démontre qu'elle maîtrise les limites des surfaces forestières évaluées*:</p> <p>i. L'entreprise doit matérialiser et entretenir sur le terrain et de façon non provisoire les limites des surfaces forestières évaluées et les limites de la zone forestière en cours d'exploitation.</p> <p>Note : Dans le cas des grands périmètres, un programme d'évaluation des risques et de planification de matérialisation et entretien des limites pourra être accepté</p> <p>ii. Les limites de la zone d'exploitation autorisée sont respectées.</p> <p>1.2.5 - Les prescriptions d'exploitation forestière réglementaires et/ou préconisées dans le document de planification des opérations forestières ou dans le plan d'aménagement/ gestion sont respectées:</p> <p>i. planification des coupes,</p> <p>ii. volumes autorisés,</p> <p>iii. diamètres minimum,</p> <p>iv. essences autorisées,</p> <p>v. méthodes d'exploitation,</p> <p>vi. modalités de marquage,</p> <p>vii. utilisation de documents de déclaration et de suivi obligatoires,</p> <p>viii. les essences protégées ne sont pas récoltées,</p> <p>ix. les attributs des sites dédiés à la protection (sites protégés*) et/ou la conservation sont respectés,</p> <p>x. Autres*</p>		

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		<b>A.1a.1.3.2</b> The Scheme shall include requirements that all legally required planning documents have been approved prior to implementation of forest harvesting activities.	<p>RF03 OLB EF Version 3.4</p> <p>1.2.1 L'entreprise doit fournir la preuve que la zone forestière exploitée est légalement classée comme forêt exploitable*</p> <p><i>Note : un processus de classement administratif en cours peut être accepté (si l'entreprise apporte les justificatifs nécessaires).</i></p> <p>1.2.2 L'entreprise détient les droits légaux et les autorisations officielles et valides pour la gestion et l'exploitation des surfaces forestières évaluées.</p> <p>1.2.3 L'entreprise doit élaborer et mettre en œuvre un document de planification des opérations forestières ou d'un plan d'aménagement/gestion forestier si celui-ci est requis par la réglementation locale*:</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>It is not explicitly mentioned that "[...] have been approved prior to implementation of forest harvesting activities".</p> <p><i>Direct interviews/ discussions / Stakeholder input</i></p> <p>In reaction to the original conclusion 'partially covered' and the justification "Part of the indicator is not met: it is not explicitly required that planning documents have been approved prior to implementation of forest harvesting activities", BV points out:</p> <p>"Not that level of precision. But verification done in situ because it is a matter of respecting the regulations of the country in which the activity is carried out".</p> <p>OLB EF v3.3. The company holds the official and valid permits necessary for the exploitation of the forest areas assessed.</p> <p><b>Justification</b></p> <p>BV's input has been taken into consideration and based on the above this indicator is covered.</p>	Covered
<b>A.1a.1.4</b>	Harvesting permits	<b>A.1a.1.4.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating the issuing of harvesting permits, licenses or other	<p>RF03 OLB EF Version 3.4</p> <p>1.2.2 - L'entreprise détient les droits légaux et les autorisations officielles et valides pour la gestion et l'exploitation des surfaces forestières évaluées.</p> <p>4.2 - Système documenté</p> <p>4.2.1 - L'entreprise doit établir et mettre en œuvre un système documenté permettant de répondre aux exigences du présent référentiel.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Section 4 of the standard requires organisations to designate a competent responsible person in charge of the implementation of the standard, as well as written procedures.</p> <p>"[...] The company must define and implement a</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		legal documents required for specific harvesting operations.	<p>4.2.2 - L'entreprise doit définir et mettre en œuvre une procédure de veille légale permettant de recenser et de disposer de l'ensemble des textes de lois nationaux et internationaux relatifs:</p> <ul style="list-style-type: none"> <li>i. aux droits fonciers et aux droits d'usage à long terme de la terre et des ressources forestières sur la zone exploitée;</li> <li>ii. à la gestion / aménagement et à l'exploitation forestière;</li> <li>iii. au travail, à la santé, à la sécurité des travailleurs;</li> <li>iv. à la gestion de l'environnement.</li> </ul> <p>Note: L'entreprise doit conserver une copie des textes, et disposer d'un registre faisant référence à l'ensemble des textes ci-dessus</p> <p>4.2.3 - L'entreprise assure la diffusion des informations légales pertinentes vis-à-vis des activités effectuées auprès des responsables chargés d'assurer le fonctionnement du système et le respect des exigences du référentiel</p>	<p>legal watch procedure making it possible to identify and have access to all the national and international laws relating to:</p> <ul style="list-style-type: none"> <li>i. land rights and long-term use rights to land and forest resources in the harvested area;</li> <li>ii. forest management / development and harvesting;</li> <li>iii. at work, health and safety of workers;</li> <li>iv. environmental management."</li> </ul> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	
	<b>A.1a.2 Payments for harvest rights and timber including duties related to timber harvesting</b>				
<b>A.1a.2.1</b>	Payment of royalties and harvesting fees	<b>A.1a.2.1.1</b> The Scheme shall include requirements that ensure compliance with legislation covering payment of all legally required forest harvesting-specific fees such as royalties, stumpage fees and other volume-based fees, as well as land area taxes or fees.	<p>RF03 OLB EF Version 3.4</p> <p>1.1.3 - L'entité forestière est en règle vis-à-vis de ses obligations fiscales de droit commun applicables, ainsi que de ses obligations fiscales et taxes liées à son (ses) activité(s) forestières (Patente, TVA, taxes et redevance liées à la récolte du bois, au volume, au transport et à la commercialisation du bois, ...)</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Standard requires organisations to be in compliance with all their fiscal obligations, including fees related to their forest harvesting activities.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
A.1a.2.2	Value-added taxes and other sales taxes	A.1a.2.2.2 The Scheme shall include requirements that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales).	RF03 OLB EF Version 3.4  1.1.3 - L'entité forestière est en règle vis-à-vis de ses obligations fiscales de droit commun applicables, ainsi que de ses obligations fiscales et taxes liées à son (ses) activité(s) forestières (Patente, TVA, taxes et redevance liées à la récolte du bois, au volume, au transport et à la commercialisation du bois, ...)  5.3 - L'entreprise doit prouver sa conformité avec toutes les lois nationales et internationales applicables relatives au transport et à la commercialisation du bois 5.3.1 - Les preuves documentées de la conformité avec les prescriptions légales du pays d'origine du bois en matière de transport et de commerce sont disponibles (documents légaux de transport, déclaration en douanes, paiement des droits de douanes, etc.). 5.3.2 - L'entreprise détient les preuves documentées de sa conformité à la réglementation applicable du commerce offshore et les tarifs et taxes y afférents si applicable.	<b>Findings</b>  <i>Scheme info</i>  Standard requires organisations to be in compliance with all their fiscal obligations, including taxes related to wood harvesting and commercialisation of timber.  <b>Justification</b>  Based on the above, this indicator is covered by the standard.	Covered
	<b>A.1.3 Timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting</b>				
A.1a.3.1	Timber harvesting regulations	A.1a.3.1.1 The Scheme shall include requirements that ensure compliance with legal obligations for harvesting techniques and technology including timing of	RF03 OLB CoC v3.6_FR - Annex 1 : Supplier Evaluation Program  - Le fournisseur doit élaborer et mettre en œuvre un document de planification de ses opérations forestières ou un plan d'aménagement forestier (lorsque la réglementation locale l'exige); - Si la réglementation locale l'exige, le plan d'aménagement forestier doit être approuvé par l'autorité compétente; - Les prescriptions en matière d'exploitation sont respectées : volumes autorisés, diamètres minimum, essences exploitables, marquage réglementaire, utilisation des documents légaux d'enregistrement de la récolte et de transport obligatoires, les	<b>Findings</b>  <i>Scheme info</i>  Suppliers (Forest Management Enterprises) must develop and implement a forestry operations planning document or an approved (by the competent authority) forest management plan when required by the law.  Operating requirements are respected: permitted volumes, minimum diameters, exploitable species,	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		<p>harvest, selective cutting, shelter wood regeneration, clear felling, transport of timber from felling sites and seasonal limitations etc.</p> <p>This includes the mis-use of salvaging permits or other specific ministerial permits, with the intention of circumventing harvest regulations</p>	essences protégées ne sont pas récoltées;	<p>regulatory marking, use of legal harvest registration and transport documents, protected species are not harvested;</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	
		<b>A.1a.3.1.2</b> The Scheme shall include requirements to control potential illegal activities by third parties within the area managed by the operation.	<p>RF03 OLB EF Version 3.4</p> <p>Section 2 : Contrôle des activités illégales</p> <p>2.1 - L'entreprise doit avoir défini et documenté les moyens nécessaires et les actions mises en œuvre pour s'affranchir de toute coupe de bois illégale et les autres activités illégales sur la zone d'exploitation considérée, réalisée par des tiers externes à l'entreprise</p> <p>2.1.1 - Une stratégie de lutte contre les coupes illégales de bois et toutes autres activités illégales sur la zone forestière évaluée est définie et actualisée autant que nécessaire pour besoin d'efficacité</p> <p>2.1.2 - La stratégie de lutte contre les coupes illégales de bois de l'entreprise et toutes autres activités illégales est mise en œuvre. Au minimum :</p> <p>i. Une signalisation est présente sur les voies d'accès, précisant que toute activité illégale (exploitation non autorisée, braconnage...) est interdite</p> <p>ii. Les principales voies d'accès sont identifiées et contrôlées</p> <p>iii. Une surveillance des limites est effectuée, adaptée en fonction du</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Section 2 of the standard includes the requirements to control potential illegal activities by third parties within the area managed by the operation.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			niveau de risque des activités d'exploitation illégale.		
<b>A.1a.3.2</b>	Protected sites and species	<b>A.1a.3.2.1</b> The Scheme shall include requirements that ensure compliance with legislation related to protected areas as well as protected, rare, or endangered species, including their habitats and potential habitats.	<p>RF03 OLB EF Version 3.4</p> <p>1.2.3 - L'entreprise doit élaborer et mettre en œuvre un document de planification des opérations forestières ou d'un plan d'aménagement/gestion forestier si celui-ci est requis par la réglementation locale*:</p> <ul style="list-style-type: none"> <li>i. Ce document doit décrire les coupes prévues et leur emplacement, les volumes de bois prélevés, le diamètre minimum d'exploitation (si applicable) et les essences prélevées.</li> <li>ii. Ce document doit définir un plan de coupe annuel qui décrit clairement les zones d'exploitation et les volumes prévus par coupe.</li> <li>iii. Les normes d'inventaires forestiers sont respectées (si elles existent), et les travaux d'inventaire sont validés par l'autorité compétente le cas échéant</li> <li>iv. Si un plan d'aménagement/gestion est requis par la réglementation locale, il doit être approuvé par l'autorité compétente.</li> </ul> <p>1.2.5 - Les prescriptions d'exploitation forestière réglementaires et/ou préconisées dans le document de planification des opérations forestières ou dans le plan d'aménagement/ gestion sont respectées:</p> <ul style="list-style-type: none"> <li>i. planification des coupes,</li> <li>ii. volumes autorisés,</li> <li>iii. diamètres minimum,</li> <li>iv. essences autorisées,</li> <li>v. méthodes d'exploitation,</li> <li>vi. modalités de marquage,</li> <li>vii. utilisation de documents de déclaration et de suivi obligatoires,</li> </ul>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Organisations must develop and implement a forestry operations planning document (or forest management plan, if required by local regulation) that ensures that protected species are not harvested and that protected sites or sites destined to conservation are respected.</p> <p>In addition, requirements from internal treaties such as CITES, BIT and OIBT conventions and Biodiversity Convention must be respected.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>viii. les essences protégées ne sont pas récoltées,  ix. les attributs des sites dédiés à la protection (sites protégés*) et/ou la conservation sont respectés,  x. Autres*</p> <p>1.4 - L'entreprise doit démontrer le respect des lois nationales, des règlements d'application et autres exigences administratives concernant les aspects environnementaux.</p> <p>1.5 - Les exigences de traités internationaux tels que CITES, les conventions du BIT et de l'OIBT, et la convention sur la diversité biologique doivent être respectées*</p> <p>Note: Les conventions de l'OIT qui ont un impact sur les opérations et pratiques forestières sont les suivantes: 29, 87, 97, 98, 100, 105, 111, 131, 138, 141, 142, 143, 155, 169, 182 et les Directives du BIT sur la santé et la sécurité en milieu forestier.</p>		
		<p><b>A.1a.3.2.2</b>  Requirements that ensure compliance with legislation related to protected areas and habitats, shall include that the identification of protected areas is conducted according to the legal requirements.</p>	<p>RF03 OLB EF Version 3.4</p> <p>1.2 - L'entreprise doit démontrer le respect des lois nationales, des règlements d'application et autres exigences administratives concernant les opérations forestières.</p> <p>1.2.1 - L'entreprise doit fournir la preuve que la zone forestière exploitée est légalement classée comme forêt exploitable*</p> <p>1.2.5 - Les prescriptions d'exploitation forestière réglementaires et/ou préconisées dans le document de planification des opérations forestières ou dans le plan d'aménagement/ gestion sont respectées:</p> <p>i. planification des coupes,  ii. volumes autorisés,  iii. diamètres minimum,  iv. essences autorisées,  v. méthodes d'exploitation,  vi. modalités de marquage,  vii. utilisation de documents de déclaration et de suivi obligatoires,  viii. les essences protégées ne sont pas récoltées,  ix. les attributs des sites dédiés à la protection (sites protégés*) et/ou la conservation sont respectés,</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The organisation shall prove that the harvesting area is classified as "exploitable".</p> <p>The (mandatory) forestry operations planning document (or forest management plan, if required by local regulation) shall include, among other requirement, the respect of protected sites or areas destined to conservation.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			x. Autres*		
<b>A.1a.3.3</b>	Environmental requirements	<b>A.1a.3.3.1</b> The Scheme shall include requirements that ensure compliance with legislation related to environmental impact assessment in connection with harvesting, acceptable levels of damage and disturbance of soil resources, establishment of buffer zones (e.g. along watercourses, open areas, breeding sites), maintenance of retained trees on felling sites, seasonal limitations on harvesting, and environmental requirements for forest machinery.	<p>RF03 OLB EF Version 3.4</p> <p>Section 1.4 - L'entreprise doit démontrer le respect des lois nationales, des règlements d'application et autres exigences administratives concernant les aspects environnementaux.</p> <p>1.4.1 - L'entreprise a réalisé une étude d'impact environnemental en fonction de l'échelle, de l'intensité et du risque des opérations d'aménagement et d'exploitation forestière et de la sensibilité de l'environnement. Elle a valorisé les résultats de cette étude par un programme opérationnel.</p> <p>1.4.2 - L'entreprise respecte toutes les exigences environnementales réglementaires concernant l'eau, l'air, le sol, la biodiversité, l'énergie, le bruit, quand cela est applicable.</p> <p>1.4.6 - Les hydrocarbures utilisés sont traités de manière appropriée.*</p> <p>1.4.7 - Les déchets générés lors des opérations de gestion forestières (y compris les déchets domestiques sur les bases vies) sont traités de manière appropriée.*</p> <p>1.4.8 - Les dispositions et recommandations relatives à l'environnement qui figurent dans le plan d'aménagement approuvé et dans l'étude d'impact sont appliquées.*</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Organisations are required to demonstrate compliance with all regulation concerning environmental aspects (i.e. water, air, soil, biodiversity, energy, noise, when applicable).</p> <p>In addition, the organisation must develop an environmental impact assessment and take its results into account via an operational program.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
A.1a.3.4	Health and safety	A.1a.3.4.1 The Scheme shall include requirements that ensure compliance with Health & Safety legislation.	<p>RF03 OLB EF Version 3.4</p> <p>1.3.2 - L'entreprise dispose d'une politique de sécurité et de santé au travail en conformité avec les exigences légales et réglementaire et clairement établie en concertation avec les travailleurs.</p> <p>Note: l'entreprise doit être en conformité avec les recommandations du BIT sur la santé et la sécurité du travail forestier.</p> <p>1.3.3 - Les travailleurs présents sur les chantiers forestiers isolés bénéficient de conditions de vie décentes (et selon les réglementations en vigueur si elle existent)*:</p> <p>1.5.2 - L'entreprise respecte les conventions et traités internationaux dont le pays est signataire.</p> <p>Note: Les conventions de l'OIT qui ont un impact sur les opérations et pratiques forestières sont les suivantes: 29, 87, 97, 98, 100, 105, 111, 131, 138, 141, 142, 143, 155, 169, 182 et les Directives du BIT sur la santé et la sécurité en milieu forestier.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The organisation must have a Health and Safety in the workplace policy, aligned with the legal and regulatory requirements.</p> <p>The organisation must respect the internal conventions and treaties adhered by the country.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	Covered
A.1a.3.5	Legal employment	A.1a.3.5.1 The Scheme shall include requirements that ensure compliance with legislation for employment of personnel involved in harvesting (and in-forest processing) activities including but not limited to requirements for: contracts and working permits, obligatory insurances, certificates of	<p>RF03 OLB EF Version 3.4</p> <p>1.3 - L'entreprise doit démontrer le respect des lois nationales, des règlements d'application et autres exigences administratives concernant les aspects sociaux.</p> <p>Exigences relatives aux travailleurs:</p> <p>1.3.1 - L'entreprise respecte les lois et réglementations essentielles relatives à l'embauche et au travail, dont les exigences suivantes*:</p> <p>i. Les travailleurs embauchés disposent de documents formalisés et conformes à la réglementation en vigueur prouvant leur lien avec l'entreprise et en relation avec le travail fourni.</p> <p>ii. Les travailleurs sont déclarés et reçoivent les rémunérations convenues (respectant les salaires minimums en vigueur).</p> <p>iii. Les travailleurs doivent être libres de s'organiser et de négocier leurs conditions d'embauche selon les conventions 87 et 98 du Bureau International du Travail.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The organisation must respect national laws and other regulatory and administrative requirements regarding social aspects.</p> <p>Indicator 1.3.1 lists the requirements related to legal employment. This is also applicable to subcontractors.</p> <p>The obligation to have obligatory insurances, certificates of competence and other training requirements, and payment of social and income taxes is not included.</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		competence and other training requirements, and payment of social and income taxes.	iv. L'âge minimum d'embauche réglementaire est respecté v. Les temps et horaires de travail, sont respectés, et les heures supplémentaires sont comptabilisées et rémunérées. vi. Les délégués du personnel sont élus conformément à la réglementation en vigueur et disposent des moyens et des conditions nécessaires à la réalisation de leur fonction. vii. Un règlement intérieur du travail est élaboré et porté à la connaissance des travailleurs. viii. Les procédures de licenciement ou de chômage technique ou partiel respectent la réglementation en vigueur.	<p><i>Direct interviews/ discussions/ Stakeholder input</i></p> <p>In reaction to the original conclusion 'partially covered' and the justification "Part of the requirement is not met: the obligation to have obligatory insurances, certificates of competence and other training requirements, and payment of social and income taxes are not included", BV points out:</p> <p>"Covered with 1.3.1 for Employment Contract, Social Security, Social Taxes and Income Taxes in the pay slip demanded by the repository and covered with 4.1.4 which meets the requirements of competence and training of personnel involved in maintaining compliance with the legality and traceability of the woods."</p> <p><b>Justification</b></p> <p>BV's input has been taken into consideration and based on the above this indicator is covered.</p>	
		<b>A.1a.3.5.2</b> The Scheme shall include requirements that ensure compliance with legislation for minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labour, and discrimination	RF03 OLB EF Version 3.4  1.3.1 : L'entreprise respecte les lois et réglementations essentielles relatives à l'embauche et au travail, dont les exigences suivantes*:  iii. Les travailleurs doivent être libres de s'organiser et de négocier leurs conditions d'embauche selon les conventions 87 et 98 du Bureau International du Travail. iv. L'âge minimum d'embauche réglementaire est respecté vi. Les délégués du personnel sont élus conformément à la réglementation en vigueur et disposent des moyens et des conditions nécessaires à la réalisation de leur fonction.  1.6.3 - Les entreprises sous-traitantes remplissent les exigences 1.1.1 et 1.1.3.	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The organisation must respect national laws and other regulatory and administrative requirements regarding social aspects.</p> <p>Indicator 1.3.1 lists the requirements related to legal employment, including minimum working age and discrimination and legislation allowing for freedom of association.</p> <p>This is also applicable to subcontractors.</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		and legislation allowing for freedom of association.	<p>1.6.4 - L'entreprise a vérifié que les travailleurs de ses sous-traitants exercent leurs activités dans un cadre légal. Les indicateurs 1.3.1, 1.3.2 et 1.3.3 sont applicables aux employés des sous-traitants travaillant dans le périmètre évalué.</p> <p>1.5.2 - L'entreprise respecte les conventions et traités internationaux dont le pays est signataire.</p> <p>Note: Les conventions de l'OIT qui ont un impact sur les opérations et pratiques forestières sont les suivantes: 29, 87, 97, 98, 100, 105, 111, 131, 138, 141, 142, 143, 155, 169, 182 et les Directives du BIT sur la santé et la sécurité en milieu forestier.</p>	<p>In addition, the organisation must respect the international conventions and treaties adhered by the country, including ILO conventions 29, 87, 97, 98, 100, 105, 111, 131, 138, 141, 142, 143, 155, 169, 182 and ILO directives on health and safety in the forestry sector.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	
	<b>A.1a.4 Third parties' legal rights concerning use and tenure that are affected by timber harvesting</b>				
<b>A.1a.4.1</b>	Customary rights	<b>A.1a.4.1.1</b> The Scheme shall include requirements that ensure compliance with respect for customary tenure rights relevant to forest harvesting activities.	<p>RF03 OLB EF Version 3.4</p> <p>1.2.2 - L'entreprise détient les droits légaux et les autorisations officielles et valides pour la gestion et l'exploitation des surfaces forestières évaluées.</p> <p>1.3.4 - L'entreprise a réalisé une étude d'impact social en fonction de l'échelle, de l'intensité et du risque des opérations d'aménagement et d'exploitation forestière et de la spécificité du contexte social. Elle a valorisé les résultats de cette étude par un programme opérationnel.</p> <p>i. L'ensemble des communautés locales (y compris les peuples autochtones), autour ou au sein des concessions forestières, ayant des droits traditionnels ou légaux, sont identifiées et cartographiées.</p> <p>ii. Les droits fonciers (propriété) et droits d'usage (accès aux ressources) des communautés concernées par les surfaces forestières évaluées sont identifiés par le biais d'une concertation* avec ces populations.</p> <p>1.3.5 - Les communautés locales ont été consultées au préalable et</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The organisation must have the legal rights and valid official authorisation to manage and harvest the assessed forest areas.</p> <p>To avoid conflicts with third parties, the organisation must perform a social impact assessment and take its results into account via an operational program.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
			<p>sont impliquées dans les activités de gestion/ exploitation forestière pouvant avoir une incidence sur leurs droits)</p> <p>1.3.6 - L'entreprise, par le biais de la concertation culturellement appropriée avec les communautés concernées par les surfaces forestières évaluées, met en œuvre des mesures pour identifier en permanence, prévenir, éviter ou atténuer les impacts négatifs potentiels de ses activités sur leurs droits coutumiers et/ou légaux</p> <p>1.3.7 - Des mécanismes et des mesures appropriés doivent être employés pour prévenir et rechercher des solutions aux conflits relatifs aux droits fonciers (propriété) et aux droits d'usage d'usages (accès aux ressources).</p>		
		<p><b>A.1a.4.1.2</b> The Scheme shall include requirements that ensure compliance with legal obligations concerning benefit sharing they have negotiated with communities or customary users. E.g. social agreements or social responsibility agreements or cahier de charges, dependent on the country.</p>	<p>RF03 OLB EF Version 3.4</p> <p>1.1.1 L'entreprise a réalisé une étude d'impact social en fonction de l'échelle, de l'intensité et du risque des opérations d'aménagement et d'exploitation forestière et de la spécificité du contexte social. Elle a valorisé les résultats de cette étude par un programme opérationnel.</p> <p>i. L'ensemble des communautés locales (y compris les peuples autochtones), autour ou au sein des concessions forestières, ayant des droits traditionnels ou légaux, sont identifiées et cartographiées.</p> <p>ii. Les droits fonciers (propriété) et droits d'usage (accès aux ressources) des communautés concernées par les surfaces forestières évaluées sont identifiés par le biais d'une concertation* avec ces populations.</p> <p>1.1.2 - Les communautés locales ont été consultées au préalable et sont impliquées dans les activités de gestion/ exploitation forestière pouvant avoir une incidence sur leurs droits)</p> <p>1.1.3 - L'entreprise, par le biais de la concertation culturellement appropriée avec les communautés concernées par les surfaces forestières évaluées, met en œuvre des mesures pour identifier en permanence, prévenir, éviter ou atténuer les impacts négatifs</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The organisation must put in place appropriate measures to prevent, avoid and solve conflicts related to customary tenure rights and the access to resources, including the identification and consultation with all local communities, and indigenous peoples with customary or legal rights.</p> <p>However, requirements to comply with legal obligations concerning benefit sharing are not included.</p> <p><i>Direct interviews/ discussions / Stakeholder input</i></p> <p>In reaction to the original conclusion 'partially covered' and the justification "Part of the indicator is not met: requirements to comply with legal obligations concerning benefit sharing are not included", BV points out:</p> <p>The company must be up to date with the payment of all taxes, duties or other royalties (RFA,</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
				<p>verification of the payment of all shares including those intended for municipalities and communities) applicable and provided by law.</p> <p>However, it is not written as such in the standard indicators and may be subject to interpretations.</p> <p><b>Justification</b></p> <p>Part of the indicator is not met: requirements to comply with legal obligations concerning benefit sharing are not included in the description of the standard indicators.</p>	
A.1a.4.2	Free, Prior and Informed Consent	A.1a.4.2.1 The Scheme shall include requirements that ensure compliance with the internationally adopted principles of 'Free, Prior and Informed Consent' in connection with granting rights to forest management.	<p>RF03 OLB EF Version 3.4</p> <p>1.3.5 - Les communautés locales ont été consultées au préalable et sont impliquées dans les activités de gestion/ exploitation forestière pouvant avoir une incidence sur leurs droits)</p> <p>1.3.6 - L'entreprise, par le biais de la concertation culturellement appropriée avec les communautés concernées par les surfaces forestières évaluées, met en œuvre des mesures pour identifier en permanence, prévenir, éviter ou atténuer les impacts négatifs potentiels de ses activités sur leurs droits coutumiers et/ou légaux</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The organisation must consult local communities prior to management and harvesting activities and involve them in the management and harvesting activities that may have an impact on their rights.</p> <p>As part of this "culturally appropriated" consultation, the organisation must implement measures to continuously identify, prevent, avoid or mitigate the potential negative impacts of their activities on their legal or customary rights.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
A.1a.4.3	Indigenous and traditional peoples' rights	A.1a.4.3.1 The Scheme shall include requirements that ensure compliance with national legislation and international conventions ratified that respect the tenure rights of indigenous and tribal people to forest land as well as their right to FPIC.	<p>RF03 OLB EF Version 3.4</p> <p>1.3.4 - L'entreprise a réalisé une étude d'impact social en fonction de l'échelle, de l'intensité et du risque des opérations d'aménagement et d'exploitation forestière et de la spécificité du contexte social. Elle a valorisé les résultats de cette étude par un programme opérationnel.</p> <p>i. L'ensemble des communautés locales (y compris les peuples autochtones), autour ou au sein des concessions forestières, ayant des droits traditionnels ou légaux, sont identifiées et cartographiées.</p> <p>ii. Les droits fonciers (propriété) et droits d'usage (accès aux ressources) des communautés concernées par les surfaces forestières évaluées sont identifiés par le biais d'une concertation* avec ces populations</p> <p>1.3.7 - Des mécanismes et des mesures appropriés doivent être employés pour prévenir et rechercher des solutions aux conflits relatifs aux droits fonciers (propriété) et aux droits d'usage d'usages (accès aux ressources).</p> <p>i. Il existe des procédures écrites basées sur la législation nationale et/ou les règles coutumières, pour la prévention et la gestion des conflits et des dégâts dans les cas de perte ou de dommages affectant les propriétés, les ressources, la santé et les conditions de subsistance des populations locales, y compris les peuples autochtones.</p> <p>ii. Les procédures élaborées pour la prévention et la gestion des conflits et la réparation des dégâts dans les cas de pertes ou de dommages affectant les propriétés, les ressources et les conditions de subsistance des populations locales et autochtones doivent être mises en application de manière objective, constructive, et documentée.</p> <p>iii. Un dossier complet et actualisé des conflits et griefs contre l'entreprise est tenu, enregistré et archivé, comprenant la documentation y afférente, et les preuves des actions prises pour les résoudre.</p> <p>1.5.2 - L'entreprise respecte les conventions et traités internationaux dont le pays est signataire.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Requirements for the development of a social impact assessment include the identification and localisation of local communities, including indigenous peoples. Consultation with local communities and other social requirements (e.g. right to Free Prior and Informed Consent) includes indigenous peoples.</p> <p>Indicator 1.5.2 - requires the respect of international conventions and treaties adhered by the country.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	Covered



Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
	<b>A.1a.5 Trade and customs, in so far as the forest sector is concerned</b>				
<b>A.1a.5.1</b>	Classification of species, quantities, qualities	<b>A.1a.5.1.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating how harvested material is classified in terms of species, Quantities and qualities in connection with trade and transport.	<p>RF03 OLB EF Version 3.4</p> <p>5.2 - Les factures de vente et autres documents d'accompagnement concernant des bois OLB mentionnent les informations nécessaires.</p> <p>5.2.1 - Les factures de produits OLB mentionnent :</p> <ul style="list-style-type: none"> <li>- nature et essence des produits ;</li> <li>- nature OLB des produits dans leur désignation ;</li> <li>- volumes concernés ;</li> <li>- numéro et période de validité du certificat OLB ;</li> <li>- le(s) pays d'origine des bois.</li> </ul> <p>5.2.2 - Chaque vente de produits OLB est accompagné d'un bordereau spécifique de suivi OLB qui mentionne uniquement les produits OLB et précise</p> <ul style="list-style-type: none"> <li>- La nature et essence des produits ;</li> <li>- Les volumes concernés ;</li> <li>- Le numéro et la période de validité du certificat OLB ;</li> <li>- le(s) pays d'origine.</li> </ul> <p>5.3 - L'entreprise doit prouver sa conformité avec toutes les lois nationales et internationales applicables relatives au transport et à la commercialisation du bois</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>It is required that the organisation complies with all applicable national and international legislation related to timber transport and commercialisation.</p> <p>Sales invoices must include products classification in terms of type of product, species and quantities, among other information.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	Covered
<b>A.1a.5.2</b>	Trade and transport	<b>A.1a.5.2.1</b> The Scheme shall include requirements that ensure compliance	<p>RF03 OLB EF Version 3.4</p> <p>5.3 - L'entreprise doit prouver sa conformité avec toutes les lois nationales et internationales applicables relatives au transport et à la commercialisation du bois.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>It is required that the organisation complies with all</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		with legally required trading permits as well as legally required transport documents that accompany transport of wood from forest operations.	<p>5.3.1 - Les preuves documentées de la conformité avec les prescriptions légales du pays d'origine du bois en matière de transport et de commerce sont disponibles (documents légaux de transport, déclaration en douanes, paiement des droits de douanes, etc.).</p> <p>5.3.2 - L'entreprise détient les preuves documentées de sa conformité à la réglementation applicable du commerce offshore et les tarifs et taxes y afférents si applicable.</p>	<p>applicable national and international legislation related to timber transport and commercialisation.</p> <p>Organisation must ensure that legally required trading permits as well as legally required transport documents that accompany transport of wood from forest operations are available.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	
A.1a.5.3	Offshore trading and transfer pricing	A.1a.5.3.1 The Scheme shall include requirements that ensure compliance with legislation regulating offshore trading and transfer pricing.	<p>RF03 OLB EF Version 3.4</p> <p>5.3.2 - L'entreprise détient les preuves documentées de sa conformité à la réglementation applicable du commerce offshore et les tarifs et taxes y afférents si applicable.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Indicator 5.3.2 requires organisations to keep documented proof of compliance with applicable offshore trading regulation and related tariffs and taxes if applicable.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	Covered
A.1a.5.4	Customs regulations	A.1a.5.4.1 The Scheme shall include requirements that ensure compliance with legislation covering areas such as export/import licenses, and product classification related to customs (codes,	<p>RF03 OLB EF Version 3.4</p> <p>5.3.1 - Les preuves documentées de la conformité avec les prescriptions légales du pays d'origine du bois en matière de transport et de commerce sont disponibles (documents légaux de transport, déclaration en douanes, paiement des droits de douanes, etc.).</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>It is required that the organisation complies with all applicable national and international legislation related to timber transport and commercialisation.</p> <p>The organisation must have documented evidence of compliance with the country of origin's legal transport and trade requirements (legal transport documents, customs declarations, customs fees,</p>	Covered

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Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		quantities, qualities and species).		etc.).  <b>Justification</b>  Based on the above, this indicator is covered by the standard.	
<b>A.1a.5.5</b>	CITES	<b>A.1a.5.5.1</b> The Scheme shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).	RF03 OLB EF Version 3.4  1.5 - Les exigences des traités internationaux tels que CITES, les conventions du BIT et de l'OIBT, et la convention sur la diversité biologique doivent être respectées*  1.5.1 - L'entreprise respecte les réglementations sur les espèces protégées et listées par CITES qui sont présentes dans les surfaces forestières évaluées  i. Les espèces protégées listées par CITES sont identifiées ii. Les espèces protégées ne sont pas récoltées iii. Les modalités d'exploitation et de gestion des espèces listées par CITES correspondent aux protocoles établis	<b>Findings</b>  <i>Scheme info</i>  The standard includes requirements to respect international treaties such as CITES and specifies that CITES listed species are identified and that the management and harvesting of CITES listed species is done following the established protocol.  <b>Justification</b>  Based on the above, this indicator is covered by the standard.	Covered
<b>A.1a.5.6</b>	Legislation requiring due diligence / due care procedures	<b>A.1a.5.6.1</b> The scheme shall include requirements that ensure compliance with legislation covering due diligence / due care procedures, including e.g. due diligence / due care systems, declaration obligations, and / or the keeping of trade related documents,	RF03 OLB EF Version 3.4  5.3 L'entreprise doit prouver sa conformité avec toutes les lois nationales et internationales applicables relatives au transport et à la commercialisation du bois  5.3.1 Les preuves documentées de la conformité avec les prescriptions légales du pays d'origine du bois en matière de transport et de commerce sont disponibles (documents légaux de transport, déclaration en douanes, paiement des droits de douanes, etc.).	<b>Findings</b>  <i>Scheme info</i>  The standard requires all forest management certificate holders to be "in compliance with national and international related to timber trade and transport". But the scheme does not ensure that all types of certificate holders are required to comply with specific legislation regarding implementation of due diligence systems.  <b>Justification</b>  Based on the above this indicator is partially covered.	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and Justification	Conclusion
		legislation establishing procedures to prevent trade in illegally harvested timber and products derived from such timber, etc.			

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
<b>A.1b Legal Requirements at the forest level – <u>Non-Certified input - COC Standard Annex 1: Supplier Evaluation Program</u></b>					
This principle relates to how the scheme ensures that Certificate Holders comply with all applicable legislation. This section relates to requirements of the Scheme that applies to Certificate Holders - or other entities subject to the normative requirements of the Scheme (e.g. included within the scope of a certified due diligence system) - within the Country of Harvest.					
	<b>A.1b.1 Rights to harvest timber within legally gazetted boundaries</b>				
<b>A.1b.1.1</b>	Land tenure and management rights	<b>A.1b.1.1.1.</b> The Scheme shall include requirements that ensure compliance with legislation covering land tenure rights, including customary rights as well as management rights.	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program - Le fournisseur doit détenir les droits légaux pour la gestion et l'exploitation forestière ; - Le fournisseur doit apporter la preuve que la zone forestière exploitée est légalement classée comme forêt de production, et qu'il a reçu les autorisations nécessaires pour exercer des activités forestières ; - Le fournisseur doit apporter la preuve que les droits traditionnels et légaux des communautés riveraines de la (des) forêt(s) concernée(s) sont respectées	<b>Findings</b>  <i>Scheme info</i>  The evaluation program requires proof that the supplier (Forest Management Enterprise) holds the legal rights to manage and harvest the forest, and that customary rights are respected.  <b>Justification</b>  Based on the above, this indicator is covered by the standard.	Covered
		<b>A.1b.1.1.2.</b> The Scheme shall include	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program - Les limites de la zone de production forestière sont	<b>Findings</b>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
		<p>requirements to ensure that licenses, right of tenure and management rights, have been issued:</p> <p>i) according to the legally prescribed procedure,</p> <p>ii) in compliance with third parties' legal rights concerning tenure,</p> <p>iii) specifying the legally-gazetted boundaries, and;</p> <p>iv) with absence of corrupt practices.</p>	<p>matérialisées et l'entreprise n'exploite pas en dehors des limites de la zone attribuée;</p> <p>- Le fournisseur doit apporter la preuve que les droits traditionnels et légaux des communautés riverains de la (des) forêt(s) concernée(s) sont respectées</p>	<p><i>Scheme info</i></p> <p>Supplier must prove that the boundaries are respected and that third parties' legal rights are respected.</p> <p>However, the requirement to ensure that licenses and rights have been obtained according to the legally prescribed procedure and in absence of corrupt practices is not included.</p> <p><b>Justification</b></p> <p>Part of the indicator is not met: Organisations are not required to have procedures in place to ensure absence of corrupt practices.</p>	
		A.1b.1.1.3 The Scheme shall include requirements that ensure the existence of legal business registration, and other relevant legally required licenses.	<p>RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program</p> <ul style="list-style-type: none"> <li>- Le fournisseur doit être une société exploitation forestière légalement établie;</li> <li>- Le fournisseur doit détenir les droits légaux pour la gestion et l'exploitation forestière;</li> <li>- Le fournisseur doit s'être acquitté de ses obligations fiscales de droit commun ainsi que de toutes les taxes et redevances forestières applicables</li> <li>- Le fournisseur doit apporter la preuve que la zone forestière exploitée est légalement classée comme forêt de production, et qu'il a reçu les autorisations nécessaires pour exercer des activités forestières;</li> </ul>	<p><b>Findings</b></p> <p><b>Scheme info</b></p> <p>Supplier must be a legally registered forest harvesting company and have the legal rights for the forest management and harvesting.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
			<ul style="list-style-type: none"> <li>- Le fournisseur doit élaborer et mettre en œuvre un document de planification de ses opérations forestières ou un plan d'aménagement forestier (lorsque la réglementation locale l'exige);</li> <li>- Si la réglementation locale l'exige, le plan d'aménagement forestier doit être approuvé par l'autorité compétente;</li> </ul>		
A.1b.1.2	Concession licenses	A.1b.1.2.1 The Scheme shall include requirements that ensure compliance with legislation regulating procedures for the issuing of concession licenses, including use of legal methods to obtain concession licenses and that licenses are covering only legally gazetted areas	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program <ul style="list-style-type: none"> <li>- Le fournisseur doit détenir les droits légaux pour la gestion et l'exploitation forestière;</li> <li>- Le fournisseur doit apporter la preuve que la zone forestière exploitée est légalement classée comme forêt de production, et qu'il a reçu les autorisations nécessaires pour exercer des activités forestières;</li> </ul>	<b>Findings</b>  <i>Scheme info</i>  The standard requires that the organisation has the official legal rights for the management and harvesting of the forest management area but does not mention the requirement of having procedures to ensure the use of legal methods to obtain these.  <b>Justification</b>  Part of the indicator is not met: Organisations are not required to have procedures in place to ensure the use of legal methods to obtain official authorisations.	Partially Covered
A.1b.1.3	Management and harvesting planning	A.1b.1.3.1 The Scheme shall include requirements that ensure compliance with legislation and legal obligations for management planning, including conducting forest inventories, having	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program <ul style="list-style-type: none"> <li>- Le fournisseur doit élaborer et mettre en œuvre un document de planification de ses opérations forestières ou un plan d'aménagement forestier (lorsque la réglementation locale l'exige);</li> <li>- Si la réglementation locale l'exige, le plan d'aménagement forestier doit être approuvé par l'autorité compétente;</li> <li>- Les prescriptions en matière d'exploitation sont respectées: volumes autorisés, diamètres minimum, essences exploitables, marquage</li> </ul>	<b>Findings</b>  <i>Scheme info</i>  When legally required, suppliers must have an approved forest management plan, and in all cases at least a forest operation planning document.  <b>Justification</b>	Covered

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Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
		a forest management plan and related planning and monitoring.	réglementaire, utilisation des documents légaux d'enregistrement de la récolte et de transport obligatoires, les essences protégées ne sont pas récoltées;	Based on the above, this indicator is covered by the standard.	
		<b>A.1b.1.3.2</b> The Scheme shall include requirements that all legally required planning documents have been approved prior to implementation of forest harvesting activities.	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  - Le fournisseur doit apporter la preuve que la zone forestière exploitée est légalement classée comme forêt de production, et qu'il a reçu les autorisations nécessaires pour exercer des activités forestières;  - Le fournisseur doit élaborer et mettre en œuvre un document de planification de ses opérations forestières ou un plan d'aménagement forestier (lorsque la réglementation locale l'exige);  - Si la réglementation locale l'exige, le plan d'aménagement forestier doit être approuvé par l'autorité compétente;	<b>Findings</b>  <i>Scheme info</i>  It is not explicitly mentioned that "[...] have been approved prior to implementation of forest harvesting activities".  <b>Justification</b>  Part of the indicator is not met: it is not explicitly mentioned that legally required planning documents have been approved prior to implementation of forest harvesting activities.	Partially Covered
<b>A.1b.1.4</b>	Harvesting permits	<b>A.1b.1.4.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating the issuing of harvesting permits, licenses or other legal documents required for specific harvesting operations.	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  - Le fournisseur doit être une société exploitation forestière légalement établie; - Le fournisseur doit détenir les droits légaux pour la gestion et l'exploitation forestière; - Le fournisseur doit apporter la preuve que la zone forestière exploitée est légalement classée comme forêt de production, et qu'il a reçu les autorisations nécessaires pour exercer des activités forestières; - Le fournisseur doit élaborer et mettre en œuvre un document de planification de ses opérations forestières ou un plan d'aménagement forestier (lorsque la réglementation locale l'exige); - Si la réglementation locale l'exige, le plan d'aménagement forestier doit être approuvé par l'autorité compétente; - Les modalités de gestion des essences CITES ainsi que les attributs des sites dédiés à la protection ou la conservation sont respectés.	<b>Findings</b>  <i>Scheme info</i>  As part of the supplier evaluation program, requirements that ensure compliance with legislation regulating the issuing of harvesting permits, licenses or other legal documents required for specific harvesting operations must be checked.  <b>Justification</b>  Based on the above this indicator is covered.	Covered

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
	<b>A.1b.2 Payments for harvest rights and timber including duties related to timber harvesting</b>				
<b>A.1b.2.1</b>	Payment of royalties and harvesting fees	<b>A.1b.2.1.1</b> The Scheme shall include requirements that ensure compliance with legislation covering payment of all legally required forest harvesting-specific fees such as royalties, stumpage fees and other volume-based fees, as well as land area taxes or fees.	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  - Le fournisseur doit s'être acquitté de ses obligations fiscales de droit commun ainsi que de toutes les taxes et redevances forestières applicables	<b>Findings</b>  <i>Scheme info</i>  Standard requires organisations to be in compliance with all their fiscal obligations, including fees related to their forest harvesting activities. There are no mentions of land areas taxes.  <b>Justification</b>  Based on the above, this indicator is partially covered by the standard.	Partially Covered
<b>A.1b.2.2</b>	Value-added taxes and other sales taxes	<b>A.1b.2.2.2</b> The Scheme shall include requirements that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales).	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  - Le fournisseur doit s'être acquitté de ses obligations fiscales de droit commun ainsi que de toutes les taxes et redevances forestières applicables - Le fournisseur doit apporter la preuve du respect des lois nationales et internationales applicables en matière de commerce et de transport du bois	<b>Findings</b>  <i>Scheme info</i>  Standard requires organisations to be in compliance with all their fiscal obligations, including taxes related to wood harvesting and commercialisation of timber. There is not specific mention of VAT or other sales taxes.  <b>Justification</b>  Based on the above, this indicator is partially covered by the standard.	Partially Covered



Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
	<b>A.1b.3 Timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting</b>				
<b>A.1b.3.1</b>	Timber harvesting regulations	<p><b>A.1b.3.1.1</b> The Scheme shall include requirements that ensure compliance with legal obligations for harvesting techniques and technology including timing of harvest, selective cutting, shelter wood regeneration, clear felling, transport of timber from felling sites and seasonal limitations etc.</p> <p>This includes the mis-use of salvaging permits or other specific ministerial permits, with the intention of circumventing harvest regulations</p>	<p>RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program</p> <ul style="list-style-type: none"> <li>- Le fournisseur doit élaborer et mettre en œuvre un document de planification de ses opérations forestières ou un plan d'aménagement forestier (lorsque la réglementation locale l'exige);</li> <li>- Si la réglementation locale l'exige, le plan d'aménagement forestier doit être approuvé par l'autorité compétente;</li> <li>- Les prescriptions en matière d'exploitation sont respectées : volumes autorisés, diamètres minimum, essences exploitables, marquage réglementaire, utilisation des documents légaux d'enregistrement de la récolte et de transport obligatoires, les essences protégées ne sont pas récoltées;</li> </ul>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Supplier must develop and implement a forest operation planning document or an approved management plan (this last one when legally required) and all requirements must be met. There are no specific requirements to assess the potential mis-use of salvaging permits or other specific ministerial permits, with the intention of circumventing harvest regulations.</p> <p><b>Justification</b></p> <p>Part of the indicator is not met: there are no specific requirements to assess the potential mis-use of salvaging permits or other specific ministerial permits, with the intention of circumventing harvest regulations.</p>	Partially Covered
<b>A.1b.3.2</b>	Protected sites and species	<b>A.1b.3.2.1</b> The Scheme shall include requirements that ensure compliance	<p>RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program</p> <ul style="list-style-type: none"> <li>- Le fournisseur doit élaborer et mettre en œuvre un document de planification de ses opérations forestières ou un plan d'aménagement forestier (lorsque la réglementation locale l'exige);</li> </ul>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Supplier must develop and implement a forestry</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
		with legislation related to protected areas as well as protected, rare, or endangered species, including their habitats and potential habitats.	<ul style="list-style-type: none"> <li>- Si la réglementation locale l'exige, le plan d'aménagement forestier doit être approuvé par l'autorité compétente;</li> <li>- Les prescriptions en matière d'exploitation sont respectées : volumes autorisés, diamètres minimum, essences exploitables, marquage réglementaire, utilisation des documents légaux d'enregistrement de la récolte et de transport obligatoires, les essences protégées ne sont pas récoltées;</li> <li>- Les modalités de gestion des essences CITES ainsi que les attributs des sites dédiés à la protection ou la conservation sont respectés.</li> </ul>	<p>operation planning document (or forest management plan, if required by local regulation) that ensures that protected species are not harvested.</p> <p>However, when a forest management plan is not required, it is not specified the contents of the forestry operations planning document, which may not include requirements for rare or endangered species, including their habitats and potential habitats.</p> <p>On the other hand, CITES requirements and sites destined to protection or conservation are respected.</p> <p><i>Direct interviews/ discussions / Stakeholder input</i></p> <p>BV points out: "Covered by point B. Requirements to be checked of supplier evaluation program relating to operating requirements".</p> <p>However, the "protection of rare or endangered species, including their habitats and potential habitats" is not mentioned in the requirements of the Supplier Evaluation Program.</p> <p><b>Justification</b></p> <p>Part of the indicator is not met: protection of rare or endangered species, including their habitats and potential habitats is not included in the Supplier Evaluation Program.</p>	
		<b>A.1b.3.2.2</b> Requirements that ensure compliance with legislation related to protected	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program <ul style="list-style-type: none"> <li>- Le fournisseur doit élaborer et mettre en œuvre un document de planification de ses opérations forestières ou un plan d'aménagement forestier (lorsque la réglementation locale l'exige);</li> </ul>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The standard requires that suppliers implement a</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
		areas and habitats, shall include that the identification of protected areas is conducted according to the legal requirements.	<ul style="list-style-type: none"> <li>- Si la réglementation locale l'exige, le plan d'aménagement forestier doit être approuvé par l'autorité compétente;</li> <li>- Les prescriptions en matière d'exploitation sont respectées : volumes autorisés, diamètres minimum, essences exploitables, marquage réglementaire, utilisation des documents légaux d'enregistrement de la récolte et de transport obligatoires, les essences protégées ne sont pas récoltées;</li> <li>- Les modalités de gestion des essences CITES ainsi que les attributs des sites dédiés à la protection ou la conservation sont respectés.</li> </ul>	<p>forestry operation planning document or, when required by the legislation, a management plan duly approved by the competent authority.</p> <p>However, when a forest management plan is not required, it is not specified the contents of the forestry operations planning document, which may not include that the identification of protected areas is conducted according to the legal requirements.</p> <p><b>Justification</b></p> <p>Part of the indicator is not met: identification of protected areas is conducted according to the legal requirements is not required for non-mandatory forestry operation planning document in the Supplier Evaluation Program.</p>	
<b>A.1b.3.3</b>	Environmental requirements	<b>A.1b.3.3.1</b> The Scheme shall include requirements that ensure compliance with legislation related to environmental impact assessment in connection with harvesting, acceptable levels of damage and disturbance of soil resources, establishment of buffer zones (e.g. along watercourses,	<p>RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program</p> <ul style="list-style-type: none"> <li>- Le fournisseur doit apporter la preuve du respect de la réglementation sur la protection de l'environnement (à minima : Mesures du respect des plans d'eau lors des opérations d'exploitation, gestion des déchets et de tout type de pollution généré par les activités de l'entreprise)</li> </ul>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The supplier must prove compliance with environmental protection regulation, but it is not specified regulation related to acceptable levels of damage and disturbance of soil resources, establishment of buffer zones (e.g. along watercourses, open areas, breeding sites), maintenance of retained trees on felling sites, seasonal limitations on harvesting, and environmental requirements for forest machinery.</p> <p><b>Justification</b></p> <p>Part of the indicator is not met: it is not specified regulation related to acceptable levels of damage</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
		open areas, breeding sites), maintenance of retained trees on felling sites, seasonal limitations on harvesting, and environmental requirements for forest machinery.		and disturbance of soil resources, establishment of buffer zones (e.g. along watercourses, open areas, breeding sites), maintenance of retained trees on felling sites, seasonal limitations on harvesting, and environmental requirements for forest machinery.	
A.1b.3.4	Health and safety	A.1b.3.4.1 The Scheme shall include requirements that ensure compliance with Health & Safety legislation.	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  - Le fournisseur doit apporter la preuve du respect de la réglementation sur la santé et la sécurité (Au minimum, les travailleurs disposent des équipements de protection individuelle appropriés, les moyens permettant d'évacuer et prendre en charge les travailleurs victimes d'accidents sont disponibles).	<b>Findings</b>  <i>Scheme info</i>  The organisation must respect Health and Safety legislation. At a minimum, appropriate protective individual equipment and the means to evacuate and care for accident-affected workers are available.  <b>Justification</b>  Based on the above, this indicator is covered by the standard.	Covered
A.1b.3.5	Legal employment	A.1b.3.5.1 The Scheme shall include requirements that ensure compliance with legislation for employment of personnel involved in harvesting (and in-forest processing) activities including but not limited to requirements for: contracts and	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  - Le fournisseur doit apporter la preuve du respect des droits des travailleurs conformément à la législation applicable (au minimum, l'entreprise doit vérifier : lien contractuel entre le fournisseur et ses employés, les travailleurs sont déclarés et reçoivent les rémunérations qui respectent les salaires minimum en vigueur, l'âge minimum d'embauche réglementaire est respecté, les temps et horaires de travail sont respectés et les heures supplémentaires sont comptabilisées et rémunérées...).	<b>Findings</b>  <i>Scheme info</i>  The organisation must respect applicable legislation related to workers' rights. At a minimum, workers have a contract and perceive the minimum wage. Minimum working age is respected, and working hours are respected (and extraordinary worked hours are accounted and compensated).  It is not required to check obligatory insurances, certificates of competence and other training requirements, and payment of social and income	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
		working permits, obligatory insurances, certificates of competence and other training requirements, and payment of social and income taxes.		taxes.  <b>Justification</b>  Part of the indicator is not met: it is not required to check obligatory insurances, certificates of competence and other training requirements, and payment of social and income taxes.	
		<b>A.1b.3.5.2</b> The Scheme shall include requirements that ensure compliance with legislation for minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labour, and discrimination and legislation allowing for freedom of association.	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  - Le fournisseur doit apporter la preuve du respect des droits des travailleurs conformément à la législation applicable (au minimum, l'entreprise doit vérifier : lien contractuel entre le fournisseur et ses employés, les travailleurs sont déclarés et reçoivent les rémunérations qui respectent les salaires minimums en vigueur, l'âge minimum d'embauche réglementaire est respecté, les temps et horaires de travail sont respectés et les heures supplémentaires sont comptabilisées et rémunérées...).	<b>Findings</b>  <i>Scheme info</i>  The organisation must respect applicable legislation related to workers' rights. Minimum working age is respected, and working hours are respected (and extraordinary worked hours are accounted and compensated).  Legislation against discrimination and legislation allowing for freedom of association are not mentioned.  <b>Justification</b>  Part of the indicator is not met: legislation against discrimination and legislation allowing for freedom of association are not mentioned.	Partially Covered
	<b>A.1b.4 Third parties' legal rights concerning use and tenure that are affected by timber harvesting</b>				
<b>A.1b.4.1</b>	Customary rights	<b>A.1b.4.1.1</b> The Scheme shall include requirements that ensure compliance with respect for	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  - Le fournisseur doit apporter la preuve que les droits traditionnels et légaux des communautés riveraines de la (des) forêt(s) concernée(s) sont respectés - Le fournisseur doit détenir les droits légaux pour la gestion et	<b>Findings</b>  <i>Scheme info</i>  Supplier must prove that customary and legal rights of local communities affected by harvesting	Covered

