

AMERICAN NATIONAL STANDARD FOR DUE DILIGENCE IN PROCURING/SOURCING LEGAL TIMBER

ANS LTDD 2.0 2023
Approved July 21, 2023



American National
Standards Institute
www.ansi.org

Consensus Standards
Organization



**DECORATIVE
HARDWOODS**
Association™

Decorative Hardwoods
Association (formerly HPVA®)
www.decorativehardwoods.org

ANSI Accredited
Standards Developer

ANS for Due Diligence in Procuring/Sourcing Legal Timber

ANSI LTDD 2.0 2023

Abstract

This consensus voluntary Standard serves to document a common understanding of the most suitable internal Due Diligence Quality Assurance Program for establishing confidence that Illegal Timber is excluded from the Timber supply chain. Application of this Standard helps enable both suppliers and customers to conduct Due Care under the U.S. Lacey Act, and supports conformity with the EU Timber Regulation and other legal Timber requirements worldwide. The flexibility of this Standard's structure facilitates its incorporation into a company's existing legality and Chain of Custody programs. Entities may choose to self-certify or to engage a third party, with or without ISO/IEC 17065 or ISO/IEC 17021 credentials, to perform an independent audit against the requirements of this Standard.

This page is intentionally left blank.

Contents

1.0	PURPOSE	1
2.0	SCOPE	1
3.0	DEFINITIONS	2
4.0	MANAGEMENT PROGRAM	6
4.1	System Personnel.....	6
4.2	Procurement Policy Statement.....	6
4.3	Infrastructure and Control Systems.....	6
4.4	<i>Document Control System</i>	7
4.5	Management Review.....	7
5.0	RISK ASSESSMENT PROCESS	7
	<i>Figure 1. Due Diligence Risk Evaluation</i>	8
5.1	<i>Country of Harvest</i>	9
5.2	Species Identification.....	9
5.3	Supply Chain.....	10
5.4	Update.....	10
5.5	<i>Due Diligence Matrix</i>	10
	<i>Table 1. Due Diligence Matrix with Suggested Risk Mitigation Factors</i>	11
6.0	DUE DILIGENCE PROGRAM – IMPORTERS AND MANUFACTURERS	12
6.1	Quadrant A Evaluation Elements.....	12
6.2	Quadrant B Evaluation Elements.....	13
6.3	Quadrant C Evaluation Elements.....	13
6.4	Quadrant D Evaluation Elements.....	15
7.0	ESTABLISHMENT OF A DOCUMENT CONTROL SYSTEM	16
7.1	Document Retention and Renewal.....	16
7.2	Timetables.....	16
7.3	Confidentiality.....	16
7.4	Control Procedures.....	16
7.5	Improvement Programs.....	16
8.0	INSPECTION, VERIFICATION AND AUDIT PROCEDURES	17
8.1	Internal Audits.....	17
8.2	Third-Party Audits.....	17
8.3	Accredited Third-Party Audits.....	17
	<i>Figure 2. An Example From an FSC Certified Concession in the Republic of Congo of How Wood May be Marked (Quadrant D – Highest Risk Category).</i>	18
9.0	APPENDICES	20
A.1	Policy Statement.....	20
A.2	Relevant Industry Standards to Maintain Coordinator Competency.....	22

A.3	Resources for Country Risk Assessments	23
A.4	Sustainable Forest Certification, Third-Party Legality Verification Programs and Other Standard Practices and Resources	25
A.5	Example Supplier Questionnaire and Checklist.....	27
A.6	Examples of High-Risk Suppliers	28
A.7	Examples of Timber Species References	30
A.8	Example of Declaration of Legality and Origin.....	32
A.9	Due Diligence Program for Downstream Entities (Fabricators, Distributors and Retailers)	33
A.10	Legal Timber Verification Technologies	34



Community Sawmill. FORESCOM, in the Peten Department of Guatemala (various species). Photo courtesy of EIA-US.

Foreword

(This Foreword is not a part of the American National Standard for Due Diligence in Procuring/Sourcing Legal Timber. ANS LTDD 2.0 – 2023)

This American National Standard for Due Diligence in Procuring/Sourcing Legal Timber, ANS LTDD 2.0 – 2023, is sponsored by the Hardwood Plywood and Veneer Association® (HPVA®), DBA Decorative Hardwoods Association (DHA), and developed under the Procedures for Development of American National Standards. This Standard is a revision of the ANS LTDD 1.0 2015, the first national consensus Standard for providing a Quality Assurance Program to assist in conducting Due Diligence determination of the legality of Timber in global commerce. Conformance to this Standard is intended to encourage the use of wood and wood products.

The U.S. National Technology Transfer Act of 1995 supports the use of technical standards that are developed or adopted by voluntary consensus standards bodies to carry out policy objectives or activities, including procurement and regulatory activities. The Act states “Technical Standards” include “[...] procurement guidelines; sampling procedures; business practices; management systems.” ANS LTDD 2.0 – 2023 is a management system for assessing procurement of legal Timber.

Consensus for this Standard was achieved by use of the “**ANSI Essential Requirements: Due Process Requirements for American National Standards**” and the ANSI-accredited HPVA® Procedures for the Development of American National Standards. The following organizations, recognized as having an interest in legal Timber and wood products that they purchase or sell and other interested parties, were contacted prior to the approval of this Standard. Inclusion in this list does not necessarily imply that the organization concurred with the proposed Standard as submitted to ANSI.

American Forest & Paper Association	National Alliance of Forest Owners
American Hardwood Export Council	National Wood Flooring Association
American Wood Council	Sustainable Forestry Initiative
Environmental Investigation Agency	Veneer Technologies / Atlantic Veneer
GreenWoodGlobal Consulting, Ltd	World Forest ID
International Wood Products Association	World Wildlife Fund
Kitchen Cabinet Manufacturers Association	

Published by
 Hardwood Plywood and Veneer Association®, DBA Decorative Hardwoods Association
 42777 Trade West Drive
 Sterling, VA 20166
 Telephone: (703) 435-2900 FAX: (703) 435-2537
 Website: www.decorativehardwoods.org

*Publication
 Printing History:
 2023 – PDF Only*

Copyright © 2023 by the Hardwood Plywood and Veneer Association®.
 No part of this publication may be reproduced in any form, in an electronic retrieval system or otherwise, without prior permission of the publisher.

1.0 Purpose

The purpose of this Standard is to document the best internal Due Diligence Quality Assurance Program for establishing confidence that Illegal Timber is excluded from the Timber supply chain. Entities may choose to self-certify or to engage a third party, with or without ISO/IEC17065 or ISO/IEC 17021 credentials, to perform an independent audit against the requirements of this Standard.

2.0 Scope

This Standard is intended to assist companies in establishing a suitable Quality Assurance Program to significantly reduce the risk of Illegal Timber and wood products entering their supply chain and to demonstrate the level of Due Diligence in controlling associated risk.

The scope of this Standard covers importing, exporting, and interstate commerce of Timber and wood products with a North American focus and could have international implications for Timber in international commerce.

This Standard is not a Chain of Custody scheme, a legal verification system or sustainability certification. This Standard does not constitute legal advice for Due Diligence compliance or guarantee that legal authorities will accept conformance to this Standard as an absolute defense to legal enforcement.

The official language of this Standard is English.

3.0 Definitions

All definitions used within the body of this Standard are capitalized and italicized.

Applicable Law(s) – The statutes, regulations, and binding administrative directives in force in the *Country of Harvest* at the time of harvest, that are required by national *Due Diligence* schemes to demonstrate legal harvest. Examples include:

- for *Timber* subject to the *EU Timber Regulation (EUTR)*, these include: rights to harvest *Timber* within legal boundaries; payments for harvest rights and *Timber* including duties related to *Timber* harvesting; stumpage fees; *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.
- for *Timber* subject to Australia's law, *Illegal Logging Prohibition Act 2012*, the harmful impacts of *Illegal Logging* are reduced by restricting the importation and sale of illegally logged *Timber* products in Australia. Both *Importers* and processors are required to comply with *Due Diligence* requirements.
- for *Timber* subject to the U.S. *Lacey Act*, it is unlawful for any person to import, export, transport, sell, receive, acquire or purchase any fish or wildlife or plant taken, possessed, transported or sold in violation of any law, treaty or regulation of the United States, state, an Indian tribal or any foreign law that protects plants (see 16 USC Chapter 53 (16 USC 3371-3378)). In addition, **Section 3** of the Act, as amended, makes it unlawful to import certain plants, including plant products, without an import declaration.
- for *Timber* in any other jurisdiction or country with legal requirements on *Illegal Timber* harvesting, logging, purchase or use.