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
		customary tenure rights relevant to forest harvesting activities.	l'exploitation forestière; - Le fournisseur doit apporter la preuve que la zone forestière exploitée est légalement classée comme forêt de production, et qu'il a reçu les autorisations nécessaires pour exercer des activités forestières;	activities are respected.  <b>Justification</b>  Based on the above, this indicator is covered by the standard.	
		<b>A.1b.4.1.2</b> The Scheme shall include requirements that ensure compliance with legal obligations concerning benefit sharing they have negotiated with communities or customary users. E.g. social agreements or social responsibility agreements or cahier de charges, dependent on the country.	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  - Le fournisseur doit apporter la preuve que les droits traditionnels et légaux des communautés riveraines de la (des) forêt(s) concernée(s) sont respectés	<b>Findings</b>  <i>Scheme info</i>  The standard requires that organisations prove that the rights of local communities are respected.  Requirements to comply with legal obligations concerning benefit sharing are not included.  <b>Justification</b>  Part of the indicator is not met: requirements to comply with legal obligations concerning benefit sharing are not included.	Partially Covered
<b>A.1b.4.2</b>	Free, Prior and Informed Consent	<b>A.1b.4.2.1</b> The Scheme shall include requirements that ensure compliance with the	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  - Le fournisseur doit apporter la preuve que les droits traditionnels et légaux des communautés riveraines de la (des) forêt(s) concernée(s) sont respectés	<b>Findings</b>  <i>Scheme info</i>  It is required to comply with the traditional and legal rights of the local communities, but in the	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
		internationally adopted principles of 'Free, Prior and Informed Consent' in connection with granting rights to forest management.		Supplier Evaluation Program it is not explicitly mentioned the requirement to comply with the internationally adopted principles of 'Free, Prior and Informed Consent' in connection with granting rights to forest management.  <b>Justification</b>  'Free, Prior and Informed Consent' in connection with granting rights to forest management is not mentioned in the Supplier Evaluation Program.	
<b>A.1b.4.3</b>	Indigenous and traditional peoples' rights	<b>A.1b.4.3.1</b> The Scheme shall include requirements that ensure compliance with national legislation and international conventions ratified that respect the tenure rights of indigenous and tribal peoples to forest land as well as their right to FPIC.	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  - Le fournisseur doit apporter la preuve que les droits traditionnels et légaux des communautés riveraines de la (des) forêt(s) concernée(s) sont respectés	<b>Findings</b>  <i>Scheme info</i>  It is only required to comply with the traditional and legal rights of the "local communities", but it is not required to prove respect the tenure rights of indigenous and tribal peoples to forest land as well as their right to FPIC.  <b>Justification</b>  Part of the indicator is not met: it is not required to prove respect the tenure rights of indigenous and tribal peoples to forest land as well as their right to FPIC.	Partially Covered
	<b>A.1b.5 Trade and customs, in so far as the forest sector is concerned</b>				
<b>A.1b.5.1</b>	Classification of species, quantities, qualities	<b>A.1b.5.1.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating how	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  - Les prescriptions en matière d'exploitation sont respectées : volumes autorisés, diamètres minimum, essences exploitables, marquage réglementaire, utilisation des documents légaux d'enregistrement de la récolte et de transport obligatoires, les essences protégées ne sont pas récoltées;	<b>Findings</b>  <i>Scheme info</i>  Harvesting requirements must be respected, including authorized volumes, minimum diameters harvestable species, regulatory marking, use of	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
		harvested material is classified in terms of species, Quantities and qualities in connection with trade and transport.	- Le fournisseur doit apporter la preuve du respect des lois nationales et internationales applicables en matière de commerce et de transport du bois	<p>mandatory legal harvest registration and transport documents, protected species are not harvested.</p> <p>There are not specific requirements to comply with legislation regulating how harvested material is classified in terms of species, quantities and qualities in connection with trade and transport.</p> <p><b>Justification</b></p> <p>Part of the indicator is not met: there are not specific requirements to comply with legislation regulating how harvested material is classified in terms of species, quantities and qualities in connection with trade and transport.</p>	
A.1b.5.2	Trade and transport	A.1b.5.2.1 The Scheme shall include requirements that ensure compliance with legally required trading permits as well as legally required transport documents that accompany transport of wood from forest operations.	<p>RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program</p> <p>- Les prescriptions en matière d'exploitation sont respectées : volumes autorisés, diamètres minimum, essences exploitables, marquage réglementaire, utilisation des documents légaux d'enregistrement de la récolte et de transport obligatoires, les essences protégées ne sont pas récoltées ;</p> <p>- Le fournisseur doit apporter la preuve du respect des lois nationales et internationales applicables en matière de commerce et de transport du bois</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>It is required that the organisation complies with all applicable national and international legislation related to timber transport and commercialisation.</p> <p>Supplier must provide proof that must ensure that legally required trading permits as well as legally required transport documents that accompany transport of wood from forest operations are available.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	Covered
A.1b.5.3	Offshore trading and transfer pricing	A.1b.5.3.1 The Scheme shall include	<p>RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program</p> <p>- Le fournisseur doit apporter la preuve du respect des lois</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p>	Not Covered



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Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
		requirements that ensure compliance with legislation regulating offshore trading and transfer pricing.	nationales et internationales applicables en matière de commerce et de transport du bois	Suppliers must respect applicable national and international laws related to timber trade and transport. However, offshore trading and transfer pricing are not explicitly mentioned.  <b>Justification</b>  This indicator is not covered: it is not detailed how to prove compliance with offshore trading and transfer pricing.	
<b>A.1b.5.4</b>	Customs regulations	<b>A.1b.5.4.1</b> The Scheme shall include requirements that ensure compliance with legislation covering areas such as export/import licenses, and product classification related to customs (codes, quantities, qualities and species).	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  - Le fournisseur doit apporter la preuve du respect des lois nationales et internationales applicables en matière de commerce et de transport du bois	<b>Findings</b>  <i>Scheme info</i>  It is required that the supplier complies with applicable trade and transport legislation, but it is not detailed how to prove compliance with customs regulations.  <b>Justification</b>  Part of the indicator is not met: it is not detailed how to prove compliance with customs regulations.	Partially Covered
<b>A.1b.5.5</b>	CITES	<b>A.1b.5.5.1</b> The Scheme shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora,	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  - Les modalités de gestion des essences CITES ainsi que les attributs des sites dédiés à la protection ou la conservation sont respectés.	<b>Findings</b>  <i>Scheme info</i>  The standard includes requirements to respect how CITES species are managed.  <b>Justification</b>  Based on the above, this indicator is covered by the standard.	Covered

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
		also known as the Washington Convention).			
A.1b.5.6	Legislation requiring due diligence/ due care procedures	<b>A.1b.5.6.1</b> The scheme shall include requirements that ensure compliance with legislation covering due diligence/ due care procedures, including e.g. due diligence/ due care systems, declaration obligations, and /or the keeping of trade related documents, legislation establishing procedures to prevent trade in illegally harvested timber and products derived from such timber, etc.	<p>RF03 OLB CdC v3.6</p> <p>1.1.7 - L'entreprise s'assure que toute transaction commerciale (achat et vente) de bois se fasse en conformité avec les lois et réglementations nationales et internationales applicables, y compris celles relatives au transport et à la commercialisation des bois.</p> <p>1.2. Exigences relatives au système</p> <p>Organisation et responsabilités</p> <p>1.2.1 - L'entreprise doit nommer un membre du personnel ayant suffisamment de compétences, de responsabilité et d'autorité pour la mise en place et le suivi du système de Chaîne de contrôle OLB.</p> <p>1.2.2 - L'entreprise doit mettre en place une organisation où les responsabilités sont clairement identifiées.</p> <p>1.2.3 - Chaque membre du personnel connaît et comprend ses propres responsabilités relatives au maintien du système de traçabilité.</p> <p>1.2.4 - L'entreprise doit s'assurer que les employés intervenant dans la mise en œuvre des procédures de traçabilité sont formés.</p> <p>- Les membres du personnel participant au maintien et au suivi des procédures de traçabilité sont suffisamment qualifiés pour exécuter les tâches qui leur sont assignées.</p> <p>- Les intervenants, les membres du personnel et les sous-traitants concernés ont été sensibilisés et formés à la mise en œuvre de la chaîne de contrôle.</p> <p>Système documenté</p> <p>1.2.5 - L'entreprise doit élaborer et mettre en œuvre un système</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The company implementing a Supplier Evaluation program must comply with all requirements in the main text of the COC standard, including "[...] that any commercial transaction (purchase and sale) of timber is carried out in accordance with applicable national and international laws and regulations, including those relating to the transport and marketing of timber.". Section 1.2 includes requirements related to the system, including appointment of competent responsible persons, maintenance of documented procedures and record keeping.</p> <p>There are no requirements ensuring that certificate holders implement a due diligence system, where applicable.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is partially covered by the standard.</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
			<p>documenté qui répond aux exigences du présent Référentiel.</p> <p>Traitement des réclamations</p> <p>1.2.6.- L'entreprise doit enregistrer et mettre en œuvre des moyens de traitement des réclamations</p> <p>Enregistrement</p> <p>1.2.7 - L'entreprise doit établir et mettre en œuvre des procédures adaptées à l'importance et à la complexité de ses activités pour identifier, classer et sauvegarder les enregistrements qui sont nécessaires pour apporter la preuve du respect de la légalité et de la traçabilité de l'ensemble des bois à commercialiser.</p> <ul style="list-style-type: none"> <li>- Les données de production sont enregistrées et conservées. Elles présentent des synthèses périodiques par essence et par type de produit.</li> <li>- Les enregistrements sont clairs et accessibles.</li> <li>- Les enregistrements mentionnent systématiquement le volume et la référence des bois ou lots de bois et permettent d'identifier l'origine géographique du bois avant transformation.</li> </ul> <p>NB: Il est recommandé que les enregistrements permettent d'établir la correspondance entre les entrées de matières premières et les sorties de produits finis.</p> <p>1.2.8 - L'entreprise doit conserver ces enregistrements au minimum pendant 5 ans. Les enregistrements sont mis à disposition sur demande.</p> <p>1.4.5 - En cas d'approvisionnement en bois non certifiés, l'entreprise s'assure et démontre que ceux-ci ne proviennent pas de sources illégales</p> <p>Méthode d'évaluation : mise en place d'une diligence raisonnable voir ANNEXE 1</p>		

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
			<p>RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program</p> <p>A. Définition du Programme d'évaluation des fournisseurs</p> <p>L'entreprise doit se conformer à minima aux exigences suivantes:</p> <ul style="list-style-type: none"> <li>- Définir et mettre en œuvre un processus en vue de l'évaluation régulière et de l'audit des fournisseurs de bois non certifiés. Ce processus doit comprendre à minima :</li> </ul> <p>Les fréquences de l'évaluation de chaque fournisseur (Au moins une évaluation annuelle sur site de chaque fournisseur de bois non certifié)</p> <p>Une définition claire des compétences des employés qui réalisent les évaluations en respectant les dispositions relatives aux techniques d'audit.</p> <p>Une identification des enregistrements qui prouvent la conformité des fournisseurs évalués et les modalités de conservation (5 ans au minimum)</p> <p>La définition du contenu minimum des rapports d'évaluation avec une formulation claire des éventuels écarts et une précision des délais de résolution et la conclusion de l'équipe d'évaluateurs.</p> <ul style="list-style-type: none"> <li>- Tenir une (des) liste(s) de contrôle doit (doivent) être élaborée(s) selon les exigences de cette annexe et approuvée par Bureau Veritas.</li> </ul>		

#### A.2a Legal requirements for supply chain entities – COC Standard (Main text)

This section shall apply to Certificate Holders - or other entities subject to the normative requirements of the Scheme (e.g. included within the scope of a certified due diligence system) - within the Country of Harvest.

	A.2a.1. Legal registration				
A.2a.1.1	Legal Registration	A.2a.1.1.1 The scheme shall include requirements that ensure the existence of legal business registration, and other relevant	<p>RF03 OLB CdC v3.6</p> <p>1.1.1 - L'entreprise doit être légalement établie selon la réglementation locale en vigueur, et disposer d'une copie des documents officiels et valides démontrant son existence légale (document d'immatriculation ou d'enregistrement) - à la fois généraux et spécifiques à son (ses) activité(s)</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The standard requires that companies be legally established and that they detain documented proof of their legal registration.</p> <p><b>Justification</b></p>	Covered

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
		legally required licenses.		Based on the above, this indicator is covered by the standard.	
<b>A.2a.2 Taxes and fees</b>					
<b>A.2a.2.1</b>	Payment of taxes, royalties and fees	<b>A2.2.1.1</b> The Scheme shall include requirements that ensure compliance with legislation covering payment of all legally required taxes, royalties and fees.	RF03 OLB CdC v3.6  1.1.4 L'organisme est en règle vis-à-vis de ses obligations fiscales de droit commun applicables ainsi que des obligations fiscales et taxes liées à son (ses) activité(s) de transformateur ou négociant de bois (Patente, TVA, taxes et redevances liées au volume, au transport et à la commercialisation du bois, ...)	<b>Findings</b>  <i>Scheme info</i>  The standard requires that companies are in compliance with their legal fiscal obligations (VAT, taxes and royalties related to the volume, transport and marketing of wood, ...)  <b>Justification</b>  Based on the above, this indicator is covered by the standard.	Covered
<b>A.2a.2.2</b>	Value-added taxes and other sales taxes	<b>A2.2.2.1</b> The Scheme shall include requirements that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales).	RF03 OLB CdC v3.6  1.1.4 L'organisme est en règle vis-à-vis de ses obligations fiscales de droit commun applicables ainsi que des obligations fiscales et taxes liées à son (ses) activité(s) de transformateur ou négociant de bois (Patente, TVA, taxes et redevances liées au volume, au transport et à la commercialisation du bois, ...)  1.1.7 - L'entreprise s'assure que toute transaction commerciale (achat et vente) de bois se fasse en conformité avec les lois et réglementations nationales et internationales applicables, y compris celles relatives au transport et à la commercialisation des bois.	<b>Findings</b>  <i>Scheme info</i>  The standard requires that companies are in compliance with their legal fiscal obligations (VAT, taxes and royalties related to the volume, transport and marketing of wood, ...) and must ensure that all commercial transaction is in compliance with national and international legislation, including legislation related to timber commercialization and transport.  <b>Justification</b>  Based on the above, this indicator is covered by the standard.	Covered
<b>A.2a.3 Trade and transport</b>					
<b>A.2a.3.1</b>	Classification of species,	<b>A.2a.3.1.1</b> The Scheme shall	RF03 OLB CdC v3.6	<b>Findings</b>	Covered

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Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
	quantities, qualities	include requirements that ensure compliance with legislation regulating how products are classified in terms of species, volumes and qualities in connection with trade and transport.	<p>1.1.7 - L'entreprise s'assure que toute transaction commerciale (achat et vente) de bois se fasse en conformité avec les lois et réglementations nationales et internationales applicables, y compris celles relatives au transport et à la commercialisation des bois.</p> <p>1.4.6 L'entreprise doit clairement identifier tous les produits OLB qui sont vendus en tant que tels. Les factures de vente de produits OLB doivent mentionner:</p> <ul style="list-style-type: none"> <li>- la nature et l'essence des produits;</li> <li>- la nature des produits OLB figurant dans leur désignation;</li> <li>- les quantités concernées (volume ou autre unité);</li> <li>- le numéro et la période de validité du certificat OLB.</li> <li>- le lien avec la référence des articles</li> <li>- le (s) pays d'origine du bois.</li> </ul> <p>1.4.7 Chaque vente de produit OLB doit être accompagnée d'un bordereau spécifique de suivi OLB mentionnant uniquement les produits OLB et précisant:</p> <ul style="list-style-type: none"> <li>- la nature et l'essence des produits;</li> <li>- les quantités concernées (volume ou autre unité);</li> <li>- le numéro et la période de validité du certificat OLB.</li> <li>- le lien avec la référence des articles</li> <li>- le (s) pays d'origine du bois.</li> </ul>	<p><i>Scheme info</i></p> <p>The standard requires that organisations ensure that all commercial transaction is in compliance with national and international legislation, including legislation related to timber commercialization and transport.</p> <p>OLB certified sales and transport documents must include, among other requirements, species, volumes and qualities.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	
A.2a.3.2	Trade and transport	A.2a.3.2.1 The Scheme shall include requirements that ensure compliance with required trading permits as well as legally required transport documents that accompany transport of wood.	<p>RF03 OLB CdC v3.6</p> <p>1.1.7 - L'entreprise s'assure que toute transaction commerciale (achat et vente) de bois se fasse en conformité avec les lois et réglementations nationales et internationales applicables, y compris celles relatives au transport et à la commercialisation des bois.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The standard requires that organisations ensure that all commercial transaction is in compliance with national and international legislation, including legislation related to timber commercialization and transport.</p> <p>OLB certified sales must be accompanied by invoices and waybills.</p>	Covered

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Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
				<b>Justification</b>  Based on the above, this indicator is covered by the standard.	
A.2a.3.3	Offshore trading and transfer pricing	A.2a.3.3.1 The Scheme shall include requirements that ensure compliance with legislation regulating offshore trading.	RF03 OLB CdC v3.6  1.1.8 - L'entreprise n'est pas impliquée dans le commerce offshore illégal ou dans la manipulation illégale des prix de transfert si applicable.	<b>Findings</b>  <i>Scheme info</i>  Standard requires that organisation be not involved in illegal offshore trading.  <b>Justification</b>  Based on the above, this indicator is covered by the standard.	Covered
		A.2a.3.3.2 The Scheme shall include requirements that ensure compliance with legislation regulating transfer pricing.	RF03 OLB CdC v3.6  1.1.8 - L'entreprise n'est pas impliquée dans le commerce offshore illégal ou dans la manipulation illégale des prix de transfert si applicable.	<b>Findings</b>  <i>Scheme info</i>  Standard requires that organisation be not involved in illegal transfer pricing if applicable.  <b>Justification</b>  Based on the above, this indicator is covered by the standard.	Covered
A.2a.3.4	Customs regulations	A.2a.3.4.1 The Scheme shall include requirements that ensure compliance with legislation covering areas such as export/import licenses, and product	RF03 OLB CdC v3.6  1.1.7 - L'entreprise s'assure que toute transaction commerciale (achat et vente) de bois se fasse en conformité avec les lois et réglementations nationales et internationales applicables, y compris celles relatives au transport et à la commercialisation des bois.	<b>Findings</b>  <i>Scheme info</i>  The standard only mentions that all "commercial transactions" must be in conformity with the applicable national and international legislation. It is not detailed the requirement of having import/export licenses, or product classification related to customs (codes, quantities, qualities and	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
		classification related to customs (codes, quantities, qualities and species).		species).  <b>Justification</b>  Part of the indicator is not met: it is not detailed the requirement of having import/export licenses, or product classification related to customs (codes, quantities, qualities and species).	
A.2a.3.5	CITES	<b>A.2a.3.5.1</b> The Scheme shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).	RF03 OLB CdC v3.6  1.1.7 - L'entreprise s'assure que toute transaction commerciale (achat et vente) de bois se fasse en conformité avec les lois et réglementations nationales et internationales applicables, y compris celles relatives au transport et à la commercialisation des bois.	<b>Findings</b>  <i>Scheme info</i>  CITES specific requirements for OLB inputs are not included in the chain of custody standard, but it is required that all commercial transaction be compliant with national and international laws and regulations, including issues related to timber trade and transport.  <b>Justification</b>  Based on the above, this indicator is partially covered by the standard.	Partially Covered
A.2a.3.6	Legislation requiring due diligence/ due care procedures	<b>A.2a.3.6.1</b> The scheme shall include requirements that ensure compliance with legislation covering due diligence/ due care procedures, including e.g. due diligence/ due care systems, declaration	RF03 OLB CdC v3.6  1.1.7 - L'entreprise s'assure que toute transaction commerciale (achat et vente) de bois se fasse en conformité avec les lois et réglementations nationales et internationales applicables, y compris celles relatives au transport et à la commercialisation des bois.  1.2. Exigences relatives au système  Organisation et responsabilités  1.2.1 - L'entreprise doit nommer un membre du personnel ayant suffisamment de compétences, de responsabilité et d'autorité pour la mise	<b>Findings</b>  <i>Scheme info</i>  All COC companies must ensure "[...] that any commercial transaction (purchase and sale) of timber is carried out in accordance with applicable national and international laws and regulations, including those relating to the transport and marketing of timber.". Section 1.2 includes requirements related to the system, including appointment of competent responsible persons, maintenance of documented procedures and	Partially Covered



Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
		obligations, and /or the keeping of trade related documents, legislation establishing procedures to prevent trade in illegally harvested timber and products derived from such timber, etc.	<p>en place et le suivi du système de Chaîne de contrôle OLB.</p> <p>1.2.2 - L'entreprise doit mettre en place une organisation où les responsabilités sont clairement identifiées.</p> <p>1.2.3 - Chaque membre du personnel connaît et comprend ses propres responsabilités relatives au maintien du système de traçabilité.</p> <p>1.2.4 - L'entreprise doit s'assurer que les employés intervenant dans la mise en œuvre des procédures de traçabilité sont formés.</p> <p>- Les membres du personnel participant au maintien et au suivi des procédures de traçabilité sont suffisamment qualifiés pour exécuter les tâches qui leur sont assignées.</p> <p>- Les intervenants, les membres du personnel et les sous-traitants concernés ont été sensibilisés et formés à la mise en œuvre de la chaîne de contrôle.</p> <p>Système documenté</p> <p>1.2.5 - L'entreprise doit élaborer et mettre en œuvre un système documenté qui répond aux exigences du présent Référentiel.</p> <p>Traitement des réclamations</p> <p>1.2.6.- L'entreprise doit enregistrer et mettre en œuvre des moyens de traitement des réclamations</p> <p>Enregistrement</p> <p>1.2.7 - L'entreprise doit établir et mettre en œuvre des procédures adaptées à l'importance et à la complexité de ses activités pour identifier, classer et sauvegarder les enregistrements qui sont nécessaires pour apporter la preuve du respect de la légalité et de la traçabilité de l'ensemble des bois à commercialiser.</p> <p>- Les données de production sont enregistrées et conservées. Elles présentent des synthèses périodiques par essence et par type de</p>	<p>record keeping.</p> <p>The company implementing a Supplier Evaluation program must comply with all requirements in the main text of the COC standard. Further details for non-certified inputs are provided in Annex 1, Supplier Evaluation Program.</p> <p>However, requirements for COC companies to comply with declaration obligations in the context of a Due Diligence/Due Care legislation are not included.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is partially covered by the standard.</p>	

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
			<p>produit.</p> <ul style="list-style-type: none"> <li>- Les enregistrements sont clairs et accessibles.</li> <li>- Les enregistrements mentionnent systématiquement le volume et la référence des bois ou lots de bois et permettent d'identifier l'origine géographique du bois avant transformation.</li> </ul> <p>NB: Il est recommandé que les enregistrements permettent d'établir la correspondance entre les entrées de matières premières et les sorties de produits finis.</p> <p>1.2.8 - L'entreprise doit conserver ces enregistrements au minimum pendant 5 ans. Les enregistrements sont mis à disposition sur demande.</p> <p>1.4.5 - En cas d'approvisionnement en bois non certifiés, l'entreprise s'assure et démontre que ceux-ci ne proviennent pas de sources illégales</p> <p>Méthode d'évaluation : mise en place d'une diligence raisonnable voir ANNEXE 1</p> <p>RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program</p> <p>A. Définition du Programme d'évaluation des fournisseurs L'entreprise doit se conformer à minima aux exigences suivantes:</p> <ul style="list-style-type: none"> <li>- Définir et mettre en œuvre un processus en vue de l'évaluation régulière et de l'audit des fournisseurs de bois non certifiés. Ce processus doit comprendre à minima :</li> </ul> <p>Les fréquences de l'évaluation de chaque fournisseur (Au moins une évaluation annuelle sur site de chaque fournisseur de bois non certifié)</p> <p>Une définition claire des compétences des employés qui réalisent les évaluations en respectant les dispositions relatives aux techniques d'audit.</p> <p>Une identification des enregistrements qui prouvent la conformité des fournisseurs évalués et les modalités de conservation (5 ans au minimum)</p> <p>La définition du contenu minimum des rapports d'évaluation avec une formulation claire des éventuels écarts et une précision des délais de résolution et la conclusion de l'équipe d'évaluateurs.</p>		

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
			- Tenir une (des) liste(s) de contrôle doit (doivent) être élaborée(s) selon les exigences de cette annexe et approuvée par Bureau Veritas.		

### A.2b Legal requirements for supply chain entities – COC Standard Annex 1: Supplier Evaluation Program

This section shall apply to Certificate Holders - or other entities subject to the normative requirements of the Scheme (e.g. included within the scope of a certified due diligence system) - within the Country of Harvest.

	<b>A.2b.1. Legal registration</b>				
<b>A.2b.1.1</b>	Legal Registration	<b>A.2b.1.1.1</b> The scheme shall include requirements that ensure the existence of legal business registration, and other relevant legally required licenses.	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  -Le fournisseur doit être une société exploitation forestière légalement établie;	<b>Findings</b>  <i>Scheme info</i>  The standard requires that suppliers be legally established.  <b>Justification</b>  Based on the above, this indicator is covered by the standard.	Covered
	<b>A 2.2. Taxes and Fees</b>				
<b>A.2b.2.1</b>	Payment of taxes, royalties and fees	<b>A2.2.1.1</b> The Scheme shall include requirements that ensure compliance with legislation covering payment of all legally required taxes, royalties and fees.	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  -Le fournisseur doit s'être acquitté de ses obligations fiscales de droit commun ainsi que de toutes les taxes et redevances forestières applicables	<b>Findings</b>  <i>Scheme info</i>  The standard requires that companies are in compliance with their legal fiscal obligations as well as all forest taxes and royalties.  <b>Justification</b>  Based on the above, this indicator is covered by the standard.	Covered

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
<b>A.2b.2.2</b>	Value-added taxes and other sales taxes	<b>A2.2.2.1</b> The Scheme shall include requirements that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales).	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  -Le fournisseur doit s'être acquitté de ses obligations fiscales de droit commun ainsi que de toutes les taxes et redevances forestières applicables  - Le fournisseur doit apporter la preuve du respect des lois nationales et internationales applicables en matière de commerce et de transport du bois	<b>Findings</b>  <i>Scheme info</i>  Standard requires organisations to be in compliance with all their fiscal obligations, including taxes related to wood harvesting and commercialisation of timber, but does not specifically mention sales taxes.  <b>Justification</b>  Based on the above, this indicator is partially covered by the standard.	Partially Covered
<b>A 2b.3. Trade and Transport</b>					
<b>A.2b.3.1</b>	Classification of species, quantities, qualities	<b>A.2b.3.1.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating how products are classified in terms of species, volumes and qualities in connection with trade and transport.	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  - Les prescriptions en matière d'exploitation sont respectées : volumes autorisés, diamètres minimum, essences exploitables, marquage réglementaire, utilisation des documents légaux d'enregistrement de la récolte et de transport obligatoires, les essences protégées ne sont pas récoltées;  - Le fournisseur doit apporter la preuve du respect des lois nationales et internationales applicables en matière de commerce et de transport du bois	<b>Findings</b>  <i>Scheme info</i>  Harvesting requirements must be respected, including authorized volumes, minimum diameters, harvestable species, regulatory marking, use of mandatory legal harvest registration and transport documents, protected species are not harvested.  There are not specific requirements to comply with legislation regulating how harvested material is classified in terms of species, quantities and qualities in connection with trade and transport.  <b>Justification</b>  Part of the indicator is not met: there are not specific requirements to comply with legislation regulating how harvested material is classified in	Partially Covered

## ANNEX 8 : SCHEME ASSESSMENT REPORT – OLB

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
				terms of species, quantities and qualities in connection with trade and transport.	
<b>A.2b.3.2</b>	Trade and transport	<b>A.2b.3.2.1</b> The Scheme shall include requirements that ensure compliance with required trading permits as well as legally required transport documents that accompany transport of wood.	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  - Les prescriptions en matière d'exploitation sont respectées : volumes autorisés, diamètres minimum, essences exploitables, marquage réglementaire, utilisation des documents légaux d'enregistrement de la récolte et de transport obligatoires, les essences protégées ne sont pas récoltées;  - Le fournisseur doit apporter la preuve du respect des lois nationales et internationales applicables en matière de commerce et de transport du bois	<b>Findings</b>  <i>Scheme info</i>  Supplier must comply with harvesting requirements including the use of mandatory registration and transport legal documents and compliance with national and international legislation related to timber trade and transport.  <b>Justification</b>  Based on the above, this indicator is covered by the standard.	Covered
<b>A.2b.3.3</b>	Offshore trading and transfer pricing	<b>A.2b.3.3.1</b> The Scheme shall include requirements that ensure compliance with legislation regulating offshore trading.	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  - Le fournisseur doit apporter la preuve du respect des lois nationales et internationales applicables en matière de commerce et de transport du bois	<b>Findings</b>  <i>Scheme info</i>  Suppliers must respect applicable national and international laws related to timber trade and transport. However, offshore trading and transfer pricing are not explicitly mentioned.  <b>Justification</b>  This indicator is not covered: it is not detailed how to prove compliance with offshore trading and transfer pricing.	Not Covered
		<b>A.2b.3.3.2</b> The Scheme shall include requirements that	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  - Le fournisseur doit apporter la preuve du respect des lois nationales et internationales applicables en matière de commerce et	<b>Findings</b>  <i>Scheme info</i>	Not Covered