Certification Number(s) – A numerical tracking and search tool for reference purposes to aid in the determination of whether a company and a particular product are correctly identified and scoped in the certification scheme.

Chain of Custody (COC) – A system of procedures and documentation that tracks the custodianship of forest materials or wood-based products by invoice or other verifiable records through all life-cycle stages from the forest to the end-use.

Conflict Timber – *Timber* that has been traded at some point in the *Chain of Custody* by armed groups, be they rebel factions or regular soldiers, or by a civilian administration involved in armed conflict or its representatives, either to perpetuate conflict or take advantage of conflict situations for personal gain. *Conflict Timber* is not necessarily illegal.

Coordinator – That person assigned by the *Entity's Top Management*, which may include *Top Management*, to maintain the quality control systems according to this Standard.

Country of Harvest – The country from which the *Timber* or the *Timber* embedded in the products was taken or harvested. This definition is to be distinguished from country of origin as defined in

19 CFR 134.1 pertaining to customs regulations and often indicates the last country of substantial transformation and not the original *Country of Harvest*. In some cases, the *Country of Harvest* may need to be broken down further because of very different legal regimes at the subnational level.

Distributor(s)– An *Entity* who stores, sells, or transfers goods or commodities to customers which may be secondary *Manufacturers (Fabricators)*, *Retailers* or consumers.

Document Control System(s) (DCS) – The means for maintaining an organization’s documents and records, digital or physical, from the time they are created to their eventual disposal. This may include classifying, storing, securing and destruction of records.

Due Care – The conduct that a reasonable person will exercise in a particular situation to avoid negligence. See the definition of [Reasonable Person Standard](#) below.

Due Diligence – A risk evaluation system of preventing unnecessary harm to either party involved in a transaction prior to establishing a relationship in the exercise of *Due Care*. In order to avoid harm to other persons or their property, the process should also periodically evaluate each relationship as long as a relationship exists. *Due Diligence* is a common element in each *Applicable Law* referenced in this Standard. There is international legal recognition that a *Due Diligence* program encompasses the efforts of a reasonable (informed) person (see definition below) to identify, evaluate, and mitigate risk.

Due Diligence Control Officer [EUTR, FSC] – See “[Coordinator](#).”

Entity (Entities) – A business or commercial organization or establishment doing business as a corporation, partnership, sole proprietorship or other enterprise conforming to this Standard. For purposes of the *EU Timber Regulation*, an *Entity* that places *Timber* or *Timber* products on the EU market for the first time is the operator.

EU Timber Regulation (EUTR) – The *EUTR* makes it illegal to place illegally harvested *Timber* and *Timber* products on the EU market. See Regulation (EU) No 995/2010, http://ec.europa.eu/environment/forests/Timber_regulation.htm. All *Importers* of record into the EU must be third-party certified to *EUTR* regulations by authorized monitoring organizations. See “[Applicable Laws](#)” for more information.

Exporter – An *Entity* who sells goods and services produced in one country into another country for the purpose of sale or distribution.

Fabricator(s) – An *Entity* other than a *Manufacturer* (primary or secondary) that builds, constructs, assembles or manufactures finished goods by assembling parts.

Forest Certification Scheme (FCS) – A system for certifying that forests and plantations are being managed according to the principles or criteria of a specified forest management standard.

Forest Management Unit (FMU) – A clearly demarcated area of land covered predominantly by forests and managed to a set of explicit objectives and according to a long-term forest management plan. An *FMU* may be within a larger concession area.

Forest Owner – An *Entity* or individual having the legal right to possess woodlands and sell the *Timber* thereon.

Illegal Harvesting – *Timber* that is cut or removed without the required license or in breach of a harvesting license or law. This includes logs that are stolen.

Illegal Logging – Harvesting or trading of logs in violation of relevant national or subnational laws, or access to forest resources or trade in forest products that is authorized through corrupt practices.

Illegal Logging Prohibition Act of 2012 – Australia’s law addressing *Illegal Timber* and the websites for this legislation are at <http://www.comlaw.gov.au/Details/C2012A00166> and the departmental website about the legislation is at www.daff.gov.au/illegallogging.

Illegal Timber – *Timber* that is logged, harvested or traded in violation of *Applicable Law*.

Illegal Trading – Trade in *Timber* or a product containing *Timber* bought, sold, exported or imported and processed in breach of the laws, including laws implemented under the Convention on International Trade in Endangered Species.

Importer – An *Entity* who brings in or introduces products from another country for the purpose of sale or commercial sampling.

Lacey Act – See “[Applicable Laws](#).”

Legality Verification – The source of *Timber* has provided the purchaser with proof that, in addition to having a legal right to harvest, the harvesting *Entity* complied with the law when harvesting the *Timber* and that the *Timber* was legally exported or imported.

Manufacturer – An *Entity* in the business of making goods or articles by hand or by machine for the first time (**primary Manufacturer**) or manufactured from something primary or original by coming after the first in a series of processes (**secondary Manufacturer**).

Pass-through Contract(s) – An agreement in which a buyer imposes a contractual requirement on its immediate supplier, and requires the immediate supplier to impose the same requirement in turn on its suppliers, etc., progressing up the supply chain.

Discussion – a *Pass-through Contract* may require the supplier to agree to an independent audit, on mutually agreeable terms and conditions, to ensure the supplier has passed the requirements on to its suppliers. *Pass-through Contracts* are usually not necessary because buyers have recourse against their direct suppliers for breach of express or implied warranties or other contractual obligations. They may be needed, however, where a buyer wants to impose an obligation, such as collecting certain information, beyond its immediate supplier but needs to avoid asking its supplier to disclose the identity of its suppliers or other confidential or competitively sensitive information. Third-party certification is an alternative to *Pass-through Contracts*.

Quality Assurance Program – A system in place to verify and maintain a desired level of quality in a product or process by use of appropriate methods.

Reasonable Person Standard – The degree of care that a person of ordinary prudence, skill, ability, and judgment which, if not met, constitutes negligence. Such a standard may be imposed by contract or by operation of law in the absence of a contract. This term implies the performance of duties and services by a professional that is consistent with the level of performance provided by reputable professionals in the same geographical area at the same period of time and is reasonably commensurate with a known danger and the seriousness of the consequences that are liable to follow its omission. *Due Care* may be either ordinary care or a high degree of care, according to the circumstances of the particular case. Knowledge should be common to everyone in a particular community.

Retailer(s) – An *Entity* who sells goods or articles directly to consumers.

Standard Business Documentation – Written or digital records frequently used by the relevant industry which may include, but are not limited to contracts, purchase orders, receipts, invoices, *Timber* sales, transport records, bills of lading, trip tickets, shipping records, import records, customs records, government inspections, standard seals, titles/numbers, reports or audits for the transaction in question.

Timber – The wood of growing trees, including logs, suitable for wood products such as lumber, veneer, chips, shavings, sawdust, bark, pulp, paper and other wood products from these materials excluding recycled wood materials.

Timber Owner – an *Entity* or individual with the legal right to sell *Timber*.

Top Management – The individual(s) within an *Entity* who has operational responsibility for legal and regulatory compliance of those operations.

4.0 Management Program

The *Entity* shall establish a *Quality Assurance Program* in order to implement a *Due Diligence* program. The key elements of the *Quality Assurance Program* are a purchasing policy, qualified personnel responsible for the management of the program, infrastructure and control systems, and a document control program.