## ANNEX 8 : SCHEME ASSESSMENT REPORT – OLB

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
		ensure compliance with legislation regulating transfer pricing.	de transport du bois	Transfer pricing is not mentioned.  <b>Justification</b>  Transfer pricing is not included in the Supplier Evaluation Program.	
<b>A.2b.3.4</b>	Customs regulations	<b>A.2b.3.4.1</b> The Scheme shall include requirements that ensure compliance with legislation covering areas such as export/import licenses, and product classification related to customs (codes, quantities, qualities and species).	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  - Le fournisseur doit apporter la preuve du respect des lois nationales et internationales applicables en matière de commerce et de transport du bois	<b>Findings</b>  <i>Scheme info</i>  It is required that the supplier complies with applicable trade and transport legislation, but it is not detailed how to prove compliance with customs regulations.  <b>Justification</b>  Part of the indicator is not met: it is not detailed how to prove compliance with customs regulations.	Partially Covered
<b>A.2b.3.5</b>	CITES	<b>A.2b.3.5.1</b> The Scheme shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora,	RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program  - Les modalités de gestion des essences CITES ainsi que les attributs des sites dédiés à la protection ou la conservation sont respectés.	<b>Findings</b>  <i>Scheme info</i>  The standard includes requirements to respect how CITES species are managed.  <b>Justification</b>  Based on the above, this indicator is covered by the standard.	Covered

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
		also known as the Washington Convention).			
A.2b.3.6	Legislation requiring due diligence/ due care procedures	<b>A.2b.3.6.1</b> The scheme shall include requirements that ensure compliance with legislation covering due diligence/ due care procedures, including e.g. due diligence/ due care systems, declaration obligations, and /or the keeping of trade related documents, legislation establishing procedures to prevent trade in illegally harvested timber and products derived from such timber, etc.	<p>RF03 OLB CdC v3.6</p> <p>1.1.7 - L'entreprise s'assure que toute transaction commerciale (achat et vente) de bois se fasse en conformité avec les lois et réglementations nationales et internationales applicables, y compris celles relatives au transport et à la commercialisation des bois.</p> <p>1.2. Exigences relatives au système</p> <p>Organisation et responsabilités</p> <p>1.2.1 - L'entreprise doit nommer un membre du personnel ayant suffisamment de compétences, de responsabilité et d'autorité pour la mise en place et le suivi du système de Chaîne de contrôle OLB.</p> <p>1.2.2 - L'entreprise doit mettre en place une organisation où les responsabilités sont clairement identifiées.</p> <p>1.2.3 - Chaque membre du personnel connaît et comprend ses propres responsabilités relatives au maintien du système de traçabilité.</p> <p>1.2.4 - L'entreprise doit s'assurer que les employés intervenant dans la mise en œuvre des procédures de traçabilité sont formés.</p> <p>- Les membres du personnel participant au maintien et au suivi des procédures de traçabilité sont suffisamment qualifiés pour exécuter les tâches qui leur sont assignées.</p> <p>- Les intervenants, les membres du personnel et les sous-traitants concernés ont été sensibilisés et formés à la mise en œuvre de la chaîne de contrôle.</p> <p>Système documenté</p> <p>1.2.5 - L'entreprise doit élaborer et mettre en œuvre un système</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The company implementing a Supplier Evaluation program must comply with all requirements in the main text of the COC standard, including "[...] that any commercial transaction (purchase and sale) of timber is carried out in accordance with applicable national and international laws and regulations, including those relating to the transport and marketing of timber.". Section 1.2 includes requirements related to the system, including appointment of competent responsible persons, maintenance of documented procedures and record keeping.</p> <p>Further details for non-certified inputs are provided in Annex 1, Supplier Evaluation Program.</p> <p>There are no requirements related to the implementation of a due diligence system by the certificate holders.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is partially covered by the standard.</p>	Partially Covered

Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
			<p>documenté qui répond aux exigences du présent Référentiel.</p> <p>Traitement des réclamations</p> <p>1.2.6.- L'entreprise doit enregistrer et mettre en œuvre des moyens de traitement des réclamations</p> <p>Enregistrement</p> <p>1.2.7 - L'entreprise doit établir et mettre en œuvre des procédures adaptées à l'importance et à la complexité de ses activités pour identifier, classer et sauvegarder les enregistrements qui sont nécessaires pour apporter la preuve du respect de la légalité et de la traçabilité de l'ensemble des bois à commercialiser.</p> <ul style="list-style-type: none"> <li>- Les données de production sont enregistrées et conservées. Elles présentent des synthèses périodiques par essence et par type de produit.</li> <li>- Les enregistrements sont clairs et accessibles.</li> <li>- Les enregistrements mentionnent systématiquement le volume et la référence des bois ou lots de bois et permettent d'identifier l'origine géographique du bois avant transformation.</li> </ul> <p>NB: Il est recommandé que les enregistrements permettent d'établir la correspondance entre les entrées de matières premières et les sorties de produits finis.</p> <p>1.2.8 - L'entreprise doit conserver ces enregistrements au minimum pendant 5 ans. Les enregistrements sont mis à disposition sur demande.</p> <p>1.4.5 - En cas d'approvisionnement en bois non certifiés, l'entreprise s'assure et démontre que ceux-ci ne proviennent pas de sources illégales</p> <p>Méthode d'évaluation : mise en place d'une diligence raisonnée voir ANNEXE 1</p>		



Code	Criterion	Indicators	Standard reference	Findings and justification	Conclusion
			<p>RF03 OLB CoC v3.6_FR Annex 1 – Supplier Evaluation Program</p> <p>A. Définition du Programme d'évaluation des fournisseurs</p> <p>L'entreprise doit se conformer à minima aux exigences suivantes:</p> <ul style="list-style-type: none"> <li>- Définir et mettre en œuvre un processus en vue de l'évaluation régulière et de l'audit des fournisseurs de bois non certifiés. Ce processus doit comprendre à minima : <ul style="list-style-type: none"> <li>Les fréquences de l'évaluation de chaque fournisseur (Au moins une évaluation annuelle sur site de chaque fournisseur de bois non certifié)</li> <li>Une définition claire des compétences des employés qui réalisent les évaluations en respectant les dispositions relatives aux techniques d'audit.</li> <li>Une identification des enregistrements qui prouvent la conformité des fournisseurs évalués et les modalités de conservation (5 ans au minimum)</li> <li>La définition du contenu minimum des rapports d'évaluation avec une formulation claire des éventuels écarts et une précision des délais de résolution et la conclusion de l'équipe d'évaluateurs.</li> </ul> </li> <li>- Tenir une (des) liste(s) de contrôle doit (doivent) être élaborée(s) selon les exigences de cette annexe et approuvée par Bureau Veritas.</li> </ul>		

### A.3 Requirements for material control

Applicable to all types of material, from both the FM verified material and material verified under the Supplier Verification Program

A.3.1 Material control					
<b>A.3.1.1</b>	Material origin and identification	<b>A.3.1.1.1</b> The Scheme shall require systematic processes to enable the identification of the country of harvest of the material, and where	<p>RF03 OLB CdC v3.6</p> <p>1.4.1 L'entreprise doit tenir une liste à jour de tous les fournisseurs des bois utilisés dans ses groupes de produits OLB, avec les informations minimales: type(s) de matière fournie(s), essences (noms communs et noms scientifiques), numéro du titre de provenance, pays de récolte, nature certifiée ou pas des produits fournis.</p> <p>Supplier Evaluation Program (for uncertified inputs in the credit system):</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>For certified inputs, only country of origin is required.</p> <p>For non-certified inputs (credit system), the evaluation is based at the forest management enterprise level.</p>	Covered

		applicable to a higher level of detail, such as the sub-national region or concession level.	<p>B. Exigences à vérifier</p> <p>Lors des évaluations des fournisseurs, l'entreprise doit vérifier les exigences suivantes:</p> <ul style="list-style-type: none"> <li>- Le fournisseur doit être une société exploitation forestière légalement établie;</li> </ul>	<p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	
		<b>A.3.1.1.2</b> The Scheme shall require systematic processes to enable the identification of the species included in materials or products included in the scope of certification.	<p>RF03 OLB CdC v3.6</p> <p>1.3 - Définition d'un groupe de produits</p> <p>1.3.1 - L'entreprise doit définir des groupes de produits dont chacun correspond à une gamme de produits homogènes en termes de nature et d'essence.</p> <p>1.3.2 - La liste des groupes de produits OLB doit être mise à jour et disponible sur demande.</p> <p>1.3.3 - L'entreprise doit préciser pour chaque groupe de produits finis:</p> <ul style="list-style-type: none"> <li>- Le type de matières premières (nature et essence);</li> <li>- Le système de traçabilité utilisé.</li> </ul> <p>1.4.1 L'entreprise doit tenir une liste à jour de tous les fournisseurs des bois utilisés dans ses groupes de produits OLB, avec les informations minimales: type(s) de matière fournie(s), essences (noms commun et noms scientifiques), numéro du titre de provenance, pays de récolte, nature certifiée ou pas des produits fournis.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The organisation must maintain a list of product groups included in the scope of the certification. For all supplier used in the OLB product groups, the following minimum information must be obtained and kept up-to-date: type (s) of material supplied, species (common names and scientific names), harvest country, certified or uncertified nature of the products supplied.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	Covered
		<b>A.3.1.1.3</b> The Scheme shall include clear and effective measures to prevent material from non-negligible risk, unverified or potentially illegal sources from entering the supply chain and	<p>RF03 OLB EF Version 3.4</p> <p>3 - Traçabilité des bois OLB depuis la forêt</p> <p>3.1 - L'entreprise doit mettre en place et documenter l'organisation permettant la traçabilité des bois jusqu'à leur vente ou transformation.</p> <p>3.1.1 - Ce système doit comprendre une identification physique et documentaire des bois, à tous les niveaux appropriés: exploitation forestière, transport, stockage et expédition.</p> <p>3.1.2 - Ce système doit permettre de connaître l'origine géographique des bois, par unité ou par lot, depuis la forêt jusqu'au client, ou le cas échéant,</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Two possible traceability systems at the COC level :</p> <ul style="list-style-type: none"> <li>- Physical separation</li> <li>- Credit system</li> </ul> <p>The credit system requires evaluation of uncertified inputs to prevent material from specified risk, unverified or potentially illegal sources from entering</p>	Covered

		<p>mixed with conforming material.</p> <p>jusqu'à l'unité de transformation.</p> <p>3.2 - L'entreprise doit assurer la traçabilité des bois OLB de la forêt à son client, ou le cas échéant, à l'unité de transformation.</p> <p>3.2.1 - Des bordereaux d'abattage sont fournis au personnel de l'entreprise ou de son sous-traitant qui les complète lors de chaque abattage.</p> <p>3.2.2 - Concernant le bois d'œuvre, les références des grumes/ billes sont systématiquement marquées sur les bois abattus et reportées sur les bordereaux d'abattage. Note: il est demandé, quand c'est possible, que les souches soient marquées par une référence identifiant l'arbre et permettant de retrouver la grume qui en est issue.</p> <p>3.2.3 - Concernant le bois de trituration, le référencement et/ou l'identification des lots de bois permettent de remonter jusqu'à la parcelle d'exploitation.</p> <p>3.2.4 - Lors du transport des bois OLB, les bois tombés ou perdus font l'objet d'un suivi particulier permettant d'identifier les bois et les volumes concernés.</p> <p>3.3 - Lors de l'intervention de sous-traitants ayant un impact sur la traçabilité, l'entreprise doit assurer le maintien de la traçabilité des grumes et billes par ses sous-traitants (abatteurs, débardeurs, transporteurs).</p> <p>3.3.1 - Les sous-traitants ayant un impact sur la traçabilité sont identifiés et listés.</p> <p>3.3.2 - Lorsque cela est justifié, les sous-traitants sont formés aux exigences de la traçabilité afin que chaque intervenant comprenne et connaisse ses responsabilités spécifiques au maintien et au suivi de la traçabilité des bois OLB.</p> <p>3.3.3 - L'entreprise doit mettre en place un système de contrôle du respect des consignes et procédures transmises aux sous-traitants.</p> <p>3.4 - Lors d'achat externe de bois, l'entreprise doit prouver que ces bois ont été acquis en toute légalité</p> <p>3.4.1 - Les documents d'achat et/ou de transport et livraison mentionnent toutes les informations sur l'origine du bois, telles que le pays d'origine, le permis,</p>	<p>the supply chain and mixed with conforming material.</p> <p>Note: the credit system cannot be used by trade companies (any company that does not transform or process wood).</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	
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			<p>l'AAC, la localisation géographique du permis et les spécifications des produits.</p> <p>3.4.2 - Les produits forestiers venant de fournisseurs externes non certifiés doivent être identifiés, au moins par marquage de chaque grume ou de chaque lot de bois et ne doit pas être mélangé avec des produits certifiés OLB.</p> <p>RF03 OLB CdC v3.6</p> <p>1.4.3 Vérification et validation des matières premières OLB à la réception : A la réception des matières premières OLB, l'entreprise doit s'assurer que les matières livrées correspondent à la description figurant sur les bons de commande et les documents qui accompagnent la matière première (documents de transport, BL...); elle doit au minimum vérifier et valider :</p> <ul style="list-style-type: none"> <li>- la nature et l'essence des produits;</li> <li>- le statut OLB des produits figurant dans leur désignation ;</li> <li>- les volumes concernés;</li> <li>- le numéro et période de validité du certificat OLB.</li> </ul> <p>1.4.4 - L'entreprise doit s'assurer que les entrées utilisées pour les groupes de produits OLB sont éligibles et restent clairement identifiables et distinctes.</p> <p>1.4.5 - En cas d'approvisionnement en bois non certifiés, l'entreprise s'assure et démontre que ceux-ci ne proviennent pas de sources illégales.</p> <p>Méthode d'évaluation : mise en place d'une diligence raisonnée voir ANNEXE 2</p> <p>2 - Systèmes de traçabilité</p> <p>Il existe deux systèmes de traçabilité possible, à savoir:</p> <ul style="list-style-type: none"> <li>o Séparation physique</li> <li>o Système de crédit</li> </ul> <p>Pour chaque groupe de produits, l'entreprise doit choisir l'un des deux systèmes et le mettre en œuvre. Quel que soit le système de traçabilité utilisé, l'identification des produits est obligatoire le long de la chaîne de contrôle.</p>		
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		<p><b>A.3.1.1.4</b> Where applicable, the Scheme shall require the segregation and tracking of certified (according to each individual claim type) or verified legal wood along the supply chain, using appropriate inventory methods and documented controls where necessary to ensure that risks of mixing are identified, managed and mitigated.</p>	<p>RF03 OLB CdC v3.6</p> <p>1.4.3 Vérification et validation des matières premières OLB à la réception : A la réception des matières premières OLB, l'entreprise doit s'assurer que les matières livrées correspondent à la description figurant sur les bons de commande et les documents qui accompagnent la matière première (documents de transport, BL...); elle doit au minimum vérifier et valider :</p> <ul style="list-style-type: none"> <li>- la nature et l'essence des produits;</li> <li>- le statut OLB des produits figurant dans leur désignation ;</li> <li>- les volumes concernés;</li> <li>- le numéro et période de validité du certificat OLB.</li> </ul> <p>1.4.4 - L'entreprise doit s'assurer que les entrées utilisées pour les groupes de produits OLB sont éligibles et restent clairement identifiables et distinctes.</p> <p>1.4.5 - En cas d'approvisionnement en bois non certifiés, l'entreprise s'assure et démontre que ceux-ci ne proviennent pas de sources illégales.</p> <p>Méthode d'évaluation : mise en place d'une diligence raisonnée voir ANNEXE 2</p> <p>1.4.10 - Un registre des quantités de matières doit être tenu à jour.</p> <p>1.4.11 - L'entreprise doit tenir et mettre à disposition des registres de suivi des quantités des entrées et des sorties incluant les informations suivantes:</p> <ul style="list-style-type: none"> <li>- les entrées réceptionnées et approuvées;</li> <li>- les entrées ayant servi dans la production (utilisées)</li> <li>- les entrées encore en stock</li> <li>- les sorties (production)</li> <li>- les sorties vendues</li> <li>- les sorties encore en stock</li> </ul> <p>Le système de séparation physique est utilisé dans la production des groupes de produit OLB à partir des matières en entrée de mêmes catégories.</p> <p>Le système de séparation physique n'admet pas d'entrée de groupe de produit constituée de matières de catégories différentes de l'OLB et autres schémas reconnus</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The organisation must maintain records of certified inputs and output quantities including the following information:</p> <ul style="list-style-type: none"> <li>- received and approved inputs.</li> <li>- inputs used in production</li> <li>- inputs still in stock</li> <li>- outputs (production)</li> <li>- outputs sold</li> <li>- outputs still in stock</li> </ul> <p>The standard includes requirements to ensure the chain of custody using two possible systems:</p> <ul style="list-style-type: none"> <li>- Physical separation</li> <li>- Credit system</li> </ul> <p>However, the CoC system does not include any validation of volume transferred from seller to purchaser, which is considered as a major gap in the system.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is partially covered by the standard. CoC verification does not include any validation of volume transferred from seller to purchaser, which is considered as a major gap in the system.</p>	Partially Covered
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		<p>Le système de séparation physique est applicable pour tout type de groupe de produits et d'activité.</p> <p>Identification</p> <p>2.2.1 - Les produits certifiés, indépendamment de leur niveau de transformation, sont identifiés de façon unitaire.</p> <p>2.2.2 - A chaque fois que c'est possible, cette identification doit permettre de partir du produit et remonter jusqu'à l'origine de la matière première certifiée.</p> <p>2.2.3 - A chaque fois que c'est possible, les approvisionnements, la production en cours et les produits finis certifiés font l'objet d'un marquage physique.</p> <p>Ségrégation</p> <p>2.2.4 - Les approvisionnements certifiés sont stockés séparément des approvisionnements non certifiés.</p> <p>2.2.5 - L'en-cours utilisant des matières premières certifiées est séparé des autres en-cours, dans l'espace ou dans le temps.</p> <p>2.2.6 - Les produits finis certifiés sont stockés séparément des autres produits finis.</p> <p>NB: Ces deux méthodes (identification et ségrégation) peuvent être utilisées de façon conjointe.</p> <p>2.3.1 - Lors de l'achat de bois non certifié devant être intégré dans une production OLB, l'entreprise doit acheter uniquement du bois provenant de sources acceptables.</p> <p>2.3.2 - Le bois provenant de sources acceptables doivent être soit:</p> <ul style="list-style-type: none"> <li>- couverts par le «programme d'évaluation fournisseurs»: voir Annexe 1</li> <li>- couverts par l'un des programmes de vérification reconnus par l'OLB</li> </ul> <p>2.3.3 - La conformité du programme d'évaluation fournisseurs mis en place doit être démontrée par l'entreprise, conformément aux prescriptions de l'annexe 1. Bureau Veritas se réserve le droit d'effectuer si nécessaire des vérifications chez les fournisseurs de bois acceptable</p>		
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			<p>2.3.4 - Les fournisseurs de bois acceptables sont conscients d'une potentielle visite de l'équipe d'audit et l'ont acceptée.</p> <p>2.3.5 - Pour le bois qui ne peut pas être classé comme provenant de « sources acceptable », l'entreprise doit mettre en place un système de traçabilité de manière à s'assurer qu'il n'est pas mélangé au bois acceptable ou au bois OLB.</p> <p>2.3.6 - Les approvisionnements OLB qui entrent dans la production sont portés au compte de crédit.</p> <p>2.3.7 - L'entreprise déduit du compte les quantités de produits qui sont vendus en tant que produits OLB.</p> <p>2.3.8 - L'entreprise doit fixer un délai pour la gestion (addition et déduction de crédit OLB) de ses comptes de crédit (3 mois au maximum)</p> <p>2.3.9 - L'entreprise doit créditer le compte de crédit OLB après avoir réceptionné la matière et avant qu'elle n'entre dans le processus de production.</p> <p>2.3.11 - Le crédit à la production OLB qui n'est pas utilisé pendant la période de crédit peut ensuite être reporté sur les mois suivants, dans un délai maximum de 12 mois.</p> <p>2.3.12 - A la fin du 12<sup>ième</sup> mois, tout crédit à la production OLB qui n'est pas utilisé est perdu.</p>		
	<b>A.3.2 Recycled material</b>				
<b>A.3.2.1</b>	Waste material	<b>A.3.2.1.1</b> The Scheme shall have a definition of waste material which at least covers the definition of waste material as described by the EUTR Guidance document.	N/A	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Reclaimed material is not covered by the scheme)</p> <p><b>Justification</b></p> <p>N/A</p>	Not Covered

		<p><b>A.3.2.1.2</b> The Scheme shall require systematic processes to enable the identification of waste material that has completed its life cycle and to differentiate this material from virgin or material that are by-products of a manufacturing process which has not completed its lifecycle as defined by the EUTR.</p>	N/A	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Reclaimed material is not covered by the scheme)</p> <p><b>Justification</b></p> <p>N/A</p>	Not Covered
		<p><b>A.3.2.1.3</b> The Scheme shall include clear and effective measures to prevent “timber products of a kind covered by the Annex of the EUTR”, produced from i) reclaimed material that has NOT completed its lifecycle and would otherwise have been discarded as waste”, ii) unverified or iii) virgin material (as defined by the EUTR) from, entering the</p>	N/A	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Reclaimed material is not covered by the scheme)</p> <p><b>Justification</b></p> <p>N/A</p>	Not Covered



		supply chain.			
<b>A.4 General requirements for Certificate Holders</b>					
<b>A.4.1</b>	Conflict resolution	<p><b>A.4.1.1</b> The Scheme shall include requirements that ensure that disputes are identified, recorded and managed, in a way that:</p> <p>i) ensures there is a transparent ongoing process to address the issue</p> <p>ii) requires for the exclusion from the scope of the certificate situations or areas or forest where the legality of tenure or management/harvesting is not defined or is unclear and disputed.</p> <p>iii) ensures respect for legally-enshrined customary tenure rights of local communities.</p>	<p>RF03 OLB EF Version 3.4</p> <p>1.3.7 - Des mécanismes et des mesures appropriés doivent être employés pour prévenir et rechercher des solutions aux conflits relatifs aux droits fonciers (propriété) et aux droits d'usage d'usages (accès aux ressources).</p> <p>i. Il existe des procédures écrites basées sur la législation nationale et/ou les règles coutumières, pour la prévention et la gestion des conflits et des dégâts dans les cas de perte ou de dommages affectant les propriétés, les ressources, la santé et les conditions de subsistance des populations locales, y compris les peuples autochtones.</p> <p>ii. Les procédures élaborées pour la prévention et la gestion des conflits et la réparation des dégâts dans les cas de pertes ou de dommages affectant les propriétés, les ressources et les conditions de subsistance des populations locales et autochtones doivent être mises en application de manière objective, constructive, et documentée.</p> <p>iii. Un dossier complet et actualisé des conflits et griefs contre l'entreprise est tenu, enregistré et archivé, comprenant la documentation y afférente, et les preuves des actions prises pour les résoudre.</p> <p>RF03 OLB CdC v3.6</p> <p>1.2.6.- L'entreprise doit enregistrer et mettre en œuvre des moyens de traitement des réclamations</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The Forest Enterprise shall implement appropriate measures to prevent and find solutions to conflicts related to tenure and customary rights.</p> <p>These procedures must be implemented objectively, constructively, and documented. Documents include a complete and up-to-date record of conflicts and grievances against the company including evidence of action taken to resolve them.</p> <p>There is no requirement to excluded areas where tenure is disputed (point ii).</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is partially covered by the standard.</p>	Partially Covered

A.4.2	Corruption	A.4.1.2 The scheme shall include requirements to ensure that certificate holders do not engage in corrupt practices related to illegal harvesting.	<p>RF03 OLB EF Version 3.4</p> <p>1.1 - L'entreprise doit être légalement établie selon les dispositions réglementaires locales en vigueur, en conformité avec les exigences du (des) secteur(s) d'activité dans le(s)quel(s) elle exerce, et à jour de ses obligations fiscales.</p> <p>1.1.1 - L'entreprise dispose des documents officiels et valides d'existence légale (document d'immatriculation ou d'enregistrement), généraux et spécifiques à son (ses) activité(s).</p> <p>1.1.2 - L'entreprise respecte les exigences du (des) secteur(s) d'activité dans le(s)quel(s) elle exerce (si elle existent, dans une convention collective ou un syndicat par exemple) *</p> <p>1.1.3 - L'entité forestière est en règle vis-à-vis de ses obligations fiscales de droit commun applicables, ainsi que de ses obligations fiscales et taxes liées à son (ses) activité(s) forestières (Patente, TVA, taxes et redevance liées à la récolte du bois, au volume, au transport et à la commercialisation du bois, ...)</p> <p>1.1.4 - L'entreprise n'est pas impliquée dans des activités ou des pratiques portant à controverse et pouvant porter atteinte à son intégrité légale *</p> <p>RF03 OLB CdC v3.6</p> <p>1.1.1 - L'entreprise doit être légalement établie selon la réglementation locale en vigueur, et disposer d'une copie des documents officiels et valides démontrant son existence légale (document d'immatriculation ou d'enregistrement) - à la fois généraux et spécifiques à son (ses) activité(s)</p> <p>1.1.2 - L'entreprise respecte les exigences juridiques du (des) secteur(s) d'activité dans le(s)quel(s) elle exerce (le cas échéant, les exigences juridiques ou contractuelles définies dans les conventions collectives ou par un syndicat par exemple).</p> <p>1.1.3 - L'entreprise respecte les lois nationales et les obligations découlant des traités internationaux en matière de sécurité et environnement.</p> <p>1.1.4 - L'organisme est en règle vis-à-vis de ses obligations fiscales de droit commun applicables ainsi que des obligations fiscales et taxes liées à son (ses) activité(s) de transformateur ou négociant de bois (Patente, TVA, taxes et</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>It is required that the Forest Management Enterprise be not involved in controversial activities or practices that may impair its legal integrity.</p> <p>COC certificate holders « do not participate in an activity or is released in a practice likely to give rise to controversies and legal requirements ».</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the standard.</p>	Covered
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			redevances liées au volume, au transport et à la commercialisation du bois, ....)		
			1.1.5 - L'entreprise ne participe pas à une activité ou ne se livre pas à une pratique susceptible de donner lieu à des controverses et l'empêcher de respecter les exigences juridiques.		
<b>A.5 Quality and procedural requirements for Certificate Holders</b>					
<b>A.5.1</b>	Internal procedures for Certificate Holders	<b>A.5.1.1</b> The Scheme shall include requirements for the Certificate Holders to have in place - and implement - systems and procedures covering all requirements of the Scheme.	RF03 OLB EF Version 3.4  4.2.1 - L'entreprise doit établir et mettre en œuvre un système documenté permettant de répondre aux exigences du présent référentiel.  RF03 OLB CdC v3.6  1.2.5 - L'entreprise doit élaborer et mettre en œuvre un système documenté qui répond aux exigences du présent Référentiel.	<b>Findings</b>  <i>Scheme info</i>  Both FM and COC standards require organisations to develop and implement a documented system to cover the requirements of the FM and COC standard, respectively.  <b>Justification</b>  Based on the above, this indicator is covered by the standard.	Covered
		<b>A.5.1.2</b> The Scheme shall include requirements for the Certificate Holders to regularly review the proper functioning of their own procedures.		<b>Findings</b>  <i>Scheme info</i>  This requirement is not specified in the FM or COC standard.  <b>Justification</b>  This is not included in the FM or COC standard.	Not Covered
<b>A.5.2</b>	Qualification and competence	<b>A.5.2.1</b> The Scheme shall include requirements that ensure that certified organisations	RF03 OLB EF Version 3.4  4.1.1 - L'entreprise doit nommer un membre du personnel qui a les compétences, la responsabilité et l'autorité suffisantes pour la mise en place et le suivi de l'organisation nécessaire au respect des exigences de ce référentiel.  Note: il est recommandé d'attribuer la responsabilité de la traçabilité à un	<b>Findings</b>  <i>Scheme info</i>  Both FM and COC standards include requirements to ensure that there is an appointed responsible person with overall responsibility to implement the	Covered