- 4.1 System Personnel** – The *Entity* shall designate a competent *Coordinator(s)* to manage the requirements of this Standard (see [Appendix A.2](#)). The *Coordinator(s)* should have the required knowledge and skills necessary to effectively perform the *Due Diligence* elements of the standard necessary to achieve the intended results.
- 4.2 Procurement Policy Statement** – The *Coordinator* shall prepare a procurement policy statement, approved and supported by *Top Management*, which should minimally include the following:
- 4.2.1** Statement as to the scope of the commitment of the company to avoid the knowing purchase or trade in *Illegal Timber*;
 - 4.2.2** Statement as to the strategy of the company to achieve the goal of purchasing and trading only legal *Timber*;
 - 4.2.3** Statement as to the sources of *Illegal Timber* that will be avoided or systematically eliminated from the supply chain; and
 - 4.2.4** Statement as to the specific actions taken to establish confidence that *Illegal Timber* is excluded from the *Timber* supply chain or if existing suppliers are noncompliant or uncooperative or *Illegal Timber* is found in the supply chain (see examples in [Appendix A.1](#) and [A.5](#)).
- 4.3 Infrastructure and Control Systems** – The *Coordinator* shall establish a *Quality Assurance Program* to implement the requirements of this Standard (**Sections 4.0** through **9.0**). The quality and *Document Control Systems* may be incorporated into a larger audited system used by the *Entity*, such as ISO 9001 or ISO 14001.
- 4.3.1 Database of Suppliers and Tree Species** – The *Coordinator* shall maintain a database of suppliers that minimally includes the identification and contact information for direct and, where applicable, indirect suppliers, species handled or supplied, including all component species, *Country of Harvest* of those species, and, where applicable, *Certification Numbers* and licenses, declarations, and other records associated with its *Timber* purchases. The same database shall contain the resulting risk assessment related to that supplier (see [Section 5.3](#)).
 - 4.3.2 Database of Country/Region Information** – The *Coordinator* shall maintain a database of *Country of Harvest* for each of its suppliers, with an assessment of whether any given country and species growing there are substantially impacted by *Illegal Logging* and therefore identified as high risk, using publicly available

information (see [Appendix A.3](#)). The *Coordinator* shall stay informed of developments in the relevant *Country of Harvest* and update the database accordingly.

4.3.3 Current Reference Material – The *Coordinator* shall maintain current reference material according to the *Document Control System* (see [Section 7.0](#)).

4.3.4 Misconduct Awareness and Reporting – All *Entity* personnel are responsible for making good faith reports of any potential misconduct they believe exists. Knowledge of how to report and receive feedback to these reports shall be communicated to all personnel.¹ The *Coordinator* shall have a procedure and process for reviewing and resolving any reports.

4.4 **Document Control System** – The Operator shall establish and maintain a *Document Control System* to ensure the current status of all documents and references required by this Standard (see [Section 7.0](#)).

4.5 **Management Review** – Review of the *Quality Assurance Program* shall be performed by the *Coordinator* at regular intervals to evaluate and report system performance to *Top Management*. Management reviews shall include consideration of customer feedback, system performance, nonconformities, audits, and changes needed to improve system effectiveness. Records of management review outcomes shall be kept and include decisions and actions taken for continuous improvement to the quality management system.

5.0 Risk Assessment Process

Entities shall be responsible for researching available information to perform a risk assessment, at the species level, to determine whether: a) the *Country of Harvest* is substantially impacted by *Illegal Logging* and therefore is at a high risk as a potential source of *Illegal Timber*, and b) whether harvest or trade in the species requires certain licenses or is otherwise legally restricted. Any purchases from a *Country of Harvest* designated as high risk or of a legally restricted species will require a heightened level of *Due Diligence*.

See the summary tables below and the detailed assessment process that follows in this **Section 5** and **Section 6**.

Note: This is a program for assessing risk and exercising *Due Care*, largely in advance of purchases. In all cases, however, where an *Entity* discovers concrete information that a shipment is illegal or a supplier is engaged in illegal activities, the transaction shall be halted and, where appropriate, authorities and relevant certification bodies notified, and appropriate and corrective action taken.

¹ Stipulation from U.S. Department of Justice plea agreement Criminal No. 2:15-cr-, *United States of America v. Lumber Liquidators, Inc.*, https://www.sec.gov/Archives/edgar/data/1396033/000114420415058462/v421764_ex10-1.htm. Exhibit A "Lacey Act Compliance Framework," Section 13