		<p>have personnel with sufficient qualifications and competencies to implement Scheme requirements consistently and effectively.</p>	<p>autre membre du personnel</p> <p>4.1.2 - L'entreprise doit mettre en place une organisation où les responsabilités sont identifiées et les tâches clairement définies.</p> <p>4.1.3 - Chaque membre du personnel connaît et comprend ses responsabilités spécifiques concernant le respect de la légalité et le maintien de la traçabilité des bois.</p> <p>4.1.4 - L'entreprise doit assurer la formation du personnel intervenant dans le système mis en place.</p> <p>i. Les membres du personnel intervenant dans le maintien du respect de la légalité et de la traçabilité des bois ont la qualification nécessaire pour effectuer les travaux qui leur sont confiés.</p> <p>ii. Les intervenants, personnels et sous-traitants pertinents ont été informés ou formés à la mise en œuvre du système.</p> <p>RF03 OLB CdC v3.6</p> <p>1.2.1 - L'entreprise doit nommer un membre du personnel ayant suffisamment de compétences, de responsabilité et d'autorité pour la mise en place et le suivi du système de Chaîne de contrôle OLB.</p> <p>1.2.2 - L'entreprise doit mettre en place une organisation où les responsabilités sont clairement identifiées.</p> <p>1.2.3 - Chaque membre du personnel connaît et comprend ses propres responsabilités relatives au maintien du système de traçabilité.</p> <p>1.2.4 - L'entreprise doit s'assurer que les employés intervenant dans la mise en œuvre des procédures de traçabilité sont formés.</p> <p>- Les membres du personnel participant au maintien et au suivi des procédures de traçabilité sont suffisamment qualifiés pour exécuter les tâches qui leur sont assignées.</p> <p>- Les intervenants, les membres du personnel et les sous-traitants concernés ont été sensibilisés et formés à la mise en œuvre de la chaîne de contrôle.</p>	<p>requirements of the standard, and that other staff involved are adequately trained and competent.</p> <p><b>Justification</b></p> <p>This requirement is not specified in the FM or COC standard.</p>	
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A.5.3	Risk based approaches to sourcing, trade or production	A.5.3.1 If the Scheme includes an option to implement a risk-based approach to sourcing non-certified material (Due Diligence System), it shall: i) contain clear requirements and ii) ensure consistent implementation of the Due Diligence System, for all activities, materials and suppliers included within the scope of the certification.	RF03 OLB CdC v3.6  Annex 1	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The COC standard accepts the use of a credit system, where non-certified inputs are evaluated to ensure illegal sources are excluded.</p> <p>The criteria are listed and complete, however there are not clear indicators and/or guidance to ensure that all certificate holders and auditors interpret the requirements consistently.</p> <p>It is not considered that this system is a “due diligence system” as it is not risk based, but rather a first party verification system within the scheme.</p> <p><b>Justification</b></p> <p>Part of the indicator is not met: there are not clear indicators and/or guidance to ensure that the requirements are evaluated consistently.</p>	Not Applicable
		A.5.3.2 The Scheme shall include requirements that ensure that whenever there is a change in the risk related to illegal harvest, trade or transport in a supply chain – or a supply chain covered by a DDS – the risk shall be assessed and mitigated prior to	RF03 OLB CdC v3.6  1.3.2 - La liste des groupes de produits OLB doit être mise à jour et disponible sur demande.  1.4.1 L'entreprise doit tenir une liste à jour de tous les fournisseurs des bois utilisés dans ses groupes de produits OLB, avec les informations minimales: type(s) de matière fournie(s), essences (noms commun et noms scientifiques), numéro du titre de provenance, pays de récolte, nature certifiée ou pas des produits fournis.  2.3.1 - Lors de l'achat de bois non certifié devant être intégré dans une production OLB, l'entreprise doit acheter uniquement du bois provenant de sources acceptables.  2.3.2 - Le bois provenant de sources acceptables doivent être soit:	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The scheme requires that the information regarding inputs is “up to date”, and that every time there is a purchase of non-certified material, this material is evaluated and in conformance with the requirements of the Supplier Evaluation Program in Annex 1.</p> <p>It is not considered that this system is a “due diligence system” as it is not risk based, but rather a first party verification system within the scheme.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is not applicable.</p>	Not Applicable

		shipping and sale.	<p>- couverts par le «programme d'évaluation fournisseurs»: voir Annexe 1</p> <p>- couverts par l'un des programmes de vérification reconnus par l'OLB</p> <p>Annexe 1 : Programme d'évaluation des fournisseurs</p> <p>A. Définition du Programme d'évaluation des fournisseurs</p> <p>L'entreprise doit se conformer à minima aux exigences suivantes:</p> <p>- Définir et mettre en œuvre un processus en vue de l'évaluation régulière et de l'audit des fournisseurs de bois non certifiés. Ce processus doit comprendre à minima :</p> <p>Les fréquences de l'évaluation de chaque fournisseur (Au moins une évaluation annuelle sur site de chaque fournisseur de bois non certifié)</p> <p>Une définition claire des compétences des employés qui réalisent les évaluations en respectant les dispositions relatives aux techniques d'audit.</p> <p>Une identification des enregistrements qui prouvent la conformité des fournisseurs évalués et les modalités de conservation (5 ans au minimum)</p> <p>La définition du contenu minimum des rapports d'évaluation avec une formulation claire des éventuels écarts et une précision des délais de résolution et la conclusion de l'équipe d'évaluateurs.</p> <p>- Tenir une (des) liste(s) de contrôle doit (doivent) être élaborée(s) selon les exigences de cette annexe et approuvée par Bureau Veritas.</p>		
		<p><b>A.5.3.3</b> In cases where other 3rd party schemes permitted to be used by the due diligence system as meeting specific due diligence requirements, the scheme shall include requirements that ensure that it is clear:</p> <p>i) on what basis recognition is</p>	<p>RF03 OLB CdC v3.6</p> <p>Annexe 2 : Programmes de vérification reconnus par le système OLB</p> <p>Pour le choix des programmes repris ci-dessous Bureau Veritas Certification France s'est basé sur les critères d'évaluation de légalité adoptés par : Keurhout, le CPET du gouvernement britannique et l'« <i>Assessment of Legality Verification Schemes</i> » du gouvernement danois.</p> <p>En cas de contradiction entre les résultats de ces évaluations, Bureau Veritas Certification France a choisi de le retenir le plus exigeant.</p> <p><i>Le choix des programmes ci-dessous repris par Bureau Veritas Certification France repose sur les systèmes reconnus dans le cadre de la Charte Environnementale pour l'activité forestière et par le PEFC international</i></p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The OLB standard does allow for material certified against other scheme to be include as OLB certified.</p> <p>The scheme includes a list of certification systems accepted as inputs and that after transformation may be sold as OLB, and a second list of schemes that may be used as acceptable sources in the credit system (and that therefore do not need to go through all the requirements of the Supplier Evaluation Program in Annex 1)</p> <p>The criteria to accept these systems, and how it is verified that other Schemes ensure conformance with</p>	Partially Covered

		made and; ii) how it is verified that other Schemes ensure conformance with the specific due diligence requirements.	<p>Keurhout Legality and/ or Sustainability</p> <p>FSC</p> <p>PEFC – Allemagne, Australie, Autriche, Biélorussie, Belgique, République Tchèque, Danemark, Espagne, Estonie, Finlande, France, Hongrie, Ireland, Italie, Lettonie, Luxembourg, Norvège, Pays-Bas, Pologne, Portugal, Roumanie, Russie, Slovaquie, Slovénie, Suède, Suisse, UK, Uruguay</p> <p>SFI – Canada - USA</p> <p>CSA – Canada</p> <p>ATFS - USA</p> <p>MTCC – Malaisie</p> <p>CERFOAR - Argentine</p> <p>CERFLOR - Brésil</p> <p>CERTFOR - Chili</p> <p>CFCC - Chine</p> <p>PAFC - Gabon</p> <p>NCCF - Inde</p> <p>IFCC – Indonésie</p> <p>LEI - Indonésie</p> <p>SGEC - Japon</p> <p>NZFCA – Nouvelle Zélande</p> <p>KoFPI – République de Corée</p> <p>SAFAS – Afrique du Sud</p> <p>F.T.I – Thaïlande</p> <p>VNFOREST - Vietnam</p> <p>PAFC – Cameroun</p> <p>KHEUROUT – Pays Bas</p> <p><i>Bois de sources acceptables pour la méthode de crédit uniquement :</i></p> <p>Legalsource TM</p> <p>BV DDS</p> <p><i>Seul les bois couverts par un des programmes de vérification/certification repris dans la liste ci-dessus sont considérés comme « bois acceptables » par le système OLB.</i></p> <p><i>La liste mise à jour est disponible sur le site <a href="http://www.bureauveritas.com/">www.bureauveritas.com/</a></i></p>	<p>the specific due diligence requirements, is explained in Annex 2 of the FSC COC standard: “[...]was based on the legality assessment criteria adopted by: Keurhout, the UK government's CPET and the Danish government's Assessment of Legality Verification Schemes.”</p> <p>However, there is not a detailed procedure for BV to internally evaluate certification systems – or other parties' procedures to evaluate certification systems - against specific due diligence requirements such as the EUTR.</p> <p><b>Justification</b></p> <p>Part of the indicator is not met: there is not a procedure requirements to verify how other Schemes ensure conformance with the specific due diligence requirements .</p>	
		<b>A.5.3.4</b> The Scheme shall include	<p>RF03 OLB CdC v3.6</p> <p>Annexe 1 : Programme d'évaluation des fournisseurs</p>	<b>Findings</b>	Not Applicable

		requirements to ensure that the DDS comprises, at a minimum, the following elements: i) a quality management system, ii) procedures for obtaining access to information pertinent to the identification of risk; iii) risk assessments, and iv) the implementation of mitigations measures when risks are identified.	<p>L'équipe d'audit devra vérifier la consistance et la fiabilité de ce programme d'évaluation fournisseur et émettre au besoin, des non-conformités mineures ou majeures à l'endroit de l'entreprise évaluée pour la conformité aux exigences ci-dessous.</p> <p>A. Définition du Programme d'évaluation des fournisseurs L'entreprise doit se conformer à minima aux exigences suivantes:</p> <ul style="list-style-type: none"> <li>- Définir et mettre en œuvre un processus en vue de l'évaluation régulière et de l'audit des fournisseurs de bois non certifiés. Ce processus doit comprendre à minima : Les fréquences de l'évaluation de chaque fournisseur (Au moins une évaluation annuelle sur site de chaque fournisseur de bois non certifié) Une définition claire des compétences des employés qui réalisent les évaluations en respectant les dispositions relatives aux techniques d'audit. Une identification des enregistrements qui prouvent la conformité des fournisseurs évalués et les modalités de conservation (5 ans au minimum) La définition du contenu minimum des rapports d'évaluation avec une formulation claire des éventuels écarts et une précision des délais de résolution et la conclusion de l'équipe d'évaluateurs.</li> <li>- Tenir une (des) liste(s) de contrôle doit (doivent) être élaborée(s) selon les exigences de cette annexe et approuvée par Bureau Veritas.</li> </ul>	<p><i>Scheme info</i></p> <p>Annex 1 of the CoC standard includes the requirements to implement verification of non-certified inputs. It requires that the CH defines a system for a regular evaluation of the supplier, and that the employees that perform this evaluation ("assessors") must be duly competent.</p> <p>It is not considered that this system is a "due diligence system" as it is not risk based, but rather a first party verification system within the scheme.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is not applicable.</p>	
<b>B. Requirements for Certification Bodies</b>					
Scheme requirements for Certification Bodies shall be clear and unambiguous and allow the Scheme owner to verify the level of conformance of each Certification Body to these requirements.					
<b>B.1 General Certification Body requirements</b>					
B.1.1	Competence and qualifications	<b>B.1.1.1</b> The Scheme shall have mechanisms to ensure that auditors, and other relevant personnel of the Certification	<p>PL-CAM-CER-002 rev1.3.,</p> <p>9.1, Qualification des auditeurs Bureau Veritas Douala fait appel à des spécialistes de la filière Forêt-Bois, en privilégiant les points suivants:</p> <ul style="list-style-type: none"> <li>- La connaissance professionnelle de la filière bois</li> </ul>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>According to PL-CAM-CER-002 rev1.3., 9.1, PL-CAM-CER-014 V2.4_GP01 OLB CoC 9.1 auditors conducting FM and CoC audits should be qualified</p>	Covered



		<p>Body, are qualified and competent to evaluate organisations' compliance with specific Scheme requirements.</p>	<p>- L'expertise dans les techniques et procédés de gestion forestière.</p> <p>La sélection, la qualification et le suivi des auditeurs pour la certification OLB sont assurés suivant une procédure spécifique interne de Bureau Veritas Douala. Globalement, les responsables d'audit de Bureau Veritas Douala doivent:</p> <ul style="list-style-type: none"> <li>- Prouver la compétence technique et une expérience professionnelle dans l'industrie forestière</li> <li>- Avoir suivi la formation spécifique d'auditeur pour les techniques d'audit et l'évaluation du référentiel OLB avoir réalisé au moins trois audits de terrain</li> <li>- Enfin les auditeurs de Bureau Veritas Douala sont sélectionnés pour réaliser les audits selon les critères suivants <ul style="list-style-type: none"> <li>&gt; La compétence selon le type de forêt évaluée</li> <li>&gt; La disponibilité pour l'audit programmé</li> <li>&gt; L'indépendance.</li> </ul> </li> </ul> <p>Les auditeurs de Bureau Veritas Douala privilégient une approche terrain et pragmatique. Leur priorité est d'évaluer le système OLB mis en place dans l'entreprise comme un outil permettant à l'entité candidate de maîtriser ses activités et de les améliorer.</p> <p>PL-CAM-CER-014 V2.4_GP01 OLB CoC, 9.1, Auditor's qualification</p> <p>Bureau Veritas Douala recruits as auditors only specialists from the timber industry in order to ensure the following:</p> <ul style="list-style-type: none"> <li>- Independence</li> <li>- Thorough knowledge of the industry, and of the process and industrial techniques. Additionally, to be considered as a BV</li> </ul> <p>Certification auditor, these specialists shall:</p> <ul style="list-style-type: none"> <li>- demonstrate technical competence and professional experience in the specific industry sector</li> <li>- have followed a specific auditing training and training on the OLB standard</li> <li>- Have validated that training by having achieved at least three audits</li> </ul>	<p>and to have competence on the standard requirements. ISO standards are not used as based to build the auditor's competence.</p> <p><b>Justification</b></p> <p>OLB did not rely on ISO to prepare the competence of auditors. OLB developed an internal standard to explain the requirements for auditors. As the standard is comprehensive and includes all requirements of this indicator, the conclusion is covered.</p>	
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			<p>Finally, Bureau Veritas Certification specialized auditors are appointed for certification audits according to the following three criteria:</p> <ul style="list-style-type: none"> <li>- Knowledge of the Company's industry sector.</li> <li>- Based as close as possible to the Company's offices</li> <li>- Availability on the audit dates proposed</li> </ul> <p>BV Certification auditor promote a pragmatic and efficient approach. Priority is given to the evaluation of the OLB Chain of Custody system as a tool allowing the company to better manage its activities and to improve its processes.</p>		
		<p><b>B.1.1.2</b> If the Scheme includes an option for the Certificate Holder to implement a Due Diligence System, the scheme shall ensure that the auditors and other relevant personnel of the Certification Body are qualified and competent to evaluate organisations' compliance with related Scheme requirements.</p>		<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Due Diligence System is not included in the OLB certification.</p> <p><b>Justification</b></p> <p>Not applicable</p>	Not Applicable
B.1.2	Impartiality	<p><b>B.1.2.1</b> The scheme shall include requirements to ensure that auditors, and other personnel relevant to the conformance evaluation of an organisation shall be impartial to the</p>	<p><a href="https://certification.bureauveritas.com/who-we-are/our-resources/impartiality">https://certification.bureauveritas.com/who-we-are/our-resources/impartiality</a></p> <p>PL-CAM-CER-002 rev1.3., 9.1 Qualification des auditeurs ... - Enfin les auditeurs de Bureau Veritas Douala sont sélectionnés pour réaliser les audits selon les critères suivants: ... - L'indépendance. ...</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The scheme owner (Bureau Veritas) includes a policy related to impartiality for all certification service that they are providing. In addition, PL-CAM-CER-002 rev1.3., 9.1 and PL-CAM-CER-014 V2.4_GP01 OLB CoC 9.1 state that Bureau Veritas recruits only specialist that are independent.</p>	Covered

		entity(-ies) under evaluation.	<p>PL-CAM-CER-014 V2.4_GP01 OLB CoC 9.1, Auditor's qualification</p> <p>Bureau Veritas Douala recruits as auditors only specialists from the timber industry in order to ensure the following:</p> <ul style="list-style-type: none"> <li>- Independence</li> </ul>	<p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the scheme.</p>	
		<p><b>B.1.2.2</b> The Scheme shall include requirements that ensure that the certification decision process is;</p> <ul style="list-style-type: none"> <li>i) well defined and;</li> <li>ii) ensures that the decision on certification is conducted by positions/bodies that are impartial to the auditee.</li> </ul>	<p>PL-CAM-CER-002 rev1.3.,</p> <p>13.1 DECISION DE CERTIFICATION</p> <p>Sur la base du rapport d'audit initial, des commentaires du candidat à la certification, la décision de certification est prise lors d'une réunion du Comité de certification dans un délai de deux mois après réception de tous ces documents</p> <p>Avant de prendre la décision de certification, le Comité de certification peut demander un audit complémentaire afin de clarifier certaines parties.</p> <p>La décision de certification est prise par le Responsable du Département Forêt Bois sur la base des éléments contenus dans le rapport final d'audit et après avoir reçu les preuves que toutes les non-conformités majeures ont été fermées et que l'entreprise est en conformité avec les exigences du référentiel.</p> <p>Le Comité d'impartialité de Bureau Veritas Douala se réunit une fois par an et analyse un échantillon de dossiers de certification OLB, puis émet des commentaires et recommandations afin d'améliorer la performance de Bureau Veritas.</p> <p>Le Comité d'impartialité est composé de personnes de référence dans toutes les composantes relatives à la certification et la gestion forestière responsable (ONG environnementales et sociales, associations, entreprise, etc.). Le rôle du Comité d'impartialité est de s'assurer de la performance, de l'intégrité et de la crédibilité du système du Département Forêt-Bois de Bureau Veritas Douala.</p> <p>PL-CAM-CER-014 V2.4_GP01 OLB CoC</p> <p>13.1. CERTIFICATION DECISION</p> <p>The certification decision is made by the Wood and Forestry Department Manager (WFD) based on the audit findings as reported in the final audit report</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>According to PL-CAM-CER-002 rev1.3., 13.1 and PL-CAM-CER-014 V2.4_GP01 OLB CoC 13.1 the certification decision is made by Wood and Forestry Department Manager for FM and CoC. Certification Committee is established for FM and COC. For FM, based on findings, the Committee may request an additional on-site assessment.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the scheme.</p>	Covered

			<p>and after having received evidence that all major nonconformities have been closed and that the company is in conformity with the standard requirements.</p> <p>Bureau Veritas impartiality Committee meets once a year and a sample of certification files are randomly taken for evaluation and comments in order to improve Bureau Veritas' performance. Bureau Veritas Certification Committee is made of personalities from all fields related to certification and responsible forest management and wood industry (environmental and social NGOs, associations, companies, etc).</p> <p>The role of the Committee is to ensure the performance, integrity and credibility of Bureau Veritas Certification - Wood and Forestry Department's system. The time limit between the initial audit and awarding the certificate granting is estimated at around 03 months, but this delay may be shorter in case of a clear and justified request by the applicant.</p>		
<b>B.2 Certification Body requirements for auditing and certification</b>					
B.2.1	Auditing process	<b>B.2.1.1</b> The Scheme shall include requirements that ensure that Certification Bodies apply a documented methodology for the evaluation (assessments and audits) of clients.	<p>Specific Instructions OLB: Chain of Custody and Forestry Companies Certification process</p> <p>1. Subject and application scope</p> <p>The present instructions detail the specific requirements for implementing OLB certification of Forestry Companies and of OLB timber chain of custody, including the following documents:</p> <ul style="list-style-type: none"> <li>- RF03 OLB Forestry Companies</li> <li>- RF03 OLB COC</li> <li>- RF03 OLB+ COC</li> <li>- DO100901 Scheme approved by OLB</li> <li>- RF03 OLB Multisite</li> </ul>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The only certification body of the OLB scheme is the owner of the standard (Bureau Veritas).</p> <p>Auditors and other staff involved in the certification process must follow the general procedure (Specific Instructions OLB: Chain of Custody and Forestry Companies Certification process), describing the process from the proposal stage until the issuance of the certificate, including auditor qualifications and audit process.</p> <p>In addition, BV follows specific instructions for FM (GP01-OLB-EF) and COC certification (GP01-OLB-COC).</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the</p>	Covered

			- RF03 OLB graphic chart	scheme.	
		<p><b>B.2.1.2</b> As a minimum, this methodology shall include procedures for the following activities:</p> <p>i) Evaluation of conformity of organisation to the Schemes (e.g. audit of sites, or inspection of records or of self-assessment declarations);</p> <p>ii) Review and certification decision;</p> <p>iii) Issuance of a certificate; and</p> <p>iv) Periodic re-assessment.</p>	<p>Specific Instructions OLB: Chain of Custody and Forestry Companies Certification process</p> <p>3. Audit Process</p> <p>1.1 Processing applications, proposal and contract</p> <p>...</p> <p>1.2 Documentary Review</p> <p>...</p> <p>3.3 Audit length</p> <p>The duration of audits are defined or validated by the WFD Manager or the OLB product manager who issues or approves the proposal. For OLB COC certification the minimum duration is half a day.</p> <p>But in any case The duration varies according to the company's size, its activities, the complexity of its organisation and the selected method.</p> <p>3.4 Certification Audit</p> <p>The audit process is identical to the one described in BMS (5. Production/Audit Preparation and Audit Realisation), completed with GP01 OLB. Auditors will verify that the specific requirements from OLB standards are respected during each audit (initial audit, surveillance and renewal audits).</p> <p>[...]</p> <p>4. Audit Report</p> <p>The process described in the BMS applies.</p> <p>The auditor issues a OLB audit report after each audit.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The OLB certification process is described in the documents:</p> <ul style="list-style-type: none"> <li>- Specific Instructions OLB: Chain of Custody and Forestry Companies Certification process</li> <li>- Description du processus de certification OLB Entreprises forestières (GP01-OLB-EF)</li> <li>- Description du processus de certification OLB COC certification (GP01-OLB-COC).</li> </ul> <p>Evaluations are based on documentation review and onsite audits. A report, with non-conformities if applicable, is issued after each audit. There are three types of audits: (initial audit, surveillance and renewal audits). Surveillance audits are planned yearly.</p> <p>The process of review and certification decision and issuance of the certificate are described in GP01-OLB-EF and GP01-OLB-COC:</p> <p>The certification decision is taken by the Head of the Forest-Timber Department on the basis of the elements contained in the final audit report and after having received proof that all major non-conformities have been closed and that the company is in accordance with the requirements of the standard.</p> <p>[...]</p> <p>When the certification decision is favorable, certification is granted for a maximum of five years.</p> <p>[...]</p>	Covered

		<p>[...]</p> <p>6 –Certificate Maintenance</p> <p>Thanks to surveillance audits, the certificate is maintained during its validity period as long as the certified entity complies with standards' requirements.</p> <p>Surveillance audits are planned yearly. Some flexibility is admitted for the audit date but must be validated either by the WFD manager or the OLB product manager. is one month before or after the certificate validity date as a maximum.</p> <p>GP01-OLB-EF :</p> <p>7 - Certification</p> <p>7.1 - Décision de certification</p> <p>La décision de certification est prise par le Responsable du Département Forêt-Bois sur la base des éléments contenus dans le rapport final d'audit et après avoir reçu les preuves que toutes les non-conformités majeures ont été fermées et que l'entreprise est en conformité avec les exigences du référentiel.</p> <p>Le Comité de Bureau Veritas Certification se réunit une fois par an et tous les dossiers de certification OLB sont présentés pour évaluation et commentaires afin d'améliorer la performance de Bureau Veritas.</p> <p>Le Comité de certification est composé de personnes de référence dans toutes les composantes relatives à la certification et la gestion forestière responsable (ONG environnementales et sociales, associations, entreprise, etc.). Le rôle du Comité est de s'assurer de la performance, de l'intégrité et de la crédibilité du système du Département Forêt-Bois de Bureau Veritas Certification.</p> <p>7.2 - Octroi du certificat</p> <p>Lorsque la décision de certification est favorable, la certification est octroyée pour cinq ans maximum.</p> <p>Un numéro de certificat est délivré à l'entité candidate qui devient une entreprise certifiée.</p> <p>L'entreprise peut alors utiliser la marque OLB en respectant les conditions d'usage de la marque et après validation par Bureau Veritas Certification.</p> <p>Bureau Veritas Certification prépare un résumé public (données générales et non confidentielles) sur le processus de certification avec la décision de certification. Ce résumé public sera soumis pendant deux semaines à l'Entreprise pour validation, et sera publié sur le site internet de Bureau Veritas.</p>	<p>Bureau Veritas Certification prepares a public summary (general and non-confidential data) on the certification process with the certification decision. This public summary will be submitted to the Company for two weeks for validation and will be published on the Bureau Veritas website.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the scheme.</p>	
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		<p><b>B.2.1.3</b> The Scheme shall include requirements that ensure that Certification Bodies have in place - and implement – specific procedures for audits that include at least the following:</p> <ul style="list-style-type: none"> <li>i) frequency of audits; (no longer than every 12 months);</li> <li>ii) requirements for on-site (field) visits where applicable;</li> <li>iii) sampling protocol for audits (if applicable);</li> <li>iv) structure and competencies of the audit team;</li> <li>v) the minimum set of aspects that need to be checked in every audit;</li> <li>vi) minimum content of audit reports, including non-conformances, clarification of scope, audit process and</li> </ul>	<p>GP01 OLB EF</p> <p>10.1 - Audits de Surveillance</p> <p>Les audits de surveillance à réaliser sont programmés chaque année. Bureau Veritas Certification ou ASI peut également effectuer des contrôles inopinés dans les bureaux ou sur le terrain de l'organisme certifié.</p> <p>Les audits de surveillance à réaliser sont programmés chaque année mais pourraient être plus fréquents en fonction de la complexité des opérations et du niveau de conformité de l'entité certifiée, et du temps requis pour résoudre les non-conformités identifiées.</p> <p>En plus des audits de surveillance annuels, Bureau Veritas Certification peut procéder à des audits inopinés de l'entité certifiée ou des audits de suivi afin de s'assurer que les non-conformités identifiées ont été traitées et résolues dans le délai fixé.</p> <p>Specific Instructions OLB: Chain of Custody and Forestry Companies Certification process</p> <p>6 –Certificate Maintenance</p> <p>Thanks to surveillance audits, the certificate is maintained during its validity period as long as the certified entity complies with standards' requirements.</p> <p>Surveillance audits are planned yearly. Some flexibility is admitted for the audit date but must be validated either by the WFD manager or the OLB product manager. is one month before or after the certificate validity date as a maximum.</p> <p>3.5 Multi-sites Certification</p> <p>The process is described in GP01 OLB and in the standard RF03 OLB Multisite.</p> <p>A group or a multi-site certification process type refers to a group of entities (mainly for OLB FC) or a multi-site entity applying for a single OLB certificate under the responsibility of central</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The OLB FM and COC certification procedures describe the frequency of surveillance audits, which take place every 12 months, with a flexibility of one month before or after the certificate anniversary date.</p> <p>As explained, "The surveillance audits to be performed are scheduled every year but could be more frequent depending on the complexity of the operations and the level of compliance of the certified entity, and the time required to resolve the non-conformities identified.</p> <p>In addition to annual surveillance audits, Bureau Veritas Certification may carry out unannounced audits of the certified entity or follow-up audits to ensure that non-identified conformities were processed and resolved within the set deadline."</p> <p>For OLB FM certificates, audits must be on-site, and the audit plan is described in the certification procedure.</p> <p>At the COC level, for the companies that are already FSC and/or PEFC Chain of Custody certified by Bureau Veritas Certification, the surveillance audit can be done through a document review on the basis of the already existing FSC and/or PEFC audit reports, and of the chain of custody procedure which the company will have implemented to demonstrate compliance with the OLB standard's requirements. The companies that are not FSC and/or PEFC chain of custody certificate holder, will be audited on-site annually.</p> <p>The audit process and sampling methodology for multi-site certificates is also described in the</p>	Covered

		<p>evaluation findings. vii) ability for unannounced or short-notice audits in case of substantiated claims or for other reasons.</p>	<p>organisation.</p> <p>When the differences among the sites or the group is important, smaller groups of sites/entities must be created according to: the type of activities carried out by/on the entities/sites for OLB FC, the type of forest (population, stands, size, environment issues, forest objectives, etc)</p> <p>Then the sites sampling method shall be applied to each activity or homogenous group of site/entity: The minimum number of sites to be visited per audit is: - Initial audit: the size of the sample should be the square root of the number of remote sites: <math>(y=\sqrt{x})</math>, rounded to the upper whole number. - Surveillance audit: the size of the annual sample should be the square root of the number of remote sites with 0.6 as a coefficient <math>(y=0.6 \sqrt{x})</math>, rounded to the upper whole number. - Re-certification audit: the size of the sample should be the same as for an initial audit. Nevertheless, where the management system has proved to be effective over a period of three years, the size of the sample could be reduced by a factor 0.8, i.e.: <math>(y=0.8 \sqrt{x})</math>, rounded to the upper whole number.</p> <p>When new sites are included in the scope of the certificate, the sampling rate to be used shall be the one for initial audit.</p> <p>4. Audit Report</p> <p>The process described in the BMS applies. The auditor issues a OLB audit report after each audit.</p> <p>The audit report explicitly mentions all the documents that were assessed and controlled. The audit report is examined by a WFD account manager who did not take part</p>	<p>procedures.</p> <p>For the audit report, it is explained that :</p> <p>"The audit report explicitly mentions all the documents that were assessed and controlled"</p> <p>The audit report templates for FM and COC include non-conformances, clarification of scope, audit process and evaluation findings.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered by the scheme.</p>	
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			<p>in the audit</p> <p>PL-CAM-CER-014 V2.4_GP01 OLB CoC, Surveillance audits</p> <p>Surveillance audits will take place at least annually but may be more frequent depending on the complexity of the operation and of the certificate holder's level of conformity, and on the time needed to resolve the non-conformities detected. For the companies that are already FSC and/or PEFC Chain of Custody certified by Bureau Veritas Certification, the surveillance audit can be done through a document review on the basis of the already existing FSC and/or PEFC audit reports, and of the chain of custody procedure which the company will have implemented to demonstrate compliance with the OLB standard's requirements. The companies that are not FSC and/or PEFC chain of custody certificate holder, will be audited on-site annually. Surveillance audits allow Bureau Veritas to monitor:</p> <ul style="list-style-type: none"> <li>- The conformity of the organization as assessed during the initial audit; The implementation of corrective actions to address minor nonconformities and eventual recommendations;</li> <li>- The correct use of the OLB trademark by the certified organization. If Bureau Veritas Certification identifies significant non-conformities leading to one or several major corrective action requests during the period of validity of the certificate (maximum 5 years), the company is given a specific timeline determined by Bureau Veritas' audit team (3 months maximum) to implement the necessary corrective</li> </ul>		
B.2.2	Stakeholder consultation	<b>B.2.2.1</b> The Scheme shall include mechanisms to ensure that Certification Bodies conduct consultation with stakeholder (including rights holders) as appropriate in relation to audits (only applicable	<p>RF03 OLB EF Version 3.4</p> <p>Exigences relatives aux communautés concernées par les activités forestières:</p> <p>1.3.4 - L'entreprise a réalisé une étude d'impact social en fonction de l'échelle, de l'intensité et du risque des opérations d'aménagement et d'exploitation forestière et de la spécificité du contexte social. Elle a valorisé les résultats de cette étude par un programme opérationnel.</p> <p>i. L'ensemble des communautés locales (y compris les peuples autochtones), autour ou au sein des concessions forestières, ayant des droits traditionnels ou légaux, sont identifiées et cartographiées.</p> <p>ii. Les droits fonciers (propriété) et droits d'usage (accès aux ressources) des communautés concernées par les surfaces forestières évaluées sont identifiés par le biais d'une concertation* avec ces populations.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The OLB standard requires the candidates to OLB FM certification to conduct a stakeholder consultation. This is described in the OLB FM standard (1.3).</p> <p>As described in the "Description of the process OLB certification Forestry companies", OLB auditors are required to evaluate the stakeholder consultation carried out by the certificate holder, as well as to involve relevant stakeholders in different stages of the audit process (pre-assessment, assessment and</p>	Covered

		<p>where necessary** for evaluating compliance of certificate holders).</p> <p>The scheme shall ensure that the certification holder has a proper stakeholder consultation process in place.</p>	<p>1.3.5 - Les communautés locales ont été consultées au préalable et sont impliquées dans les activités de gestion/exploitation forestière pouvant avoir une incidence sur leurs droits)</p> <p>1.3.6 - L'entreprise, par le biais de la concertation culturellement appropriée avec les communautés concernées par les surfaces forestières évaluées, met en œuvre des mesures pour identifier en permanence, prévenir, éviter ou atténuer les impacts négatifs potentiels de ses activités sur leurs droits coutumiers et/ou légaux</p> <p>1.3.7 - Des mécanismes et des mesures appropriés doivent être employés pour prévenir et rechercher des solutions aux conflits relatifs aux droits fonciers (propriété) et aux droits d'usage d'usages (accès aux ressources).</p> <p>i. Il existe des procédures écrites basées sur la législation nationale et/ou les règles coutumières, pour la prévention et la gestion des conflits et des dégâts dans les cas de perte ou de dommages affectant les propriétés, les ressources, la santé et les conditions de subsistance des populations locales, y compris les peuples autochtones.</p> <p>ii. Les procédures élaborées pour la prévention et la gestion des conflits et la réparation des dégâts dans les cas de pertes ou de dommages affectant les propriétés, les ressources et les conditions de subsistance des populations locales et autochtones doivent être mises en application de manière objective, constructive, et documentée.</p> <p>iii. Un dossier complet et actualisé des conflits et griefs contre l'entreprise est tenu, enregistré et archivé, comprenant la documentation y afférente, et les preuves des actions prises pour les résoudre.</p> <p>GP01 OLB FC - 1.2 version</p> <p>4 - Pré-audit</p> <p>4.1 - Intérêt et réalisation du pré-audit</p> <p>[...]</p> <p>Un pré-audit n'est pas nécessairement obligatoire dans le processus de certification, toutefois c'est une exigence lorsque les opérations de gestion forestière sont complexes, quand la surface forestière à évaluer est importante et lorsqu'il y a un environnement particulièrement sensible (aussi bien social qu'environnemental). De plus, un pré-audit permet à l'entité candidate de</p>	<p>annual audits).</p> <p>The scheme owner includes a system to manage complaints. The system is publicly available in the owner's website. In addition, FM and CoC standards include a chapter explaining that complaints will be managed by Bureau veritas.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered.</p>	
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		<p>s'assurer que son système d'organisation ne présente pas des non-conformités majeures.</p> <p>[...]</p> <p>Par ailleurs, un pré-audit est important dans la mesure où il facilite le processus de consultation des parties prenantes. Avant le pré-audit, l'entité candidate et Bureau Veritas Certification doivent effectuer une première identification des parties prenantes, afin d'organiser un premier contact qui aura lieu lors du pré-audit.</p> <p>NB : Il est fortement recommandé que l'identification et la prise de contact entre les parties prenantes et le candidat soient faites avant début du processus de certification. Les candidats n'ayant pas réalisé ce travail seront invités à le faire.</p> <p>5.2.2 - Déroulement de l'audit</p> <p>Le travail de l'équipe d'audit se fait sur documents ou à partir d'inspections de terrain et d'interviews des employés, d'intervenants extérieurs, et de représentants des parties prenantes.</p> <p>Les principales missions de l'audit initial sont les suivantes :</p> <ul style="list-style-type: none"> <li>• Evaluer la conformité avec les exigences légales au niveau local et international ;</li> <li>• Rencontrer les représentants des parties prenantes identifiées ;</li> <li>• Réaliser des visites de terrain et des bureaux du candidat ;</li> </ul> <p>L'équipe d'audit effectue une évaluation du système de l'entreprise en place pour s'assurer que toutes les activités sont réalisées en conformité avec les exigences légales, de la planification à la mise en œuvre des activités de gestion forestière, la gestion des ressources humaines, la gestion documentaire et le suivi des activités telles que décrites dans le plan d'aménagement.</p> <ul style="list-style-type: none"> <li>• Visiter les forêts et rencontrer les responsables/gestionnaires de sites (ouvriers, marteleurs, gardes forestiers, bûcherons, débardeurs, sous-traitants, etc.).</li> <li>• Etablir les non-conformités identifiées et les présenter aux responsables de l'entité forestière et le personnel concerné.</li> </ul> <p>8.3 - Liste des documents à préparer pour le premier audit</p> <p>Après avoir envoyé les documents indiqués au paragraphe 8.1 et une fois que la candidature a été acceptée par Bureau Veritas, certains documents devront être préparés et mis à la disposition de l'équipe d'audit afin de réaliser le premier audit (pré-audit ou audit initial) :</p>	
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		<ul style="list-style-type: none"> <li>• Éléments de consultation des parties prenantes;</li> <li>• Informations relatives aux contraintes environnementales, sociales et paysagères;</li> <li>• Éléments de prise en compte des exigences de la certification vis à vis des exploitants, entrepreneurs et autres intervenants forestiers;</li> <li>• Tout renseignement concernant les droits et usages (mandats, baux, usages, servitudes légales...);</li> <li>• Les volumes (en équivalent bois rond s'il y a eu une transformation) de bois exploité par l'entité forestière, volume de bois vendu par l'entité forestière et chiffre d'affaires durant les 3 dernières années.</li> </ul> <p>9- Gestion des litiges liés au certificat</p> <p>Bureau Veritas Certification a développé dans le cadre du système de certification OLB, un processus basé en grande partie sur la consultation et la concertation.</p> <p>Celle-ci s'opère au travers de l'information et de la consultation de l'entité forestière, aux différentes étapes du processus de certification, mais aussi par la consultation de l'ensemble des parties prenantes dans la gestion forestière pratiquée.</p> <p>Ces consultations avec les tierce-parties et les parties prenantes pertinentes permettent d'assurer que le risque de litiges et de plaintes est minimisé.</p> <p>Cependant, si un différend apparaît dans le cadre d'une décision de certification, Bureau Veritas Certification a mis en place des procédures de résolution des litiges, permettant de traiter ces derniers avec le maximum d'indépendance et selon les particularités suivantes:</p> <ul style="list-style-type: none"> <li>• Bureau Veritas Certification s'assure que tout est mis en œuvre pour résoudre le conflit à l'amiable pour les parties impliquées;</li> <li>• Lorsque le conflit concerne une décision de certification, le Comité de certification intervient dans la résolution.</li> </ul> <p>Complaints and Appeals Management for Certification Services, rev 3.1.5</p> <p>The definitions used by Bureau Veritas Certification are the following:</p> <p>-Complaint (ISO/IEC 17000:2020, 8.7): expression of dissatisfaction, other than appeal (8.6), by any person or organization to a conformity assessment body</p>		
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		<p>(4.6) relating to the activities of that body, where a response is expected.</p> <p>-Appeal (ISO/IEC 17000:2020, 8.6): request by the person or organization that provides, or that is, the object of conformity assessment (4.2) to a conformity assessment body (4.6) for reconsideration by that body of a decision (7.2) it has made relating to that object.</p> <p>Common Process Steps</p> <p>2.1 Receipt and Acknowledgement</p> <p>Complaint can be written (Formal Letter, Email, Website) or verbal (Phone Call, Feedback during sales visit or audit). The process of management of the complaints registered in our Website is the following:</p> <ul style="list-style-type: none"> <li>• The acknowledgment of the complaint is done automatically</li> <li>• On HO level, the dispatch of the email is done. If this is a complaint, this is transferred to a generic mailbox (groupqhse@bureauveritas.com)</li> <li>• Then the complaint is transferred to the QHSE manager concerned for investigation and actions.</li> </ul> <p>Complaints are handled at contracting entity level. An audit may be initiated to proceed with investigation, and the client shall be notified with reasons for the audit.</p> <p>The complaint form and the complaint/appeal process are publicly available in the same languages as the public certification summaries published by Bureau Veritas Certification.</p> <p>Upon receipt, complaints and appeals are acknowledged to sender within five working days, unless otherwise specified.</p> <p>The Recipient of the complaint is either the person who received it directly or the one who entered the information.</p> <p>They are assigned to the validator who will determine the severity and decide actions according to this rating</p> <p>...</p> <p>2.3 Resolution process</p> <p>The resolution process includes the following steps.</p> <ul style="list-style-type: none"> <li>• Investigation, and analysis of the situation,</li> <li>• Structured response (root cause analysis, correction, corrective action) if the severity is rated high</li> <li>• Implementation of correction and corrective action,</li> <li>• Information to the client of findings and actions taken,</li> <li>• Monitoring of results: check if the solution is implemented and effective,</li> </ul>	
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			<ul style="list-style-type: none"> <li>• Record and traceability of documents,</li> <li>• Follow up on sustainability of results and of resolution.</li> <li>• The timeframe for resolution is four weeks, unless otherwise specified in appendices. However, this may be affected by responsiveness of the client or other third parties.</li> </ul> <p>Bureau Veritas retains the anonymity of the complainant in relation to the client if this is requested by the complainant and shall treat anonymous complaints and expressions of dissatisfaction that are not substantiated as complaints as stakeholder comments and address these during the next audit.</p> <p>On case-by-case basis, BVC, the Complainant and the Client shall decide if information needs to be made public.</p> <p>There has to be formal authorization from Complainant and Client when the decision is to make the complaint public.</p> <p>Any instances where failure to publicly disclose the complaint could affect other stakeholders, should be made public.</p> <p>Examples of these instances are complaints about:</p> <ul style="list-style-type: none"> <li>• Defects that could have catastrophic consequences (injuries, death, etc.).</li> <li>• Failures in environmental management systems that could cause severe damage to environment and stakeholders.</li> <li>• Quality of food products; etc.</li> <li>• A final written response is provided to the complainant</li> <li>• Specific complaints and appeals handling procedure are applied for following schemes based on scheme owner requirements and a copy of these can be made available on request from LTM <ul style="list-style-type: none"> <li>o ASC Services</li> <li>o MSC</li> <li>o FSC FARM</li> <li>o IATF 16949</li> <li>o SA8000</li> <li>o CDM</li> </ul> </li> </ul> <p>Appeals are dealt at the level where certification decision making was done (Critical Location, Hub, ICC) and coordinated by Local Technical Manager with concerned Accreditation Manager and CL, Hub, or ICC to maintain impartiality.</p> <p>Appeals related to QHSE schemes are communicated to CER Accreditation Manager.</p> <p><a href="https://certification.bureauveritas.com/contact-us-0">https://certification.bureauveritas.com/contact-us-0</a></p>		
B.2.2	Corruption	<b>B.2.2.2</b> The Scheme shall	RF03 OLB EF Version 3.4	Findings	Partially Covered

		include mechanisms to identify (or for the Certification Body to do so) companies sanctioned for engagement in corrupt practices relevant to the forest sector.	<p>1.1 - L'entreprise doit être légalement établie selon les dispositions réglementaires locales en vigueur, en conformité avec les exigences du (des) secteur(s) d'activité dans le(s)quel(s) elle exerce, et à jour de ses obligations fiscales.</p> <p>1.1.1 - L'entreprise dispose des documents officiels et valides d'existence légale (document d'immatriculation ou d'enregistrement), généraux et spécifiques à son (ses) activité(s).</p> <p>1.1.2 - L'entreprise respecte les exigences du (des) secteur(s) d'activité dans le(s)quel(s) elle exerce (si elle existent, dans une convention collective ou un syndicat par exemple) *</p> <p>1.1.3 - L'entité forestière est en règle vis-à-vis de ses obligations fiscales de droit commun applicables, ainsi que de ses obligations fiscales et taxes liées à son (ses) activité(s) forestières (Patente, TVA, taxes et redevance liées à la récolte du bois, au volume, au transport et à la commercialisation du bois, ...)</p> <p>1.1.4 - L'entreprise n'est pas impliquée dans des activités ou des pratiques portant à controverse et pouvant porter atteinte à son intégrité légale *</p>	<p><i>Scheme info</i></p> <p>It is required that the organisation is not involved in controversial activities or practices that may impair its legal integrity. But it does not directly require auditors to evaluate if companies have been sanctioned or otherwise involved in corrupt practices.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is partially covered.</p>	
<b>C. Requirements for Certification Schemes</b>					
<b>C.1 Transparency</b>					
C.1.1	Transparency	C.1.1.1 Scheme requirements for both Certificate Holders and Certification Bodies shall be publicly available online.	<a href="https://www.bureauveritas.fr/sites/g/files/zypfnx146/files/media/document/PL-CAM-CER-014%20V2.4_GP01%20LB%20CoC.pdf">https://www.bureauveritas.fr/sites/g/files/zypfnx146/files/media/document/PL-CAM-CER-014%20V2.4_GP01%20LB%20CoC.pdf</a> <a href="https://www.bureauveritas.fr/sites/g/files/zypfnx146/files/media/document/PL-CAM-CER-002%20V1.3_GP01%20OLB%20EF.pdf">https://www.bureauveritas.fr/sites/g/files/zypfnx146/files/media/document/PL-CAM-CER-002%20V1.3_GP01%20OLB%20EF.pdf</a> <a href="https://certification.bureauveritas.com/sustainable-forestry-certification">https://certification.bureauveritas.com/sustainable-forestry-certification</a> <a href="https://certification.bureauveritas.com/who-we-are/our-resources/impartiality">https://certification.bureauveritas.com/who-we-are/our-resources/impartiality</a> <a href="https://www.bureauveritas.fr/besoin/certification-olb">https://www.bureauveritas.fr/besoin/certification-olb</a>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Information related to the scheme owner and policies of the owner are available on the website: <a href="http://www.bureauveritas.fr">www.bureauveritas.fr</a>. As scheme did not include Certification Bodies, is nothing to make publicly available.</p> <p>Requirements for certificate holders are publicly available in website.</p>	Covered

				Available online, without beta versions of standards.  <b>Justification</b>  Based on the above, this indicator is covered.	
		<b>C.1.1.2</b> Schemes shall include requirements that ensure that relevant information about the following is freely available: i) development and content of the Scheme; ii) how the system is governed; ii) who is evaluated and under what process; iv) impact information and the various ways in which stakeholders can engage.	Internal instructions:  OLB Certification Standard setting specific instruction  2 - Description of the instruction The process to issue new OLB standards/documents or to modify existing OLB standards/documents is composed by different steps as listed below: - setting and adjustment - stakeholder's consultation - testing - final approval - effective date  ...  2.2 - Stakeholder's consultation  2.2.1 - Stakeholders identification of the relevant stakeholder is done according to the document developed/changed and the people/entities concerned by the document (NGOs, companies, clients, partners, governmental agencies, individuals, etc...) This might be done with the help of the excel file "stakeholderConsultation_contact list_template"  2.2.2 - Consultation The issued draft of the documents is then sent to the relevant identified stakeholders for comments for a period of 30 days. The means used to communicate to the stakeholders is appropriate to the communication means used by the concerned stakeholders in order to gather as much as possible comments (email, phone call, letter, Internet communication, etc...)  2.2.3 - stakeholders' comments The stakeholders' comments must be recorded in the appropriate "stakeholderConsultationManagement_template". The person in charge of developing/modify the OLB documents must identify the relevant and not relevant comments and justify it. All relevant comments must be integrated in the drafted documents.  Specific Instructions OLB: Chain of Custody and Forestry Companies Certification process	<b>Findings</b>  <i>Scheme info</i>  Stakeholders are engaged in the setup of new standards, as described in the internal instruction "OLB Certification Standard setting specific instruction".  The process for evaluation and certification is described in the publicly available documents:  -GP01 OLB EF_PL-CAM-CER-002 V1.3  -GP01 OLB COC_PL-CAM-CER-014 V2.4  They include requirements to identify and consult stakeholders.  <b>Justification</b>  Part of this indicator is not met: the document "OLB Certification Standard setting specific instruction", which describes the development and content of the Scheme and the various ways in which stakeholders can engage, is not freely available.	Partially Covered



		<p><u>Publicly available documents (available at <a href="https://www.bureauveritas.fr/documents-olb">https://www.bureauveritas.fr/documents-olb</a>):</u></p> <p>GP01 OLB EF_PL-CAM-CER-002 V1.3: Description du processus de certification OLB Entreprises forestières :</p> <p><i>(it is required to identify and consult stakeholders in different stages of the process, notably during the audit):</i></p> <p>5.2.2 - Déroulement de l'audit</p> <p>Le travail de l'équipe d'audit se fait sur documents ou à partir d'inspections de terrain et d'interviews des employés, d'intervenants extérieurs, et de représentants de parties prenantes.</p> <p>9 - Gestion des litiges liés au certificat</p> <p>Bureau Veritas Certification a développé dans le cadre du système de certification OLB, un processus basé en grande partie sur la consultation et la concertation.</p> <p>Celle-ci s'opère au travers de l'information et de la consultation de l'entité forestière, aux différentes étapes du processus de certification, mais aussi par la consultation de l'ensemble des parties prenantes dans la gestion forestière pratiquée.</p> <p>Ces consultations avec les tierce-parties et les parties prenantes pertinentes permettent d'assurer que le risque de litiges et de plaintes est minimisé.</p> <p>Cependant, si un différend apparaît dans le cadre d'une décision de certification, Bureau Veritas Certification a mis en place des procédures de résolution des litiges, permettant de traiter ces derniers avec le maximum d'indépendance et selon les particularités suivantes :</p> <ul style="list-style-type: none"> <li>• Bureau Veritas Certification s'assure que tout est mis en œuvre pour résoudre le conflit à l'amiable pour les parties impliquées ;</li> <li>• lorsque le conflit concerne une décision de certification, le Comité de certification intervient dans la résolution.</li> </ul> <p>GP01 OLB COC_PL-CAM-CER-014 V2: Description du processus de</p>		
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			<p>certification OLB CdC</p> <p>14 - Gestion des litiges liés au certificat</p> <p>Bureau Veritas Certification a développé dans le cadre du système de certification OLB, un processus basé en grande partie sur la consultation et la concertation.</p>		
		<p><b>C.1.1.3</b> The Scheme shall include requirements that ensure that an up-to-date register of certified/verified organisations is publicly available.</p>	<p>Public link for pdf with certificates:</p> <p>FM:  <a href="https://www.bureauveritas.fr/sites/g/files/zypfnx146/files/media/document/Liste%20des%20entreprises%20foresti%C3%A8res%20certifi%C3%A9es%20OLBEFRRev.pdf">https://www.bureauveritas.fr/sites/g/files/zypfnx146/files/media/document/Liste%20des%20entreprises%20foresti%C3%A8res%20certifi%C3%A9es%20OLBEFRRev.pdf</a></p> <p>COC:  <a href="https://www.bureauveritas.fr/sites/g/files/zypfnx146/files/media/document/Liste%20des%20organismes%20certifi%C3%A9es%20OLB%20CoCrevfr.pdf">https://www.bureauveritas.fr/sites/g/files/zypfnx146/files/media/document/Liste%20des%20organismes%20certifi%C3%A9es%20OLB%20CoCrevfr.pdf</a></p> <p>PL-CAM-CER-015</p> <p>8.3. Mise à jour de la base de données OLB</p> <p>La liste des entreprises certifiées OLB EF et/ou CoC est mise à jour à chaque nouvelle certification ou renouvellement de certificat, ainsi qu'à chaque fois que le périmètre de certification du client est revu (cas d'une extension ou réduction de périmètre) ou que le statut de certification d'un client est modifié (suspension, retrait de certificat...).</p> <p>La version finale du rapport est publiée en français après validation du client (qui peut demander le retrait des informations jugées confidentielles du rapport avant la publication), dans un délai de 15 jours après la décision de certification. Elle peut être traduite en toute autre langue sous la demande du client. Toutefois, les frais de traduction sont à la charge du client.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>OLB include a public register of certified organisation. The register is a PDF file, which is updated in each month. The process to update the list is not available.</p> <p><i>Direct interviews/ discussions / Stakeholder input</i></p> <p>During the stakeholder consultation process, BV has provided the document PL-CAM-CER-015 (Manuel des Procédures de Certification OLB), which states when the list of certified organisations is updated.</p> <p><b>Justification</b></p> <p>Based on the information above, this indicator is covered.</p>	Covered
		<p><b>C.1.1.4</b> The Scheme shall make summaries (or full reports) with relevant findings from audits available on the internet.</p>	<p>PL-CAM-CER-002 rev1.3.,</p> <p>14.4. ELEMENTS A RENDRE PUBLICS.</p> <p>Dans le cadre de la certification, certains éléments doivent être rendus publics. Cette exigence s'applique à partir du moment où l'entité forestière reçoit un certificat :</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>According to PL-CAM-CER-002 rev1.3., 14.4., audit report should be publicly available for forest management. In addition, certificate holder has 2 weeks to highlight confidential information that should</p>	Partially Covered

			<p>- nom et coordonnées de l'entité forestière</p> <p>- numéro du certificat</p> <p>- champ d'application du certificat</p> <p>- nom et prénom de la personne à contacter dans le cadre de la certification</p> <p>Liste des informations et documents à rendre publics</p> <p>- Rapport public d'audit</p> <p>Avant publication du rapport, celui-ci est envoyé à l'entreprise certifiée pour extraction d'éventuelles informations jugées confidentielles dans un délai de deux semaines.</p> <p><a href="https://www.bureauveritas.fr/documents-olb">https://www.bureauveritas.fr/documents-olb</a></p> <p>GP01 OLB EF_PL-CAM-CER-002 V1.3: Description du processus de certification OLB Entreprises forestières</p> <p>8.4 - Liste des informations et documents à rendre publics</p> <p>Dans le cadre de la certification, certains éléments doivent être rendus publics. Cette exigence s'applique à partir du moment où l'entité forestière reçoit un certificat :</p> <ul style="list-style-type: none"> <li>• nom et coordonnées de l'entité forestière ;</li> <li>• numéro du certificat ;</li> <li>• champ d'application du certificat ;</li> <li>• nom et prénom de la personne à contacter dans le cadre de la certification ;</li> <li>• le résumé public qui est un résumé du rapport d'audit sans information confidentielle.</li> </ul>	<p>be removed from report.</p> <p>GP01 OLB EF_PL-CAM-CER-002 V1.3 clarifies that "the public summary is a summary of the audit report without confidential information".</p> <p>The FM audit reports are available upon request via e-mail.</p> <p>For CoC, there is no requirement related to the availability of the reports.</p> <p><b>Justification</b></p> <p>Part of the indicator is not met: a public version of the FM report is available, but only upon request (not directly available on the internet). COC reports are not publicly available.</p>	
C.1.2	Impartiality	<p><b>C.1.2.1</b></p> <p>Procedures for handling complaints and grievance shall be in place, made publicly available and implemented.</p> <p>The procedures shall be clearly publicized, making it easy for stakeholders to submit comments</p>	<p><a href="#">Complaints and Appeals Management for Certification Services, rev 3.1.5</a></p> <p>The definitions used by Bureau Veritas Certification are the following:</p> <p>- Complaint (ISO/IEC 17000:2020, 8.7): expression of dissatisfaction, other than appeal (8.6), by any person or organization to a conformity assessment body (4.6) relating to the activities of that body, where a response is expected.</p> <p>- Appeal (ISO/IEC 17000:2020, 8.6): request by the person or organization that provides, or that is, the object of conformity assessment (4.2) to a conformity assessment body (4.6) for reconsideration by that body of a decision (7.2) it has made relating to that object.</p> <p>Common Process Steps</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The scheme owner includes a system to manage complaints. The system is publicly available in the owner's website. In addition, FM and CoC standards include a chapter explaining that complaints will be managed by Bureau veritas.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered.</p>	Covered