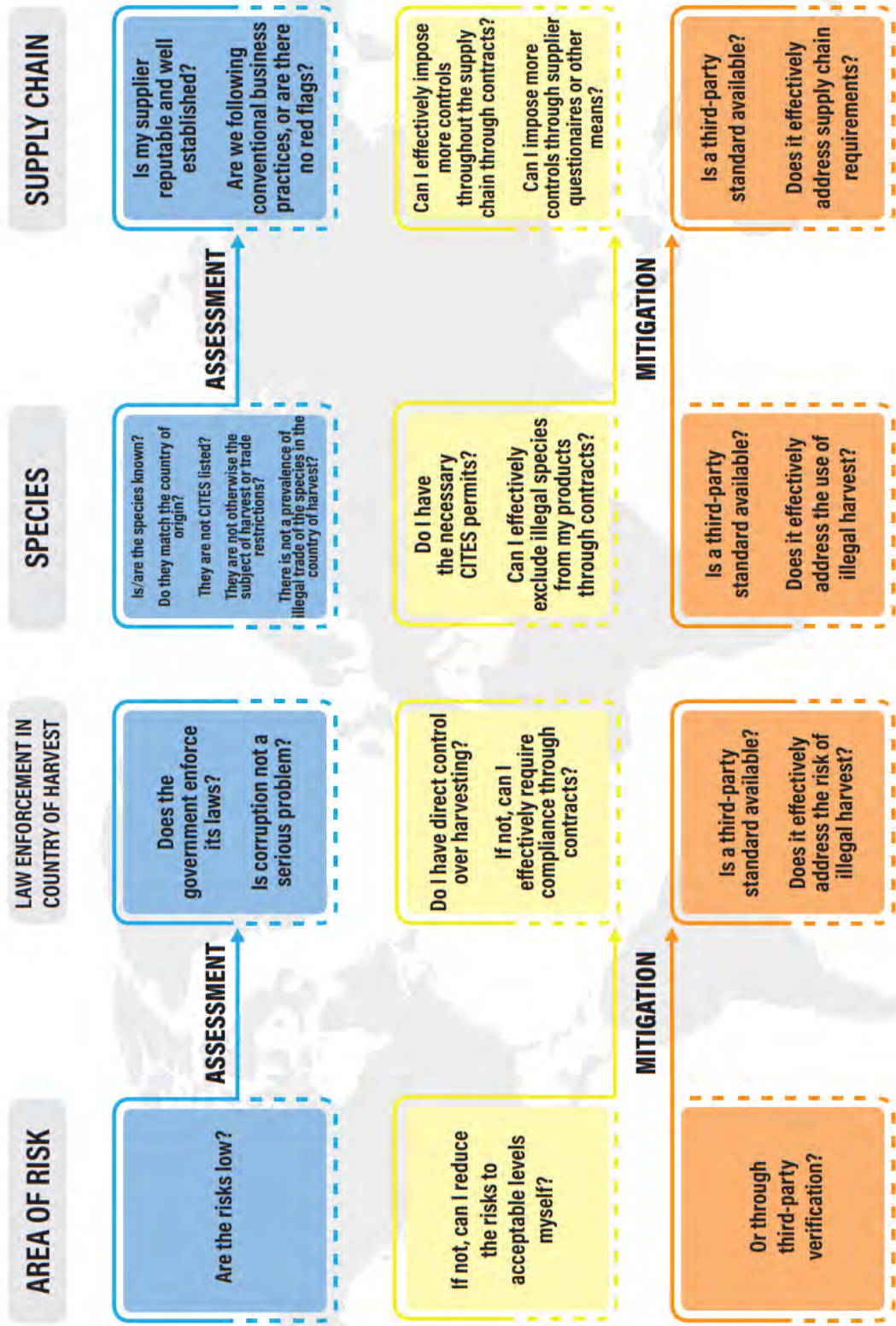


Figure 1. Due Diligence Risk Evaluation

- 5.1 Country of Harvest** – Determine the *Country of Harvest*. This may be determined through, for example, information from the supplier, information on labels or grade stamps, customs declarations, or a certificate of origin for the *Timber*. Care should be taken not to assume that the labels and grade stamps are accurate or that a certificate of origin is equivalent to the *Country of Harvest*.
- 5.1.1 Risk Assessment** – The *Coordinator* shall compare the *Country of Harvest* to the database of countries and evaluate the confidence the *Entity* has in the governance of that country, identifying as high risk those countries substantially impacted by *Illegal Logging* and ineffective at controlling it (see [Appendix A.3](#)). The *Coordinator* shall evaluate governance at the subnational level for countries in which the risk of *Illegal Logging* is not reasonably uniform due to significant differences in governance (see [Appendix A.3](#)). In addition, within certain countries otherwise identified as high risk at the national level, the geographic areas that drive the risk may be capable of being identified spatially and isolated. In these cases the *Coordinator* may conduct a spatial risk assessment and produce a map to assist in decisions to mitigate risk. These determinations and their basis shall be documented (see [Section 4.3.2](#)).
- 5.1.2 Legality Requirements Determination of Country/Region/FMU (Concession)** – The *Coordinator* shall make a reasonable inquiry into the *Applicable Laws* relevant to the species and *Country of Harvest* in effect at the time of the risk assessment. The *Applicable Laws* may be cross-referenced against any lists of species handled and supplier lists containing countries of harvest (see [Appendix A.3](#)). The *Entity* may consider engaging a legal review based on the laws of the country performed by local legal counsel with expertise both in forestry and export laws. In instances where legal requirements may be unclear because of conflicting local, national, or international laws, the conflict shall be noted with the basis for the determination. The *Coordinator* shall document and maintain this information. The *Applicable Laws* shall be reviewed periodically as provided in **Section 5.4** unless the inquiry indicates that there is the potential that these laws may be amended sooner, in which case the *Coordinator* shall inquire as to the status of the changes.
- 5.1.3 High Risk Countries of Harvest** – When an *Entity* deals with species from *Countries of Harvest* that cross risk categories, the *Coordinator* shall use the *Due Diligence* approach associated with the highest level of risk (see [Table 1](#)).
- 5.2 Species Identification** – The correct identification of the *Timber* species is an important step. It is necessary, for example, to check compliance with CITES (see [Appendix A.3](#)). Where a species is unknown or declared incorrectly (the properties of the wood do not match the declared species), all reasonably possible species that could be present must be identified. Species groups can be recognized if accepted under *Applicable Law* (i.e., the latest USDA/APHIS Approved Species Groupings).

Determining the *Timber* species is also critical to determine the potential *Countries of Harvest* for that or those species. If for a given *Country of Harvest* a species is not native,

or if it is exotic but not grown at a commercial scale, then either the *Country of Harvest* or the species information must be viewed as suspect, the information reviewed, and the discrepancy resolved. The *Coordinator* shall document and maintain this information.

- 5.3 Supply Chain** – The *Entity* shall identify its immediate suppliers and make reasonable inquiries into its entire supply chain to determine their capability to avoid any identified risks of supplying *Illegal Timber*. Potentially negative factors (“red flags”) such as deep discounts, cash transactions, past illegal activity, police and NGO reports, reputation, or new entrants shall be taken into consideration when evaluating the supplier. Potentially positive factors such as length of time in business, reputation, direct ownership or control over the *Forest Management Unit*, certifications, site visits, internal training programs, and the supplier’s own *Due Diligence* program shall also be considered. The *Coordinator* shall also review all certifications, licenses, declarations, and compliance claims made by its suppliers. The *Coordinator* shall document and maintain this information (see [Appendix A.6](#)).
- 5.4 Update** – The *Coordinator* shall update its risk assessment every three years or before its next transaction involving the particular *Country of Harvest* or species if later than three years. A supplier’s risk assessment shall also be updated if or when they wish to provide *Timber* from a species or *Country of Harvest* that is not currently listed in that supplier’s entry in the *Entity*’s supplier database.
- 5.5 Due Diligence Matrix** – The *Coordinator* shall ensure that the risk assessment steps are carried out for all forest sources included in its *Timber* product(s) and identified risks. The *Coordinator* shall use the *Due Diligence* Matrix below to determine into which quadrant the product falls based on its species and the governance of the *Country of Harvest*. Each quadrant suggests supply chain risk mitigation factors. The *Coordinator* shall carry out measures appropriate and proportional to the identified risks, which may include factors found in Table 1.

Table 1. Due Diligence Matrix with Suggested Risk Mitigation Factors

		Species-Related Uncertainties (See 5.2)	
		No	Yes
High Risk Country? (See 5.1)	No	<ul style="list-style-type: none"> • Products traced to <i>Country of Harvest*</i> • Basic inquiry of the <i>Applicable Laws</i> governing the protection and export of wood • Supplier uses <i>Standard Business Documentation</i> for this level in the supply chain • Supplier does not raise red flags • Products with third-party <i>Legality Verification</i> or forest certification with certified sourcing or <i>Chain of Custody</i> <p style="text-align: right;">(See 6.1) A</p>	<ul style="list-style-type: none"> • Products traced to <i>Country of Harvest*</i> • Basic inquiry of the <i>Applicable Laws</i> governing the protection and export of wood • Supplier has necessary species-related permits (e.g., CITES) • Supplier uses <i>Standard Business Documentation</i> for this level in the supply chain • Supplier does not raise red flags • Products with third-party <i>Legality Verification</i> or forest certification with <i>Chain of Custody</i> • Species verified through third-party testing using anatomical, DNA, or other analytical method <p style="text-align: right;">B (See 6.2)</p>
	Yes	<p style="text-align: right;">(See 6.3) C</p> <ul style="list-style-type: none"> • Products traced to Forest Management Area • <i>Pass-through Contracts</i> with suppliers or products third-party certified with <i>Chain of Custody</i> • Supplier does not raise red flags • Product third-party <i>Legality Verification</i> or forest certification with <i>Chain of Custody</i> • <i>Country of Harvest</i> verified through satellite imagery and/or third-party testing using DNA, isotope, or other analytical method 	<p style="text-align: right;">D (See 6.4)</p> <ul style="list-style-type: none"> • Products traced to Forest Management Area • Supplier has necessary species-related permits (e.g., CITES) • <i>Pass-through Contracts</i> with suppliers or products third-party certified with <i>Chain of Custody</i> • Supplier does not raise red flags • Product third-party <i>Legality Verification</i> or forest certification with <i>Chain of Custody</i> • Species verified through third-party testing using anatomical, DNA, or other analytical method • <i>Country of Harvest</i> verified through satellite imagery and/or third-party testing using DNA, isotope, or other analytical method

*Or subnational level per 5.1.1

6.0 Due Diligence Program – Importers and Manufacturers

The *Timber* supply chain is often complex: *Timber* passes through many parties from the standing tree to the log to the intermediate and final product; the intermediate product may be bundled in a variety of ways that disassociate it from the original tree stem.

Importers and primary and secondary *Manufacturers* of wood products are a relatively “early” link in the supply chain and, therefore, provide important *Due Diligence* for subsequent users of the *Timber*.

NOTE: *Fabricators, Distributors and Retailers* are further down the complex *Timber* supply chain and must rely on the *Due Diligence* programs of their suppliers. These *Entities* may follow the *Due Diligence* program elements found in **Appendix A.9** and may supplement with the elements described in this section as deemed necessary.

The *Entity* shall determine the overall risk of the supply (see [Figure 1](#) and [Table 1](#)) and take the following risk reduction measures accordingly.

6.1 Quadrant A Evaluation Elements – If the *Timber* product’s evaluation falls within quadrant A, then the risk of the product being *Illegal Timber* is negligible. The *Entity* shall take the following steps:

6.1.1 The *Coordinator* shall obtain the relevant evidence of the legal sale of the *Timber* from the *Entity*’s direct supplier and provide it to its customer(s). This evidence may include documentation of contract or bill of sale, bill of sale from the landowner which may include checking the first bill of sale, *Chain of Custody*, legal *Timber* risk assessments, transportation documentation, or any other relevant evidence reflecting standard business practice.

6.1.2 The *Coordinator* shall document the identity and address of the *Entity*’s direct supplier and its customers, the species and quantity of *Timber* purchased and sold, and the *Country of Harvest* and its associated risk assessment. The *Coordinator* shall maintain a copy of all documentation, including current authoritative analysis of the certainty of legal *Timber* harvesting in the *Country of Harvest*.

6.1.3 The *Entity* may, to add certainty to its determination of low risk of the *Timber* supply, determine whether the product is currently certified to a *Forest Certification Scheme (FCS)*, *Legality Verification* scheme, or is otherwise categorized as “legal sources,” “responsible sources” or “certified sources” under Table 1 of the *ASTM D7612-21 Standard Practice for Categorizing Wood-Based Products According to Their Fiber Sources* (see [Appendix A.4](#)). This determination shall be verified by checking the *Certification Number* on the relevant certification or verification website. The number and verification shall be logged in the supplier database

annually. The *Coordinator* shall conduct, at least annually, a review of legal risk reports published by, as well as relating to,² the applicable *FCS*.

The *Entity* shall not make claims associated with sustainable forestry certification without first having any corresponding necessary authorizations, such as those associated with a chain-of-custody certificate, required by the certification scheme or governmental regulation.

6.2 Quadrant B Evaluation Elements – If the *Timber* product's evaluation falls within quadrant B, then some additional *Due Diligence* is required to avoid the risk associated with the species. In addition to all the requirements of 6.1, the *Entity* shall take the following steps:

6.2.1 The *Coordinator* shall ensure that any necessary paperwork for species on CITES list Appendices II or III or partially protected by national law is in order and authentic.

6.2.2 *FCS* or *Legality Verification* (see [Section 6.1.3](#)). If the *Entity* uses a *Forest Certification Scheme* or *Legality Verification* to address species risk, it shall require a valid *Chain of Custody* certificate or a certified sourcing certificate.

6.3 Quadrant C Evaluation Elements – If the *Timber* product's evaluation falls within quadrant C, then more *Due Diligence* is required to avoid the risk associated with weak governance in the *Country of Harvest*. The *Entity* shall take the following steps:

6.3.1 Questionnaire – The *Coordinator* shall collect a questionnaire and legality declaration (see [Appendices A.5](#) and [A.8](#)) from the supplier on an annual basis.

When the supplier is merely an intermediary between the forest or mill and the *Entity*, every effort should be made to ensure that the forest or mill answers the questionnaire directly (see [Appendix A.6](#)).

6.3.2 *Due Diligence* Procedure

6.3.2.1 Evidence of legality – The *Coordinator* shall request all or some of the following documents as evidence of legality:

- Logging permit
- List or map with the valid concession or harvest title
- Forest Management Plan approval as well as any additional documents according to applicable legal requirements (see [Section 5.1.2](#))
- *Due Diligence* summary from the applicable *Forest Certification Scheme*

² Evidence of fraudulent forest certification claims have become more common in recent years. The *Coordinator* is therefore expected not to over-rely on *FCS* claims to verify *Timber* legality, and to search for and review instances of *FCS* fraudulent activity on an annual basis.

6.3.2.2 Supplier engagement – The *Coordinator* shall engage the supplier in an audit procedure by paper or on-site of the legal right to harvest and the legal compliance of the harvest. To validate the legal right to harvest, the *Coordinator* may collect:

- The position of the known source forest on a map
- The harvesting or logging permit and authorization of *Forest Owner* or concession licensee

6.3.2.3 Validation of legal compliance – To validate the legal compliance of the harvest, the *Coordinator* may collect:

- Approved management plan or equivalent consulting forester best management plan
- List of *Applicable Laws* regarding legal harvest and sale of *Timber* in country or region
- Specification of applicable harvesting restrictions
- Evidence (maps or records) showing harvesting from the designated harvest area
- Records showing yield figures, volumes and species for evidence of harvesting rate compliance
- Professional harvest certificate
- Sales and purchase contracts
- Evidence of fee payment for harvesting
- Evidence of compliance with harvesting permit or contract
- Current list of species harvested (to compare with CITES)
- Bill of lading to show compliance with *Timber* transport regulations
- Records and photos to show compliance with harvesting, for example:
 - water protection zones
 - skid trails
 - stream crossings or conduct audits

Any evidence of a significant dispute over the right to harvest shall be investigated and, if appropriate, purchases put on hold until the dispute is satisfactorily resolved. Determinations shall be documented in every case.

The *Coordinator* shall be competent to identify evidence of fraud and other falsehoods in the documents (see [Appendix A.6](#)).

6.3.3 Where it is not feasible, due to complexity of the supply chain, to collect the documents required by **Section 6.3.2**, and none of the exclusionary factors listed below are present, then the questionnaire and legality declaration shall serve as a part of the commercial representation between the supplier and the *Entity*.

If any of the following exclusionary factors are present, the *Timber* shall be excluded from the supply chain:

- Reasonable suspicion that *Timber* originates from protected areas, national parks or other illegal sources
- Species on CITES list Appendix I
- Species on CITES list Appendices II or III or partially protected by national law without the compliant permits
- *Timber* originating from regions or individuals subject to UN or national sanctions (see [Appendix A.3](#))

If any of the following factors are present, the *Timber* may be excluded from the supply chain, if not required by applicable law or any certification standard in use:

- *Timber* originating from areas associated with human rights violations or armed conflict (see [Conflict Timber](#))
- *Timber* from areas where open conflict exists between communities, worker groups, concession licensees and/or government forces (see [Appendix A.3](#))

6.3.4 Improvement Programs – The *Entity* shall develop an improvement program with the supplier including firm targets, where necessary. Suppliers who do not cooperate with the audit and any necessary improvement program shall be eliminated from the supply chain.

6.3.5 *Pass-through Contracts* – If the *Entity* is an indirect purchaser of *Timber* and/or not in a position to conduct audits directly at the Forest Management Area level (e.g., due to competition law or the need to protect proprietary information or intellectual property), the *Entity* shall either impose the requirements of this **Section 6** up the supply chain through *Pass-through Contracts* or require that the *Timber* products are independently certified with *Chain of Custody* (see [Section 6.2.2](#)). *Pass-through Contracts* should be periodically audited.

6.3.6 *FCS or Legality Verification* (see [Section 6.1.3](#)) – *Chain of Custody* is required.

6.4 **Quadrant D Evaluation Elements** – If the *Timber* product's evaluation falls within quadrant D, then a high level of *Due Diligence* is required to avoid the risk associated with weak governance in the *Country of Harvest* and the risk associated with the species. The *Entity* shall take the following steps:

6.4.1 Questionnaire (see [Section 6.3.1](#)) – When the supplier is merely an intermediary between the forest or mill and the *Entity*, every effort should be made to ensure that the forest or mill answers the questionnaire directly.

6.4.2 CITES check (see [Section 6.2.1](#))

- 6.4.3 *Due Diligence Procedure* (see [Section 6.3.2.3](#)) Audits shall include on-site, in-country reviews of compliance. The *Entity* may hire a qualified third party to perform this function.
- 6.4.4 Improvement Programs (see [Section 6.3.4](#))
- 6.4.5 *Pass-through Contracts* with suppliers (see [Section 6.3.5](#))
- 6.4.6 *FCS or Legality Verification* (see [Section 6.1.3](#)) – *Chain of Custody* is required.

7.0 Establishment of a Document Control System

A *Document Control System (DCS)* shall be established which includes a document retention and renewal policy, confidentiality policy, control procedures and improvement programs as needed.

- 7.1 **Document Retention and Renewal** – A document control program shall be written that instructs the *Coordinator* in retaining and renewing documents according to their type.
 - 7.1.1 Financial Records – Existing financial records systems including purchase orders, invoices and payment records should be part of the program especially to the extent they provide information on the identity of suppliers, species and countries of origin of *Timber* and *Timber* products.
 - 7.1.2 Questionnaires – Initial or renewed questionnaires shall be required of all suppliers who provide new product(s); products where country of origin and *Country of Harvest* differ; or products where *Chain of Custody* in a *Forest Certification Scheme* is not provided. Information requested may include the name and address of the supplier, *Timber* origin, common and scientific name of the species, and the quantity (volume, weight, or number of units).
- 7.2 **Timetables** – Timetables shall be developed by the operator establishing the frequency for updating questionnaires based on supplier risk categories. Timetables shall include requirements for the acceptable response period from the time a questionnaire is issued.
- 7.3 **Confidentiality** – Confidentiality agreements are not required, but may be part of the supplier questionnaire.
- 7.4 **Control Procedures** – Control procedures, including supplier audits, shall be relevant to the risk. The rigor of verification procedures (document audits or on-the-ground audits) shall correspond to the degree of risk that the supplier may be trading in *Illegal Timber*. To reduce or eliminate risk in the operator’s supply chain, the audits may be tailored to the specific *Timber* management-related risk of the country or region of origin or tree species.
- 7.5 **Improvement Programs** – The operator shall require supplier-developed improvement programs to remediate gaps in supply chain management or deficiencies identified through supplier questionnaires and/or audits. Any targets or objectives established in an

improvement program should be specific, measurable, achievable, realistic and time-bound. Mitigation must be adequate and proportionate to minimize the identified risk. Progressive follow-up inspections may be required and consequences, including removal from the list of approved suppliers, shall be included in the program. The *Coordinator* should document all stages of each supplier's individual improvement program.