		<p>or complaints where applicable.</p> <p><b>2.1 Receipt and Acknowledgement</b></p> <p>Complaint can be written (Formal Letter, Email, Website) or verbal (Phone Call, Feedback during sales visit or audit). The process of management of the complaints registered in our Website is the following:</p> <ul style="list-style-type: none"> <li>• The acknowledgment of the complaint is done automatically</li> <li>• On HO level, the dispatch of the email is done. If this is a complaint, this is transferred to a generic mailbox (groupqhse@bureauveritas.com)</li> <li>• Then the complaint is transferred to the QHSE manager concerned for investigation and actions.</li> </ul> <p>Complaints are handled at contracting entity level. An audit may be initiated to proceed with investigation, and the client shall be notified with reasons for the audit.</p> <p>The complaint form and the complaint/appeal process are publicly available in the same languages as the public certification summaries published by Bureau Veritas Certification.</p> <p>Upon receipt, complaints and appeals are acknowledged to sender within five working days, unless otherwise specified.</p> <p>The Recipient of the complaint is either the person who received it directly or the one who entered the information.</p> <p>They are assigned to the validator who will determine the severity and decide actions according to this rating</p> <p><b>2.2 Responsibility</b></p> <p>Personnel who investigate complaints and appeals are always different from those who carried out the audits and made certification decision, without discrimination against the appellant or complainant.</p> <ul style="list-style-type: none"> <li>• If (LTM) Local Technical Manager was involved, then a person, internal and independent, is appointed</li> <li>• If Local Technical Manager was not involved; he or she can carry out the investigation.</li> </ul> <p>Unless otherwise specified, LTM is the default channel for complaints and</p>		
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		<p>appeals.</p> <p>2.3 Resolution process</p> <p>The resolution process includes the following steps:</p> <ul style="list-style-type: none"> <li>• Investigation, and analysis of the situation,</li> <li>• Structured response (root cause analysis, correction, corrective action) if the severity is rated high</li> <li>• Implementation of correction and corrective action,</li> <li>• Information to the client of findings and actions taken,</li> <li>• Monitoring of results: check if the solution is implemented and effective,</li> <li>• Record and traceability of documents,</li> <li>• Follow up on sustainability of results and of resolution.</li> <li>• The timeframe for resolution is four weeks, unless otherwise specified in appendices. However, this may be affected by responsiveness of the client or other third parties.</li> </ul> <p>Bureau Veritas retains the anonymity of the complainant in relation to the client if this is requested by the complainant and shall treat anonymous complaints and expressions of dissatisfaction that are not substantiated as complaints as stakeholder comments and address these during the next audit.</p> <p>On case-by-case basis, BVC, the Complainant and the Client shall decide if information needs to be made public.</p> <p>There has to be formal authorization from Complainant and Client when the decision is to make the complaint public.</p> <p>Any instances where failure to publicly disclose the complaint could affect other stakeholders, should be made public.</p> <p>Examples of these instances are complaints about:</p> <ul style="list-style-type: none"> <li>• Defects that could have catastrophic consequences (injuries, death, etc.);</li> <li>• Failures in environmental management systems that could cause severe damage to environment and stakeholders;</li> <li>• Quality of food products; etc.</li> <li>• A final written response is provided to the complainant</li> <li>• Specific complaints and appeals handling procedure are applied for following schemes based on scheme owner requirements and a copy of these can be</li> </ul>		
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		<p>made available on request from LTM</p> <ul style="list-style-type: none"> <li>o ASC Services</li> <li>o MSC</li> <li>o FSC FARM</li> <li>o IATF 16949</li> <li>o SA8000</li> <li>o CDM</li> </ul> <p>Appeals are dealt at the level where certification decision making was done (Critical Location, Hub, ICC) and coordinated by Local Technical Manager with concerned Accreditation Manager and CL, Hub, or ICC to maintain impartiality. Appeals related to QHSE schemes are communicated to CER Accreditation Manager.</p> <p><a href="https://certification.bureauveritas.com/contact-us-0">https://certification.bureauveritas.com/contact-us-0</a></p> <p>PL-CAM-CER-002 rev1.3., GESTION DES LITIGES LIES AU CERTIFICAT</p> <p>Bureau Veritas Douala a développé dans le cadre du système de certification OLB, un processus basé en grande partie sur la consultation et la concertation.</p> <p>Celle-ci s'opère au travers de l'information et de la consultation de l'entité forestière, aux différentes étapes du processus de certification, mais aussi par la consultation de l'ensemble des parties prenantes dans la gestion forestière pratiquée.</p> <p>Ces consultations avec les tierce-parties et les parties prenantes pertinentes permettent d'assurer que le risque de litiges et de plaintes est minimisé.</p> <p>Cependant, si un différend apparaît dans le cadre d'une décision de certification, Bureau Veritas Douala a mis en place des procédures de résolution des litiges, permettant de traiter ces derniers avec le maximum d'indépendance et selon les particularités suivantes:</p> <ul style="list-style-type: none"> <li>- Bureau Veritas Douala s'assure que tout est mis en œuvre pour résoudre le conflit à l'amiable pour les parties impliquées</li> <li>- lorsque le conflit concerne une décision de certification, le Comité de certification intervient dans la résolution.</li> </ul> <p>PL-CAM-CER-014 V2.4_GP01 OLB CoC 14. MANAGEMENT OF DISPUTES RELATED TO THE CERTIFICATION PROCESS</p>		
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			<p>Bureau Veritas Certification developed within the scope of the OLB certification system, a process based on consultation and cooperation with third parties. Nevertheless, if a conflict appears within the scope of a certification process, Bureau Veritas Certification has developed and implements disputes resolution procedures to ensure maximum independence and according to the following principles:</p> <ul style="list-style-type: none"> <li>- Bureau Veritas Certification will ensure that everything is done to solve the conflict in a professional and satisfactory manner for all parties involved. When the conflict concerns a certification decision, Bureau Veritas' Impartiality Committee is involved in the resolution</li> </ul>		
C1.3	Conflict of interest and corruption	<p>C.1.3.1 The Certification Scheme shall have in place requirements at all levels of the scheme (normative requirements for CHs, requirements for CBs, and for the scheme functioning) to manage risks of corruption and conflict of interest.</p>	<p><a href="https://certification.bureauveritas.com/who-we-are/our-resources/impartiality">https://certification.bureauveritas.com/who-we-are/our-resources/impartiality</a></p> <p>PL-CAM-CER-002 rev1.3., 9.1 Qualification des auditeurs</p> <p>...</p> <p>- Enfin les auditeurs de Bureau Veritas Douala sont sélectionnés pour réaliser les audits selon les critères suivants:</p> <p>...</p> <ul style="list-style-type: none"> <li>- L'indépendance.</li> </ul> <p>...</p> <p>PL-CAM-CER-014 V2.4_GP01 OLB CoC 9.1, Auditor's qualification</p> <p>Bureau Veritas Douala recruits as auditors only specialists from the timber industry in order to ensure the following:</p> <ul style="list-style-type: none"> <li>- Independence</li> </ul> <p>...</p> <p><a href="https://group.bureauveritas.com/sites/g/files/zyfpx196/files/media/document/BPCC_SEPT_2020_EN.pdf">https://group.bureauveritas.com/sites/g/files/zyfpx196/files/media/document/BPCC_SEPT_2020_EN.pdf</a></p> <p>BUREAU VERITAS BUSINESS PARTNER CODE OF CONDUCT (BPCC)</p> <p>1. Fighting Bribery, Corruption, and Influence Peddling</p> <p>This section is without prejudice to the content of the Code of Ethics. Bureau Veritas is fully committed to fighting all forms of bribery and corruption, including influence peddling, in every country in which it operates and to complying with relevant local and international anti-bribery and anti-corruption laws in all</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The scheme owner (Bureau Veritas) includes a policy related to impartiality for all certification service that they are providing. In addition, PL-CAM-CER-002 rev1.3., 9.1 and PL-CAM-CER-014 V2.4_GP01 OLB CoC 9.1 state that Bureau Veritas recruits only specialist that are independent.</p> <p>Conflict of interest and corruption are also addressed in the publicly available document BUREAU VERITAS BUSINESS PARTNER CODE OF CONDUCT (BPCC)</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered.</p>	Covered

			<p>jurisdictions within which Bureau Veritas is established or performs services.</p> <p>Bureau Veritas has a zero-tolerance policy toward bribery and corrupt conduct in any form. Bribes, kickbacks, influence peddling and any other improper inducements or arrangements involving public officials, customers, suppliers or any other counterparties are strictly prohibited.</p> <p>...</p> <p><b>2. Conflicts of Interest</b></p> <p>Business Partners should take steps to avoid conflicts of interest, whether of a personal, activity or organisational nature, that may jeopardise the ability of any party associated with the Business Partner, or of any Bureau Veritas employee, to act in the best interest of Bureau Veritas and/or its clients. Decisions our Business Partners take in regard to Bureau Veritas business transactions may not be influenced by personal or private interests.</p> <p>Personal or friendly relationships with a Bureau Veritas employee may not be used to influence the employee's business judgment. If an employee is related to a Bureau Veritas employee, and this may represent any actual or potential conflict of interest in a transaction or business relationship, Business Partners must promptly disclose this fact to their principal Bureau Veritas point of contact or ensure that the Bureau Veritas employee does it.</p>		
<b>C.2 Scheme &amp; standard scope</b>					
<b>Note: section C2 is not specifically referring to EUTR issues but has been included as part of the evaluation of schemes to understand scheme structures.</b>					
C.2.1	Standard adaptation to the national or subnational context	<b>C.2.1.1</b> International standards shall be adapted to the national or subnational context in which they are being implemented and contain a list of applicable	<p>OLB LEGISLATION CHART Ref. : DO100902 v1.0 September 2010</p> <p><b>FOREWORD</b></p> <p>When a Bureau Veritas office signs the first contract for OLB certification, it must establish the inventory of all national, regional laws and international treaties that apply to the activities to be evaluated (forestry activities, employment and work, customary rights, legal establishment, environment, etc). This chart shall be filled in with the identified texts.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>OLB adapts the international standard to the national context.</p> <p>The document "Legislation Chart" must be adapted when a Bureau Veritas office signs the first contract for OLB certification.</p> <p>It includes a list of applicable legislation, or the</p>	Covered



		legislation, or the Scheme shall enable/require detailed evaluation of applicable legislation in a national context.	<p>The chart template includes Criteria and indicators of legality of timber trade in [country]</p> <p>Based on the document above, an audit checklist is prepared (<u>Exigences pour Audit OLB en Gestion Forestière</u> <u>Liste de vérification des documents requis- COUNTRY X -</u>)</p> <p>Cette liste de vérification énumère l'ensemble des documents légaux du CAMEROUN pour un audit de certification OLB en Gestion Forestière. Celle-ci doit être utilisée obligatoirement par l'auditeur pour vérifier les documents requis transmis par l'organisation audité.</p> <p>Cette liste de vérification a été réalisée sur la base de la grille FLEGT du Cameroun (document « LES GRILLES DE LEGALITE FLEGT », édité par le Ministère des Forêts et de la Faune, Novembre 2011).</p>	<p>Scheme shall enable/require detailed evaluation of applicable legislation in a national context.</p> <p>Based on the document above, an audit checklist is prepared (Exigences pour Audit OLB en Gestion Forestière Liste de vérification des documents requis- COUNTRY X -. Each document on this list is reviewed and a conclusion -"C" (« compliant») or "NC" (« non-compliant») or N/A- is added.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered.</p>	
C.2.2	International conventions and treaties	C.2.2.1 The Scheme shall include a list of the relevant international conventions to which the country has ratified, and which hold legal force in the country.	<p><u>OLB LEGISLATION CHART Ref. : DO100902 v1.0 September 2010</u></p> <p>FOREWORD</p> <p>When a Bureau Veritas office signs the first contract for OLB certification, it must establish the inventory of all national, regional laws and international treaties that apply to the activities to be evaluated (forestry activities, employment and work, customary rights, legal establishment, environment, etc). This chart shall be filled in with the identified texts.</p> <p>The chart template includes Criteria and indicators of legality of timber trade in [country]</p> <p>Based on the document above, an audit checklist is prepared (<u>Exigences pour Audit OLB en Gestion Forestière</u> <u>Liste de vérification des documents requis- COUNTRY X -</u>)</p> <p>Cette liste de vérification énumère l'ensemble des documents légaux du CAMEROUN pour un audit de certification OLB en Gestion Forestière. Celle-ci doit être utilisée obligatoirement par l'auditeur pour vérifier les documents requis transmis par l'organisation audité.</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>OLB adapts the international standard to the national context.</p> <p>The document "Legislation Chart" must be adapted when a Bureau Veritas office signs the first contract for OLB certification.</p> <p>It includes a list of the relevant international conventions to which the country has ratified, and which hold legal force in the country.</p> <p>Based on the document above, an audit checklist is prepared (Exigences pour Audit OLB en Gestion Forestière Liste de vérification des documents requis - COUNTRY X -. Each document on this list is reviewed and a conclusion -"C" (« compliant») or "NC" (« non-compliant») or N/A- is added.</p>	Covered

			Cette liste de vérification a été réalisée sur la base de la grille FLEGT du Cameroun (document « LES GRILLES DE LEGALITE FLEGT », édité par le Ministère des Forêts et de la Faune, Novembre 2011).	<b>Justification</b>  Based on the above, this indicator is covered.	
C.2.3	Use of contractors	<b>C.2.3.1</b> The requirements for forest managers and supply chain entities shall be applicable to the organisation's contractors and outsourcing facilities.	<p>RF03 OLB EF Version 3.4</p> <p>1.6 -Lorsque des activités rentrant dans le champ d'application du certificat sont sous-traitées, les sous-traitants doivent respecter les lois et règlements liés à leurs activités en question.*</p> <p>1.6.1 -L'entreprise a une liste des sous-traitants identifiés selon leur implication dans les activités de l'entreprise. Cette liste est régulièrement mise à jour.</p> <p>1.6.2 -Les entreprises sous-traitantes sont conscientes d'une potentielle visite de l'équipe d'audit et l'ont accepté.</p> <p>1.6.3 -Les entreprises sous-traitantes remplissent les exigences 1.1.1 et 1.1.3.</p> <p>1.6.4 -L'entreprise a vérifié que les travailleurs de ses sous-traitants exercent leurs activités dans un cadre légal. Les indicateurs 1.3.1, 1.3.2 et 1.3.3 sont applicables aux employés des sous-traitants travaillant dans le périmètre évalué.</p> <p>1.6.5 -L'entité candidate fournit des EPI aux employés de ses sous-traitants dans le cas où ces entreprises ne sont pas en mesure de les équiper (cas des petites entreprises locales).</p> <p>RF03 OLB CoC v3.6_FR</p> <p>3.2.1 - L'entreprise peut sous-traiter les opérations de manutention ou de transformation de ses produits OLB, à condition que les exigences de traçabilité applicables (marquage, ségrégation, etc.) soient reprises dans le contrat avec ses sous-traitants.</p> <p>3.2.2 - L'entreprise doit veiller à la conformité des activités sous-traitées à toutes les exigences de traçabilité applicables</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Subtractors of Forest Enterprises must comply with the legislation and regulation related to their activities: they must be legally registered and in compliance with their legal obligations, and the legal employment and health and safety requirements.</p> <p><b>Justification</b></p> <p>Based on the above this indicator is covered.</p>	Covered
C.2.4	Endorsing and	C.2.4.1 If the Scheme includes the recognition or	RF03 OLB CdC v3.6	<b>Findings</b>	Covered

	recognising of other Schemes and systems	endorsement of other schemes or systems, it shall ensure coverage and consistent implementation of EUTR requirements at all levels.	<p>Annexe 2 : Programmes de vérification reconnus par le système OLB</p> <p>Pour le choix des programmes repris ci-dessous Bureau Veritas Certification France s'est basé sur les critères d'évaluation de légalité adoptés par : Keurhout, le CPET du gouvernement britannique et l'« Assessment of Legality Verification Schemes » du gouvernement danois.</p> <p>En cas de contradiction entre les résultats de ces évaluations, Bureau Veritas Certification France a choisi de le retenir le plus exigeant.</p> <p>Le choix des programmes ci-dessous repris par Bureau Veritas Certification France repose sur les systèmes reconnus dans le cadre de la Charte Environnementale pour l'activité forestière et par le PEFC international</p>	<p><i>Scheme info</i></p> <p>At the COC level, material certified against the FSC scheme and list of PEFC endorsed schemes (see Annex 2 of RF03 OLB CdC v3.6) is accepted as OLB inputs.</p> <p>OLB explains that the accepted schemes have been approved as follows:</p> <p>"For the choice of the programs listed below Bureau Veritas Certification France has based itself on the legality assessment criteria adopted by: Keurhout, the British government's CPET and the Danish government's "Assessment of Legality Verification Schemes".</p> <p>In case of contradiction between the results of these evaluations, Bureau Veritas Certification France has chosen to retain the most demanding"</p> <p>To be updated based on FSC and PEFC assessment.</p> <p><b>Justification</b></p> <p>Based on the above this indicator is covered.</p>	
<b>C.3 Accreditation and oversight</b>					
C.3.1	Accreditation	<b>C.3.1.1</b> The Scheme shall include a system for accreditation or oversight of Certification Bodies to ensure that CBs have in place the required procedures, capacity, and competencies.		<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The OLB scheme does not include Accreditation process. Owner of the standard (Bureau Veritas) is the entity that is conducting the audits and granting certification.</p>	Not Applicable

				<b>Justification</b>  Since the OLB scheme does not use certification bodies other than the scheme owner, BV, this indicator is not applicable.	
		<b>C.3.1.2</b> The Scheme shall ensure that the requirements and process for accreditation is publicly available.		<b>Findings</b>  <i>Scheme info</i>  The OLB scheme does not include Accreditation process. Owner of the standard (Bureau Veritas) is the entity that is conducting the audits and granting certification.  <b>Justification</b>  Since the OLB scheme does not use certification bodies other than the scheme owner, BV, this indicator is not applicable.	Not Applicable
		<b>C.3.1.3</b> The Scheme shall make publicly available, an up-to-date list and details of all accredited Certification Bodies		<b>Findings</b>  <i>Scheme info</i>  The OLB scheme does not include Accreditation process. Owner of the standard (Bureau Veritas) is the entity that is conducting the audits and granting certification.  <b>Justification</b>  Since the OLB scheme does not use certification bodies other than the scheme owner, BV, this indicator is not applicable.	Not Applicable

		<p><b>C.3.1.4</b> The Accreditation Body shall have mechanisms to ensure that relevant personnel are qualified and competent to evaluate Certification Body's performance in relation to Scheme requirements.</p>		<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The OLB scheme does not include Accreditation process. Owner of the standard (Bureau Veritas) is the entity that is conducting the audits and granting certification.</p> <p><b>Justification</b></p> <p>Since the OLB scheme does not use certification bodies other than the scheme owner, BV, this indicator is not applicable.</p>	Not Applicable
C.3.2	Oversight mechanism	<p><b>C.3.2.1</b> The Scheme shall ensure that the competence and consistent performance of Certification Bodies is regularly evaluated.</p> <p>Performance shall employ both desk-based AND field approaches, including:</p> <ul style="list-style-type: none"> <li>i) Stakeholder consultation</li> <li>ii) In-field evaluation of the performance of the Certification Body, whether via on-site inspections of certified forests/</li> </ul>		<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The OLB scheme does not include Accreditation process. Owner of the standard (Bureau Veritas) is the entity that is conducting the audits and granting certification.</p> <p><b>Justification</b></p> <p>Since the OLB scheme does not use certification bodies other than the scheme owner, BV, this indicator is not applicable.</p>	Not Applicable

		supply chain entities or witness audits of audit personnel.			
		<p><b>C.3.2.2</b> The Scheme shall include requirements that ensure that the oversight mechanism applies a clear basis for:</p> <ul style="list-style-type: none"> <li>i) establishing conformance;</li> <li>ii) raising corrective actions for non-conformance, and ensuring closure within timeframes to avoid legal non-compliance, and;</li> <li>iii) certification issue (or maintenance) decision making.</li> </ul>	<p>GP01 OLB EF</p> <p>7.1 DECISION DE CERTIFICATION</p> <p>Sur la base du rapport d'audit initial, des commentaires du candidat à la certification, la décision de certification est prise lors d'une réunion du Comité de certification dans un délai de deux mois après réception de tous ces documents.</p> <p>Avant de prendre la décision de certification, le Comité de certification peut demander un audit complémentaire afin de clarifier certaines parties.</p> <p>La décision de certification est prise par le Responsable du Département Forêt Boissur la base des éléments contenus dans le rapport final d'audit et après avoir reçu les preuves que toutes les non-conformités majeures ont été fermées et que l'entreprise est en conformité avec les exigences du référentiel.</p> <p><i>(similar language in GP01 OLB CoC)</i></p> <p>PL-CAM-CER-002 rev1.3., 12. NON CONFORMITES ET ACTIONS CORRECTIVES</p> <p>12.1. NON CONFORMITE</p> <p>Les écarts rencontrés au cours de l'audit sont notifiés par le responsable d'audit au représentant du candidat. L'entreprise peut apporter des éléments complémentaires pour démontrer la conformité aux exigences, si ces éléments sont disponibles.</p> <p>Les non-conformités ainsi formalisées doivent répondre aux 3 critères suivants :</p> <ul style="list-style-type: none"> <li>- Être objectives et motivées par le non-respect d'une exigence de la norme ou</li> </ul>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>Bureau Veritas impartiality Committee is part of the oversight mechanism applied by OLB for both, FM and CoC certification. According to the standard requirements, the Committee will meet once per year and check sample of certification files. No on-site assessment is done to oversight quality of the audit.</p> <p>Non-conformities are part of the certification scheme. According to the standard for CoC, the options are minor, major or recommendation. For FM: minor, major or observation. In justified cases, the OLB certificate may be suspended.</p> <p><u>Requirements for non-conformities are structured in a way that there is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months.</u></p> <p>This is described in the documents GP01 OLB EF_PL-CAM-CER-002 V1.3 And GP01 OLB COC_PL-CAM-CER-014 V2.4</p> <p><b>Justification</b></p>	Partially Covered

		<p>d'une disposition prévue par l'entreprise,</p> <ul style="list-style-type: none"> <li>- Être fondées sur des preuves factuelles et en aucun cas sur des présomptions,</li> <li>- Être comprises et acceptées par l'entreprise.</li> </ul> <p>Selon leur importance, les non-conformités apparaissent sous la forme de demandes d'actions correctives mineures ou de demandes d'actions correctives majeures.</p> <p><b>12.2. ACTIONS CORRECTIVES</b></p> <p>Il existe deux niveaux d'action corrective :</p> <ul style="list-style-type: none"> <li>- Demandes d'actions correctives mineures (DAC mineures) : l'entité peut être certifiée mais elle doit se mettre en conformité avec les exigences en question dans l'année qui suit l'audit initial et au plus tard avant le premier audit de surveillance</li> <li>- Demandes d'actions correctives majeures (DAC majeures) : l'entité ne peut pas être certifiée tant que les non-conformités majeures n'ont pas été corrigées. Un audit complémentaire spécifique aux non-conformités majeures et leurs actions correctives mises en œuvre aura lieu avant toute décision de certification.</li> </ul> <p>Si une non-conformité majeure est détectée durant un audit de surveillance, l'Entreprise doit démontrer que cette non-conformité a été résolue dans un délai relativement court (maximum de trois mois).</p> <p>Des Observations peuvent également être émises :</p> <p>Observations: commentaires concernant soit des dysfonctionnements ou des risques non traités par le référentiel, soit une adéquation imparfaite entre la gestion constatée sur le terrain et les exigences du référentiel OLB. L'entité peut être certifiée mais elle doit améliorer les points identifiés.</p> <p>L'entreprise peut proposer un plan d'actions, si elle le souhaite, et le transmettre au Responsable d'Audit ou le Responsable Technique de Bureau Veritas afin d'être validé avant sa mise en œuvre. Néanmoins, l'entreprise peut engager des actions correctives pour solutionner les non-conformités dès lors que les rapports de non-conformité ont été signés.</p> <p>L'original des rapports de non-conformité doit être complété par l'entreprise avec une description de l'action corrective mise en œuvre et retourné au Responsable d'Audit. Les actions mises en œuvre seront évaluées et validées durant le prochain audit de surveillance ou complémentaire par le Responsable</p>	Based on the above, this indicator is partially covered.	
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			<p>d'Audit et le Responsable Technique de Bureau Veritas.</p> <p><i>(similar language in GP01 OLB CoC)</i></p> <p>GP01 OLB EF 1.2 version 11 - Suspension et retrait du certificat</p> <p>Le Responsable Technique OLB de Bureau Veritas Certification ou le Comité de certification prend la décision de suspendre ou retirer un certificat si une(des) non-conformité(s) ont été identifiée(s) et qu'elle(s) n'a(ont) pas été traitée(s) dans le délai requis:</p> <ul style="list-style-type: none"> <li>• Si la non-conformité est due à une action involontaire, elle justifie un maintien conditionnel du certificat. Le certificat est maintenu sous réserve de la réalisation de la ou des actions correctives dans un délai défini.</li> <li>• Si la non-conformité est due à une action délibérée de l'entreprise, elle justifie, selon la gravité des faits, une suspension temporaire ou un retrait définitif et immédiat du certificat.</li> </ul> <p>En cas de non-respect grave et indiscutable des exigences du référentiel OLB ou des conditions d'usage du label OLB, Bureau Veritas Certification s'autorise à suspendre le certificat temporairement.</p> <p>Dans le cas d'une suspension, l'entreprise certifiée a un délai d'une semaine pour faire appel à cette décision et fournir des informations complémentaires ou des clarifications si nécessaires.</p> <p>Afin de lever la suspension, un audit complémentaire (par une vérification documentaire ou une évaluation de terrain) doit être réalisée afin de vérifier la mise en œuvre des actions correctives pour traiter les non-conformités identifiées.</p>		
		<p><b>C.3.2.3</b> The Scheme shall specify the approach to be used in oversight, ensuring that the oversight</p>	<p>SI OLB Process v10</p> <p>2. OLB Auditors</p> <p>Auditors are selected among Bureau Veritas Certification auditors. The chosen auditors must have the relevant knowledge of the audit fields he will be in charge of (industry, forestry, social, etc). Auditors shall meet the requirements of</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>As explained in the Specific Instruction for the OLB process, OLB auditors must comply with qualifications requirements and formally approved. The audit</p>	<p>Not Covered</p>