8.0 Inspection, Verification and Audit Procedures

The *Coordinator* shall develop and maintain a quality management system for this program documenting an annual report of all suppliers' progress toward objectives and targets, as well as an annual report of the *Entities*' progress toward its internal objectives and targets. Procedures followed shall be documented through implementation of an audit program as described in **Sections 8.1, 8.2 or 8.3**.

- 8.1 Internal Audits** – Self-audits shall be conducted on a periodic basis, documenting that each component of the quality system was thoroughly reviewed and that the quality system is operating according to the required specifications. Corrective actions to address deficiencies must be identified and implemented.
- 8.2 Third-Party Audits** – Audits shall be conducted by third parties who have knowledge, expertise, and current training in forest certification and/or *Chain of Custody* management systems.
- 8.3 Accredited Third-Party Audits** – Audits shall be conducted by accredited third-party bodies operating ISO/IEC Guide 65 (ISO/IEC 17065) product certification programs and ISO/IEC 17021 management systems certification programs for this Standard.



Figure 2. An Example From an FSC Certified Concession in the Republic of Congo of How Wood May be Marked (Quadrant D – Highest Risk Category). These photos illustrate FSC-approved Republic of Congo standards: individual marking of logs and stumps immediately after harvesting with an individual mark or stamp that includes the company seal and forest unit number that is retained until the wood is processed in the sawmill; tracing to Forest Management Area (using GPS coordinates or other means) of each felled tree on forest maps; timber segregated during the transportation and manufacturing process; after processing into lumber or veneer, the use of painted markings and bar codes continue to the port of delivery and beyond.

*Pictured clockwise from upper left: Photographs 1-4: Sapele, *Entantrophragma Cylindricum* from Forest Management Unit (FMU) UFA Ngombe, Republic of Congo / Central Africa – Congo Basin; Photograph 5: Wenge, *Milletia Laurentii*, also from UFA Ngombe. All photographs courtesy of Interholco AG.*

This page is intentionally left blank.

9.0 Appendices

The following Appendices are not a part of the American National Standard for Due Diligence in Procuring/Sourcing Legal Timber and are therefore not binding for this Standard but are included for information purposes only. The resources contained in these appendices are maintained by HPVA® in accordance with their ANSI-accredited procedures and are not meant to be exhaustive or permanent. Should service providers or specific resources experience changes in structure or usage that negate their applicability, such resources or providers should be discounted. Determination of applicability of such resources is ultimately the responsibility of the Entity using this Standard.

A.1 Policy Statement

Background

The United States Congress passed an amendment to the Lacey Act in 2008 which impacts the importation and interstate sale of wood and other plant products in an effort to combat Illegal Logging. These amendments subject violators to severe criminal and civil penalties which may include imprisonment. The legislation provides that individuals and companies shall not “import, export, transport, sell, receive, acquire or purchase” any plant (including wood and wood products) that has been illegally removed from its place of origin. It applies to all species of wood. The Lacey Act has since inspired the passage of Timber Regulations in countries across the globe: for a frequently updated source of country-specific Timber legality information, visit UNFAO’s TimberLex database at <https://Timberlex.apps.fao.org/>.

In general, these laws have several common characteristics. They:

- Prohibit all trade in Timber and wood products that are illegally sourced
- Require Importers or other designated Entity to declare the origin and species name of all wood contained in their products
- Require Due Diligence or Due Care
- Establish penalties for violation of the law

These laws can apply to every person and company involved in the interstate and international commerce of wood products. Manufacturers, Importers, Distributors, Retailers, contractors and even individuals must comply with these new rules of business. It is important to note that the Lacey Act and other global Timber Regulations such as the EUTR and UKTR provide some enforcement relief for persons and companies who exercise Due Care in verifying that wood is legally harvested.

Model Policy Statement

(NAME OF COMPANY) is firmly committed to the legal trade of wood products. As such, we expect the same commitment from our suppliers. We will not knowingly purchase or use wood, wood fiber or products for distribution that originate from Illegal Logging.

To implement these legal requirements, we have contacted all of our associated suppliers and verified the materials sourced are in compliance with applicable legal wood standards. (NAME OF COMPANY) is committed to making best efforts to identify the sources of wood used in the manufacture and sale of our products but recognizes the difficulty in achieving 100% certainty. We expect the complete cooperation and responsiveness from each of our suppliers.

A.2 Relevant Industry Standards to Maintain Coordinator Competency

There should be a written procedure that describes how training and qualification of personnel are determined, delivered, and documented. It should define the requirements for the identification and delivery of necessary training to meet the requirements of **Sections 4.0** and **5.0** of the ANSI Standard for Due Diligence in Procuring/Sourcing Legal Timber.

The operator's Top Management supervising the Coordinator should be responsible for:

- Maintaining a list of individuals authorized to perform specific inspections, requests, and analyses
- Identifying skills or tasks that require training
- Maintaining a list of operations and activities that require training
- Establishing training requirements for each procedure and work instruction requiring training
- Determining the content of training sessions
- Establishing and maintaining training schedules to ensure that employee training is current

The operator's Top Management supervising the Coordinator is responsible for establishing and maintaining a training schedule and training records with respect to the quality manual and quality procedures.

Training should include sessions addressing all aspects of the Due Diligence management system including the quality policy, quality manual, quality procedures, inspection and conducting risk assessments, information solicitation methods, work instructions and records. Training and orientation of newly hired employees should include the subjects in **Sections 5.0** and **6.0** within thirty days of the hire date.

Technical proficiencies for inspections, risk assessments and information solicitation performed as part of the quality system should be determined and documented by the operator's Top Management supervising the Coordinator. Satisfactory completion of training may be evidenced by use of written open-book tests, verbal tests, seminar attendance, online training, published document review, or demonstrations of competence witnessed and attested by the operator's Top Management supervising the Coordinator.

Each employee performing risk assessment and Due Diligence should demonstrate proficiency in the requirements on some periodic basis. Records of individual proficiency should be maintained. A records retention policy should also be established. Quality system training content and frequency is based upon operator's Top Management supervising the Coordinator's recommendations to meet the objectives of the Due Diligence quality system.

REFERENCES

ISO/IEC 17065, par. 6.1.2

ISO/IEC 17021, par 3.3 and Annex C

A.3 Resources for Country Risk Assessments

Chatham House features Consumer Country Policy initiatives including the status of EU FLEGTVPAs. See also *Tackling Illegal Logging and the Related Trade: What Progress and Where Next?* July 2015, Alison Hoare, Chatham House, <https://europa.eu/capacity4dev/file/26405/download?token=cvv8mRGt>

CIA Factbook

<https://www.cia.gov/the-world-factbook/>

Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) List – Appendices I, II, and III

[Appendices I, II, and III](#) to the Convention are lists of species afforded different levels or types of protection from over-exploitation. The CITES Trade Database, managed by UNEP-WCMC on behalf of the CITES Secretariat, is a unique resource and currently holds more than 10 million records of trade in wildlife and 50,000 scientific names of taxa listed by CITES. Currently, more than 750,000 records of trade in CITES-listed species of wildlife are reported annually.

<http://www.cites.org/eng/app/index.php>; <http://www.cites.org/eng/resources/species.html>

Endangered Species Act

<http://www.fws.gov/endangered/laws-policies/>

Forest Governance and Legality is a website which monitors forest governance and legality in 19 countries to assess the effectiveness of public and private sector efforts to address Illegal Logging and trade. It also provides information on the key issues in the debate around Illegal Logging and the trade in Illegal Timber, via news stories and key documents, as well as details of relevant events and links to other relevant websites.

<https://forestgovernance.chathamhouse.org> (formerly illegallogging.info)

Forest Legality Initiative provides a simple, interactive online risk assessment tool developed by the Tropical Timber Action Plan that outlines four steps to help companies assess their risk of inadvertently buying illegally produced Timber products.

<http://www.forestlegality.org/risk-tool>

Forest Stewardship Council publishes a Risk Assessment Platform that provides detailed risk assessments from over 60 countries. Assessments are based on the amount of risk associated with various indicators in the country in question, such as land tenure and management rights, harvesting permits, protected sites and species, and Timber harvesting regulations.

<https://fsc.org/en/fsc-risk-assessment-platform>

Freedom House

www.FreedomHouse.org

Heritage Foundation publishes an Economic Freedom Index

<http://www.heritage.org/index/>

Interpol

<https://www.interpol.int/en/Crimes/Environmental-crime>

Preferred by Nature (formerly NEPCon) is a non-profit organization which offers country risk assessments and other Due Diligence tools and resources.

<https://preferredbynature.org/sourcinghub/Timber>

Fake/Forged Legality Documents Guide

<https://preferredbynature.org/da/file/2993/download?token=1LPMvTQN>

TRAFFIC

<http://www.traffic.org>

Transparency International provides a website for the Corruption Perception Index with scores conducted on an annual basis by Transparency International.

<http://cpi.transparency.org/cpi2011/results/>

U.S. Department of State

<https://www.state.gov/reports/2021-investment-climate-statements/>

United Nations Economic Commission for Europe

http://www.unece.lsu.edu/responsible_trade/documents/2003-2006/rt03_037.pdf (*Illegal Logging and Global Wood Markets: The Competitive Impacts on the U.S. Wood Products Industry*)

United Nations Environmental Program

<https://www.unep.org/>

United Nations Food and Agriculture Organization (UNFAO) TimberLex

The TimberLex database provides free and easy access to a set of comprehensive country-specific legal information on forest management, Timber products, and trade. Legal country profiles of major Timber-trading countries are organized around a set of Guiding Legal Elements for Timber legality developed by FAO.

<https://Timberlex.apps.fao.org/>

United Nations Security Council Resolutions

<https://www.un.org/securitycouncil/content/resolutions-0>

United States Treasury, Office of Foreign Assets Control, Resource Center, Sanctions Programs

<http://www.treasury.gov/resource-center/sanctions/Pages/default.aspx>

World Bank

www.Worldbank.org/governance

A.4 Sustainable Forest Certification, Third-Party Legality Verification Programs and Other Standard Practices and Resources

ASTM D7612-10: Standard Practice for Categorizing Wood and Wood-Based Products According to Their Fiber Sources

<https://www.astm.org/Standards/D7612.htm>

American Tree Farm System

<http://www.treefarmssystem.org/>

Australian Forest Certification Scheme

<https://www.responsiblewood.org.au/>

Capital Testing and Certification Services – Legal Timber Due Diligence Certification Program

<https://www.capitaltesting.org/certification-programs>

Decorative Hardwoods Association – Lacey Act Due Diligence Management System Template

<https://www.decorativehardwoods.org/product/lacey-act-diligence-template>

Forest Stewardship Council (FSC)

info.fsc.org

Lembaga Ekolabel Indonesia (LEI)

<http://www.lei.or.id/>

National Wood Flooring Association: Responsible Procurement Program

<https://nwfa.org/manufacturing/>

OLB (Origine et Légalité du Bois)

<http://www.groupefefac.com/certification/olb-origine-et-legalite-des-bois/?lang=fr>

PAFC Gabon (Pan-African Forest Certification System)

<http://pafc-certification.org/gabon/pafc-gabon-intro>

Preferred by Nature

<https://preferredbynature.org>

Programme for the Endorsement of Forest Certification (PEFC)

<http://www.pefc.org/>

SCS Timber Legality Verification – Legal Harvest™

<https://www.scsglobalservices.com/services/Timber-legality-verification-legal-harvest>

Sustainable Forestry Initiative

<https://sfidatabase.org/>

Timber Trade Federation

<https://ttf.co.uk/>

World Wildlife Fund Global Forest Trade Network

<http://worldwildlife.org/initiatives/global-forest-trade-network>

A.5 Example Supplier Questionnaire and Checklist

This Evaluation of timber sources and the declaration have a legal value for each contract between the wood supplier mentioned hereafter and XXXXXXXXXXXX.

Company:				
Address / Country:				
Contact person:			Ph.	
Appointed person for sustainability:			e-mail	
Product (*) logs, lumber, veneer...	Species (*)	Country of harvest (*)	<i>Forest of harvest (*) Concession/ permit</i>	<i>Subsupplier (*)</i>
(*) Please provide following information and documents for each parcel:		1) on the invoice (or other document), <u>the country of harvest, and for high risk countries, the forest of harvest;</u> 2) <u>legal documents</u> concerning trade, transport & export of timber, if applicable (B.L., certificate of origin, CITES permit if applicable...); 3) if applicable, the <u>certification claim and CoC number.</u>		
Does your company have a <u>timber procurement policy</u> , a system and procedures to exclude illegal or controversial wood supplies? If yes, does it include?		<input type="checkbox"/> A written policy. <i>Please provide a copy or website link.</i> <input type="checkbox"/> An appointed person to check compliance <input type="checkbox"/> Systematic inquiries on suppliers, risk assessment <input type="checkbox"/> Collection of legal documents from forest sources <input type="checkbox"/> Supplier audits <input type="checkbox"/> of the supply chain or <input type="checkbox"/> in the forest		
Is the wood you supply <u>certified/Legality Verified</u> under one of the following schemes? <i>If yes, please provide the CoC number.</i>		<input type="checkbox"/> 3 rd party Legality Verified (OLB, TLTV-VLC, RA-VLC...) <input type="checkbox"/> FSC® / FSC Controlled Wood → www.fsc.org <input type="checkbox"/> PEFC™ / PEFC Contr. Sources → www.pefc.org <input type="checkbox"/> Other, please specify:		
Declaration of legality and responsible procurement I confirm, based on a Due Diligence risk evaluation of my sources, for all the wood we supply:				
1) that the appropriate taxes, fees and royalties have been paid;				
2) that the wood has been legally produced, purchased and comes from legal forest sources, in particular: <ul style="list-style-type: none"> - that the wood has been harvested with the legal right to harvest and is not originating from National Parks, Nature Reserves or other officially protected areas where harvest is forbidden; - that legal requirements concerning forest harvest practices, export rules or import bans have been respected; - that third parties' (communities...) legal rights that are affected by harvest have been respected; - that no corruption has been identified related to granting or issuing of permits and licenses for harvest, transport and wood procurement and trade. 				
3) that I can provide the correct information on the Country of harvest, and if applicable, the Forest of harvest and the legal documentation concerning the timber or timber product.				
<u>I agree to inform XXXXXXXX immediately if any change occurs in my supply chain and the forest sources.</u>				
I agree to provide evidence of compliance with this declaration, to appoint a person responsible for evaluating compliance and to pass on the requirements of legal and responsible sourcing throughout the supply chain.				
If applicable, for high risk, non certified sources, I agree on (confidential) supply chain or forest audits.				
Date, Location:				
Name and Signature:				

A.6 Examples of High-Risk Suppliers

- Goods significantly sold below going market rate
- Cash only or lower price for goods without paperwork
- Paperwork facially invalid or otherwise suspect
- Unusual sales methods or practices
- Transactions fit the description of illegal transactions discussed in trade or industry publications
- Inability of suppliers to provide rational answers to routine questions
- Bills of lading that exceed the Timber allowances in the relevant permit
- Documents that do not have matching PO numbers or some other identifier that is consistent

Sample Checklist Questions from the U.S. Department of Justice

1. Does supplier have a longstanding relationship with the supplier/s (Exporter) of this product? How long?
2. Does the supplier/s of this supplier buy this product from “spot markets”?
3. Does supplier regularly question their suppliers regarding the origin of this product?
4. Did supplier provide you with all required documentation?
 - a. For non-high-risk countries, a written and signed document from supplier identifying companies included in the full supply chain of the product back to the harvesting Entity/ies, including name and location of the harvesting Entity/ies and Forest Management Unit.
 - b. A list of supplying companies harvesting wood from source forests and copies of the association harvesting permits for supplied product and/or other form of authorization from the forest owner, including, for example: species, district of origin information and any other related harvesting or purchasing agreements.
 - c. Evidence of compliance with Timber transportation documents: copies of transport or sales permits with specification of species and volumes as applicable.
 - d. Have you reviewed the documents and verified that they meet the Due Diligence requirements?
5. Is there any reason for supplier to believe that paperwork from their suppliers may not be authentic for this product?
6. Is there a ban on exports from this region/country?
7. Have you checked on approved species/products with state/province for that supplier (etc.)?
8. Have you retained copies of required documentation?

9. Is this supplier sourcing from a high-risk country?
10. If yes, verify that additional required procedures were followed, e.g.
 - a. product is certified against a Chain of Custody or traceability standard,
 - b. the supplier certificate is valid, and the scope includes the product supplied,
 - c. the product has been traced along an unbroken and verified Chain of Custody from the purchaser back to the source entirely by obtaining supplier certification codes on documentation for that product down to forest level, and
 - d. the harvest and export of the species is not restricted or prohibited in the source country.