		<p>mechanism is independent of the Certification Bodies being assessed.</p>	<p>ISO 19011. If not, they shall be trained to ISO 19011 requirements.</p> <p>The qualification is confirmed by the WFD manager on the basis of:</p> <ul style="list-style-type: none"> <li>• A good knowledge of the OLB requirements (Forest Company and/or Chain of Custody)</li> <li>• An experience and/or knowledge of wood/forestry acquired by: <ul style="list-style-type: none"> <li>- initial training in the wood industry</li> <li>- consulting/expertise in wood/forestry</li> <li>- sale/trade of wood products or other similar material</li> <li>- a professional experience of at least one year in wood/forestry.</li> </ul> </li> </ul> <p>Approval will be made from CV and/or interview.</p> <ul style="list-style-type: none"> <li>• The applicant shall carry out at least two OLB audits in the relevant scheme (Forest Company and/or Chain of Custody) as a trainee/auditor, and provide a satisfactory contribution to be qualified as Lead Auditor.</li> </ul> <p>Knowledge maintenance and its assessment evolve with standards and certification measures. The WFD manager defines the necessary actions to take with auditors (information sharing, trainings, calibration meetings, etc).</p> <p>The list of qualified auditors is updated by the OLB product manager and auditors are recorded in WFD database.</p> <p>Auditors' qualification is maintained as they participate in at least one audit per year and/or attend an annual update and calibration training.</p> <p><b>4. Audit Report</b></p> <p>The process described in the BMS applies.</p> <p>The auditor issues a OLB audit report after each audit.</p> <p>The audit report explicitly mentions all the documents that were assessed and controlled.</p> <p>The audit report is examined by a WFD account manager who did not take part in the audit.</p> <p>GP01 OLB EF</p> <p>L'original des rapports de non-conformité doit être complété par l'entreprise avec une description de l'action corrective mise en œuvre et retourné au</p>	<p>reports are examined by a WFD (Wood Forest Division) account manager who did not take part in the audit.</p> <p>If Non-Conformities are issued during the audit, the corrective actions implemented by the company are evaluated and validated during the next supervisory or during an additional audit by the Audit Manager and the Technical Manager of Bureau Veritas.</p> <p>The certification decision is taken by the Head of the Forest-Timber Department on the basis of the elements contained in the final audit report and after having received proof that all major non-conformities have been closed and that the company is in accordance with the requirements of the standard.</p> <p>The Bureau Veritas Certification Committee meets once a year and all OLB certification files are presented for evaluation and comments in order to improve the performance of Bureau Veritas.</p> <p>The Certification Committee is made up of reference persons in all the components relating to certification and responsible forest management (environmental and social NGOs, associations, companies, etc.). The role of the Committee is to ensure the performance, integrity and credibility of the Forest-Wood Department system of Bureau Veritas Certification.</p> <p><b>Justification</b></p> <p>Because OLB scheme does not include any independent oversight apart from BV, this indicator is not covered.</p>	
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			<p>Responsable d'Audit Les actions mises en œuvre seront évaluées et validées durant le prochain audit de surveillance ou complémentaire par le Responsable d'Audit et le Responsable Technique de Bureau Veritas.</p> <p>7.1 - Décision de certification</p> <p>La décision de certification est prise par le Responsable du Département Forêt-Bois sur la base des éléments contenus dans le rapport final d'audit et après avoir reçu les preuves que toutes les non-conformités majeures ont été fermées et que l'entreprise est en conformité avec les exigences du référentiel.</p> <p>Le Comité de Bureau Veritas Certification se réunit une fois par an et tous les dossiers de certification OLB sont présentés pour évaluation et commentaires afin d'améliorer la performance de Bureau Veritas.</p> <p>Le Comité de certification est composé de personnes de référence dans toutes les composantes relatives à la certification et la gestion forestière responsable (ONG environnementales et sociales, associations, entreprise, etc.). Le rôle du Comité est de s'assurer de la performance, de l'intégrité et de la crédibilité du système du Département Forêt-Bois de Bureau Veritas Certification.</p> <p><u>(similar language is included in section 13 of GP01 OLB CoC)</u></p>		
		<p><b>C.3.2.4</b> The Scheme shall define the frequency of oversight or the procedure for determining the frequency, applicable in the case of risk-based oversight.</p>	<p>PL-CAM-CER-014 V2.4_GP01 OLB CoC, Surveillance audits</p> <p>Surveillance audits will take place at least annually but may be more frequent depending on the complexity of the operation and of the certificate holder's level of conformity, and on the time needed to resolve the non-conformities detected. For the companies that are already FSC and/or PEFC Chain of Custody certified by Bureau Veritas Certification, the surveillance audit can be done through a document review on the basis of the already existing FSC and/or PEFC audit reports, and of the chain of custody procedure which the company will have implemented to demonstrate compliance with the OLB standard's requirements. The companies that are not FSC and/or PEFC chain of custody certificate holder, will be audited on-site annually. Surveillance audits allow Bureau Veritas to monitor:</p> <ul style="list-style-type: none"> <li>- The conformity of the organization as assessed during the initial audit;</li> <li>The implementation of corrective actions to address minor nonconformities and eventual recommendations;</li> <li>- The correct use of the OLB trademark by the certified organization. If Bureau</li> </ul>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The OLB FM and COC certification procedures describe the frequency of surveillance audits, which take place every 12 months, with a flexibility of one month before or after the certificate anniversary date.</p> <p>As explained, "The surveillance audits to be performed are scheduled every year but could be more frequent depending on the complexity of the operations and the level of compliance of the certified entity, and the time required to resolve the non-conformities identified.</p> <p>In addition to annual surveillance audits, Bureau Veritas Certification may carry out unannounced</p>	Covered

		<p>Veritas Certification identifies significant non-conformities leading to one or several major corrective action requests during the period of validity of the certificate (maximum 5 years), the company is given a specific timeline determined by Bureau Veritas' audit team (3 months maximum) to implement the necessary corrective</p> <p>GP01 OLB EF</p> <p>10.1 - Audits de Surveillance</p> <p>Les audits de surveillance à réaliser sont programmés chaque année. Bureau Veritas Certification ou ASI peut également effectuer des contrôles inopinés dans les bureaux ou sur le terrain de l'organisme certifié.</p> <p>Les audits de surveillance à réaliser sont programmés chaque année mais pourraient être plus fréquents en fonction de la complexité des opérations et du niveau de conformité de l'entité certifiée, et du temps requis pour résoudre les non-conformités identifiées.</p> <p>En plus des audits de surveillance annuels, Bureau Veritas Certification peut procéder à des audits inopinés de l'entité certifiée ou des audits de suivi afin de s'assurer que les non-conformités identifiées ont été traitées et résolues dans le délai fixé.</p> <p>Les audits de surveillance permettent de contrôler :</p> <ul style="list-style-type: none"> <li>• La conformité de l'entité telle qu'évaluée lors de l'audit initial ;</li> <li>• La mise en œuvre des actions correctives mineures et des éventuelles observations ;</li> <li>• L'usage correct de la marque OLB par l'organisme certifié.</li> </ul> <p>Après chaque audit de surveillance, le résumé public sera mis à jour avec les nouvelles observations et éléments identifiés lors de l'audit. Ce résumé sera transmis à l'entreprise pour commentaires durant deux semaines. Le rapport sera publié une fois que celui-ci aura été validé par l'entreprise.</p> <p>Si Bureau Veritas Certification identifie des non-conformités significatives conduisant à une ou plusieurs demandes d'action corrective durant la période de validité du certificat (maximum de 5 ans), il est donné à l'entreprise un délai déterminé par l'équipe d'audit Bureau Veritas (3 mois maximum) pour mettre en œuvre les actions correctives. A la fin de cette période, un audit complémentaire</p>	<p>audits of the certified entity or follow-up audits to ensure that non-identified conformities were processed and resolved within the set deadline."</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered.</p>	
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			est réalisé (vérification documentaire ou évaluation sur le terrain). Selon le résultat de cette nouvelle évaluation, le certificat est maintenu ou suspendu pour une période de temps qui permettra à l'entreprise de corriger la(les) non-conformité(s) identifiée(s) et d'atteindre la conformité. Chaque année, l'organisme certifié fournit à Bureau Veritas Certification la liste des produits exploités et vendus issus de "forêts certifiées". L'organisme précise l'essence, la nature, la quantité ainsi que les coordonnées des clients de ses produits. Ces informations permettent de suivre les produits FSC après transfert de propriété.		
<b>C.4 Certification process</b>					
C.4.1	Compliance evaluation	<b>C.4.1.1</b> The Scheme shall include requirements that ensure that the Certification Bodies apply a clear basis for: i) establishing conformance; ii) raising corrective actions for non-compliance, and; iii) certification decision making.	<p>GP01 OLB EF</p> <p>6 - Non conformités et Actions correctives</p> <p>6.1 - Non conformités</p> <p>Les écarts rencontrés au cours de l'audit sont notifiés par le responsable d'audit au représentant du candidat. L'Entreprise peut apporter des éléments complémentaires pour démontrer la conformité aux exigences, si ces éléments sont disponibles.</p> <p>Les non-conformités ainsi formalisées doivent répondre aux 3 critères suivants :</p> <ul style="list-style-type: none"> <li>• Être objectives et motivées par le non respect d'une exigence de la norme ou d'une disposition prévue par l'entreprise,</li> <li>• Être fondées sur des preuves factuelles et en aucun cas sur des présomptions,</li> <li>• Être comprises et acceptées par l'entreprise.</li> </ul> <p>Selon leur importance, les non-conformités apparaissent sous la forme de demandes d'actions correctives mineures ou de demandes d'actions correctives majeures.</p> <p>6.2 - Actions correctives</p> <p>Il existe deux niveaux d'action corrective :</p> <ul style="list-style-type: none"> <li>• Demandes d'actions correctives mineures (DAC mineures) : l'entité peut être certifiée mais elle doit se mettre en conformité avec les exigences en question dans l'année qui suit l'audit initial et au plus tard avant le premier audit de surveillance ;</li> </ul>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The OLB scheme has defined a set of clear indicators to establish conformance. At the forest management level, a list of applicable legality documentation is also checked and adapted for each country.</p> <p>Auditors may raise two levels of corrective actions (applicable to both FM and COC):</p> <ul style="list-style-type: none"> <li>• Minor corrective action requests (Minor CAR): the entity can be certified but it must comply with the requirements in question within one year of the initial audit and at the latest before the first surveillance audit. ;</li> <li>• Major corrective action requests (major CARs): the entity cannot be certified until major non-conformities have been corrected. An additional audit specific to major non-conformities and their corrective actions implemented will take place before any certification decision. If a major non-compliance is detected during a surveillance audit, the Company must demonstrate that this non-compliance has been resolved within a relatively short period (maximum of three months).</li> </ul>	Covered

			<ul style="list-style-type: none"> <li>• Demandes d'actions correctives majeures (DAC majeures) : l'entité ne peut pas être certifiée tant que les non-conformités majeures n'ont pas été corrigées. Un audit complémentaire spécifique aux non-conformités majeures et leurs actions correctives mises en œuvre aura lieu avant toute décision de certification. Si une non-conformité majeure est détectée durant un audit de surveillance, l'Entreprise doit démontrer que cette non-conformité a été résolue dans un délai relativement court (maximum de trois mois).</li> </ul> <p>Des Observations peuvent également être émises</p> <p>7 - Certification</p> <p>7.1 - Décision de certification</p> <p>La décision de certification est prise par le Responsable du Département Forêt-Bois sur la base des éléments contenus dans le rapport final d'audit et après avoir reçu les preuves que toutes les non-conformités majeures ont été fermées et que l'entreprise est en conformité avec les exigences du référentiel.</p> <p><i>(Similar description for COC can be found in sections 12 and 13 of GP01 OLB EF).</i></p>	<p>Observations can also be issued.</p> <p>The certification decision is taken by the Head of the Forest-Timber Department on the basis of the elements contained in the final audit report and after having received proof that all major non-conformities have been closed and that the company is in accordance with the requirements of the standard.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is covered.</p>	
		<p><b>C.4.1.2</b> The Scheme requirements for establishing conformance should enable comparison with the definition of negligible and non-negligible risk as outlined in the EUTR and associated guides</p>	<p>PL-CAM-CER-002 rev1.3.,</p> <p>12. NON CONFORMITES ET ACTIONS CORRECTIVES</p> <p>12.1. NON CONFORMITE</p> <p>Les écarts rencontrés au cours de l'audit sont notifiés par le responsable d'audit au représentant du candidat. L'entreprise peut apporter des éléments complémentaires pour démontrer la conformité aux exigences, si ces éléments sont disponibles.</p> <p>Les non-conformités ainsi formalisées doivent répondre aux 3 critères suivants :</p> <ul style="list-style-type: none"> <li>- Être objectives et motivées par le non-respect d'une exigence de la norme ou d'une disposition prévue par l'entreprise,</li> <li>- Être fondées sur des preuves factuelles et en aucun cas sur des présomptions,</li> <li>- Être comprises et acceptées par l'entreprise.</li> </ul> <p>Selon leur importance, les non-conformités apparaissent sous la forme de</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The OLB systems is performance based, and all inputs must be verified against all the standard indicators.</p> <p>Each time an indicator is not met (in any of the standards, including the Supplier Evaluation Program, for which all inputs go through the full checklist – not risk based), a non-conformity (major or minor) is raised, and a corrective action must be implemented.</p> <p>In justified cases, the OLB certificate may be suspended.</p> <p>However, requirements for non-conformities are structured in a way that there is a potential risk that a</p>	Partially Covered

		<p>demandes d'actions correctives mineures ou de demandes d'actions correctives majeures.</p> <p>12.2. ACTIONS CORRECTIVES</p> <p>Il existe deux niveaux d'action corrective :</p> <ul style="list-style-type: none"> <li>- Demandes d'actions correctives mineures (DAC mineures) : l'entité peut être certifiée mais elle doit se mettre en conformité avec les exigences en question dans l'année qui suit l'audit initial et au plus tard avant le premier audit de surveillance</li> <li>- Demandes d'actions correctives majeures (DAC majeures) : l'entité ne peut pas être certifiée tant que les non-conformités majeures n'ont pas été corrigées. Un audit complémentaire spécifique aux non-conformités majeures et leurs actions correctives mises en œuvre aura lieu avant toute décision de certification.</li> </ul> <p>Si une non-conformité majeure est détectée durant un audit de surveillance, l'Entreprise doit démontrer que cette non-conformité a été résolue dans un délai relativement court (maximum de trois mois).</p> <p>Des Observations peuvent également être émises: Observations: commentaires concernant soit des dysfonctionnements ou des risques non traités par le référentiel, soit une adéquation imparfaite entre la gestion constatée sur le terrain et les exigences du référentiel OLB. L'entité peut être certifiée mais elle doit améliorer les points identifiés.</p> <p>L'entreprise peut proposer un plan d'actions, si elle le souhaite, et le transmettre au Responsable d'Audit ou le Responsable Technique de Bureau Veritas afin d'être validé avant sa mise en œuvre.</p> <p>Néanmoins, l'entreprise peut engager des actions correctives pour solutionner les non-conformités dès lors que les rapports de non-conformité ont été signés.</p> <p>L'original des rapports de non-conformité doit être complété par l'entreprise avec une description de l'action corrective mise en œuvre et retourné au Responsable d'Audit. Les actions mises en œuvre seront évaluées et validées durant le prochain audit de surveillance ou complémentaire par le Responsable d'Audit et le Responsable Technique de Bureau Veritas.</p>	<p>non-conformity may represent an infringement of legislation and that, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is partially covered.</p>	
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		<p>PL-CAM-CER-014 V2.4_GP01 OLB CoC 13.1,</p> <p>12. NON-CONFORMITIES AND CORRECTIVE ACTIONS</p> <p>12.1. NON-CONFORMITIES</p> <p>The non-conformities identified during the audit are presented and commented to the applicant by the Lead Auditor. The company can then provide additional information required to demonstrate conformity, if available. The non-conformities shall always meet the 3 following criteria:</p> <ul style="list-style-type: none"> <li>- Be objective and motivated by failure to meet a specific standard requirement.</li> <li>- Be based on facts and documented evidence.</li> <li>- Be understood and accepted by the Applicant.</li> </ul> <p>According to their importance, non-conformities can be raised as minor corrective actions requests or major corrective actions requests.</p> <p>12.2. CORRECTIVE ACTIONS There are two types of corrective action:</p> <ul style="list-style-type: none"> <li>- Minor corrective actions requests (minor CAR): the entity can be certified but it must demonstrate conformity with the standard's requirements within 12 months following the initial audit and at the latest before the following surveillance audit;</li> <li>- Major corrective actions requests (major CAR): the entity cannot be certified as long as the major nonconformity has not been corrected. A complementary audit focused on an evaluation of the major non-conformity and corrective actions implemented shall take place before any certification decision.</li> </ul> <p>If a major nonconformity is detected during a surveillance audit, the applicant entity shall demonstrate that the nonconformity has been addressed within a relatively short time frame (maximum of three months).</p> <p>Recommendations can also be presented:</p> <ul style="list-style-type: none"> <li>- Recommendations: remarks concerning either dysfunctions, or a threat which is not dealt with by the standard, or potential improvements detected by the auditors, but for an element which, however, meets the standard requirements. The entity can be certified but it has to take into consideration the weakness highlighted.</li> </ul> <p>The entity can propose a corrective action plan, if it wishes to do so, and send it to Bureau Veritas' auditors and Technical manager so as to have it approved</p>		
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			<p>before implementation. Nonetheless, the Applicant can also start implementing corrective actions to solve the nonconformities as soon as the non-conformity reports have been signed.</p> <p>The original nonconformity reports must be filled in by the Company with a description of the corrective action implemented and returned to the Lead Auditor. The action taken will be assessed and validated during the following surveillance/complementary audit by the auditors and the Bureau Veritas Certification Technical manager.</p> <p>GP01 OLB EF 1.2 version</p> <p>11 - Suspension et retrait du certificat</p> <p>Le Responsable Technique OLB de Bureau Veritas Certification ou le Comité de certification prend la décision de suspendre ou retirer un certificat si une (des) non-conformité(s) ont été identifiée(s) et qu'elle(s) n'a(ont) pas été traitée(s) dans le délai requis:</p> <ul style="list-style-type: none"> <li>• Si la non-conformité est due à une action involontaire, elle justifie un maintien conditionnel du certificat. Le certificat est maintenu sous réserve de la réalisation de la ou des actions correctives dans un délai défini.</li> <li>• Si la non-conformité est due à une action délibérée de l'entreprise, elle justifie, selon la gravité des faits, une suspension temporaire ou un retrait définitif et immédiat du certificat.</li> </ul> <p>En cas de non-respect grave et indiscutable des exigences du référentiel OLB ou des conditions d'usage du label OLB, Bureau Veritas Certification s'autorise à suspendre le certificat temporairement.</p> <p>Dans le cas d'une suspension, l'entreprise certifiée a un délai d'une semaine pour faire appel à cette décision et fournir des informations complémentaires ou des clarifications si nécessaires.</p> <p>Afin de lever la suspension, un audit complémentaire (par une vérification documentaire ou une évaluation de terrain) doit être réalisée afin de vérifier la mise en œuvre des actions correctives pour traiter les non-conformités identifiées.</p>		
3.2.2		<b>C.4.1.3</b> The Scheme shall include	<p>Réf: RF03 OLB CdC v3.6</p> <p>1.1.7 - L'entreprise s'assure que toute transaction commerciale (achat et</p>	<b>Findings</b>	Not Covered



		<p>requirements that ensure that the above requirements are in line with the requirements of the EUTR to prohibit illegal material or material with a non-negligible risk category being placed on the EU market.</p>	<p>vente) de bois se fasse en conformité avec les lois et réglementations nationales et internationales applicables, y compris celles relatives au transport et à la commercialisation des bois.</p> <p>1.4.5 - En cas d'approvisionnement en bois non certifiés, l'entreprise s'assure et démontre que ceux-ci ne proviennent pas de sources illégales.</p> <p>Méthode d'évaluation : mise en place d'une diligence raisonnable voir ANNEXE 1</p>	<p><i>Scheme info</i></p> <p>This indicator only applies to COC companies, which shall "ensure that any commercial transaction (purchase and sale) of timber is carried out in accordance with applicable national and international laws and regulations, including those relating to the transport and marketing of timber".</p> <p>The concepts of "negligible" and "non-negligible" risks are not used in the standard, which is performance based and not risk-based. Like other performance-based certification systems, it may occur that a company has placed products in the EU market with non-conformities (in which case a corrective action is required to maintain certification).</p> <p>The criteria and indicators evaluated during the performance-based evaluation at the forest management level are comprehensive and aligned with the EUTR requirements.</p> <p>At the COC level, the standard has also been developed to align with the EUTR requirements, and therefore, when correctly implemented, OLB COC companies sourcing solely from OLB forests may qualify these inputs as "negligible risk".</p> <p>OLB COC certificate holders using the credit system may mix OLB certified and non OLB inputs, provided that the non-OLB inputs either:</p> <ul style="list-style-type: none"> <li>- Are certified against an approved scheme, FSC, PEFC endorsed schemes, BV DDS or Legal Source. No further checks are made to these inputs, and all claims (including Mix) are accepted. To conclude if these sources are considered negligible risk...</li> <li>- Comply with the requirements in Annex 1 of the COC std ("Supplier Evaluation Program"). In this case, the robustness of</li> </ul>	
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				<p>the legality evaluation will be impacted by the competence of the certificate holder's assessors. During the annual surveillance audits, the OLB auditor checks the quality of the Supplier Evaluation Program implemented by the certificate holder, which mitigates potential risks.</p> <p>Also, requirements for non-conformities are structured in a way that there is a potential risk that a non-conformity may represent an infringement of legislation and that, as a result, illegal wood may enter the EU market without mitigation measures to prevent this from occurring for a period of up to 3 or 12 months.</p> <p><b>Justification</b></p> <p>Based on the above, this indicator is not covered.</p>	
		<p><b>C.4.1.4</b> the Scheme shall include requirements that ensure that the decision process to certify organisations, or maintain certification of CHs, is free from conflict of interest and includes checks and balances.</p>	<p>GP01 OLB EF 1.2 version</p> <p>7.1 - Décision de certification</p> <p>La décision de certification est prise par le Responsable du Département Forêt-Bois sur la base des éléments contenus dans le rapport final d'audit et après avoir reçu les preuves que toutes les non-conformités majeures ont été fermées et que l'entreprise est en conformité avec les exigences du référentiel.</p> <p>Le Comité de Bureau Veritas Certification se réunit une fois par an et tous les dossiers de certification OLB sont présentés pour évaluation et commentaires afin d'améliorer la performance de Bureau Veritas.</p> <p>Le Comité de certification est composé de personnes de référence dans toutes les composantes relatives à la certification et la gestion forestière responsable (ONG environnementales et sociales, associations, entreprise, etc.). Le rôle du Comité est de s'assurer de la performance, de l'intégrité et de la crédibilité du système du Département Forêt-Bois de Bureau Veritas Certification.</p> <p>11 - Suspension et retrait du certificat</p> <p>Le Responsable Technique OLB de Bureau Veritas Certification ou le Comité de certification prend la décision de suspendre ou retirer un certificat si une (des)</p>	<p><b>Findings</b></p> <p><i>Scheme info</i></p> <p>The scheme owner (Bureau Veritas) includes a policy related to impartiality for all certification services that they are providing. In addition, PL-CAM-CER-002 rev1.3., 9.1 and PL-CAM-CER-014 V2.4_GP01 OLB CoC 9.1 state that Bureau Veritas recruits only specialists that are independent.</p> <p>The Bureau Veritas Certification Committee meets once a year and all OLB certification files are presented for evaluation and comments in order to improve the performance of Bureau Veritas.</p> <p>The Certification Committee is made up of reference persons in all the components relating to certification and responsible forest management (environmental and social NGOs, associations, companies, etc.). The role of the Committee is to ensure the performance,</p>	Covered

		<p>non-conformité(s) ont été identifiée(s) et qu'elle(s) n'a(ont) pas été traitée(s) dans le délai requis :</p> <ul style="list-style-type: none"> <li>• Si la non-conformité est due à une action involontaire, elle justifie un maintien conditionnel du certificat. Le certificat est maintenu sous réserve de la réalisation de la ou des actions correctives dans un délai défini.</li> <li>• Si la non-conformité est due à une action délibérée de l'entreprise, elle justifie, selon la gravité des faits, une suspension temporaire ou un retrait définitif et immédiat du certificat.</li> </ul> <p>En cas de non-respect grave et indiscutable des exigences du référentiel OLB ou des conditions d'usage du label OLB, Bureau Veritas Certification s'autorise à suspendre le certificat temporairement.</p> <p>Dans le cas d'une suspension, l'entreprise certifiée a un délai d'une semaine pour faire appel à cette décision et fournir des informations complémentaires ou des clarifications si nécessaires.</p> <p>Afin de lever la suspension, un audit complémentaire (par une vérification documentaire ou une évaluation de terrain) doit être réalisée afin de vérifier la mise en œuvre des actions correctives pour traiter les non-conformités identifiées.</p> <p>PL-CAM-CER-015</p> <p>7.2.6 Responsable de la décision de certification</p> <p>[...] Le responsable de la décision de certification doit observer le principe d'impartialité. En effet :</p> <ul style="list-style-type: none"> <li>- Aucun conflit d'intérêts, y compris financier ou autre intérêt commercial, dans la prise de décision de certification</li> <li>- Spécifiquement, le responsable de la décision de certification ne doit avoir participé à l'audit pour lequel il prend la décision de certification ni en tant qu'auditeur principal, auditeur, observateur ni en tant qu'expert technique.</li> </ul> <p>9.5.7. Impartialité du processus décisionnel</p> <p>Le comité d'impartialité examine les processus d'audit, de certification et de prise de décision. Cela peut être réalisé par un membre externe (ou interne n'ayant pas pris part au processus de certification), en vérifiant dans un</p>	<p>integrity and credibility of the Forest-Wood Department system of Bureau Veritas Certification.</p> <p>The OLB certification procedures handbook (PL-CAM-CER-015) explains in further detail how the members of the Certification Committee must be free from conflict of interest.</p> <p><i>Direct interviews/ discussions / Stakeholder input</i></p> <p>In reaction to the original conclusion 'partially covered' and the justification "Part of this indicator is not met: the process to ensure that certification decisions from the Certification Committee are free from conflict of interest is not clear", BV points out:</p> <p>Dans le manuel de procédures OLB la prévention des conflits d'intérêt est présentée au 7.2.6. (Note: this manual had not been reviewed in previous draft versions of this assessment report)</p> <p><b>Justification</b></p> <p>BV's input has been taken into account and this indicator is covered.</p>	
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		<p>échantillon de fichiers de BV Douala Dpt CER-FOR les processus et en présentant les résultats de leur évaluation à une réunion du comité d'impartialité.</p> <p>BV Douala Dpt CER-FOR doit :</p> <ul style="list-style-type: none"> <li>- Inviter le ou les membres à effectuer l'examen</li> <li>- S'assurer que la « déclaration de confidentialité et de conflit d'intérêts » est signée</li> <li>- Fournir la liste complète des certifications accordées dans la période considérée</li> </ul> <p>Les membres sélectionnent des échantillons de cette liste et BV Douala Dpt CER-FOR donne accès à tous les enregistrements du processus d'audit, de certification et de prise de décision.</p> <p>Cette revue comprend :</p> <ul style="list-style-type: none"> <li>- Les auditeurs/vérificateurs ont-ils été utilisés sans conflit d'intérêts avec le client ?</li> <li>- Existe-t-il d'autres éléments indiquant que Bureau Veritas fournit des services au client qui pourraient être en conflit avec les services de certification ?</li> <li>- Y a-t-il eu des preuves de la décision prise par un membre de l'équipe d'audit ?</li> <li>- Y a-t-il eu d'autres indications selon lesquelles les processus de certification d'audit et de prise de décision n'ont pas été réalisés de manière impartiale ?</li> </ul> <p>Cet examen peut être effectué avant la réunion sur l'impartialité ou dans le cadre de la réunion sur l'impartialité, de sorte que les résultats de l'examen font partie de l'ordre du jour de la réunion. BV Douala Dpt CER-FOR doit répondre à toute question soulevée dans cette revue.</p>		
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## About us

Preferred by Nature (formerly NEPCon) is an international non-profit organisation working to support better land management and business practices that benefit people, nature and the climate. We do this through a unique combination of sustainability certification services, projects supporting awareness raising, and capacity building.

For more than 25 years, we have worked to develop practical solutions to drive positive impacts in production landscapes and supply chains in 100+ countries. We focus on land use, primarily through forest, agriculture and climate impact commodities, and related sectors such as tourism and conservation. Learn more at [www.preferredbynature.org](http://www.preferredbynature.org)

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