Source: U.S. Department of Justice, United States Attorney Middle District of Tennessee, In Re: Gibson Guitar Corporation, July 27, 2012, Appendix B, Attachment A.

A.7 Examples of Timber Species References

35,000 images of hardwoods – images, taxonomy (family or genus names, alphabetically) or keyword

<https://insidewood.lib.ncsu.edu/about>

American Woods, Shelley E. Schoonover

Botanicus Digital Library

<http://www.botanicus.org>

Commercial Foreign Woods on the American Market, David A. Krips

FSC Product Classification Standard

<https://fsc.org/en/document-centre/documents/resource/258>

Identifying Wood, R. Bruce Hoadley

Manual of the Trees of North America, Charles Sprague Sargent

Resource on Pacific Island Species

<https://www.agroforestry.org/free-publications/traditional-tree-profiles>

Tariff Information Center of the U.S. Government

[https://www.usitc.gov/harmonized tariff information](https://www.usitc.gov/harmonized_tariff_information)

Timber Monographs, Edmondo Palutan

Tropical Woods of the World, U.S. Forest Service

http://www.fpl.fs.fed.us/research/centers/woodanatomy/techsheets_display.php?geo_category_id=4&genus_commonname_criteria=c&sorting_rule=1a

UN Environmental Programme – World Conservation Monitoring Centre – Species Database

<http://www.unep-wcmc.org/>

United States Department of Agriculture – U.S. National Plant Germplasm System

<https://npgsweb.ars-grin.gov/gringlobal/taxon/taxonomysearch>

Veneer Species of the World, U.S. Forest Service

http://books.google.com/books/about/Veneer_species_of_the_world.html?id=R2eNF5i5pO4C

<http://www.fpl.fs.fed.us/documnts/fplrp/fplrp167.pdf>

Wood Database

<http://www.plantsystematics.org/>

Wood Handbook: Wood as an Engineering Material, U.S. Forest Service

http://www.fpl.fs.fed.us/documnts/fplqtr/fpl_qtr190.pdf

World Customs Organization, Harmonized Commodity Description and Coding System, Chapter 44, Annex 44 – *Appellation of Certain Tropical Wood Species: Africa and other tropical woods*
<http://www.wcoomd.org>

A.8 Example of Declaration of Legality and Origin

Seller hereby (represents or OTHER TERM) to the best of my knowledge that all wood and plants, including those from which the Products may be derived, purchased and sold pursuant to this Agreement:

- Have been harvested, taken, possessed, transported and sold in compliance with all laws, treaties and regulations of the United States and any Indian tribal law
- Have been harvested, taken, acquired, possessed, transported, sold and purchased in compliance with all foreign and state laws, treaties and regulations that protect or regulate plants and trees or wood, the theft of plants, trees or wood, the taking of plants, trees or wood from parks, forest reserves, officially protected or officially designated areas, or the taking of plants, trees or wood without, or contrary to, required authorization; and
- Have been taken, possessed, transported and sold in compliance with any limitation under any law or regulation of any state or under any foreign law, governing the export or transshipment of plants and wood.

Seller hereby further (represents or OTHER TERM) to the best of my knowledge that all appropriate royalties, taxes and stumpage fees required by any law or regulation of any state or any foreign law for the plants and wood, including those from which the products may be derived, taken, possessed, transported, purchased and sold pursuant to this agreement have been paid.

Name:	
Signature:	

A.9 Due Diligence Program for Downstream Entities (Fabricators, Distributors and Retailers)

Fabricators, Distributors and Retailers are further down the complex Timber supply chain and must rely on the Due Diligence programs of their suppliers. Due Diligence elements for these Entities involve communications with suppliers and evaluation of Due Diligence systems. Depending on the size and capacity of the Fabricator, Distributor or Retailer, varying degrees of sophistication may be employed to provide greater certainty in the supply chain having exercised Due Care.

A.9.1 Questionnaire and Legality Declaration – The Entity may begin by collecting questionnaires and legality declarations from its wood product suppliers. This may be accomplished by email.

See [Appendix A.5](#) for an example of a supplier questionnaire and [Appendix A.8](#) for an example of a legality declaration.

A.9.2 Risk Assessment Process – The Entity may use the results of the questionnaires and legality declarations to determine whether the supplier has an adequate Due Diligence program in place to ensure certainty of legality in the supply chain. The Entity may use the Due Diligence Matrix found in **Section 5.4** to determine what Due Diligence procedures might be employed to improve confidence.

A.9.3 Quadrant Evaluation Elements – The Entity may then follow the evaluation elements in **Section 6.0** of this Standard as relevant to the risk identified.

A.10 Legal Timber Verification Technologies

Many notable technologies exist to support legal Timber verification throughout the supply chain. These include third-party testing techniques that verify wood species and Country of Harvest using stable isotope, DNA, and mass spectroscopy methodologies, as well as digital Timber traceability platforms that enable transparent mapping of the supply chain itself. The following is a limited list of these technologies and a brief description of their capabilities.

Agroisolab – Agroisolab specializes in analytical traceability, country of origin testing, bioplastic analysis and organic fertilization verification. Agroisolab is the longest established commercial stable isotope laboratory in Europe and provides services to many of Europe's largest retail companies in the UK, Germany, Sweden, Austria, Netherlands, Belgium, France, and Switzerland, as well as to governmental trade regulation bodies, non-governmental organizations, and food Manufacturers. The laboratory is accredited through Deutsche Akkreditierungsstelle according to DIN EN ISO/IEC 17025.

www.agroisolab.com

Agroisolab conducts routine tests to confirm declared Country of Harvest and type of wood using stable isotope analysis and wood anatomy (light microscopy). The lab's ability to test different products is dependent on the laboratory having samples of a given type of wood from the area of concern. Through Agroisolab's participation in World Forest ID (www.worldforestid.com), the lab's database of reference materials is continually growing. The lab's stable isotope database currently includes 40 wood genera from over 30 countries. In the near future, Agroisolab aims to be able to verify the global geographic origin of at least 20 of the most commonly traded Timbers, and provide customized solutions to individual supply chains, such as authentication of concession of harvest.

Double Helix – Double Helix offers supply chain mapping; risk assessment and mitigation; and data organization, visualization, and communication services through the administration of their program, Nature's Barcode™. This program, designed for U.S. buyers, utilizes a range of techniques and tools to establish an understanding of a company's supply chain and traceability of its products back to origin.

<https://www.doublehelixtracking.com/>

Global Timber Tracking Network's Service Provider Directory – Coordinated by the European Forest Institute and financed by the German Federal Ministry of Food and Agriculture, the Global Timber Tracking Network (GTTN) promotes the use of innovative tools for identifying wood species and determining the geographic origin of wood in order to verify trade claims. GTTN's service provider directory helps anyone in need of wood identification services to find information on available scientific methods and capable laboratories.

<https://globaltimbertrackingnetwork.org/providers/>

Preferred By Nature's Timber Testing Techniques – A guide to laboratory techniques to determine species and origin of Timber products.

<https://preferredbynature.org/ro/file/1851/download?token=glMD6AdQ>

Wood Identification and Screening Center – The U.S. Forest Service Wood Identification & Screening Center (WISC) is a wood identification service provider. WISC primarily utilizes chemotaxonomy via Direct Analysis in Real Time-Time of Flight Mass Spectrometry (DART-TOFMS). The underlying database, developed and maintained by the U.S. National Fish and Wildlife Forensic Laboratory (NFWFL), contains approximately 2,000 tree species, with a focus on tropical hardwoods including over 85% of commercially-traded CITES species. WISC and the NFWFL continue to enhance the database through partnerships with domestic and international wood collections as well as international collaborations.

The DART-TOFMS method entails analyzing small slivers of wood to generate a chemical profile, which is unique to a species group, that can be used to identify wood to the species level and, in some cases, even to the population level. WISC provides species ID services to the U.S. government, and can also partner with private sector companies with wood identification needs such as supply chain verification. For more information contact sm.fs.wisc@usda.gov.
<https://fswisc.us/>

WWF's Wood Risk Tool – This tool is a public website (www.woodrisk.org) that provides a reliable and convenient source of information about significant risks associated with sourcing timber – particularly information related to tree species and country of origin. The tool consolidates inputs from several respected, independent international organizations focused on conservation and anti-corruption and presents it in a user-friendly manner. The site also offers “WWF insights” – expert, informative evaluations of species and countries – that are not available elsewhere.